



Office of the Inspector General

Commonwealth of Massachusetts

Glenn A. Cunha
Inspector General

2015 Annual Report

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Executive Summary

The Office of the Inspector General for the Commonwealth of Massachusetts (“Office”) is an independent agency charged with preventing and detecting fraud, waste and abuse in the use of public funds and public property. Created in 1981, it was the first state inspector general’s office in the country. The Legislature created the Office at the recommendation of the Special Commission on State and County Buildings, a legislative commission that spent two years probing corruption in the construction of public buildings in Massachusetts.

In keeping with its broad statutory mandate, the Office investigates allegations of fraud, waste and abuse at all levels of government; reviews programs and practices in state and local agencies to identify systemic vulnerabilities and opportunities for improvement; and provides assistance to both the public and private sectors to help ensure that government funds are used appropriately. In addition, the Office provides guidance to local government officials on issues that arise under the Uniform Procurement Act, G.L. c. 30B, which governs the purchase and disposition of supplies, services, equipment and real property by municipalities and other public entities. The Office also educates public and private employees through its Massachusetts Certified Public Purchasing Official (“MCPPO”) training program.

Each year, the Office receives numerous complaints alleging misconduct in the use of local, state and federal funds and property. The Office evaluates each complaint to determine whether it falls within the Office’s jurisdiction and whether it warrants action. Some complaints lead to extensive investigations, some are referred to other agencies and others are closed if a preliminary inquiry fails to substantiate the allegations.

When conducting an investigation or review, the Office has the authority to subpoena records, interview witnesses and take testimony under oath. At the completion of an investigation, review or other project, the Office may issue a letter or report detailing findings and outlining recommendations to prevent future fraud, waste and abuse. In some instances, the Office will offer training, policy guidance or technical assistance. In other cases, the Office may require the agency, city or town to submit a corrective action plan detailing the measures it will take to address the problems identified during the Office’s investigation.

Further, the Office reports suspected criminal activity to the appropriate authorities, including the Massachusetts Attorney General’s Office and the U.S. Attorney’s Office. In addition, the Inspector General meets regularly with the Inspector General Council to discuss the Office’s activities.

In 2015, the Office responded to over 750 complaints and conducted investigations and reviews in such areas as education, healthcare, public benefits, criminal justice, energy, public construction, social services, public works and transportation. The Office’s work led to state and federal criminal convictions, legislative initiatives, and reforms and policy changes at the state and local levels. The Office’s efforts also resulted in settlements and the imposition of fines totaling \$1,068,591. In addition, the Office identified \$985,000 in forfeited transportation revenue.

Looking more closely at specific divisions within the Office, the Audit, Oversight and Investigations Division worked on numerous criminal and civil matters that led to criminal convictions, indictments, fines, settlements and restitution. Those matters included the conviction of a district fire chief for procurement fraud and larceny; a review of certain property transactions between the Boston Redevelopment Authority and the Boston Red Sox; the indictment of two housing authority employees for bribery and conspiracy; and an in-depth investigation of a community college's facilities department, which led the college to implement a comprehensive corrective action plan that included updates to its policies, increased staff training, and the separation of two employees from the college's employment.

In addition, the Bureau of Program Integrity continued to work with and review the Department of Transitional Assistance and participated in the Department of Developmental Services' implementation of the self-determination model for client services. In response to a new legislative mandate, the Office also consulted with the Office of the Child Advocate as it conducted an emergency review of the management of the Department of Children and Families.

The Office's Internal Special Audit Unit ("ISAU" or "Unit") investigated the Massachusetts Department of Transportation's ("MassDOT") paving operations and identified over \$100,000 in overpayments to a contractor, delays in closing paving contracts and numerous errors in the agency's administration of its paving contracts. The Unit also performed a follow-up review of disability parking placards ("placard"), uncovering a flaw in the RMV's placard application, gaps in the state's placard laws and drivers using placards that did not belong to them in order to park in Boston for free. The Unit also reported on the cost of permitting certain individuals and organizations to use non-revenue producing transponders and free passes on Massachusetts toll roads. The ISAU found that, by allowing the use of these devices, MassDOT forfeited \$985,942 in toll revenue between November 1, 2009 and August 31, 2015.

Throughout 2015, the Legal Division continued its investigation into the Forensic Drug Laboratory at the Hinton State Laboratory Institute ("Drug Lab"). During 2013 and 2014, the Office conducted a top-to-bottom review of the Drug Lab after one of the chemists admitted to tampering with drug evidence results, raising serious questions about the integrity of the testing performed at the Drug Lab. In 2015, the Legal Division conducted a comprehensive review of over 15,000 drug samples originally tested between 2002 and 2012 at the Drug Lab, focusing on certain samples that the Drug Lab had repeatedly tested and for which it had obtained inconsistent results from the same sample. The division did not find widespread testing inaccuracies, but found that the Drug Lab had classified two substances – benzylpiperazine ("BZP") and 5-methoxy-N,N-diisopropyltryptamine ("Foxy") – as Class E substances, when, in fact, neither is illegal under Massachusetts law.

The Office's Policy and Government Division initiated healthcare reviews of the Massachusetts Medicaid and Health Safety Net programs. The Office examined how these programs are addressing the needs of super-utilizers of the healthcare system,¹ finding that both programs could work to provide better care coordination, which could lead to better outcomes and eliminate waste. The Office also found that both programs paid (1) claims without diagnosis codes; (2) transportation claims that did not have a corresponding claim for medical services; (3)

¹ Super-utilizers are a small number of individuals who use a large amount of healthcare resources.

claims from multiple home health agencies to provide the same type of service to the same person on the same day; and (4) adult day care providers to transport people on days on which there was no claim for adult day care.

Also during 2015, the Regulatory and Compliance Division provided technical assistance to state and local government officials regarding Massachusetts' public procurement laws, trained over 1,500 participants in procurement law and related issues through the MCCPO program, and responded to approximately 1,300 inquiries about public bidding laws. The Office also continued to participate in the development of policies and procedures related to the Commonwealth's public design and construction laws, reviewed public land transactions, and provided input on over 100 pieces of legislation.

Further details about the activities summarized above, as well as the results of additional investigations, reviews and other projects, are set forth in the rest of this report.

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Structure of the Office

The Office is organized into seven divisions: Administration and Finance; Audit, Oversight and Investigations; the Bureau of Program Integrity; the Internal Special Audit Unit; Legal; Policy and Government; and Regulatory and Compliance.

The **Administration and Finance Division** provides vital support to the entire Office by managing the Office's case management system, finances, human resources, information technology, operations and procurement.

The **Audit, Oversight and Investigations Division** ("AOI Division") investigates allegations of criminal and civil misconduct in the use of public funds. When an investigation reveals potential criminal conduct, the AOI Division often works closely with other law enforcement agencies – such as the FBI, the state police, federal inspectors general and local police departments – as well as with prosecutorial agencies, including the Massachusetts Attorney General's Office, the U.S. Attorney's Office and local district attorneys' offices. Further, the AOI Division works on matters involving potential civil actions either directly with the affected municipality or in conjunction with the Attorney General's Office. The AOI Division also alerts the State Ethics Commission to potential ethics violations, such as self-dealing and receiving unwarranted privileges. At any given time, the division may be investigating allegations of public corruption or other wrongdoing in a wide array of public sectors, such as education, energy, public advertising, affordable housing, public construction, public works, social services and transportation.

Additionally, the AOI Division highlights opportunities to prevent and detect fraud, waste and abuse by recommending legislative and regulatory changes to internal and financial controls in the expenditure of public funds. The division also issues public advisories and letters to help state and local governments reduce fraud, waste and abuse.

The **Bureau of Program Integrity** ("Bureau") focuses on public benefits programs administered by the Executive Office of Health and Human Services ("EOHHS"). In this role, the Bureau is responsible for preventing, detecting and correcting fraud, waste and abuse; reviewing eligibility intake procedures; assisting EOHHS agencies to develop new intake procedures and regulations; and coordinating data sharing with other state agencies.

The **Internal Special Audit Unit** ("ISAU") monitors the quality, efficiency and integrity of the Massachusetts Department of Transportation's ("MassDOT") and the Massachusetts Bay Transportation Authority's ("MBTA") operating and capital programs. As part of its statutory mandate, the ISAU seeks to prevent, detect and correct fraud, waste and abuse in the expenditure of public and private transportation funds. The ISAU is also responsible for examining and evaluating the adequacy and effectiveness of MassDOT's and the MBTA's operations, including their governance, risk-management practices and internal processes.

The **Legal Division** provides essential legal advice to the Office and manages and directs legal strategy in all Office litigation. Attorneys in the Legal Division also represent the Office in state and federal court, lead and assist with investigations, analyze potential criminal acts and

civil causes of action stemming from investigations, teach procurement law to public officials, and provide guidance on public procurement matters to state and local officials.

The **Policy and Government Division** (“P&G Division”) oversees the Office’s policy, healthcare and legislative initiatives. The P&G Division is responsible for carrying out the Legislature’s annual mandate for the Office to study and review the Massachusetts Medicaid and Health Safety Net programs. The P&G Division also reviews programs and practices in state and local agencies to identify system-wide vulnerabilities and opportunities for improvement.

In addition, the P&G Division helps develop policies and procedures related to the Commonwealth’s public design and construction laws. The division works with state agencies and authorities throughout the Commonwealth to establish best practices in public construction. Each year, the division reviews public design and construction projects, methods and practices, as well as a variety of public real property transactions, to ensure that the public’s interests are protected. Finally, during each legislative session, the division reviews and comments on numerous pieces of legislation, meets with and provides guidance to legislators and municipalities, and responds to requests from the Governor’s Office to review proposed legislation before it is signed into law.

The **Regulatory and Compliance Division** manages the Office’s educational initiatives, including the Massachusetts Certified Public Purchasing Official (“MCPPO”) program, and provides guidance on public procurement matters to state and local officials. In Massachusetts, public purchasing officials are responsible for procuring the supplies, services and facilities required to provide public services and materials to their communities. These procurements involve considerable expenditures of public funds. As a result, it is vital that state and local officials understand the procurement process and comply with all applicable legal requirements.

To meet this vital need, the division provides training and professional development through the MCPPO program, publishes manuals and a quarterly *Procurement Bulletin*, and offers a hotline to respond to inquiries and complaints concerning the public procurement of supplies, equipment, services and real estate. The division also provides extensive technical assistance to state and local government officials regarding the Commonwealth’s public procurement laws. The division interprets and formulates policies on the Uniform Procurement Act, G.L. c. 30B (“Chapter 30B”), which governs public purchasing by municipalities and other public entities. The division also provides speakers to address public procurement principles and fraud prevention for a variety of public and private entities. Finally, the division assists the Attorney General’s Office by reviewing municipal bylaws and charter amendments to ensure that they comply with Chapter 30B.

The Recovery of Funds, Imposition of Fines and Identification of Potential Savings

One of the Office's great strengths is its ability to evaluate the propriety of public expenditures by conducting detailed analyses of financial transactions, reviewing the related accounting and financial reporting, and assessing the programmatic structure for which the expenditures were incurred. Often, the Office's efforts result in agencies or municipalities recovering funds that properly belong to them. These recoveries may be in the form of settlements, negotiated agreements or court action. The Office also conducts reviews to identify potential cost savings for public entities. Moreover, the Office's referrals, reviews and investigations may lead to the imposition of fines and civil penalties against individuals or organizations.

In 2015, the Office's investigations and reviews resulted in \$1,068,591 in settlements and fines, as well as the identification of over \$985,000 in forfeited transportation revenue. The table below summarizes these recoveries and fines. Further details of the cases represented in this table appear throughout the rest of this report.

RECOVERIES AND FINES		
Investigation or Review	Type of Recovery or Fine	Dollar Amount
Telecommunication Vendor	Settlement	\$547,240
Former Westfield State University President	Settlement	\$185,000
Former Facilities Director for Two Non-Profit Organizations	Restitution Asset Forfeiture	\$142,927 \$7,500
MassDOT Paving Contractor	Recovery	\$116,424
Former District Chief of the Boston Fire Department	Restitution	\$35,000
Former Executive Director of the Burlington Housing Authority	Restitution	\$20,000
Drivers Who Misused Disabled Persons' Parking Placards	Civil Fines	\$12,800 ²
Former President of the Quincy Housing Authority's Tenant Association	Restitution	\$1,700
Total		\$1,068,591

² This includes \$100 that a placard holder paid to reinstate his driver's license.

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Audit, Oversight and Investigations Division

As previously discussed, the Audit, Oversight and Investigations Division (“AOI Division” or “Division”) investigates possible criminal and civil misconduct in the use of public funds and property, and recommends improvements to internal and financial controls to prevent fraud, waste and abuse in the use of government assets. In this role, the AOI Division receives, reviews and processes all complaints addressed to the Office. In some instances, these complaints lead to comprehensive investigations, while in other instances the Division may forward the complaint to the appropriate oversight, regulatory or prosecutorial agency. The AOI Division forwards complaints to other agencies if, for instance, a preliminary investigation reveals that the complaints are outside of the Office’s jurisdiction. In addition to complaints, the Division’s investigations arise from many other sources, including anonymous tips; information developed during the course of other reviews and activities; and requests for assistance from other investigative agencies, including local authorities, federal agencies, the state police and the Massachusetts Attorney General’s Office.

During the past year, the Division responded to 677 complaints from public employees, private citizens, municipalities, and other public and private entities. The Division also investigated and reviewed a wide range of alleged wrongdoing, including fraud, waste, bid-rigging, self-dealing, embezzlement and theft. The Division’s work crossed all areas of government, including education, housing, the court system, public administration, public safety and public works.

Below is a representative sample of the Division’s work from 2015:

Education

Massachusetts Bay Community College: Employees Misused Public Positions

The Office determined that two employees of Massachusetts Bay Community College (“MBCC”) used their public positions for personal gain by operating a private business when they were being paid to work at MBCC, and by using MBCC’s vehicles, equipment, supplies, employees and other assets for that business. In addition, the Office identified management failures and inadequate controls in the Facilities Department that allowed the two men to work on private landscaping contracts during their regular work hours and to use the school’s employees and assets for their business.

The Office’s extensive investigation found evidence that John Virgilio, an institutional maintenance foreman, and his father Federico Virgilio, a maintenance employee, conducted private business as Virgilio’s Landscaping when they were being paid to work at MBCC. They performed landscaping, site preparation and other similar work for private clients using an MBCC dump truck and trailer. At times, John Virgilio directed another MBCC employee, whom he supervised, to work on these private jobs during that employee’s regular work hours. The Office also found evidence that the Virgilios falsified time sheets and took other steps to avoid detection.

The investigation further revealed that their supervisor in the Facilities Department failed to adequately oversee department employees and property. This allowed the two men to misuse school property and receive overtime for hours they did not work. Evidence further indicated that John Virgilio ordered supplies using MBCC's credit accounts with businesses and then diverted those supplies to his private landscaping business. John Virgilio also sold or gave away MBCC's equipment without the school's knowledge or permission. A lack of supervisory oversight, internal controls and other safeguards allowed John Virgilio to divert supplies and dispose of MBCC's equipment.

The Office issued a letter detailing its findings and recommendations, and requesting that MBCC provide the Office with a corrective action plan. In response to the Office's letter, MBCC developed a detailed corrective action plan addressing the issues and concerns the Office identified during its investigation. MBCC conducted an internal investigation and took disciplinary action against the three employees, which resulted in their separation from the college. MBCC also reported that it asked the Norfolk County District Attorney's Office to file criminal charges against two of these employees and provided the Office's letter to the State Ethics Commission to determine whether any employees violated the state's conflict-of-interest law, G.L. c. 268A. In addition, MBCC conducted employee training and developed several policies and procedures to strengthen its internal controls. Some of the policy enhancements included the development of an equipment and resource usage policy, reissuance of its surplus property policy, updates to its overtime policy for the Facilities Department and an update to the policy concerning the use of college vehicles and equipment. MBCC also changed its procedures for ordering, receiving and approving payments for supplies in order to create a clear segregation of duties.

Merrimack Special Education Cooperative: Lobbyist Indicted for Pension Fraud

Following a joint investigation by the Office and the Massachusetts Attorney General's Office ("AGO"), a Suffolk County grand jury indicted former lobbyist Richard McDonough in connection with his application for and receipt of a state pension. McDonough based his pension application on his claim that he worked full-time between 2003 and 2008 at the Merrimack Special Education Collaborative ("MSEC"), a public entity.

Between 2003 and 2008, McDonough was on MSEC's payroll as a salaried, full-time employee. At the same time, however, he earned up to \$1.1 million a year as the principal of his lobbying firm, McDonough Associates. McDonough's lobbying clients included the Merrimack Education Center, a private not-for-profit corporation associated with MSEC.

The grand jury indicted McDonough on the charges of presenting a false claim (one count) and procurement fraud (one count).

McDonough is presumed innocent until proven guilty.

Wayland Metropolitan Council for Educational Opportunity: Poor Oversight and Lack of Internal Controls

The Office reviewed the Wayland Public School's administration of its Metropolitan Council for Educational Opportunity ("METCO") program funds. The METCO program is

intended to expand educational opportunities and increase diversity by allowing students in certain cities, such as Boston, to attend public schools in other communities that have agreed to participate in the program. The Office identified internal control and oversight lapses that created significant opportunities for individuals to use METCO funds illegally or inappropriately. The Office recommended that WPS implement controls for overseeing all funds the school collects and that it adopt written policies for handling fundraised money, including the approval process that must be used to expend these funds. The Office also recommended that WPS review its relationship with the associated parent organizations, and that it establish written guidelines for awarding student scholarships and awards to ensure compliance with municipal finance and conflict-of-interest laws. WPS has since made significant improvements to its control environment.

Westfield State University: President Agrees to Pay the State to Settle False Claims Lawsuit

In 2014, the Office issued a report finding that former Westfield State University (“WSU”) President Evan S. Dobelle had used credit cards paid for by WSU or its affiliated non-profit, the Westfield State Foundation, for more than \$180,000 in personal expenditures. The Office also found that Dobelle knowingly disregarded WSU policies, misled the university’s Board of Trustees, abused his authority, exploited public resources for his personal benefit and violated the public trust.

A week after the Office issued its report, the Massachusetts Attorney General’s Office (“AGO”) brought a False Claims Act lawsuit against Dobelle. The suit alleged that Dobelle used WSU’s credit cards and resources to make personal purchases and pay for personal travel. The suit also alleged that Dobelle submitted false documentation to portray the expenses as having a legitimate university-related purpose. The Office assisted the AGO in the lawsuit.

On May 1, 2015, a Suffolk Superior Court judge entered a consent judgment ordering Dobelle to pay the state \$185,000 to settle the lawsuit. The order also prohibits Dobelle from ever working at any public college in Massachusetts in the future.

Fire, Police and Public Safety Departments

Boston Fire Department: District Chief Sentenced for Procurement Fraud and Larceny

A Suffolk County Superior Court jury convicted Edward A. Scigliano IV, a district chief for the Boston Fire Department, on five counts of procurement fraud and five counts of larceny. Following a two-week trial, the jury found that Scigliano had directed two separate schemes to enrich himself by diverting \$49,000 in funds that two Boston Fire Department vendors owed the city of Boston.

The Office and the Boston Police Department’s Anti-Corruption Division jointly conducted the initial investigation. The investigation found that between 2008 and 2011, Scigliano had personally profited from schemes involving two vendors. In one scheme, Scigliano used his position as the principal contact between the fire department and Greenwood Emergency Vehicles, Inc., a vendor of fire trucks. Scigliano told Greenwood to issue more than \$32,000 in checks to his personal credit cards. The \$32,000 came from credit balances the vendor owed the city of Boston relating to purchases of firefighting apparatus. Scigliano falsely

represented that the fire commissioner had authorized the vendor to make the payments directly to him.

In the second scheme, Scigliano directed another Boston Fire Department vendor, Northeast Rescue Systems, Inc., to “swap” certain items out of purchase orders and replace them with items for Scigliano’s personal use. The personal items, which were worth roughly \$17,000, included a 52-inch high-definition television, an elliptical exercise machine, a gas grill, a living room set and gift cards at two home improvement stores.

Following his conviction, Scigliano was sentenced to three years of probation and 750 hours of community service. Scigliano also was ordered to pay \$35,000 in restitution to the city of Boston.

The case was prosecuted by the Massachusetts Attorney General’s Office (“AGO”) and investigated by the Office, the AGO’s Financial Investigations Division, the Massachusetts State Police and the Boston Police Department’s Anti-Corruption Division.

Housing

Boston Housing Authority: Former Employee Indicted for Larceny, Forgery and Uttering

A Suffolk County grand jury returned an indictment charging former Boston Housing Authority (“BHA”) employee Alfred G. Davis with stealing grant money that was intended to benefit senior citizens in Boston. The grand jury charged Davis, who had been the BHA’s director of elder services, with two counts of larceny over \$250, one count of forgery and one count of presenting forged documents to a third party.

The charges resulted from a joint investigation by the Office, the Boston Police Department’s Anti-Corruption Division, and the U.S. Department of Housing and Urban Development’s Office of the Inspector General. The Suffolk County District Attorney’s Office is prosecuting the case.

In 2008, the Robert Wood Johnson Foundation named Davis a “Community Health Leader” and awarded him a \$105,000 grant to help improve the health of Boston seniors living in public housing, along with a \$20,000 stipend to be used for his personal development as a community health leader. However, the investigation revealed evidence that Davis, a 20-year employee of the BHA, never informed the housing agency of the grant funds aimed at helping its elderly residents. Davis used a portion of the funds to fulfill the grant’s intended purpose but he is alleged to have misused \$20,000 for his own personal use.

Davis is alleged to have used some of the grant funds to purchase taxi vouchers for seniors to travel to appointments at a community dental clinic; however, he later presented the clinic with receipts for the cab fares and requested reimbursement for the cost of the trips. The clinic used grant funds from another charity to pay Davis approximately \$5,222 in travel and other reimbursements that he was not due.

Davis allegedly used the siphoned philanthropic funds to pay for personal expenses, including expenses while traveling to Las Vegas, New Orleans and Barbados; a mattress; and collectible coins.

Davis is presumed innocent until proven guilty.

Burlington Housing Authority: Former Executive Director Pled Guilty to Using Her Official Position to Secure an Unwarranted Privilege

Following an Office investigation, a Middlesex County grand jury indicted Maureen Lynch, the now-former executive director of the Burlington Housing Authority (“BHA”), for using her agency’s credit card for personal expenditures. Lynch had served as the BHA’s executive director for 12 years; she resigned in August 2015 after she was indicted.

During its investigation, the Office found evidence that Lynch had used the BHA’s credit card until she reached the card’s \$20,000 credit limit. Many of the charges Lynch allegedly made were attributable to personal expenditures, such as veterinary bills, dental work, and expenses related to her son’s education and her daughter’s wedding.

In February 2016, Lynch pled guilty to the unwarranted privilege charge after paying restitution of \$20,000. A state judge sentenced Lynch to 18 months’ probation.

Framingham Housing Authority: Review of Procurement Practices, Internal Controls and Management Oversight

In 2015, the Office identified significant internal control weaknesses and oversight deficiencies at the Framingham Housing Authority (“FHA”). The Office issued a letter to the FHA’s Board of Commissioners recommending that the Board update FHA’s procurement policies, consider centralizing its purchasing, monitor employee gasoline usage, review credit card expenditures, and introduce internal controls for its equipment and other assets. The Office also requested that the Board submit a corrective action plan to address the Office’s recommendations.

On September 24, 2015, the FHA’s newly appointed executive director provided the Office with a corrective action plan to address the weaknesses, deficiencies and concerns the Office identified. Specifically, the executive director committed to (1) updating the FHA’s vehicle and internal control policies to create additional Board oversight; (2) updating all of its procurement policies; (3) creating a procurement office to track purchase orders and expenditures; (4) reviewing its fuel policies; and (5) introducing more stringent management practices and asset controls. The FHA also requested an anti-fraud training for its staff, which the Office provided.

Quincy Housing Authority’s Tenant Association: Former President Indicted for Larceny

Following an investigation by the Office, the Quincy District Clerk Magistrate issued a criminal complaint against Edward Smelcer, the former president of the Harborview Residents’ Committee, Inc. (“HRCI”) and a former tenant of the Quincy Housing Authority (“QHA”). HRCI is the tenant’s association for the QHA.

The complaint charged Smelcer with two counts of larceny over \$250, one count of larceny by false pretenses and three counts of larceny under \$250. The charges stemmed from the Office's investigation, which uncovered evidence that Smelcer used his position as HRCI's president to steal over \$3,100 in funds that were supposed to help his fellow housing authority residents. The investigation revealed evidence that Smelcer took \$1,300 in cash from an HRCI savings account and \$940 in cash withdrawals using an HRCI debit card. He also used HRCI's debit card to buy gasoline, purchase an airline ticket and pay veterinary bills.

On March 20, 2015, Smelcer pled to sufficient facts to one count of larceny over \$250 in Quincy District Court. The court ordered Smelcer to pay \$1,693.46 in restitution to HRCI, as well as \$140 in court-related fees.

Roxse Homes Subsidized Housing Development: Two Former Employees Indicted for Bribery and Conspiracy

Following an investigation by this Office, a federal grand jury indicted two former employees of the Roxse Homes subsidized housing development in Roxbury for conspiring to rent apartments in exchange for cash bribes. According to the indictment, Roxse Homes had a long waitlist of applicants for subsidized apartments and had closed the waitlist to external applicants in 2009. In 2014 and 2015, Ismael Morales, a maintenance technician at Roxse Homes, solicited cash payoffs from individuals to get them onto the closed waitlist. He did this by providing those individuals with blank rental applications and instructing them to backdate the form or to leave the document undated. Mathis Lemons, the assistant property manager at Roxse Homes, then altered the computerized waitlist to make it appear that the individuals who paid the bribe had been on the waitlist for years.

The grand jury indicted Lemons and Morales on one count of conspiracy and seven counts of bribery each. The Office worked on the investigation with the U.S. Department of Housing and Urban Development's Office of the Inspector General and the Boston Regional Intelligence Center in the Boston Police Department.

Lemons and Morales are presumed innocent until proven guilty.

Judiciary

Middlesex Superior Court: Assistant Clerk Magistrate Engaged in Suspicious Banking Activities

The Office reviewed banking activity by Michael Brennan, an assistant clerk magistrate at the Middlesex Superior Court in Lowell. Brennan was also a bail magistrate and was assigned to admit bail in Middlesex County outside of court hours. As a bail magistrate, Brennan was authorized to release individuals in custody on bail if he found that such release would assure the person's appearance in court and would not endanger the safety of any other person or the community.

The Office found that Brennan failed to report his receipt of a cash bail in excess of \$10,000 to the Internal Revenue Service or the Financial Crimes Enforcement Network as required by federal law. Further, the Office uncovered evidence that, during the timeframe under review, Brennan structured his bank deposits so that no single deposit exceeded \$10,000. As a

result, the bank did not file a Currency Transaction Report as required under federal law. Moreover, Brennan violated the rules governing his position when he commingled bail proceeds with his personal funds.

The Office recommended that the State Bail Administrator review Brennan's conduct and take any appropriate disciplinary action. The Office also recommended that the State Bail Administrator review the records of other bail magistrates and bail commissioners to determine if other cash bails of more than \$10,000 had been reported pursuant to federal law. The Office further recommended that the State Bail Administrator provide training to bail magistrates and bail commissioners regarding the laws, regulations, procedures and obligations that apply to their positions.

The State Bail Administrator implemented several changes in response to the Office's recommendations. Among other measures, the State Bail Administrator established a mandatory training program for bail magistrates and bail commissioners, revised the rules governing the administration of bail, and created a comprehensive resource manual.

Public Administration

Ashburnham Library: Former Ashburnham Library Director Indicted for Embezzling Library Funds

Following a joint investigation by the Office and the Massachusetts State Police assigned to the Worcester District Attorney's Office, Cheryl Paul-Bradley, the former director of the Stevens Memorial Library, was arraigned on April 8, 2016 for embezzling library funds. In March 2016, a Worcester County grand jury indicted Paul-Bradley on three counts of fraud or embezzlement by a city, town or county officer; two counts of forgery; and two counts of presenting forged documents to a third party.

Worcester County prosecutors allege that between 2010 and 2014, Paul-Bradley deliberately misdirected library monies into a bank account she concealed from the Library Board of Trustees ("Board"), which oversees the Stevens Memorial Library. Unbeknownst to the Board, Paul-Bradley withdrew approximately \$53,500 in cash from the bank account between 2010 and 2014. When the Board discovered the hidden bank account in July 2014, it hired an accounting firm to review the library's finances. During the audit Paul-Bradley produced nearly \$34,000 in cash, claiming it had been secured inside the library for years. However, the Office uncovered evidence that Paul-Bradley had withdrawn \$34,000 in cash from credit card advances and a home equity loan shortly before she delivered the cash to the Board.

Paul-Bradley is presumed innocent until proven guilty.

Boston Redevelopment Authority and the Boston Red Sox: Review of Property Transactions

In October 2015, the AOI Division and Legal Division completed a joint review of the 2013 property transactions between the Boston Redevelopment Authority ("BRA") and the Boston Red Sox ("Red Sox"). These transactions involved (1) the BRA's taking from the city of Boston of an easement over Yawkey Way, a street next to Fenway Park, and the transfer of the rights in that easement to the Red Sox; (2) the BRA's transfer to the Red Sox of air and

subterranean rights on Lansdowne Street, a street next to Fenway Park; and (3) the BRA's payment to a Red Sox affiliate for taking a portion of a parking lot on Van Ness Street in the Fenway neighborhood.

The Office found that the BRA did not exercise the due diligence it owes to the city and the taxpayers and that it failed to negotiate the sale prices in the taxpayers' best interest. Furthermore, the BRA used a flawed process for reviewing and approving the property transactions, failed to adequately support its property takings with analytical evidence or the use of industry-standard appraisal reports, and failed to ensure the transparency of these transactions by not disclosing adequate information to the BRA's Board or the public.

The Office recommended that the BRA adopt clear written policies and procedures governing future demonstration project plans to ensure that these projects are performed properly, have a public purpose and are supported by adequate evidence. The Office stated that these standards should, among other measures, include a specific framework for declaring blight, taking property rights and transferring property rights to private parties.

State Surplus Property Office: Review of Internal Controls

The Office reviewed management and internal control practices at the Operational Services Division's ("OSD") State Surplus Property Office ("SSPO") and uncovered significant internal control weaknesses. The SSPO is responsible for managing the disposition of the state's surplus property and for ensuring that state agencies get the maximum financial and operational benefits from such property. The Office found that the SSPO exercised limited oversight and control over the surplus process, maintained inadequate records, failed to require agencies to submit required documentation, did not obtain the full value for surplus items, used outdated regulations and had inadequate staffing to fulfill the SSPO's mission.

In May 2015, the Office issued a letter to the OSD with detailed findings and recommendations, and requested that the OSD respond with a corrective action plan. The Office recommended improving oversight and controls, enhancing recordkeeping, expanding the audience for surplus goods to achieve a greater financial return for the Commonwealth and developing a more uniform method for valuing surplus property. In June 2015, the OSD provided the Office with a corrective action plan, revised its operational objectives and updated the applicable regulations.

Public Works and Facilities Management

Buzzards Bay Water District: Two Employees Indicted for Larceny

In 2015, the Office investigated two employees of the Buzzards Bay Water District ("BBWD") for embezzling public funds. The investigation found evidence that the BBWD's treasurer, Caitlin Rocheleau, wrote checks to herself and another employee, John Ethier, from BBWD's bank account. Specifically, as BBWD's treasurer and clerk from 2009 to June 2015, Rocheleau oversaw the BBWD's finances, including its budget, payroll and expenses. She had authority to issue checks on BBWD's behalf and had access to the water district's vault. Investigators from the Office uncovered evidence that between April 2014 and June 2015,

Rocheleau improperly wrote checks on BBWD's account to herself and Ethier for almost \$200,000.

As a result of the Office's investigation, a Barnstable County grand jury indicted Rocheleau and Ethier on one count each of larceny over \$250. The indictment alleges that the two BBWD employees used the stolen funds to purchase illegal narcotics. The Massachusetts Attorney General's Office partnered with the Office on the investigation and is prosecuting the cases.

Rocheleau and Ethier are presumed innocent until proven guilty.

Community Services: Former Facilities Director Sentenced for Bribery

Following an investigation by the Office, a federal court sentenced Charles Feeney, the former facilities director of two Somerville not-for-profit organizations, to six months in federal prison for soliciting bribes from a general contractor.

The Office's investigation found that Feeney worked for Community Alternative Residential Environments, Inc. ("CARE") and Walnut Street Center ("WSC"), which provide support services for developmentally disabled adults and their families. As the facilities director, Feeney was responsible for overseeing renovations to property that CARE and WSC had purchased. The investigation revealed evidence that Feeney told executives at CARE and WSC that he had received three bids for the project, but in fact he had received no bids. Instead, Feeney hired a favored contractor to work on the building; in exchange, the contractor gave Feeney's private business, C.T. Feeney & Sons Electrical Services, the electrical subcontract.

Feeney received more than \$139,000 for the electrical subcontract. After the investigation uncovered Feeney's actions, the two non-profits incurred more than \$142,000 in costs to determine whether the renovations had been performed properly and to assist the government in the criminal investigation.

Feeney subsequently pled guilty to two counts of soliciting bribes. In February 2015, a federal judge sentenced Feeney to six months in prison with three years of supervised release, and ordered Feeney to pay \$142,927 in restitution. The Office investigated this case with the U.S. Department of Housing and Urban Development's Office of the Inspector General. The U.S. Attorney's Office prosecuted the case.

Town of Danvers: Overly Restrictive Procurement Specifications

In 2015, the Office reviewed an invitation for bids ("IFB") that the town of Danvers issued for tree trimming and power line clearing services. The Office determined that the IFB contained overly restrictive specifications. For instance, the IFB required bidders to own or lease two 75-foot cranes. The town added this specification at the suggestion of its existing vendor without a clear need for the requirement. As a result of the unnecessarily restrictive IFB, Danvers received only two bids despite early interest from eight vendors. Danvers then rejected the apparent low bidder for failing to comply with certain bid requirements. As a result, Danvers accepted the only remaining bid – submitted by the town's longstanding vendor – for nearly \$89,000 more than the apparent low bid.

The Office advised Danvers that specifications that limit competition, at a minimum, violate the spirit of Chapter 30B. The Office recommended that Danvers consult with its legal counsel to determine whether it should (or must) cancel the contract. Additionally, the Office recommended that Danvers not exercise its option to renew the contract, but instead encourage competition by issuing a new IFB and notifying the former prospective bidders of the new invitation for bids.

Verizon New England Inc.: Settlement with the State

In the third settlement stemming from an investigation this Office commenced in 2011, Verizon New England Inc. (“Verizon”) agreed to pay the Commonwealth \$547,239.73 to resolve allegations related to third-party service providers that inappropriately billed public agencies on Verizon invoices. Verizon’s state contract requires it to provide services for specific, agreed-upon rates.

The Office and the Massachusetts Attorney General’s Office discovered charges by third-party service providers during a prior investigation. That investigation resulted in Verizon agreeing to pay the Commonwealth \$1.3 million to resolve a lawsuit filed in Hampshire Superior Court alleging that Verizon violated its contract by overcharging state agencies for certain services.

In 2011, Verizon refunded \$1.5 million to cities and towns and paid an additional \$800,000 in interest and penalties to the state. The payments were made to settle similar allegations that Verizon repeatedly overcharged hundreds of cities and towns through systemic billing errors.

Bureau of Program Integrity

The Bureau of Program Integrity (“Bureau”) monitors the quality, efficiency and integrity of public benefits programs administered by the Executive Office of Health and Human Services (“EOHHS”). The Bureau’s enabling legislation includes mandates for the Bureau to coordinate and consult with EOHHS agencies in order to improve eligibility and fraud detection processes. In 2014, the Legislature created additional mandates that shaped the Bureau’s work. In 2014 and 2015, the Bureau responded to these mandates and further developed its unique model of preventing fraud, waste and abuse by monitoring the ongoing administration and development of public benefits programs.

In July 2014, the Legislature mandated that the Office consult with the Office of the Child Advocate (“OCA”) as the OCA conducted an emergency review of the management and operations of the Department of Children and Families. The Bureau and the Office’s Policy and Government Division provided consultation to the OCA beginning in August 2014. The consultation continued until the OCA filed its report summarizing the results of its review and analysis in November 2015.

Also in July 2014, the Legislature passed the “Real Lives Law” and mandated that the Department of Developmental Services (“DDS”) implement a self-determination model for client services, which enables individual clients to select and manage service providers paid with state and federal funds. The Legislature established the Self-Determination Advisory Board (“Board”) to help “implement, publicize, evaluate, improve and develop information regarding self-determination.” G.L. c. 19B, § 1(c). The Inspector General designated members of the Bureau to represent the Office on the Board. Throughout 2015, they reviewed key aspects of self-determination and provided specific recommendations about promoting the integrity of the self-determination model. In addition, the Office offered to provide a fraud training program to the DDS administration and field staff, and DDS agreed. The fraud training program is scheduled for May 2016.

During 2015, the Bureau also continued its work with the Department of Transitional Assistance (“DTA”). The Bureau reviewed a variety of operations and systems changes at DTA and produced several work products, including eight advisory letters, that detailed the Bureau’s findings and recommendations from the Bureau’s qualitative and quantitative assessment. The Bureau recommended enhancements to program development and training that are generally applicable to all DTA programs. Finally, the Bureau continued to focus on enhancing DTA’s fraud detection capabilities, reviewing its redesign of the business processes for the Supplemental Nutrition Assistance Program (“SNAP”), and recommending changes to its administration of the Work Program Requirement (“Work Requirement”) within the Transitional Aid to Families with Dependent Children (“TAFDC”) program.

The following is a summary of the Bureau’s work, along with examples of key recommendations that the Bureau will track in 2016:

Fraud Detection Program

As part of the Welfare Reform statute enacted in 2014 (“Welfare Reform”), the Legislature mandated that DTA consult with the Bureau on the development of a fraud detection program. This specific directive aligned with the general mandate in the Bureau’s enabling statute to “coordinate” with the Program Integrity Division at DTA. Accordingly, the Bureau has worked with DTA to identify methodologies for using data analytics to detect SNAP trafficking. The Bureau also provided consultation as DTA drafted standard operating procedures for processing fraud referrals. In addition, the Bureau has analyzed DTA’s ongoing initiative to re-engineer the earned-income data match that it conducts with the Department of Revenue and the Department of Unemployment Assistance.

Key Recommendations:

The Bureau recommended that DTA:

- Develop an approach for screening fraud referrals and identifying priority investigations in order to better allocate investigative resources.
- Study fraud detection methodologies from other states and the federal government in order to ensure that DTA is meeting national standards.
- Complete a full risk assessment of the data match for earned income before re-engineering it.

Review of Business Process Changes for the Supplemental Nutrition Assistance Program

The Bureau has completed a three-phased review of DTA’s business process redesign for SNAP. During 2015, the Bureau completed the third phase of the review, which spanned several months and focused on the role of SNAP supervisors, standardization of SNAP procedures and business practices, and DTA’s overall approach to project management and program development. DTA provided a high level of transparency to the Bureau, and the Bureau identified concerns and made recommendations to improve business processes and the administration of the SNAP program. During the past several months, DTA has implemented a pilot program to re-frame the role of the SNAP supervisor and change the approach to supervisory case review.

Key Recommendations:

The Bureau recommended that DTA:

- Enhance training on SNAP verification procedures to ensure consistent application of policy and standardized practices across DTA field offices.
- Identify key project management principles, communicate them to staff and incorporate them into management practices.
- Develop a function-based, sustainable infrastructure for SNAP program management that engages in ongoing risk assessment.

- Build diverse and robust data analytics resources to inform managers' problem-solving and ongoing risk assessment.

Review of Welfare Reform and the Administration of the TAFDC Work Requirement

The Bureau has been overseeing DTA's administration of the TAFDC Work Requirement since issuing its July 2014 report, *The Bureau of Program Integrity's Review of the Work Program Requirement of the Transitional Aid to Families with Dependent Children Program*. The Bureau has been monitoring DTA's plans for program development and implementation of new policies, procedures and system changes. The Bureau also reviewed and provided commentary on DTA's proposed regulations to implement the Welfare Reform statute. As part of this oversight, the Bureau has conducted risk assessment in a variety of areas, identified best practices and resources, facilitated information-gathering with other states and reviewed draft training materials and system requirements. The Bureau has provided DTA with a wide variety of recommendations to implement the provisions of the Welfare Reform statute and improve program development for TAFDC.

Key Recommendations:

The Bureau recommended that DTA:

- Engage in comprehensive project planning to improve the administration of the Work Requirement and implement the Welfare Reform statute, and assign a full-time project manager dedicated to this planning.
- Create a framework and provide a standard tool for screening and assessment for the Work Requirement that includes timely and effective evaluation of employability factors.
- Outline clear protocols to build effective collaboration between case managers and specialists who focus on recipients with significant employment barriers.
- Engage in partnerships with Massachusetts agencies and community programs to enhance the delivery of services to recipients with disabilities and significant employment barriers.

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Internal Special Audit Unit

The Massachusetts Department of Transportation (“MassDOT” or “Department”) is responsible for managing the Commonwealth’s roadways, public transit systems, and transportation licensing and registration. It is made up of four divisions: the Highway Division, the Registry of Motor Vehicles (“RMV”), the Aeronautics Division, and Rail and Transit.

The Internal Special Audit Unit (“ISAU” or “Unit”) monitors the quality, efficiency and integrity of MassDOT’s and the Massachusetts Bay Transportation Authority’s (“MBTA”) operating and capital programs. As part of its statutory mandate, the ISAU seeks to prevent, detect and correct fraud, waste and abuse in the expenditure of public and private transportation funds. The ISAU is also responsible for evaluating the adequacy and effectiveness of MassDOT’s and the MBTA’s operations, including their governance, risk-management practices and internal processes.

Audits, Investigations and Reviews

Investigation of Commodity Price Fluctuations at MassDOT

Given the substantial taxpayer dollars that MassDOT spends on paving public roadways, the ISAU examined how the Department manages its paving contracts, including whether it properly accounts for fluctuations in the price of liquid asphalt and diesel fuel that is used to pave roads. Since the price of asphalt and diesel fuel can fluctuate frequently, both state law and MassDOT’s policies require the agency to calculate price adjustments for these commodities on a monthly basis. The ISAU found that MassDOT has robust policies and procedures for administering paving contracts; the agency does not, however, enforce those policies and procedures. The investigation also found that MassDOT did not consistently calculate price adjustments monthly and that many of the calculations it did perform were done incorrectly. Further, the ISAU uncovered overpayments to one contractor, failures to perform required asphalt testing on paving projects, significant delays in closing paving contracts, and weak recordkeeping and payment procedures.

Key Recommendations:

The ISAU recommended that MassDOT take the following actions:

- Recoup any remaining balances due from contractors and settle all outstanding payments.
- Explore ways to ensure that staff process price adjustments accurately, such as through increased training, management oversight and audits.
- Require all highway districts to calculate commodity price adjustments monthly. Consider monthly reporting or another method to make it easier to track which contracts are (and are not) being reconciled monthly.
- Require employees to close out paving contracts in a timely manner; establish timelines for completing specific milestones in the closeout process.

- Enforce internal policies and ensure consistency among all highway districts for performing contract reviews at every stage of the paving project.
- Enhance documentation and recordkeeping standards to maintain complete and accurate records.
- Explore alternate ways to manage weight slips, such as electronic delivery, storage and retention.

In response to the report, MassDOT created a working group to review the ISAU's findings and assess whether the Highway Division follows its current policies. The working group also conducted price-adjustment training for Highway Division employees, developed a workflow tool to track price adjustments on open contracts and explored the potential for increased staffing.

The Abuse of Disability Parking Placards in Massachusetts

The ISAU performed a follow up to the Office's 2013 investigation into the misuse of disability parking placards ("placards"). Placards allow persons with disabilities to park at parking meters for free for an unlimited period of time (the "meter-fee exemption"). The meter-fee exemption, coupled with the high cost of parking in urban areas, can act as an incentive to misuse placards, such as by using another person's placard to commute to and from work.

In its investigation, the ISAU uncovered placard abuse in every Boston neighborhood it surveilled. The ISAU also found gaps in both the RMV's placard process and the state's placard laws that make it easier for individuals to obtain and use placards inappropriately. The ISAU identified 325 drivers using a placard that did not belong to them, including placards belonging to deceased persons, canceled placards and expired placards. Working with the ISAU, the Massachusetts State Police cited 23 of the drivers for placard misuse and confiscated the placards they were using. These violations resulted in drivers paying a total of \$12,800³ in fines to the state.

In addition, 57 drivers covered some or all of the information on their placards (including the placard number and expiration date), or faced the front of the placard away from the windshield, thereby concealing the placard number and expiration date. This conduct enables drivers to use placards that are cancelled, have expired or belong to someone else. None of the 57 vehicle owners had their own placards.

The ISAU also found that some placard holders have job duties requiring physical activities that contradict the mobility limitations in the placard regulations, but the RMV has limited oversight or investigatory authority.⁴ Additionally, the ISAU determined that the RMV's

³ This includes \$100 that a placard holder paid to reinstate his driver's license.

⁴ In Massachusetts, an individual qualifies for a disability parking placard if he (1) cannot walk 200 feet without resting, assistance or an ambulatory aid as the result of a specific clinical diagnosis; (2) is legally blind; (3) has lost a limb or the permanent use of a limb; or (4) has specific cardiac or respiratory conditions listed in the placard regulations. *See* 540 CMR 17.03(2). The placards at issue here were not requested based on categories (2), (3) or (4).

placard application is inconsistent with state law because it lists arthritis as a stand-alone basis for receiving a placard. Arthritis does not, by itself, meet the regulatory requirements for a placard. Rather, an individual with arthritis qualifies for a placard if the arthritis prevents him from walking 200 feet without resting, assistance or ambulatory aids. The ISAU also found that approximately 50% of the placard applications the Unit sampled had incorrect healthcare providers recorded in the RMV's electronic system. This led to inaccurate recordkeeping at the RMV, as well as the inability to effectively monitor or analyze provider data.

The ISAU's analysis also determined that if just 10% of drivers who regularly park at Boston meters are misusing placards, this translates into approximately \$1.8 million in annual lost revenue for the city.⁵ Additionally, some temporary placards are extended multiple times, sometimes years beyond the original expiration date. While there are many medical reasons that an individual may need to extend a temporary placard, the RMV has limited authority to question suspicious applications, such as repeated placard renewals that list the same temporary condition.

Key Recommendations:

The ISAU recommended that the RMV take the following actions:

- Work with the Legislature and other stakeholders to revise the state's placard laws. Importantly, the RMV and the Legislature should consider a two-tier system that would limit the meter-fee exemption to individuals who are physically unable to approach or reach a meter, or to put coins into a meter. All other placard holders would still be able to use designated handicapped parking spaces, but would pay to park at a meter. Alternatively, the RMV should work with state lawmakers to add a time limit to the meter-fee exemption.
- Pursue additional measures to curb placard abuse, such as (1) increasing fines and penalties for misuse; and (2) updating state law to detail what constitutes a citable offense, including concealing a placard's number or expiration date.
- Make the placard application consistent with state law by removing arthritis as a stand-alone basis for receiving a placard, but still allowing an individual with arthritis to obtain a placard pursuant to 540 CMR 17.03(2)(a).
- Consider adopting additional procedures for extending temporary placards.
- Work with municipalities to enforce the placard laws and explore ways for parking clerks to issue fines for certain placard violations.
- Educate the healthcare community on the specific criteria required for placards and the impacts of placard abuse.
- Develop an electronic reporting tool for local law enforcement officials to immediately report cases of placard abuse to the RMV.
- Update the medical provider information in the agency's electronic records and ensure that its database lists the correct provider who signed each placard holder's application.

⁵ Based on a commuter parking at a meter for eight hours a day for 228 days a year.

- Formalize the Placard Abuse Task Force that the Registry established in 2013, possibly through legislation.

In response to the ISAU's report, the Registry met with the Placard Abuse Task Force to review the Unit's recommendations. The RMV also modified its process for reporting a placard lost or stolen. Specifically, when a placard holder reports a placard lost or stolen, he must now certify that law enforcement has not confiscated the placard. Additionally, the RMV reported that it is developing a new procedure for law enforcement to inform the RMV when a placard is confiscated.

The RMV will also consult with the Medical Advisory Board regarding the RMV's processes for (1) renewing temporary placards; and (2) reviewing applications that list arthritis as the qualifying disability. Finally, it is assessing the ISAU's remaining recommendations in order to (1) prioritize improvements to its process for issuing placards; (2) enhance its database of medical providers; (3) improve the design of placards; and (4) develop law enforcement training for identifying and citing placard misuse.

MassDOT's Provision of Free Access to Massachusetts Toll Roads

Before MassDOT's creation in 2009, the former Massachusetts Turnpike Authority ("Turnpike Authority") provided certain employees, retirees and unaffiliated entities with non-revenue transponders and MTA cards, which permit them to travel on state toll roads for free.⁶ The ISAU reviewed MassDOT's oversight of these transponders and cards to determine whether they are appropriate and cost-effective. The ISAU also analyzed the cost of permitting individuals and organizations to have these privileges and found that MassDOT forfeited a total of \$985,942 in toll revenue between November 1, 2009 and August 31, 2015.⁷

The ISAU determined that MassDOT does not have a business need to continue to allow retirees, employees (except toll collectors), and unaffiliated entities to use non-revenue transponders and MTA cards. Similarly, the ISAU could not find any collective bargaining agreements that required MassDOT to offer these benefits. After the ISAU began its review, MassDOT deactivated the non-revenue transponders assigned to the unaffiliated public and private entities. It also discontinued the MTA cards distributed to 600 retired employees. MassDOT, however, continues to allow nearly 850 employees and retirees to use non-revenue transponders and MTA cards.

Key Recommendation:

- MassDOT should eliminate the remaining non-revenue transponders and MTA cards that are assigned to retirees and employees (except toll collectors).

⁶ A non-revenue transponder is a small electronic device that is programmed to allow an individual to pass through toll plazas for free. An MTA card is an identification card with an electronic "swipe" capability that can be programmed to enable the user to pass through toll plazas without being charged.

⁷ The ISAU did not review non-revenue transponders assigned to MassDOT's toll collectors, MassDOT's fleet vehicles, the Massachusetts State Police or the Massachusetts Port Authority.

New Statutory Mandate

In July 2015, the Legislature adopted Chapter 46 of the Acts of 2015, which suspended the MBTA's obligations under G.L. c. 7, §§ 52-55 – commonly known as the Pacheco Law – for three years. The Pacheco Law previously prohibited the MBTA from outsourcing certain services without first seeking approval from the Office of the State Auditor and completing several other steps. Section 196 of Chapter 46 requires the Office to review and analyze the contracts for the services that the MBTA outsources. For example, Chapter 46 directs the Office to evaluate whether the outsourcing resulted from a competitive process, saved the MBTA money, and maintained the same level of quality of goods or services.

The ISAU has begun working with the MBTA in accordance with Chapter 46. As of the date of this report, however, the MBTA has not executed any contracts that fall within Chapter 46.

Hotlines

In November 2015, the ISAU established a hotline for members of the public to report suspected fraud, waste or abuse in the expenditure of MassDOT funds. The hotline is available on MassDOT's website. Since November 2015, the ISAU has received 57 complaints from the public. The ISAU also continues to operate its internal hotline, which it established in 2014. The internal hotline enables MassDOT employees to anonymously report fraud, waste or abuse in the use of public or private transportation funds, including any wrongdoing, misuse of equipment or other prohibited activity.

The ISAU evaluates each complaint it receives to determine whether it falls within its jurisdiction and whether it merits action. Some complaints result in comprehensive investigations, some are transmitted to other agencies and others are closed if a preliminary review does not corroborate the allegations.

Additionally, the ISAU monitors the RMV's disability placard abuse hotline and receives reports of placard abuse from the public. The RMV's Medical Affairs Bureau records this information for further investigation. In 2015, the ISAU received and processed 68 reports of alleged placard abuse.

Massachusetts Placard Abuse Task Force

In 2013, the Registry created the Placard Abuse Task Force, which is committed to increasing enforcement of the current laws, amending state law to increase the penalties for placard abuse, and tightening administrative controls to prevent and detect abuse more easily. The ISAU participates in the Task Force's regular meetings and provides input when needed.

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Legal Division

The Legal Division provides essential legal advice to the Office and manages and directs legal strategy in all Office litigation. Attorneys in the Legal Division also represent the Office in state and federal court, lead and assist with investigations, analyze potential criminal acts and civil causes of action stemming from investigations, teach procurement law to public officials, and provide guidance on public procurement matters to state and local officials.

Investigations

Supplemental Investigation of the Forensic Drug Laboratory at the William A. Hinton State Laboratory Institute

Over the course of 18 months during 2013 and 2014, the Office conducted a top-to-bottom review of the Forensic Drug Laboratory at the William A. Hinton State Laboratory Institute (“Drug Lab”). The Office’s comprehensive review found chronic managerial negligence, inadequate training and a lack of professional standards. The report concluded with recommendations highlighting the importance of accreditation, chemist training, proper quality controls and better-designed security practices.

In 2015, the Office conducted a supplemental review of over 15,000 drug samples originally tested between 2002 and 2012 at the Drug Lab. The Office focused on certain samples that the Drug Lab had repeatedly tested, and for which it had obtained inconsistent results for the same sample, but had typically only reported the final result to the parties in the corresponding criminal case. From this review, the Office identified 645 drug samples, 609 of which were retested by NMS Labs (“NMS”), an independent, out-of-state laboratory, to determine the accuracy of the Drug Lab’s analytical findings.

For 551 of the 609 samples retested, NMS found the same substance that the Drug Lab had certified. For 11 of the samples, NMS made no findings of any controlled substances under the Massachusetts Controlled Substances Act, G.L. c. 94C. For seven of the samples, NMS found a different controlled substance from the substance the Drug Lab had certified. For six of the samples, NMS identified the same controlled substance by one analytical method, but was unable to confirm that finding by a secondary method as required under NMS’s testing protocols. Finally, for 34 of the samples, NMS found the same controlled substance that the Drug Lab had found, but also found additional controlled substances in the sample.

Ultimately, despite the Office’s concern about the existence of Drug Lab samples that had undisclosed internal inconsistencies among the test results, the Office did not find widespread testing inaccuracies. However, in the course of retesting the Office found that the Drug Lab had classified two substances – benzylpiperazine (“BZP”) and 5-methoxy-N,N-diisopropyltryptamine (“Foxy”) – as Class E substances, when, in fact, neither substance is illegal under Massachusetts law.

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Policy and Government Division

The Policy and Government Division oversees the Office's policy, healthcare and legislative initiatives. The division also reviews programs and practices in state and local agencies to identify systemic vulnerabilities and opportunities for improvement.

Healthcare Reviews

Super-Utilizers

Pursuant to its mandate under Section 215 of Chapter 165 of the Acts of 2014, the Office examined the administration of the Massachusetts Medicaid program ("Medicaid") and the Health Safety Net program ("HSN") by MassHealth, the state entity that runs both programs. The Office analyzed how the MassHealth Medicaid and HSN programs are addressing the needs of "super-utilizers" of the healthcare system. Super-utilizers are a small number of individuals who use a large amount of healthcare resources. The Office focused on the 100 MassHealth members and 99 HSN users who had the highest number of paid claims during fiscal year 2013. The 100 MassHealth members collectively had 69,305 paid claims that covered approximately 200,000 services, totaling over \$16 million, or an average of \$164,000 per person. The 99 HSN users collectively had 19,316 paid claims that covered over 39,000 services, totaling approximately \$5.79 million, or an average of \$58,000 per person.

The Office found that both the MassHealth Medicaid and HSN programs could provide better care coordination for their members and users, which could lead to better health outcomes and eliminate waste. The Office also found that the MassHealth Medicaid and HSN programs, combined, paid approximately \$6.6 million for claims that did not contain a diagnosis code, which is contrary to both the MassHealth regulations and the HSN's program requirements. The payment of claims without diagnoses also limits program integrity activities and care coordination. Further, the Office found that MassHealth needs to improve its review of community-based services because its current methods are not working well. Specifically, the review showed that MassHealth paid claims for: transportation that did not have a corresponding claim for medical services; multiple home health agencies to provide the same type of service to the same person on the same day; and adult day care providers to transport members on days on which there was no claim for adult day care.

Key Recommendations:

- MassHealth should consider participating in the CMS Health Home program, which provides resources to address the needs of super-utilizers and enhance care coordination. The Health Home program allows state Medicaid agencies to designate networks of service providers to meet the primary, mental health, and long-term services and support needs of super-utilizers.
- MassHealth should consider seeking out an administrative partnership with Medicare to increase the coordination of care to super-utilizers and enhance its claim review process.

- The HSN program should consider implementing demonstration projects to reduce acute hospital payments for HSN users.
- MassHealth should (1) improve its claims review process so that it denies all claims that do not contain a primary diagnosis; and (2) increase its scrutiny of certain community-based services. MassHealth should also include claim information from its managed care organizations in its post-payment review and explore whether it is feasible to obtain Medicare and private insurance claim information to inform and improve its claims review.
- MassHealth should apply some of the findings and recommendations above to the broader MassHealth and HSN populations. For instance, the payment of claims without a diagnosis code is a flaw in MassHealth’s claim adjudication system, as is paying transportation claims that do not have a corresponding medical claim. It therefore is likely that the MassHealth Medicaid and HSN programs are paying these same types of claims with respect to the broader MassHealth and HSN populations.

Schedule II Drug Claims

Pursuant to its mandate under Section 146 of Chapter 46 of the Acts of 2015, the Office examined how the MassHealth Medicaid and HSN programs are paying fee-for-service claims for certain drugs that have a high potential for abuse but also have currently accepted medical uses. These drugs include drug treatment agents such as buprenorphine and methadone, painkillers such as morphine and oxycodone, sedatives such as certain benzodiazepines, and stimulants such as amphetamines. The Office reviewed over 800,000 paid prescription claims for MassHealth members and HSN users. The Office used data analytics to examine patterns relating to certain prescription drug claims to evaluate whether there are ways for MassHealth to detect fraud, waste and abuse through robust claim analysis. The review also noted what policies and practices the MassHealth Medicaid and HSN programs have in place relating to the prescribing and dispensing of certain drugs and compared these policies and practices with three other insurance programs (Connecticut Medicaid, Tufts Health Plan and Medicare). MassHealth has recently taken important steps toward lowering the dose of opioids that will require prior authorization and requiring prior authorization for new methadone prescriptions. However, MassHealth could still make improvements.

Key Recommendations:

- MassHealth could better use claims data to target fraud, waste and abuse relating to prescription drugs in both the Medicaid and HSN programs.
- The MassHealth Medicaid and HSN programs should have a threshold for a person’s total opioid use as a trigger to identify possible opioid abuse.
- The MassHealth Medicaid and HSN programs should establish additional prior authorizations for certain kinds of oxycodone and all methadone prescriptions for pain.

- The MassHealth Medicaid and HSN programs should put steps in place to reduce the number of members receiving prescriptions for methadone from a pharmacy after leaving a methadone treatment program.
- MassHealth should evaluate the efficacy of the Controlled Substance Management Program and either strengthen the program or consider an alternative.
- MassHealth should increase the use of the Department of Public Health’s Prescription Drug Monitoring Program.
- MassHealth should increase the number of members it refers to the Massachusetts Behavioral Health Partnership.

Public Design and Construction

Since its inception, the Office has helped develop policies and procedures related to the Commonwealth’s public design and construction laws. In 2015, the Office worked with the Department of Capital Asset Management and Maintenance (“DCAMM”), the Massachusetts Department of Transportation (“MassDOT”), the Massachusetts Bay Transportation Authority (“MBTA”), the Massachusetts School Building Authority (“MSBA”), the Department of Energy Resources (“DOER”), the Attorney General’s Office, and other state and local entities to establish best practices in public construction.

Further, pursuant to G.L. c. 149A, the Office reviews applications to use alternative delivery methods, including the construction manager at-risk (“CM at-risk”) and design-build methods.⁸ Furthermore, before certain state agencies and authorities may use alternative delivery methods on construction projects, the Legislature has charged the Office with reviewing and approving the procedures for utilizing those delivery methods. Consequently, the Office reviews and approves certain procedures for DCAMM, the Massachusetts Port Authority, the MBTA, the Massachusetts Water Resources Authority, the Massachusetts State College Building Authority and the University of Massachusetts Building Authority.

Construction Management at-Risk

In 2015, the Office received 21 applications to use the CM at-risk delivery method, including one that was later withdrawn, totaling over \$1 billion in estimated project costs. The projects included 13 public schools, 3 charter schools, 1 library, 1 bus maintenance facility, 1 museum and 1 municipal safety building. Applicants included the MASS MoCA Cultural Development Commission, the cities of Newton and Cambridge, and the towns of Lexington and Billerica.

⁸ “Alternative delivery method” means a delivery method other than the traditional design-bid-build sequential method of construction required in G.L. c. 149 (building construction projects) and G.L. c. 30, § 39M (public works construction projects).

Owner's Representatives' Annual Reports

Pursuant to G.L. c. 30, § 39M½, and G.L. c. 149A, § 15½, in 2015, the Office reviewed 33 annual reports from owner's representatives in connection with ongoing or recently completed public works projects. Each of these projects is valued at \$50 million or more.

Real Estate Transactions

Each year, the Office reviews a variety of public real property transactions, including dispositions, acquisitions and long-term leases, to ensure that the public's interests are protected. In addition, the Legislature frequently mandates that the Office review and approve independent appraisals of real property that the state, counties and municipalities propose to convey or acquire. The Office's appraisal reviewers evaluate whether the analyses, opinions and conclusions in the appraisal are appropriate and reasonable. If it disagrees with some aspect of an appraisal, the Office sets forth those reasons in its report to DCAMM. The Office also generally recommends that all real property appraisal reviews conducted at the direction of the Legislature follow the Uniform Standards of Professional Appraisal Practice.⁹ The Office provides a report on each appraisal to the Commissioner of DCAMM for submission to the House and Senate Committees on Ways and Means and the Joint Committee on State Administration and Regulatory Oversight.

Below are several transactions that the Office reviewed in 2015:

Worcester CitySquare Development

Chapter 133 of the Acts of 2006 authorized Worcester to redevelop the CitySquare area of downtown Worcester using a private developer to complete both private and public improvements. This year, the Office reviewed the sixth amendment to the Worcester CitySquare Development Agreement, which governs the disbursement of public funds for the project. In 2015, the CitySquare II ("CSII") developer entered into a lease with a hotel developer to construct a 150-room hotel on Parcel E and conveyed Parcels J and K to a residential developer. With these commitments in place, the CSII developer began construction of the underground public garage, which will include the infrastructure to support future development above ground. As part of the sixth amendment, the city required the CSII developer to execute a 60-year parking garage lease to clarify the use, access, operation, maintenance and financial oversight of the garage. The city's sixth amendment was consistent with the terms of the enabling legislation.

Former State Police Barracks in Grafton

In 2002, the Legislature first authorized DCAMM to convey a former state police barracks in Grafton to the Massachusetts State Police Museum and Learning Center, Inc. ("State Police Museum"). Since then, there have been several amendments to the enabling legislation. As a result, in 2014, the Office reviewed a reappraisal of the land and building to be conveyed to the State Police Museum. In 2015, the Office reviewed the proposed release deed. In addition,

⁹ The Uniform Standards of Professional Appraisal Practice, promulgated by The Appraisal Foundation, set out voluntary industry standards for licensed appraisers of property rights.

the Office reviewed certain of the State Police Museum's expenditures for improvements to the building to determine whether, pursuant to the enabling legislation, they qualified as a credit against the purchase price. DCAMM and the State Police Museum never finalized the property transaction, however. A further amendment to authorize DCAMM to convey the subject property is currently before the Legislature.

Daly Field in Boston

Chapter 223 of the Acts of 2012 ("Chapter 223") authorized DCAMM, in consultation with the Department of Conservation and Recreation, to lease Daly Field in Boston to the Allston Brighton Friends of Daly Field, Inc. ("Friends"). Simmons College is the appointed representative to act on behalf of the Friends. Pursuant to Chapter 223, the Office reviewed the proposed lease between DCAMM and the Friends. The Office found that the lease incorporates all of the terms and conditions that Chapter 223 requires. Simmons College will contribute at least \$5 million to reconstructing Daly Field and \$500,000 for improvements to the Watertown Riverfront Park. Simmons College, Brighton High School and the Allston-Brighton Little League will be guaranteed a certain schedule to use the athletic fields. The general public will also be able to reserve time to use the fields.

Essex North Shore Agricultural and Technical School

Section 22 of Chapter 237 of the Acts of 2014 authorized DCAMM, in consultation with the Essex North Shore Agricultural and Technical School District ("District"), to lease land to a private entity, Essex Sports Center, LLC, for the purposes of constructing and operating an ice rink and athletic fields. The District will use the facility for free. In May 2015, the Office reviewed an appraisal related to the transaction, and in December 2015, it received a proposed 25-year lease. The appraiser found that free use of the facility was worth more than the rental value of the land. The District did not plan on immediately using all of the time allotted, however. Consequently, to protect the District's interests, the lease incorporated flexibility to accommodate the District's expanding programs and also contained a base rent that is higher than the appraised rental value. Further, DCAMM incorporated other terms, conditions and safeguards into the lease. The Office approved the appraisal and lease.

Springfield Technical Community College Assistance Corporation

The Springfield Technical Community College Assistance Corporation ("Corporation") must submit every contract requiring an annual expenditure of more than \$100,000 to the Office for review and comment. In 2015, the Corporation submitted its management agreement and a real estate improvement loan agreement for review. The Office found that both agreements were in accordance with the purposes of the Corporation as outlined in the authorizing legislation.

Energy

In 2015, the Office worked with DOER to provide guidance to local governments on procuring energy management services. The Office also worked with DOER and the Massachusetts Attorney General's Office to develop best practices for procuring services and drafting agreements related to the Community Clean Energy Resiliency Initiative.

Additionally, the Uniform Procurement Act, G.L. c. 30B (“Chapter 30B”), requires cities, towns and other political subdivisions of the Commonwealth to submit all contracts for energy or energy-related services to the Office. In 2015, the Office received 88 contracts.

Boston Olympics Bid

In January 2015, the U.S. Olympic Committee selected Boston as its bid city for the 2024 summer Olympics. Soon thereafter, the Office began closely monitoring the progress of the bid. With a focus on the impact the Olympics could have on public spending and public property, the Office reviewed and analyzed all bid documents, attended public hearings, tracked Olympics-related legislation and met with a number of stakeholders over the course of the spring and summer of 2015. Ultimately, in late July 2015, Boston Mayor Martin J. Walsh decided to abandon the bid, amid mounting concerns about the extent to which taxpayers would be responsible for funding the games.

Legislative Initiatives

Since it was established in 1981, the Office has reviewed and commented on proposed legislation during each legislative session. In addition, the Office regularly assists individual legislators to develop both legislation specific to the districts they represent and legislation that affects the general operations of state and local government. The Office also responds to requests from the Governor’s Office to review legislation that the Legislature has passed and is awaiting the Governor’s signature.

The Office continued to provide these important services throughout 2015. For instance, the Office reviewed and commented on more than 100 pieces of legislation for the 2015-2016 legislative session. In 2015, the Inspector General and his staff also provided testimony and guidance to legislative committees on issues related to disability placard abuse, training members of public boards and commissions, film tax credits, real estate transactions, fraud controls and procurement. In all cases, the Office stressed the importance of transparency in government and the need for safeguards to ensure the appropriate oversight of taxpayer dollars.

Proposed Legislation: 2015-2016 Session

Chapter 30 of the Massachusetts General Laws permits the Office to file legislation in November of even years for the upcoming legislative session. In November 2014, the Office filed the following bills for the 2015-2016 legislative session:

House 9, An Act Relative to Fraud

This proposal would make it a crime to defraud the state or any of its political subdivisions. Currently, no such general fraud statute exists. The bill was sent to a study.

House 10, An Act Relative to Chapter 30B

This proposal would increase a fine and make technical corrections to Chapter 30B. The technical changes update Chapter 30B to include correct references based on recently enacted

amendments to other statutes. The proposal also strikes a section of Chapter 30B that is duplicative of another section. The bill was reported favorably from committee.

House 11, An Act Relative to Disabled Persons' Parking Placards

This proposal would increase the fines for misusing a disabled person's parking placard ("placard") and would also add language requiring the return of placards when they have been cancelled. Additionally, the proposal would make it a crime to display a deceased person's placard or to make counterfeit placards with the intent to distribute them. The bill was reported favorably from committee.

House 12, An Act Relative to Tax Returns

This proposal would allow the Office to have access to Department of Revenue records to carry out its mandate of preventing and detecting fraud, waste and abuse. Such records would be confidential pursuant to Chapter 12A. The bill was sent to a study.

House 13, An Act Allowing for the Appointment of Designees to the Inspector General Council

This proposal was also filed in the 2013-2014 legislative session and was enacted as Chapter 419 of the Acts of 2014. The Act allows the members of the Inspector General Council who are public officials to appoint designees to attend meetings on their behalf. The bill was sent to a study.

House 14, An Act Relative to Higher Education Boards of Trustees

This proposal would require every member of a board of trustees for an institution of higher education in Massachusetts to participate in training from the Department of Higher Education. The bill was reported favorably from committee.

House 15, An Act Relative to the Internal Special Audit Unit

This proposal was adopted as part of the fiscal year 2016 budget. The language updates the statute for the Office's Internal Special Audit Unit at the Massachusetts Department of Transportation to ensure the unit has the tools to carry out its statutory mission. The bill was sent to a study.

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Regulatory and Compliance Division

The Office's Regulatory and Compliance Division provides extensive educational and technical assistance to state and local government officials regarding Massachusetts' public procurement laws. Among other activities, the division operates the Office's training programs, publishes educational materials, and offers a hotline to respond to inquiries and complaints concerning public procurement. The division also interprets and formulates policies on the Uniform Procurement Act, G.L. c. 30B ("Chapter 30B"), which governs the purchase by local public officials of supplies, services, equipment and real property, as well as the disposition of real property and other tangible surplus supplies.

Training and Professional Development

The Office established the Massachusetts Certified Public Purchasing Official ("MCPPO") program 19 years ago. The Office created the training program to promote excellence in public procurement by ensuring that public purchasing officials have the tools necessary to operate effectively and in accordance with state procurement laws, and by helping private sector employees understand state and local bidding requirements. Since 1997, nearly 17,000 participants, including town, city and state employees, as well as members of the private sector, have attended the MCPPO program's courses and presentations.

In 2015, the Office held 40 different classes, providing training to over 1,500 participants. Specifically, the MCPPO program offered three, three-day seminars throughout the year: (1) *Public Contracting Overview*, which includes segments on Massachusetts procurement and construction bidding laws, purchasing principles, prevailing wage laws, public records laws and ethics; (2) *Supplies and Services Contracting*, which instructs participants on interpreting Chapter 30B, conducting invitations for bids and requests for proposals, writing effective specifications, and recognizing and solving common bidding problems; and (3) *Design and Construction Contracting*, which provides in-depth instruction on the procurement laws governing public design and construction in Massachusetts, effective contract administration, the prequalification process, alternative delivery methods and the identification of special issues in construction bidding.

During 2015, the Office also offered courses in advanced topics, real property, construction management at-risk under G.L. c. 149A, special procurement issues for schools, the fundamentals of running a public procurement office, and planning and implementing a public building project. Introduced in 2015, the Office also presented a one-day contract administration class, which covers best practices for developing and implementing supplies and services contracts, the importance of effective communication, contract monitoring tools, common legal issues, risk assessment and management, and false claims laws.

The Office also offered a four-day course, *Certification for School Project Designers and Owner's Project Managers*, in response to the Massachusetts School Building Authority's regulations, which require public school designers and owner's project managers to receive MCPPO certification. The Office presented this course four times in 2015. The Office offered a one-day class, *Recertification for School Project Designers and Owner's Project Managers*, for

private sector designers and owner's project managers who previously received their MCPPO certification. The Office presented this course four times in 2015.

Also in 2015, the Office provided training to senior staff and trustees at public institutions of higher education. The Office conducted two programs in conjunction with the Board of Higher Education, the Attorney General's Office and the State Ethics Commission as part of a multi-agency response to a report the Office released concerning improper spending practices by former Westfield State University President Evan S. Dobbelle. The training provided guidance to trustees and senior staff on their fiduciary duties to their institutions, the importance of internal controls, fraud prevention measures, management oversight and the state's ethics laws. Furthermore, because of the success of this course and the important topics it addresses, in 2015 the Office also offered the course to the members of all public boards and commissions in the Commonwealth.

Last year, the Office successfully incorporated additional videoconferencing into the MCPPO program, making it possible for those with travel, budget or personnel constraints to attend MCPPO classes. In 2015, the Office held 12 videoconferences at the Gateway Regional School District in Huntington; the Centerville, Osterville and Marston Mills Fire District located in Centerville; and the University of Massachusetts at Lowell. Finally, the Office continues to offer *Bidding Basics, G.L. c. 30B*, a free, online course that provides an overview of the legal requirements for procuring supplies, services and real property under Chapter 30B. This online class serves as a refresher for staff who do not interpret the procurement laws every day, a foundation in procurement laws for new employees and a quick review for experienced purchasing officials. More than 850 people have participated in this free training.

Speaking Engagements

Throughout 2015, the Office also provided speakers on various topics in public procurement and fraud prevention. Office staff made presentations to numerous agencies, authorities, colleges and associations, including the Massachusetts Port Authority, the Massachusetts Housing Partnership, the Massachusetts Chapter of the National Association of Housing and Redevelopment Officials, the Reading Municipal Light Plant, Northern Essex Community College, the town of Nantucket, the city of Everett, the Framingham Housing Authority, the Massachusetts Association of Public Purchasing Officials, the Massachusetts Association of School Business Officials, the Massachusetts Collectors' and Treasurers' Association, the Massachusetts Association for Pupil Transportation Officials, the Massachusetts Facilities Administrators' Association, the Massachusetts Library System, the Massachusetts Higher Education Consortium, the Operational Services Division's MassBuys Exposition, the Department of Higher Education Statewide Trustees Conference and Bentley University.

Inquiries and Complaints

The Office regularly advises purchasing officials on how to comply with state bidding laws, obtain the best value for their jurisdiction and increase competition for public contracts. As part of this service, the Office offers a hotline to respond to questions and complaints concerning public procurements. In 2015, the Office responded to approximately 1,300 inquiries and questions about Chapter 30B and other public bidding laws.

Technical Assistance

In 2015, the Office instituted a compliance review program to help cities and towns improve their procurement practices and outcomes. As part of the program, the Office evaluates a jurisdiction's procedures for complying with Chapter 30B, identifies internal control weaknesses, assesses vulnerabilities to fraud and identifies best practices for conducting procurements. The Office conducted three reviews in 2015.

Publications

The Office publishes a wide range of materials designed to educate and inform local procurement officials, private vendors and the public. Since 1994, the Office has published the *Procurement Bulletin*, a quarterly newsletter containing information about public procurement, new legislation, the Office's investigations and other topics of importance to purchasing officials. During 2015, nearly 3,500 individuals subscribed to the *Procurement Bulletin*. Representative topics covered in 2015 include procuring "crowdfunding" services, leasing or purchasing an asset, energy and energy-related contracts, cell phone bill fraud, hiring deputy tax collectors, and delegations of procurement powers. Past issues of the *Procurement Bulletin*, as well as a topical index of past articles, are located on the Office's website.

Owner's Project Manager Review Panel

Each month, counsel from the Regulatory and Compliance Division represents the Office at the Owner's Project Manager Review Panel ("Review Panel"). When a school district receives state funding to build a new school, it must use an owner's project manager ("OPM") to oversee the building project. The Review Panel, which is led by the Massachusetts School Building Authority, reviews each school district's selection of an OPM, including the evaluation process the school district used.

As a member of the panel, counsel reviews each district's process and evaluation of its OPM-applicants. This review entails examining both the school district's needs and the OPM's qualifications, including the OPM's project experience, managerial experience, backlog of other ongoing work and financial viability. Counsel then participates in the Review Panel's meeting, listening to the presentations of the school district and the proposed OPM. After considering the presentations, reviewing the materials and soliciting questions, the panel may either agree with the school district's selection of an OPM or recommend further review and consideration.

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Reports, Letters and Publications

The following reports, letters and other documents are available on the Inspector General's website, www.mass.gov/ig:

Reports and Letters:

- Inspector General's Review of 2013 Property Transactions Between the Boston Redevelopment Authority and the Boston Red Sox
- Inspector General's Letter to the Operational Services Division Regarding the State Surplus Property Office
- Inspector General's Letter to the Wayland School Committee Concerning the METCO Program Director
- Inspector General's Letter to Framingham Housing Authority Board of Commissioners
- Inspector General Glenn A. Cunha's Letter to Chief Justice Paula M. Carey Regarding Assistant Clerk Magistrate Michael Brennan's Suspicious Banking Activity
- 2014 Annual Report: Internal Special Audit Unit

Legislative Testimony and Announcements:

- Office of the Inspector General Investigation Leads to Indictments of Two Former Buzzards Bay Water District Employees
- First Assistant Inspector General Natalie S. Monroe Honored
- Inspector General Glenn A. Cunha's Testimony on State Land Transactions, September 2015
- Inspector General Glenn A. Cunha's Testimony on Municipal Land Transactions, September 2015
- Office of the Inspector General Joint Investigation Leads to Charges Against Two Former Employees at a Roxbury Subsidized Housing Development
- Office of the Inspector General Investigation Leads to Indictment of the Former Executive Director of the Burlington Housing Authority for Using the Authority's Credit Card for Personal Expenditures
- Office of the Inspector General's Westfield State University Investigation Team Receives Manuel Carballo Governor's Award for Excellence in Public Service
- Former Non-Profit Facilities Director Sentenced to Federal Prison on Bribery Charges
- Former Westfield State University President Agrees to Pay the State to Settle Allegations of False Claims

- Quincy Man Admits to Larceny from Tenants Association Following Inspector General Investigation
- Former Lobbyist Richard McDonough Indicted for Pension Fraud
- Inspector General Comments in Support of Elimination of the Film Tax Credit to the Joint Committee on Revenue

Publications:

- *Procurement Bulletin*, Vol. 21, Issue #1 (April 2015)
- *Procurement Bulletin*, Vol. 21, Issue #2 (July 2015)
- *Procurement Bulletin*, Vol. 21, Issue #3 (October 2015)