

THE AUDITOR'S REPORT



News & Updates

from the Office of the State Auditor Suzanne M. Bump

Making Government Work Better



Suzanne M. Bump
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Dear Friend,

The scourge of opiate abuse and death is causing all of us to ponder what we can do to address addiction. Interestingly, even the Office of the State Auditor can help. Last month, we joined [Attorney General Maura Healey](#) to announce a unique collaboration with other state and federal agencies for the launch of the Interagency Group on Illegal Prescribing. Led by the AG's Medicaid Fraud Division and Criminal Bureau, the group will hold regular meetings and share information about potential criminal activity, common investigations and opportunities for collaboration.

To this effort, we'll bring our data analytics capabilities, which allow us to quickly identify trends that might show evidence of over-prescribing. By facilitating a way to bring stakeholders together and share their expertise, the group can eliminate duplicative efforts and save time and resources while working to address illegal opioid prescribing.

Massachusetts' response to the opioid epidemic is a case study in collaboration. The increased focus of the public and policymakers on this problem has led to new opportunities for agencies, service providers, and stakeholders to come together to develop action plans and take important steps that make a difference in the lives of Bay State residents.

I am proud not just to watch it happen, but to actively participate in the process. And, I am hopeful that we in state government will learn from this approach and seek chances to replicate its success in other areas.

Thank you,

Suzanne M. Bump
Auditor of the Commonwealth

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OSA Focus: Finding the Answers

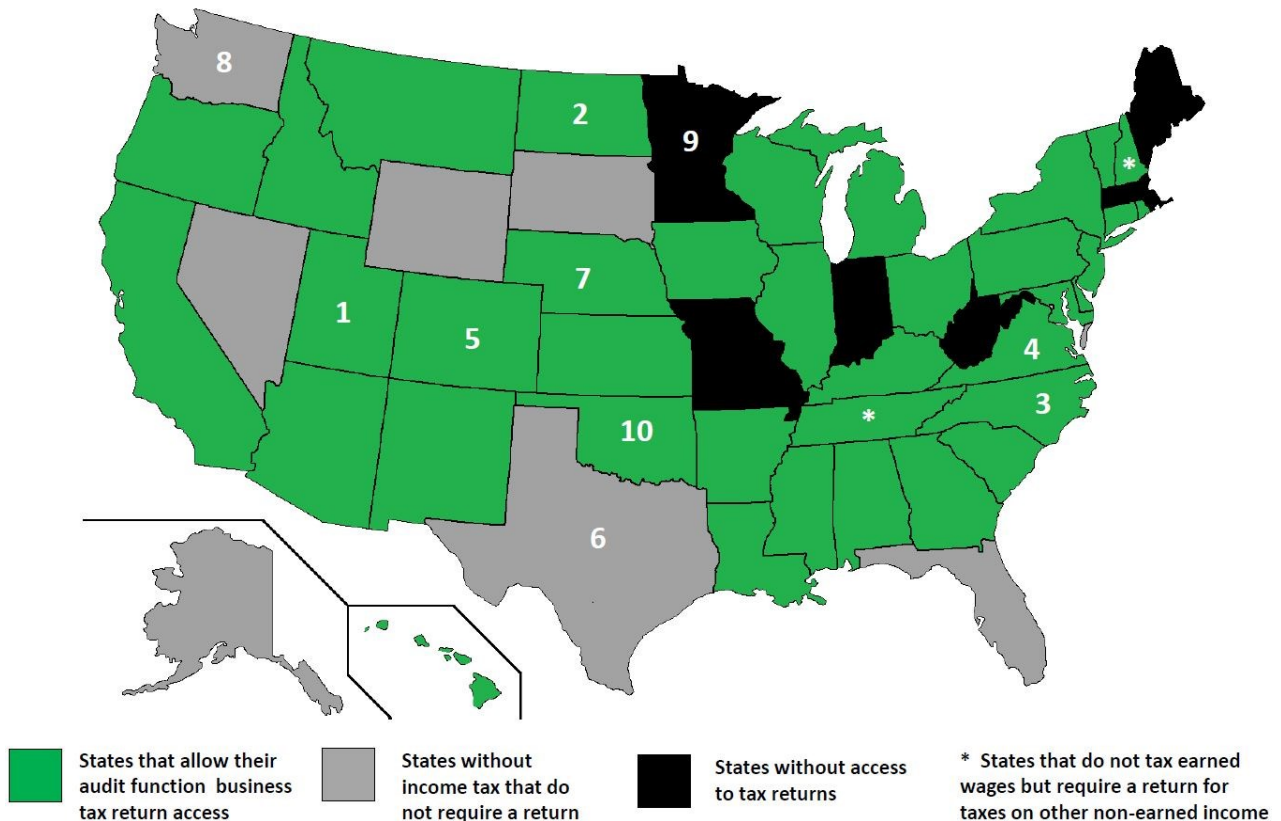
The OSA is a problem solving agency. Our goal is not to simply point fingers at problems, but rather to offer solutions that improve efficiency, transparency, and accountability to help state government work better for residents of the Commonwealth. However, OSA ran into a roadblock in 2011 in our efforts to evaluate Massachusetts' business tax expenditure program. We wanted to know how the Department of Revenue (DOR) was overseeing these programs, determining which were successful, and taking action when businesses did not meet the terms of the tax incentive.

Despite the OSA's role as Massachusetts' Chief Accountability Agency, providing oversight and assessment of public entities, the ability to oversee agencies' performance is not universal. We cannot provide the same oversight to DOR that we do to MassHealth, the state's Medicaid program, because state law prohibits us from accessing tax returns to evaluate not just the effectiveness of the tax expenditure program, but a number of the functions at the agency. And, since DOR is responsible for overseeing the state's revenues, it is essential that there is some way to ensure that it is doing its job properly.

The questions that remain unanswered are many. To address this, Auditor Bump has filed legislation that would remedy this by granting the OSA access to corporate tax returns in order to evaluate DOR's oversight. Since testifying in support of this bill in September, Auditor Bump continues to meet with legislators, business owners and advocates to urge support for it. If approved, the OSA would have a crucial tool for ensuring accountability and transparency. With it, the OSA could finally answer questions about the Massachusetts' tax expenditure program that will be useful to lawmakers as they consider new policies and OSA can provide the transparency that taxpayers deserve. The bill, House Bill 6, is currently pending before the Joint Committee on Revenue.

Tax Return Access by State

Numbers correspond to *Forbes* 2014 Best States for Business and Careers Rankings



OSA's work makes headlines

[2016 a year of optimism and opportunity for better government: Guest viewpoint](#)

Auditor Bump believes the tools for making government work better include encouraging collaboration, improving accountability, and better utilization of data and technology. In addition to this, she lays out a vision for 2016 based on the lessons and success from 2015 in this opinion piece she wrote for the Springfield Republican.

[Opioid task force will target MDs, pharmacists](#)

Leading by example, the OSA partners with the Attorney General Maura Healey's office and other agencies on a collaborative effort to address opioid over-prescribing. The Boston Globe covered the mid-month launch of the Inter-agency Group on Illegal Prescribing (IGIP), in which the OSA will contribute to the group by using its sophisticated data analytics technology to help address the illegal prescription of opioids across the Bay State.



[Auditor: Key data missing from 'philosophical' charter school debate](#)

Our audits frequently call for the need for reliable data. More than a year ago, OSA released an audit of the Department of Elementary and Secondary Education's oversight of charter schools, and highlighted multiple areas where accurate data is not being collected. As the charter school debate heats up once again in the State House, Auditor Bump reiterated her call for improved data in this important area.

[Audit finds inconsistencies in Trial Courts](#)

The Lowell Sun dives in to the OSA's audit of probation fee assessments at district courts across the Commonwealth. Auditors visited 16 district court locations as part of field work and found that these fees and community service requirements were administered unequally across the state.

[Bump sees physical education inequality](#)

An investigation by Commonwealth Magazine leads back to our 2014 audit of the state's efforts to address childhood obesity in Massachusetts. Though not part of the audit's scope, auditors identified a link between socio-economic status and access to physical education and athletic activities.

[Read more coverage of OSA's work](#)



OSA Special Report: Strengthening our Social Safety Net

The Bureau of Special Investigations (BSI), is charged with detecting and preventing fraud within public assistance programs. This week, the BSI released its [2015 Annual Report](#) which identified \$13.7 million in public assistance fraud—a 44 percent increase over last year and the fifth straight year BSI has a set a record in identified fraud.

The uptick in identified fraud does not necessarily indicate more fraud in these programs, but is reflective of greater effectiveness by the agency in identifying fraudulent behavior. BSI has also begun working with additional state agencies to improve and expand the referral process, ensuring that those agencies can report suspicions of fraud to BSI.

In addition to identifying more fraud, BSI's return on investment has doubled since 2012.

Questions or concerns about this newsletter? Email us at media@sao.state.ma.us.

Accountability in Action: Privatization Primer

OSA staff, working in conjunction with the Boston Bar Association, organized a panel discussion focused on the Massachusetts Taxpayers Protection Act (also known as the Privatization Law or the Pacheco Law) on January 7, 2016.

The privatization law establishes the process by which state agencies may privatize state services, and applies to contracts valued at \$553,275 or greater between an agency and a non-government entity that provides services currently being provided by state employees. The law also establishes the Office of the State Auditor as the entity tasked with reviewing these proposals. Since the privatization law was enacted, the OSA has received 17 proposals, 12 of which have been approved.

The panel covered background on the law for the many private and public attorneys in attendance and also provided a primer about how it works in practice. In addition to OSA staff directly involved in this work, the panel also consisted of Charles Chieppo, a fellow at the Harvard Kennedy School of Government who argued in opposition of the law, and David Kassel of the Massachusetts Coalition of Families and Advocates (COFAR), who argued in support. Finally, attendees heard from Michael LaGrassa from the University of Massachusetts-Dartmouth relative to his experience privatizing a public service at the university.

In 2015, the privatization law has generated significant attention from both the media and the public after the Legislature passed a provision granting the MBTA a three-year reprieve from the law.



Participating in the panel were, from left: Research fellow at the Ash Center of the Harvard Kennedy School Charles Chieppo, and OSA's Deputy for Audit Operations Ken Woodland, General Counsel (retired) Gerry McDonough, and Chief Counsel Joannah Quinn. Other panelists (not pictured) included: David Kassel of the Massachusetts Coalition of Families and Advocates (COFAR) and Michael LeGrassa of the University of Massachusetts—Dartmouth.



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The Auditor's Report

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