



DIANA DIZOGLIO  
AUDITOR

# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

TEL (617) 727-2075  
FAX (617) 727-3014

August 16, 2023

House Committee on Ways and Means  
24 Beacon Street  
Room 243  
Boston, MA 02133

Senate Committee on Ways and Means  
24 Beacon Street  
Room 212  
Boston, MA 02133

**Re: Bureau of Special Investigations (BSI) FY2023 fourth quarter report**

Dear Legislative Colleagues:

Pursuant to its obligations relative to fiscal year 2023 budget language (0710-0200), the Bureau of Special Investigations (BSI) submits the enclosed quarterly report detailing and summarizing its activities during the fourth quarter of fiscal year 2023.

Please contact my office if you have any questions or wish to discuss the Bureau's work in greater detail.

Best regards,

A handwritten signature in cursive script that reads "Diana DiZoglio".

Diana DiZoglio  
Auditor of the Commonwealth

# Bureau of Special Investigations 4<sup>th</sup> Quarter Report

Fiscal Year 2023

April 1, 2023 – June 30, 2023

## About the Bureau of Special Investigations

Operating as a division within the Office of the State Auditor, the Bureau of Special Investigations (BSI) is charged with investigating allegations of public assistance fraud throughout the Commonwealth. The work of BSI fraud examiners ensures taxpayer dollars used to fund Massachusetts' public benefits programs are managed effectively so that programs are available to residents who truly need them.

Pursuant to M.G.L. c.11, §17, BSI's investigative authority extends to any assistance program administered by the Department of Transitional Assistance (DTA), the Department of Children and Families (DCF), and the Division of Medical Assistance, which administers MassHealth (the state's Medicaid program). Although the Department of Early Education and Care (EEC) is not included in BSI's enabling statute, BSI also works with EEC through a Memorandum of Understanding. As a result of BSI's investigations, public assistance fraud cases are referred to agencies for administrative action, fraudulent overpayments are recovered through civil agreements, individuals are disqualified from programs for specified periods of time, and cases are prosecuted in state and federal courts.

BSI fraud examiners operate from five offices across the Commonwealth. BSI consists of three separate investigative units: the Central Processing Unit; the MassHealth, Department of Transitional Assistance, and Early Education and Care Unit; and the Data Analytics Unit. While each unit has its own specific concentration, there is extensive cross-unit collaboration, and investigations often involve overlap. BSI also participates in joint investigations and task forces with other state and federal agencies that focus on combating fraudulent activities throughout the Commonwealth.

During Quarter 4 of fiscal year 2023, BSI investigated a total of 1,552 cases. Of these, 89 were completed with fraud identified. Further detail regarding these 89 cases may be found below.

## Summary of Investigations Completed with Fraud Identified

Assistance type <sup>1</sup>	Amount	% of total
Supplemental Nutrition Assistance Program (SNAP)	\$843,705.00	83.15%
Transitional Aid to Families with Dependent Children (TAFDC)	\$101,905.36	10.04%
Emergency Aid to the Elderly, Disabled, and Children (EAEDC)	\$46,048.84	4.54%
Supplemental Security Income (SSI)	\$22,995.67	2.27%
<b>Grand Total</b>	<b>\$1,014,654.87</b>	<b>100%</b>

<sup>1</sup> During this quarter, BSI completed numerous fraud investigations related to the Department of Early Education and Care (EEC) and MassHealth benefits. Notably, identified fraud amounts for both of these programs are not available for this quarter. Administration changes and staffing transitions affected EEC's ability to complete BSI calculation requests. In addition, MassHealth ceased calculating member-benefits overpayments in December 2022 due to uncertainty related to recent guidance from the Centers for Medicare and Medicaid Services (CMS). Specifically, the CMS has issued guidance to states instructing that "[s]tates cannot recover or recoup the cost of services from a beneficiary, even if they have been found after an administrative or criminal proceeding to have committed Medicaid beneficiary fraud or abuse." See <https://www.medicare.gov/federal-policy-guidance/downloads/covid-19-unwinding-faqs-oct-2022.pdf> at FAQ 31. To ensure compliance with this CMS guidance, MassHealth paused overpayment calculations, though both programs have since resumed completing BSI overpayment calculations. BSI anticipates that future quarterly reports will have calculated overpayments and, when permitted by CMS, recoveries.

## Summary of Restitution Settlements (Civil Recoveries)<sup>2</sup>

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Total

\$128,640

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<sup>2</sup> Please note that BSI does not collect settlement payments of any kind; the individual benefit programs are responsible for collection activities related to BSI cases settled through civil recoupment or criminal prosecution. Therefore, BSI is unable to report on monthly collections or circumstances that produce shortfalls in collections.