



A. JOSEPH De NUCCI  
AUDITOR

# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

BUREAU OF SPECIAL INVESTIGATIONS

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## Office of the State Auditor Bureau of Special Investigations

FY 2005

1st Quarterly Report  
July 1, 2004 - September 30, 2004

November 1, 2004



# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DE NUCCI  
AUDITOR

TEL (617) 727-2075  
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November 1, 2004

The Honorable John H. Rogers  
Chairman  
House Committee on Ways and Means  
State House  
Room 243  
Boston, MA 02133

Dear Chairman Rogers:

In compliance with the provisions of Chapter 149 of the Acts of 2004, line item 0710-0200, I hereby submit a quarterly report of the activities and accomplishments of the Bureau of Special Investigations of the Office of the State Auditor. The report covers the period of July 1, 2004 – September 30, 2004.

Please feel free to contact me if you require any additional information.

Sincerely,

A handwritten signature in black ink, reading "A. Joseph DeNucci".

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AJD/law



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November 1, 2004

The Honorable Therese Murray  
Chairwoman  
Senate Committee on Ways and Means  
State House  
Room 212  
Boston, MA 02133

Dear Chairwoman Murray:

In compliance with the provisions of Chapter 149 of the Acts of 2004, line item 0710-0200, I hereby submit a quarterly report of the activities and accomplishments of the Bureau of Special Investigations of the Office of the State Auditor. The report covers the period of July 1, 2004 – September 30, 2004.

Please feel free to contact me if you require any additional information.

Sincerely

A handwritten signature in black ink, reading "A. Joseph DeNucci". The signature is written in a cursive style with a large initial "A" and "D".

A. Joseph DeNucci  
Auditor of the Commonwealth

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# **Bureau of Special Investigations**

## **Quarterly Report**

*July 1, 2004 – September 30, 2004*

### Introduction

The Office of the State Auditor's Bureau of Special Investigation (BSI) is charged with investigating fraudulent claims for or wrongful receipt of payments or services under public assistance programs. BSI received referrals from various state and federal agencies, the general public and the State police. The majority of these allegations involve suspected fraud in the Department of Transitional Assistance (DTA) cash assistance and Food Stamp Programs and the Division of Medical Assistance (DMA) Mass. Health program.

When an investigation results in identified public assistance fraud, this case is either referred to the appropriate legal authority for criminal prosecution or the appropriate agency for civil recoupment of illegally obtained benefits or services. BSI examiners work closely with District Attorneys' offices and/or agency personnel to assure the recovery of lost funds.

### First Quarter Activities and Accomplishments

At the start of the first quarter of FY 2005, BSI's caseload included 2312 cases in various stages of investigation. During the months of July 1, 2004 through September 30, 2004, BSI received 216 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 393 cases. In 168 of these investigations, BSI examiners found illegal activities that resulted in \$672,123.94 of fraudulently obtained public assistance benefits and services. Each of these cases has been referred to the appropriate agency for either criminal prosecution or civil recoupment of lost funds. These entities establish settlement restitution payment amounts and are responsible for the actual collection of these payments.

The total caseload of open investigations on September 30, 2004 totaled 2137 cases.

The charts below provide a summary of caseload activities and the amounts of identified fraud by program of assistance.

<b>Summary of BSI Investigative Activities</b> (7/01/2004 - 9/30/2004)	
Number of Open Investigations as 7/01/2004	2312
New Referrals received	216
Completed Investigations with Identified Fraud	168
Completed Investigations with no Fraud Identified	225
Number of Open Investigations as of 9/30/2004	2137

<b>Identified Fraud by Program of Assistance</b> ( 7/012004 - 9/30/2004)	
Transition Assistance to Families with Dependent Children (TAFDC)	\$ 411,149.60
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 23,327.06
Food Stamps (FS)	\$ 160,357.10
Medical Assistance (MA)	<u>\$ 77,290.18</u>
<b>Total</b>	<b>\$ 672,123.94</b>