

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 2008

**1st Quarterly Report**  
July 1, 2007 - September 30, 2007

November 16, 2007



# 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 16, 2007

The Honorable Robert A. DeLeo  
Chairman  
House Committee on Ways and Means  
State House  
Room 243  
Boston, MA 02133

Dear Chairman DeLeo:

In compliance with the provisions of Chapter 139 of the Acts of 2006, 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, 2007 – September 30, 2007.

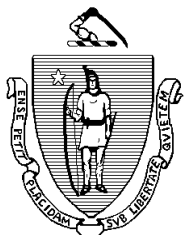
Please feel free to contact me if you require any additional information.

Sincerely,

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

A. Joseph DeNucci  
Auditor of the Commonwealth

AJD/law



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November 16, 2007

The Honorable Steven C. Panagiotakos  
Chairman  
Senate Committee on Ways and Means  
State House  
Room 212  
Boston, MA 02133

Dear Chairman Panagiotakos:

In compliance with the provisions of Chapter 139 of the Acts of 2006, 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, 2007 – September 30, 2007.

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 a prominent "D" in "DeNucci".

A. Joseph DeNucci  
Auditor of the Commonwealth

AJD/law

**Bureau of Special Investigations**  
FY 2008  
Quarterly Report

*July 1, 2007 – September 30, 2007*

**Introduction**

The Office of the State Auditor's Bureau of Special Investigations (BSI) is charged with investigating fraudulent claims for or wrongful receipt of payments or services under public assistance programs. BSI receives 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) MassHealth program.

When an investigation results in identified public assistance fraud, the case is 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 appropriate agency personnel to assure the recovery of lost funds. These entities establish settlement restitution payment amounts and are responsible for the actual collection of these payments.

**First Quarter Activities and Accomplishments**

At the start of the first quarter of FY 2008, BSI's caseload included 4,450 cases in various stages of investigation. During the period of July 1, 2007 through September 30, 2007, BSI received 158 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 377 cases. In 102 of these investigations, BSI examiners found illegal activities that resulted in \$760,116.80 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.

The total caseload of open investigations on September 30, 2007 totaled 4,231 cases.

**Summary of BSI Investigative Activities**

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

<b><i>Caseload Summary</i></b> <i>(7/1/2007 – 9/30/2007)</i>	
Number of Open Investigations as of 7/1/2007	4,450
New Referrals received	158
Completed Investigations with Identified Fraud	( 102)
Completed Investigations with no Fraud Identified	<u>( 275)</u>
Number of Open Investigations as of 9/30/2007	4,231

<b><i>Identified Fraud by Program of Assistance</i></b> <i>(7/1/2007 –9/30/2007)</i>	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 195,598.81
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 33,078.64
Food Stamps (FS)	\$ 86,252.04
Medical Assistance (MA)	\$ 443,699.27
Social Security Insurance (SSI)	<u>\$ 1,488.04</u>
<b><i>Total</i></b>	<b>\$ 760,116.80</b>