



A. JOSEPH De NUCCI
AUDITOR

The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

BUREAU OF SPECIAL INVESTIGATIONS

ONE ASHBURTON PLACE, ROOM 1402
BOSTON, MA 02108

TEL 617 727-6771
FAX 617 7276777

Office of the State Auditor Bureau of Special Investigations

FY2009

1st Quarterly Report
July 1, 2008 - September 30, 2008

November 21, 2008



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DE NUCCI
AUDITOR

TEL (617) 727-2075
FAX (617) 727-2383

November 21, 2008

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 182 of the Acts of 2008, line items 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, 2008 – September 30, 2008.

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
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AJD/law



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November 21, 2008

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 182 of the Acts of 2008, line items 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, 2008 – September 30, 2008.

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

Sincerely,

A handwritten signature in black ink that reads "A. Joseph DeNucci". The signature is fluid and cursive, with a prominent initial "A" and "J".

A. Joseph DeNucci
Auditor of the Commonwealth

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Bureau of Special Investigations

FY 2009

Quarterly Report

July 1, 2008 – September 30, 2008

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 2009, BSI's caseload included 2,743 cases in various stages of investigation. During the period of July 1, 2008 through September 30, 2008, BSI received 418 new allegations of public assistance fraud.

During this period BSI completed the investigation of 427 cases. In 46 of these investigations, BSI examiners found illegal activities that resulted in \$965,212.20 of fraudulently obtained public assistance benefits and services. Of the DTA cases, 29 have been sent to DTA for civil recovery of over \$110,700, three have been resolved through voluntary repayment agreements finalized by BSI staff for \$33,227 and five are pending the completion of voluntary repayment agreements of over \$106,000. Of the DMA cases, three cases, with a value of over \$634,000, are being prepared for criminal prosecution in the Attorney General's office, while one case is pending negotiation of a voluntary repayment of \$69,986 and five cases with a value of over \$11,000 are being evaluated for referral to DMA for civil recovery.

The total caseload of open investigations on September 30, 2008 totaled 2734 cases.

