

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

FY2010

1st Quarterly Report  
July 1, 2009 - September 30, 2009

November 18, 2009



# 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 18, 2009

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

Dear Chairman Murphy:

In compliance with the provisions of Chapter 27 of the Acts of 2009, 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, 2009 – September 30, 2009.

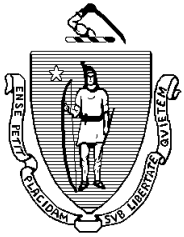
Please feel free to contact me if you require any additional information.

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

AJD/law



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AUDITOR

# The Commonwealth of Massachusetts

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STATE HOUSE, BOSTON 02133

TEL (617) 727-2075  
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November 18, 2009

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 27 of the Acts of 2009, 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, 2009 – September 30, 2009.

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

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A. Joseph DeNucci  
Auditor of the Commonwealth

AJD/law

# **Bureau of Special Investigations**

FY 2010

## Quarterly Report

*July 1, 2009 – September 30, 2009*

### **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**

#### **Caseload and investigations:**

At the start of the first quarter of FY 2010, BSI's caseload included 2,389 cases in various stages of investigation. During the period of July 1, 2009 through September 30, 2009, BSI received 399 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 370 cases. In 68 of these investigations, BSI examiners found illegal activities that resulted in \$668,531.09 of fraudulently obtained public assistance benefits and services.

The total caseload of open investigations on September 30, 2009 totaled 2,418 cases.

#### **Recoupment Activities:**

Department of Transitional Assistance (DTA)

48 cases have been sent to DTA for civil recovery of \$184,859.04. For 23 of these cases, DTA has established collection accounts. As of September 30, 2009, \$29,036.05 has been repaid to the Commonwealth, with an additional \$59,219.16 scheduled for collection. DTA also stands to collect \$96,603.83 with the establishment of collection accounts for the remaining 25 cases.

MassHealth

Out of the 20 cases completed with identified fraud, 4 cases with values totaling \$210,842.47 are being prepared for criminal prosecution by the Attorney General's office, and 13 cases with a value of \$121,745.38 are being prepared for referral to MassHealth for civil recovery. In one case, a civil recovery agreement has been negotiated and will result in full reimbursement of \$62,118.15 to MassHealth from the proceeds of the sale of a subject's property.

**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>Caseload Summary</b>	
( 7/1/2009 - 9/30/2009 )	
Number of open investigations as of 7/1/2009	2,389
New Referrals received	399
Completed Investigations with Identified Fraud	(68)
Completed Investigations with no Identified Fraud	<u>(302)</u>
Number of open investigations as of 9/30/2009	2,418

<b>Identified Fraud by Program of Assistance</b>	
( 7/1/2009 - 9/30/2009 )	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 124,916.52
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 1,060.56
Food Stamps (FS)	\$ 58,882.00
Medical Assistance (MA)	<u>\$ 483,672.01</u>
<b>Total</b>	<b>\$ 668,531.09</b>