

A. JOSEPH De NUCCI
AUDITOR

The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

BUREAU OF SPECIAL INVESTIGATIONS

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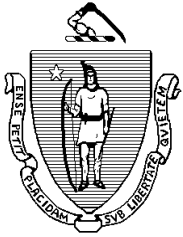
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Office of the State Auditor Bureau of Special Investigations

FY 2006

4th Quarterly Report
April 1, 2006 - June 30, 2006

July 28, 2006



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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July 28, 2006

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 45 of the Acts of 2005, 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 April 1, 2006 – June 30, 2006.

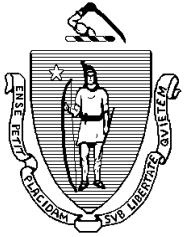
Please feel free to contact me if you require any additional information.

Sincerely,

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

A. Joseph DeNucci
Auditor of the Commonwealth

AJD/law



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AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DE NUCCI
AUDITOR

TEL (617) 727-2075
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July 28, 2006

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 45 of the Acts of 2005, 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 April 1, 2006 – June 30, 2006.

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 2006

Quarterly Report

April 1, 2006 – June 31, 2006

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.

Fourth Quarter Activities and Accomplishments

At the start of the fourth quarter of FY 2006, BSI's caseload included 3,572 cases in various stages of investigation. During the period of April 1, 2006 through June 31, 2006, BSI received 475 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 136 cases. In 51 of these investigations, BSI examiners found illegal activities that resulted in \$902,259.39 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.

Currently, BSI has a number of cases of identified fraud pending in various stages within the court system and is working with the appropriate District Attorneys to prosecute these cases. During this quarter, twelve cases of previously identified fraud were successfully prosecuted with seven convictions and court ordered repayments of over \$340,000 to the Commonwealth.

The total caseload of open investigations on June 31, 2006 totaled 3,911 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.

<i>Caseload Summary</i> <i>(4/01/2006 – 6/31/2006)</i>	
Number of Open Investigations as of 4/1/2006	3,572
New Referrals received	475
Completed Investigations with Identified Fraud	51
Completed Investigations with no Fraud Identified	<u>85</u>
Number of Open Investigations as of 6/31/2006	3,911

<i>Identified Fraud by Program of Assistance</i> <i>(4/01/2006 –6/31/2006)</i>	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 187,905.06
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 72,510.00
Food Stamps (FS)	\$ 14,503.31
Medical Assistance (MA)	<u>\$ 585,243.65</u>
<i>Total</i>	\$ 902,259.39