

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

4th Quarterly Report  
April 1, 2010 - June 30, 2010

July 22, 2010



# 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 22, 2010

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 April 1, 2010 – June 30, 2010.

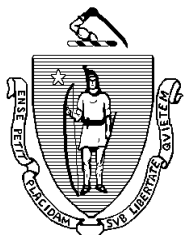
Please feel free to contact me if you require any additional information.

Sincerely,

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

A. Joseph DeNucci  
Auditor of the Commonwealth

AJD/law



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STATE HOUSE, BOSTON 02133

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July 22, 2010

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 April 1, 2010 – June 30, 2010.

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# **Bureau of Special Investigations**

FY 2010

## Quarterly Report

*April 1, 2010 – June 30, 2010*

### **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**

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

At the start of the fourth quarter of FY 2010, BSI's caseload included 2,936 cases in various stages of investigation. During the period of April 1, 2010 through June 30, 2010, BSI received 623 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 554 cases. In 68 of these investigations, BSI examiners found illegal activities that resulted in \$932,480.48 of fraudulently obtained public assistance benefits and services.

The total caseload of open investigations on June 30 2010 totaled 3,005 cases.

#### **Recoupment Activities:**

Department of Transitional Assistance (DTA):

During the past quarter, BSI sent 37 completed cases to DTA for civil recovery of \$188,270.18. For 14 of these cases, DTA has established collection accounts. As of July 17, 2010, \$1,343 has been repaid to the Commonwealth, with an additional \$156,970.39 scheduled for collection.

Out of the 16 cases completed with identified fraud, 11 cases with values totaling \$407,496.65 are being evaluated by BSI's prosecution team for the preparation of possible criminal prosecution, and 4 cases with a value of \$34,517.54 are being evaluated by the Director for civil recovery by Examiner.

MassHealth:

Out of the 15 cases completed with identified fraud, three cases with values totaling \$132,738.23 are being evaluated by BSI's prosecution team for the preparation of possible criminal prosecution, and 10 cases with a value of \$66,810.63 are being prepared for referral to Mass Health for civil recovery. One case has been resolved through a lump sum civil repayment totaling \$38,861.58.

**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>	
( 4/1/2010 - 6/30/2010 )	
Number of open investigations as of 4/1/2010	2,936
New Referrals received	623
Completed Investigations with Identified Fraud	(68)
Completed Investigations with no Identified Fraud	<u>(486)</u>
Number of open investigations as of 6/30/2010	3,005

<b>Identified Fraud by Program of Assistance</b>	
( 4/1/2010 - 6/30/2010 )	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 182,095.06
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 7,902.99
Supplemental Nutrition Assistance Program (SNAP)	\$ 249,664.00
Medical Assistance (MA)	\$ 464,588.18
Child Care (CC)	<u>\$ 28,230.25</u>
<b>Total</b>	<b>\$ 932,480.48</b>