



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

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## **Bureau of Special Investigations Fourth Quarter Report – FY2011**

April 1, 2011 - June 30, 2011

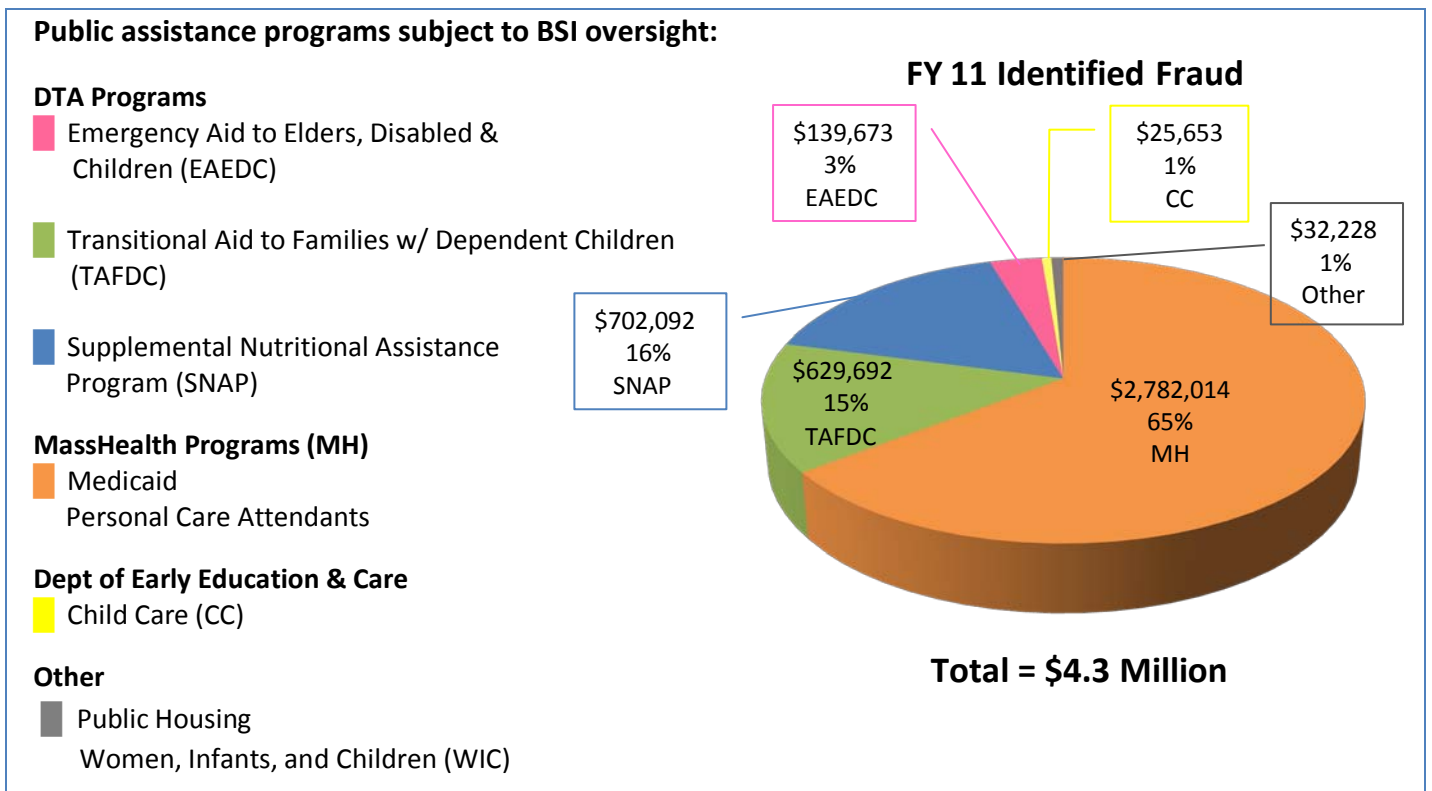


## BUREAU OF SPECIAL INVESTIGATIONS

The Bureau of Special Investigations serves one of the most important functions in the State Auditor’s Office -- protecting public assistance programs from fraud and recovering taxpayer dollars from those who try to cheat the system. During challenging fiscal times, BSI investigations take on even greater importance as agencies and assistance programs struggle to stretch fewer dollars available to help those in need. BSI oversight identifies millions of dollars in fraud every year. For the last two fiscal years, BSI detected fraudulently-gained payments equal to nearly a quarter of the entire State Auditor’s annual budget appropriation.

Investigations also act as a deterrent to criminals and help agencies and vendors better manage public assistance programs---part of Auditor Bump’s mission to help government work better.

BSI examiners work out of five offices throughout the state, investigating referrals from the Department of Transitional Assistance (DTA), Mass Health, law enforcement agencies, and the general public.



During fiscal year 2011, BSI received over 2,400 complaints of suspected fraud in public assistance programs. Of the investigations that BSI examiners completed, they identified nearly \$4.3 million in fraudulent claims which may be subject to recovery by the Commonwealth.

BSI examiners work with dozens of state agencies in tracking fraudulent claims. Investigations where examiners document illegal activity are turned over to the appropriate law enforcement entity -- the

Attorney General, the ten District Attorneys' Offices, and the U.S. Attorney -- for potential criminal prosecution, and to the appropriate agency for recoupment of illegally obtained funds. These entities establish restitution payments and are responsible for collecting settlement amounts.

## FOURTH QUARTER ACTIVITIES AND ACCOMPLISHMENTS

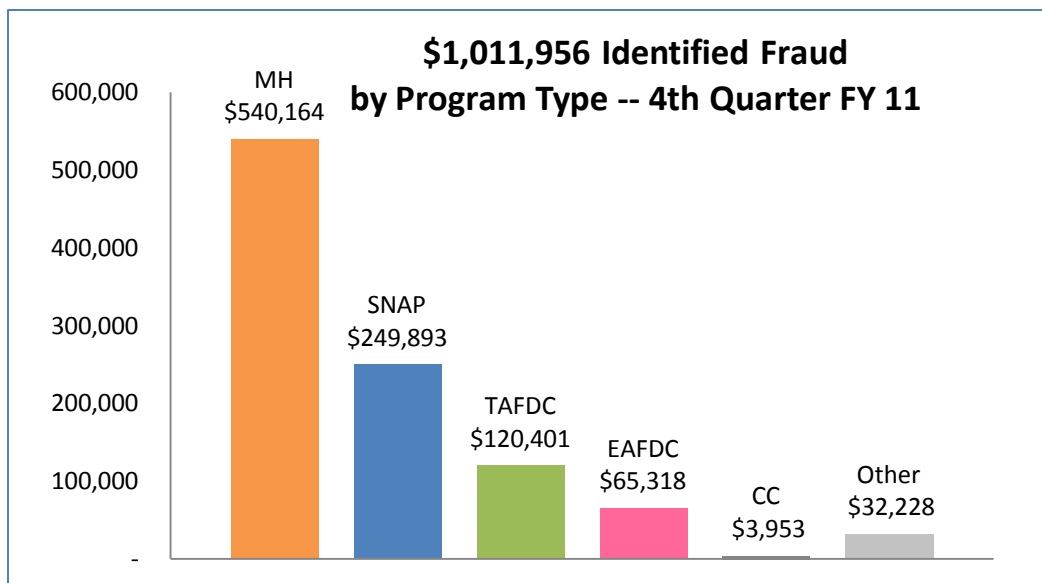
### CASELOAD

At the start of the fourth quarter of FY 2011, BSI's caseload included 2,788 cases in various stages of investigation. BSI received 1,055 new allegations of fraudulently obtained public assistance benefits and services between April 1, 2011 and June 30, 2011. BSI ended the fourth quarter with a case load of 2,572.

Summary by Source	CC	MassHealth	DTA	Hotline	Other
<b>Beginning Balance</b>	45	681	2,002	53	7
<b>New cases</b>	0	105	938	11	1
<b>Completed w/fraud</b>	(1)	(29)	(131)	(2)	(0)
<b>Completed w/o fraud</b>	(26)	(105)	(960)	(16)	(4)
<b>Ending Balance</b>	18	652	1,977	46	4

### INVESTIGATIONS

During the fourth quarter, BSI examiners completed investigations of 1,274 cases. In 163 of these investigations, BSI examiners found evidence of illegal activities that amounted to \$1,011,957 in fraudulently-obtained public assistance benefits and services.



## **RECOUPMENT ACTIVITIES BY PROGRAM TYPE**

### **MASSHEALTH (MH)**

Of the 163 cases with identified fraud, 30 had a Medicaid or Personal Care Attendant component, totaling \$540,163. Seven cases with values totaling \$255,929 will be evaluated for criminal prosecution by the Court Prosecution Team, and eight cases with a value of \$158,507 are under review and awaiting a final recommendation on the appropriate course of action.

In addition, one case valued at \$25,000 has been resolved via civil recovery, and the funds have been repaid to the Commonwealth, and 14 cases with a value of \$100,727 are being prepared for referral to Mass Health for civil recovery.

### **SUPPLEMENTAL NUTRITIONAL ASSISTANCE PROGRAM (SNAP)**

Of the 163 cases with identified fraud, 106 had a SNAP component, totaling \$249,893. Of those cases, 87 totaling \$91,340 have been sent to DTA for civil recovery. Four cases with a value of \$20,721 in SNAP benefits have been resolved via civil recovery, and seven cases with a SNAP value of \$36,705 are being prepared for civil recovery.

Six cases with a SNAP value of \$95,135 are being evaluated by the Court Prosecution Team, and two cases with a SNAP value of \$5,992 are under review and awaiting a final recommendation on the appropriate course of action.

### **TRANSITIONAL AID TO FAMILIES WITH DEPENDENT CHILDREN (TAFDC)**

Of the 163 cases with identified fraud, 51 had a TAFDC component, totaling \$120,401. Of those cases, 42 with a TAFDC component totaling \$80,600 have been sent to DTA for civil recovery. In addition, two cases with a value of \$11,55 in TAFDC benefits has been resolved via civil recovery, and four cases with a TAFDC value of \$14,382 are being prepared for civil recovery.

One case with a value totaling \$6,734 will be evaluated for criminal prosecution by the Court Prosecution Team, and two cases with a value of \$7,130 are under review and awaiting a final recommendation on the appropriate course of action.

### **EMERGENCY AID TO ELDERS, DISABLED, AND CHILDREN (EAEDC)**

Of the 163 cases with identified fraud, 16 had an EAEDC component, totaling \$65,318. Of those, 14 cases totaling \$22,214 have been sent to DTA for civil recovery. Two cases with EAEDC valued at \$43,104 will be reviewed by the Court Prosecution Team.

## **EARLY EDUCATION AND CARE (CC)**

Of the 163 cases with identified fraud, one had a CC component, totaling \$3,953. This case is under review and awaiting a final recommendation on the appropriate course of action.

## **OTHER**

Of the 163 case with identified fraud, one case had a housing component, totaling \$8,800. This case is being prosecuted by the Worcester District Attorney's office as part of a joint investigation with BSI and U. S. Dept of Housing and Urban Development (HUD)

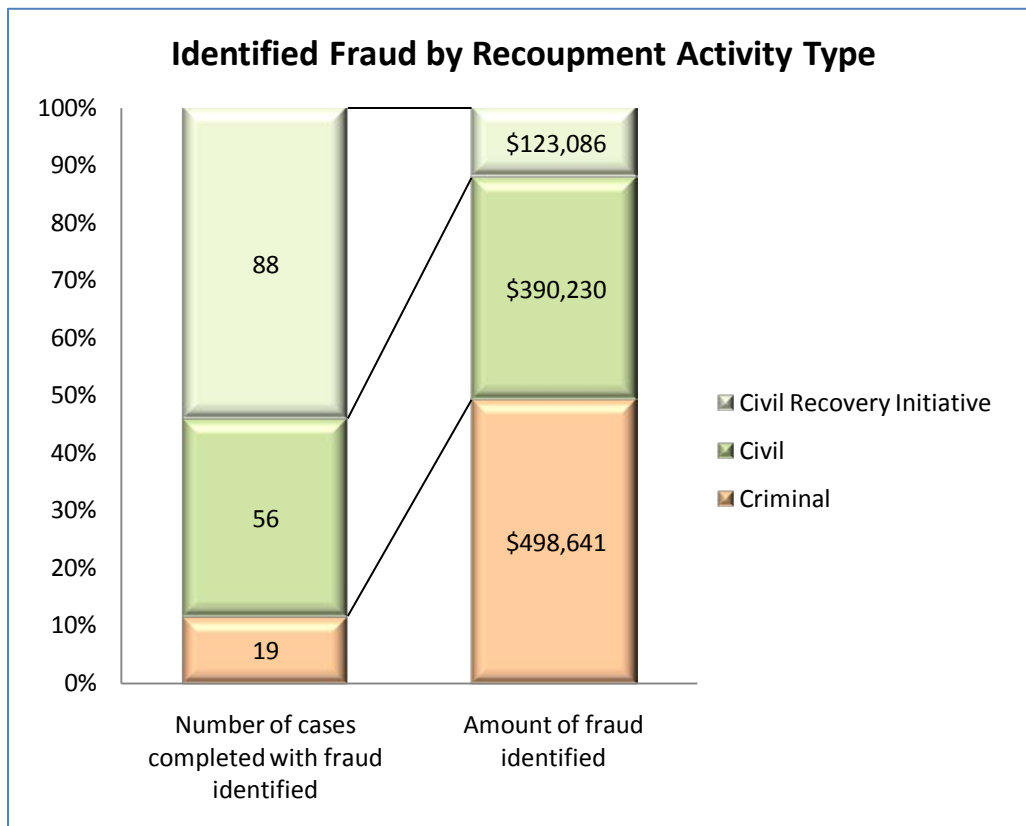
Another case involves the Women, Infants and Children program (WIC), totaling \$23,427. This case is under review awaiting final recommendation on the appropriate course of action.

## IDENTIFIED FRAUD BY RECOUPMENT ACTIVITY TYPE

### CIVIL RECOVERY INITIATIVE

In June 2010, BSI began focusing on civil cases of simple fraud such as under-reporting income that could be quickly investigated by verifying employee business records and fast-tracked back to the Department of Transitional Assistance for recovery of the funds. In the fourth quarter of FY 2011, BSI investigators completed 88 cases through the initiative and identified \$123,086 in fraudulent claims. During the fourth quarter, civil recovery cases accounted for 12% of total dollar amount of identified fraud.

Out of the 163 cases completed with identified fraud, 56 cases were sent back to the appropriate agencies for civil recoupment of illegally obtained funds totaling \$390,230, and 19 cases have been or are currently in the process of being turned over to the appropriate law enforcement entity for potential criminal prosecution and recovery of a total amount of \$498,641.



## BSI Case Highlight - Medicaid Fraud

### Investigators: Monique Packer and Jim Panorese.

**B**ack in July of 1998, Gina Campanini began submitting daily activity logs so Medicaid would pay for several personal care attendants whom she claimed to have hired to provide her services over eight years. The PCA Program, funded by Medicaid, helps eligible elderly and disabled Massachusetts residents in their daily routines, so that they can continue to live in their own homes, which saves the Commonwealth from having to pay for their care in institutional settings. But, as BSI Examiners discovered, Campanini had listed her mother, who had been dead since 1993, as one of her PCA's. Campanini had also listed her brother, husband, and daughter as personal care attendants, as well as other PCA's that didn't exist.

BSI plays a major role in making sure that the PCA Program is able to serve the citizens of the Commonwealth who are in need. In the nine years that BSI has been investigating fraud in the PCA Program, it has identified \$7.1 million in fraudulent activities. Just as important, BSI thwarts even more wrong-doing because those who would seek to defraud the program are well aware of BSI's mission and success. And BSI not only finds those wrongdoers and turns them over to prosecutors, BSI Examiners have been able to discover PCA's who steal from or abuse their clients. BSI's mission saves money for taxpayers while insuring that those Massachusetts residents in need of PCA services receive the care to which they are entitled.

In Gina Campanini's case, BSI Examiners, working with the Massachusetts Attorney General, were able to establish that Campanini had forged the daily activity forms by using the names and social security number of her deceased mother, other family members, and unidentified persons, to submit false daily activity logs that resulted in the fraudulent payment of PCA services. BSI's further investigation established that Campanini received and cashed all the payroll checks totaling \$280,255.

In May of 2011, Gina Campanini pled guilty in Hampden County Superior Court to eight counts of MassHealth fraud and eight counts of larceny as a result of BSI's referral of the case to the Attorney General. Campanini was ordered to pay restitution in the amount of \$139,161 and sentenced to two years in the House of Corrections which was suspended for 12 years.

While the bulk of cases that BSI investigates are referred from state agencies and law enforcement, the general public also plays a vital role in reporting fraud. The State Auditor's Office has an [online form to report public assistance fraud](#). Citizens can also utilize our fraud reporting hotline: (617)727-6771. All complaints are kept confidential.

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