

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

FY 2005

2nd Quarterly Report
October 1, 2004 - December 31, 2004

February 1, 2005



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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February 1, 2005

The Honorable John H. Rogers
Chairman
House Committee on Ways and Means
State House
Room 243
Boston, MA 02133

Dear Chairman Rogers:

In compliance with the provisions of Chapter 149 of the Acts of 2004, 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 October 1, 2004 – December 31, 2004.

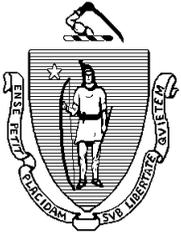
Please feel free to contact me if you require any additional information.

Sincerely,

A handwritten signature in black ink, reading "A. Joseph DeNucci".

A. Joseph DeNucci
Auditor of the Commonwealth

AJD/law



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February 1, 2005

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 149 of the Acts of 2004, 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 October 1, 2004 – December 31, 2004.

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

Sincerely

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Bureau of Special Investigations

Quarterly Report

October 1, 2004 – December 31, 2004

Introduction

The Office of the State Auditor's Bureau of Special Investigation (BSI) is charged with investigating fraudulent claims for or wrongful receipt of payments or services under public assistance programs. BSI received 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) Mass. Health program.

When an investigation results in identified public assistance fraud, this case is either 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 agency personnel to assure the recovery of lost funds.

Second Quarter Activities and Accomplishments

At the start of the second quarter of FY 2005, BSI's caseload included 2137 cases in various stages of investigation. During the months of October 1, 2004 through December 31, 2004, BSI received 278 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 137 cases. In 63 of these investigations, BSI examiners found illegal activities that resulted in \$303,228.45 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. These entities establish settlement restitution payment amounts and are responsible for the actual collection of these payments.

The total caseload of open investigations on December 31, 2004 totaled 2278 cases.

The charts below provide a summary of caseload activities and the amounts of identified fraud by program of assistance.

Summary of BSI Investigative Activities (10/01/2004 - 12/31/2004)	
Number of Open Investigations as 10/01/2004	2137
New Referrals received	278
Completed Investigations with Identified Fraud	63
Completed Investigations with no Fraud Identified	74
Number of Open Investigations as of 12/31/2004	2278

Identified Fraud by Program of Assistance (10/01/2004 - 12/31/2004)	
Transition Assistance to Families with Dependent Children (TAFDC)	\$ 136,648.33
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 12,588.35
Food Stamps (FS)	\$ 35,020.73
Medical Assistance (MA)	<u>\$ 118,971.04</u>
Total	\$ 303,228.45