

A. JOSEPH De NUCCI  
AUDITOR

# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

BUREAU OF SPECIAL INVESTIGATIONS

ONE ASHBURTON PLACE, ROOM 1402  
BOSTON, MA 02108

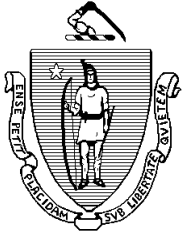
TEL 617 727-6771  
FAX 617 7276777

## Office of the State Auditor Bureau of Special Investigations

FY 2006

2nd Quarterly Report  
October 1, 2005 - December 31, 2005

January 17, 2006



# 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

January 17, 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 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, 2005 – December 31, 2005.

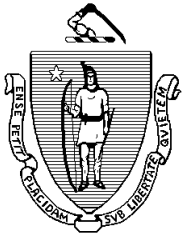
Please feel free to contact me if you require any additional information.

Sincerely,

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

A. Joseph DeNucci  
Auditor of the Commonwealth

AJD/law



# 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

January 17, 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 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, 2005 – December 31, 2005.

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".

A. Joseph DeNucci  
Auditor of the Commonwealth

AJD/law

# **Bureau of Special Investigations**

FY 2006

## **Quarterly Report**

*October 1, 2005 – December 31, 2005*

### **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.

### **Second Quarter Activities and Accomplishments**

At the start of the second quarter of FY 2006, BSI's caseload included 3269 cases in various stages of investigation. During the period of October 1, 2005 through December 31, 2005, BSI received 246 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 303 cases. In 40 of these investigations, BSI examiners found illegal activities that resulted in \$565,791.17 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, BSI successfully prosecuted seven cases of previously identified fraud that resulted in court ordered restitution.

The total caseload of open investigations on December 31, 2005 totaled 3212 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.

<b><i>Caseload Summary</i></b> <i>(10/01/2005 – 12/31/2005)</i>	
Number of Open Investigations as of 10/01/2005	3269
New Referrals received	246
Completed Investigations with Identified Fraud	40
Completed Investigations with no Fraud Identified	<u>263</u>
Number of Open Investigations as of 12/31/2005	3212

<b><i>Identified Fraud by Program of Assistance</i></b> <i>(10/01/2005 – 12/31/2005)</i>	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 112,138.35
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 16,179.75
Food Stamps (FS)	\$ 61,867.87
Medical Assistance (MA)	<u>\$ 375,605.20</u>
<b><i>Total</i></b>	<b>\$ 565,791.17</b>