



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

FY2009

2nd Quarterly Report
October 1, 2008 - December 31, 2008

January 27, 2008



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DE NUCCI
AUDITOR

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January 27, 2008

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 182 of the Acts of 2008, line items 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, 2008 – December 31, 2008.

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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January 27, 2008

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 182 of the Acts of 2008, line items 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, 2008 – December 31, 2008.

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Bureau of Special Investigations

FY 2009

Quarterly Report

October 1, 2008 – December 31, 2008

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 2009, BSI's caseload included 2736 cases in various stages of investigation. During the period of October 1, 2008 through December 31, 2008, BSI received 466 new allegations of public assistance fraud.

During this period BSI completed the investigation of 931 cases. In 77 of these investigations, BSI examiners found illegal activities that resulted in \$1,045,68.16 of fraudulently obtained public assistance benefits and services. Of the DTA cases, 54 have been sent to DTA for civil recovery of over \$188,295 and one has been resolved through voluntary repayment agreements finalized by BSI staff for \$10,875. Of the DMA cases, three cases, with a value of over \$406,780, are being prepared for criminal prosecution by the Attorney General's office and nine cases with values exceeding \$400,000 are being prepared for the BSI Prosecution Team or for civil recovery. In addition, eight completed DMA cases with a value of over \$34,006 are being evaluated for referral to DMA for civil recovery and one case is pending negotiation of a voluntary repayment of \$5656.

The total caseload of open investigations on December 31, 2008 totaled 2271 cases.

