



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

2nd Quarterly Report  
October 1, 2009 - December 31, 2009

March 17, 2010



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AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DE NUCCI  
AUDITOR

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March 17, 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 October 1, 2009 – December 31, 2009.

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

Sincerely,

A handwritten signature in black ink that reads "A. Joseph DeNucci". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

A. Joseph DeNucci  
Auditor of the Commonwealth

AJD/law



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March 17, 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 October 1, 2009 – December 31, 2009.

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

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A. Joseph DeNucci  
Auditor of the Commonwealth

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# **Bureau of Special Investigations**

FY 2010

## Quarterly Report

*October 1, 2009 – December 31, 2009*

### **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**

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

At the start of the second quarter of FY 2010, BSI's caseload included 2,420 cases in various stages of investigation. During the period of October 1, 2009 through December 31, 2009, BSI received 453 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 241 cases. In 49 of these investigations, BSI examiners found illegal activities that resulted in \$842,885.01 of fraudulently obtained public assistance benefits and services.

The total caseload of open investigations on December 31 2009 totaled 2,632 cases.

#### **Recoupment Activities:**

Department of Transitional Assistance (DTA)

During this period, BSI sent 33 completed cases to DTA for civil recovery of \$132,546.66. For 26 of these cases, DTA has established collection accounts. As of December 31, 2009, \$5,271.62 has been repaid to the Commonwealth, with an additional \$127,275.04 scheduled for collection.

MassHealth

Out of the 11 cases completed with identified fraud, 3 cases with values totaling \$133,275.00 are being evaluated by BSI's prosecution team for the preparation of possible criminal prosecution, and 7 cases with a value of \$57,858.20 are being prepared for referral to MassHealth for civil recovery.

**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>	
( 10/1/2009 - 12/31/2009 )	
Number of open investigations as of 10/1/2009	2,420
New Referrals received	453
Completed Investigations with Identified Fraud	(49)
Completed Investigations with no Identified Fraud	<u>(192)</u>
Number of open investigations as of 12/31/2009	2,632

<b>Identified Fraud by Program of Assistance</b>	
( 10/1/2009 - 12/31/2009 )	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 162,986.91
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 12,500.17
Food Stamps (FS)	\$ 124,850.00
Medical Assistance (MA)	<u>\$ 542,547.93</u>
<b>Total</b>	\$ 842,885.01