



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

*Making government work better*

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## **Bureau of Special Investigations**

### **2nd Quarter Report – FY 2014**

October 1, 2013 – December 31, 2013

## BUREAU OF SPECIAL INVESTIGATIONS

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The Bureau of Special Investigations (BSI) continues to serve an important and necessary function in the State Auditor's Office by diligently protecting public assistance programs from fraud and recovering taxpayer dollars from those who choose to cheat the system, thereby maximizing resources for those citizens truly in need of services. During challenging economic times, the identification and recoupment of fraudulently used public assistance takes on an even greater importance as agencies and assistance programs struggle to stretch limited resources to help those in need.

BSI has embraced State Auditor Bump's mission to help government work better by instituting and enhancing several initiatives and organizational changes, focused around this simple, yet vital, component to ensure taxpayer dollars are spent properly and as efficiently as possible.

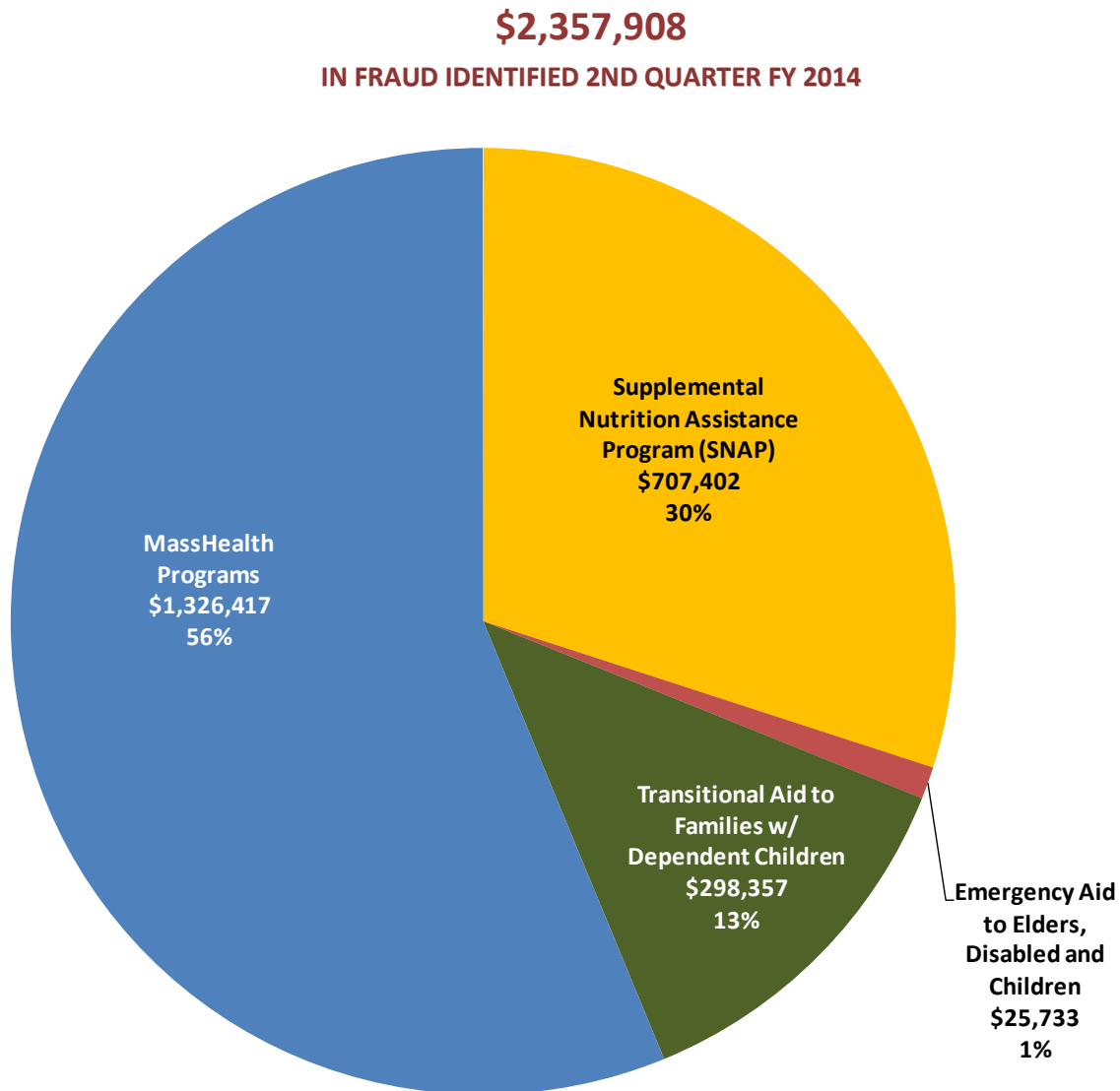
Working under the provisions of M.G.L. Chapter 11, Section 17, BSI examiners operate from five offices across the state, investigating referrals from the Department of Transitional Assistance (DTA), MassHealth, law enforcement agencies, and the general public. BSI examiners participate in joint investigations and serve on task forces that focus on preventing and combating fraudulent activities, and interact with numerous agencies including the Federal Bureau of Investigation, the U.S. Food and Drug Administration, the U.S. Health and Human Services, the U.S. Attorney's Office, Office of the Attorney General, the State Police, District Attorneys' Offices, local police, and administering agencies.

BSI's case tracking application and its business intelligence software continue to be a valuable investigation management tool for examiners and other staff. Using this technology, which electronically collects investigative data, performs analytical tasks, and helps to prioritize casework, examiners are able to expedite fraud investigations, accelerate cases for recoveries, and gather information to enhance prevention activities. In the past year, the case tracking system and business intelligence software have become a necessary tool for effective and well-organized case management, while giving BSI the ability to improve compliance rates established by the United States Department of Agriculture Food and Nutrition Service.

## 2ND QUARTER ACTIVITIES AND ACCOMPLISHMENTS

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During the 2nd quarter of FY 2014, BSI received 2,388 complaints of suspected fraud in public assistance programs. Of the investigations BSI examiners completed, they identified nearly \$2.4 million in fraudulent claims which are subject to civil recovery or prosecution by the Commonwealth.



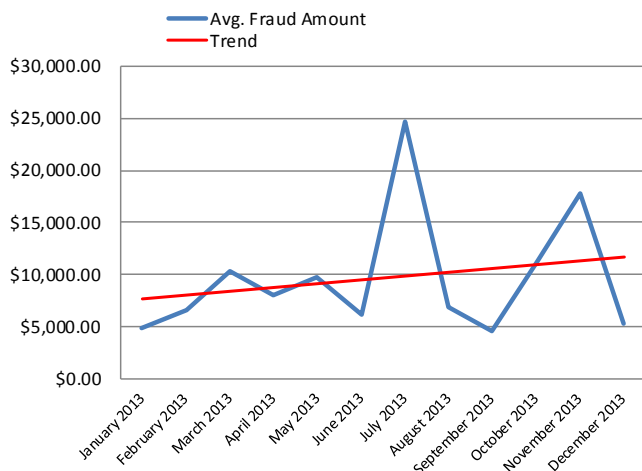
## CASE SUMMARY 2ND QUARTER FY 2014

Investigations where examiners document fraudulent receipt of benefits are reviewed for potential prosecution, or sent to the appropriate administering agency responsible for recoupment of fraudulently obtained funds. In some cases, BSI examiners established restitution payments and collected settlement amounts.

	Child Care	Mass Health	DTA	Hotline	Other	Total Case Counts
Beginning Balance	5	532	3,299	14	26	3,876
New Investigations	3	192	2,182	0	11	2,388
Completed w/o Fraud	(1)	(143)	(2,282)	(11)	(5)	(2,442)
Completed w/ Fraud	0	(43)	(166)	0	(6)	(215)
Ending Balance	7	538	3,033	3	26	3,607

At the end of the previous quarter, BSI's caseload included 3,876 cases in various stages of investigation. BSI received 2,388 new allegations of fraudulently obtained public assistance benefits and services between October 1, 2013 and December 31, 2013. BSI ended the quarter of FY 2014 with a case load of 3,607. During this quarter, BSI examiners completed a total of 2,657 cases.

### MONTHLY AVERAGE CASE FRAUD AMOUNT AND TREND



Of those cases completed, 215 were associated with fraudulent claims, which equates to an average of \$10,967.01 of identified fraud per case.

## CASE MANAGEMENT

Proper case management is essential to early detection and prevention of public assistance benefits issued to those not eligible or trying to cheat the system. The sooner an investigation is initiated, the greater the likelihood of uncovering stronger evidence, recouping the maximum amount of fraudulently obtained funds, and successful prosecution. BSI has recognized this and is focused on reducing the backlog of cases. Several initiatives have been implemented to ensure proper case management and the continued reduction of backlogged cases, including:

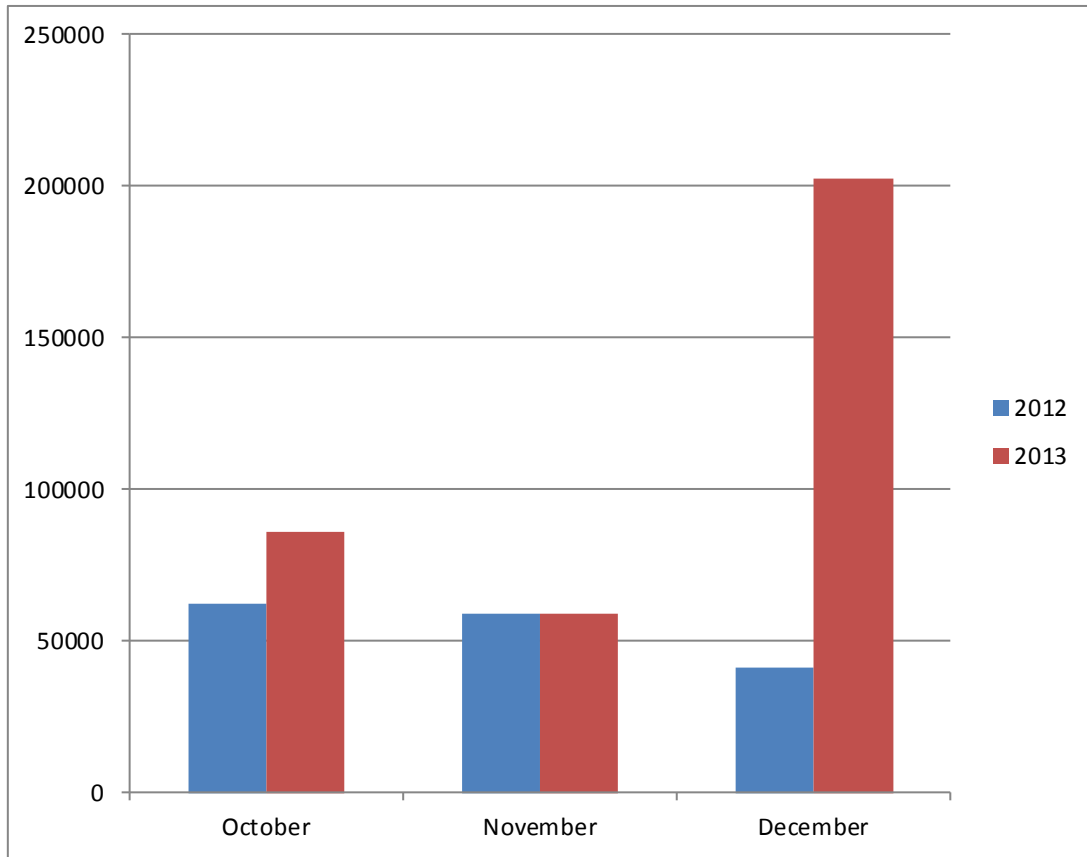
- Initial Case Review – All cases are initially analyzed for potential fraud. Those cases with identified potential fraud are classified as field or desk assignments, with priority given to those cases requiring a more lengthy investigation.
- “Fast-Track” Cases – Cases which are particularly egregious, with ongoing fraud, involving multiple offenders or jurisdictions, are brought to the top of the list and the appropriate level of resources are applied to ensure that a complete and thorough investigation is finalized in an expeditious manner.
- Civil Recovery through BSI – In an effort to recoup money from cases where a significant amount of time has passed from the period of fraud to when the complaint is made, civil recovery is pursued through BSI.

## DTA RECOVERIES 2ND QUARTER FY 2014

To provide a better understanding of the fiscal impact of BSI’s investigations, DTA submits monthly reports on the payments received through court order and civil recovery as the result of BSI investigations.

Month	Collected Amount	# of Payments
<b>October 2013</b>	\$85,745	983
<b>November 2013</b>	\$59,075	909
<b>December 2013</b>	\$202,362	971
<b>Quarter Total</b>	\$347,182	2,863

## QUARTERLY DTA RECOVERY PAYMENTS YEAR-OVER-YEAR



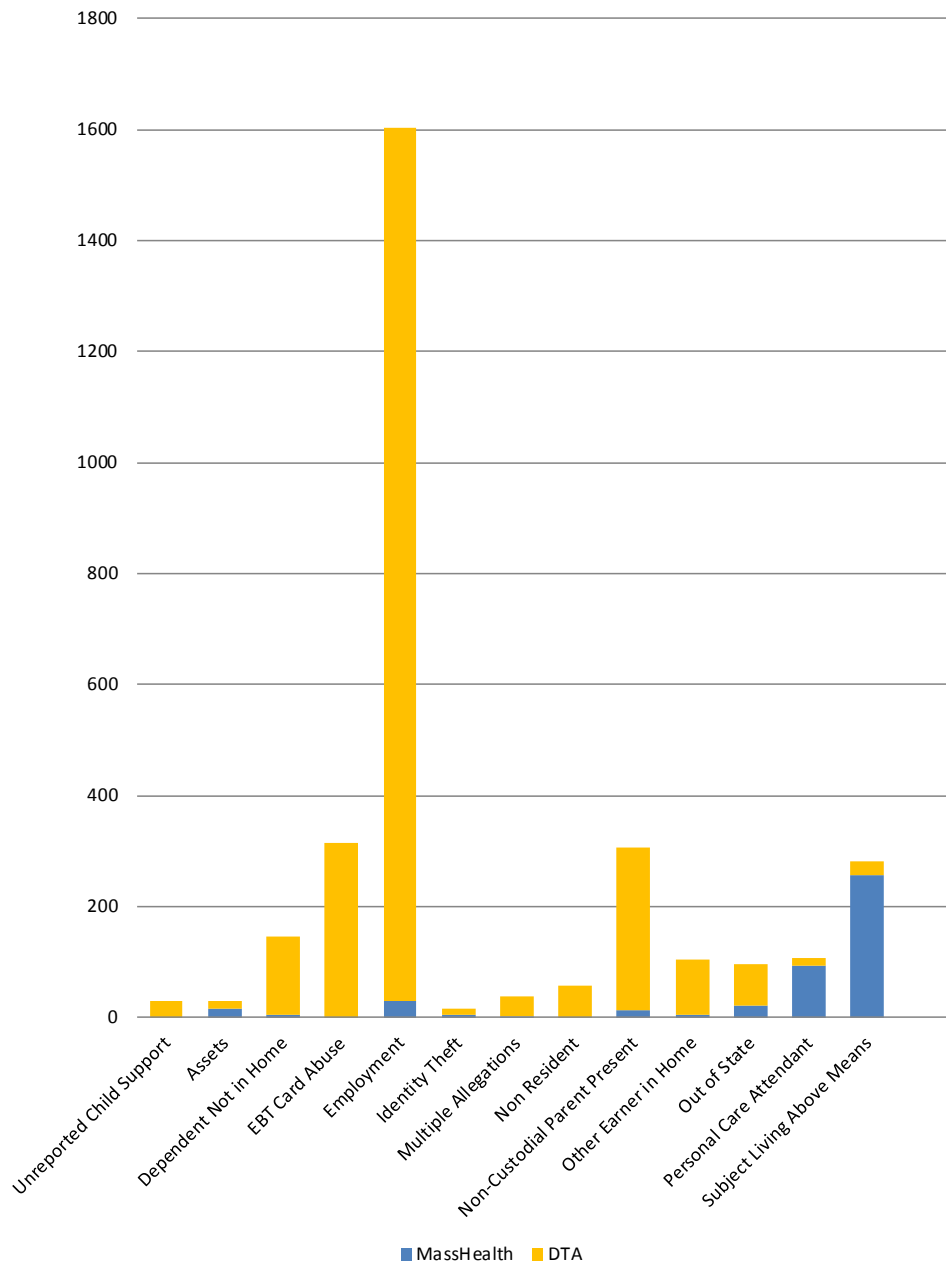
### MASSHEALTH AND DEPARTMENT OF TRANSITIONAL ASSISTANCE – PROGRAM SUMMARY

The majority of fraud referrals we receive from our agency partners involve eligibility issues, such as unreported assets and income, and false identities.

BSI examiners this quarter identified fraud in:

- 160 cases totaling \$707,401.59 in Supplemental Nutrition Assistance Program (SNAP) benefits
- 11 cases totaling \$25,732.92 in Emergency Aid to Elders, Disabled and Children benefits
- 51 cases totaling \$298,356.82 in Transitional Aid to Families w/ Dependent Children benefits
- 53 cases totaling \$1,326,416.56 in MassHealth Programs benefits

## CASES REFERRED BY ALLEGATION TYPE



## BSI PROSECUTIONS

In the 2<sup>nd</sup> quarter of FY 2014, one BSI case was adjudicated in court. Shanda Furr fraudulently collected \$47,426.95 in subsidized day care benefits from the Department of Early Education and Care benefits between 2008 and 2011 by intentionally and falsely reporting that the father of her children, Shawn Brown, did not reside with them or provide child support.

Furr pled guilty on November 20, 2013, and the case was continued without a finding while Furr is on probation for 3 years. The Boston Municipal Court ordered her to pay restitution. Ms. Furr contests the restitution amount and a hearing is scheduled for March 20, 2014. The case was investigated by BSI examiner Kevin MacDonald and prosecuted by the Suffolk County District Attorney's Office.

In addition, BSI filed a criminal complaint in the Boston Municipal Court against Shiran Aguila, who was charged with one count of larceny over \$250 and two counts of false statement for medical assistance. Mr. Aguila received MassHealth benefits from September 2010 through September 2013 while residing outside of the Commonwealth. He was arraigned on January 10th and his case is scheduled for a pretrial conference on April 9, 2014.

