

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

3rd Quarterly Report
January 1, 2006 - March 31, 2006

April 13, 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

April 13, 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 45 of the Acts of 2005, 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 January 1, 2006 – March, 31 2006.

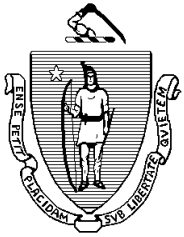
Please feel free to contact me if you require any additional information.

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

April 13, 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 45 of the Acts of 2005, 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 January 1, 2006 – March, 31 2006.

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

January 1, 2006 – March 31, 2006

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.

Third Quarter Activities and Accomplishments

At the start of the third quarter of FY 2006, BSI's caseload included 3,255 cases in various stages of investigation. During the period of January 1, 2006 through March 31, 2006, BSI received 342 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 167 cases. In 54 of these investigations, BSI examiners found illegal activities that resulted in \$614,967 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, nine cases of previously identified fraud have resulted in convictions and repayment of fraud. Included in these was a case involving simultaneous fraud of the personal care assistant, cash and medical assistance programs, another case involving an elaborate Food Stamp Trafficking conspiracy and a third case involving a woman who fraudulently received medical and cash assistance despite gambling winnings in excess of \$100,000. These three cases resulted in orders of repayment of \$271,000.

The total caseload of open investigations on March 31, 2006 totaled 3431 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.

<i>Caseload Summary</i> <i>(1/01/2006 – 3/31/2006)</i>	
Number of Open Investigations as of 1/01/2006	3,255
New Referrals received	342
Completed Investigations with Identified Fraud	54
Completed Investigations with no Fraud Identified	<u>112</u>
Number of Open Investigations as of 3/31/2006	3,431

<i>Identified Fraud by Program of Assistance</i> <i>(1/01/2006 – 3/31/2006)</i>	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 62,048.99
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 7,358.01
Food Stamps (FS)	\$ 244,193.27
Medical Assistance (MA)	<u>\$ 301,367.34</u>
<i>Total</i>	\$ 614,967.61