

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

3rd Quarterly Report
January 1, 2010 - March 31, 2010

April 15, 2010



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DE NUCCI
AUDITOR

TEL (617) 727-2075
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April 15, 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 January 1, 2010 – March 31, 2010.

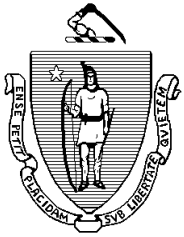
Please feel free to contact me if you require any additional information.

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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April 15, 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 January 1, 2010 – March 31, 2010.

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Bureau of Special Investigations

FY 2010

Quarterly Report

January 1, 2010 – March 31, 2010

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

Caseload and investigations:

At the start of the third quarter of FY 2010, BSI's caseload included 2,632 cases in various stages of investigation. During the period of January 1, 2010 through March 31, 2010, BSI received 561 new allegations of public assistance fraud.

During the same period BSI completed the investigation of 297 cases. In 57 of these investigations, BSI examiners found illegal activities that resulted in \$1,565,348.97 of fraudulently obtained public assistance benefits and services.

The total caseload of open investigations on March 31, 2010 totaled 2,896 cases.

Recoupment Activities:

In the third quarter of FY 2010 BSI referred 36 cases to the Department of Transitional Assistance (DTA) for collection. For 24 of those cases, DTA has established accounts to collect \$230,402.17.

Summary of BSI Investigative Activities

The charts below provide a summary of caseload activities and the amounts of identified fraud by program of assistance.

Caseload Summary	
(1/1/2010 - 3/31/2010)	
Number of open investigations as of 1/1/2010	2,632
New Referrals received	561
Completed Investigations with Identified Fraud	(57)
Completed Investigations with no Identified Fraud	<u>(240)</u>
Number of open investigations as of 3/31/2010	2,896

Identified Fraud by Program of Assistance	
(1/1/2010 - 3/31/2010)	
Transitional Assistance to Families with Dependent Children (TAFDC)	\$ 101,327.43
Emergency Aid to Elderly, Disabled and Children (EAEDC)	\$ 20,382.97
Food Stamps (FS)	\$ 87,975.90
Medical Assistance (MA)	<u>\$ 1,355,662.44</u>
Total	\$ 1,565,348.74