



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

*Making government work better*

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## **Bureau of Special Investigations**

### **Third Quarter Report – FY2011**

January 1, 2011 - March 31, 2011

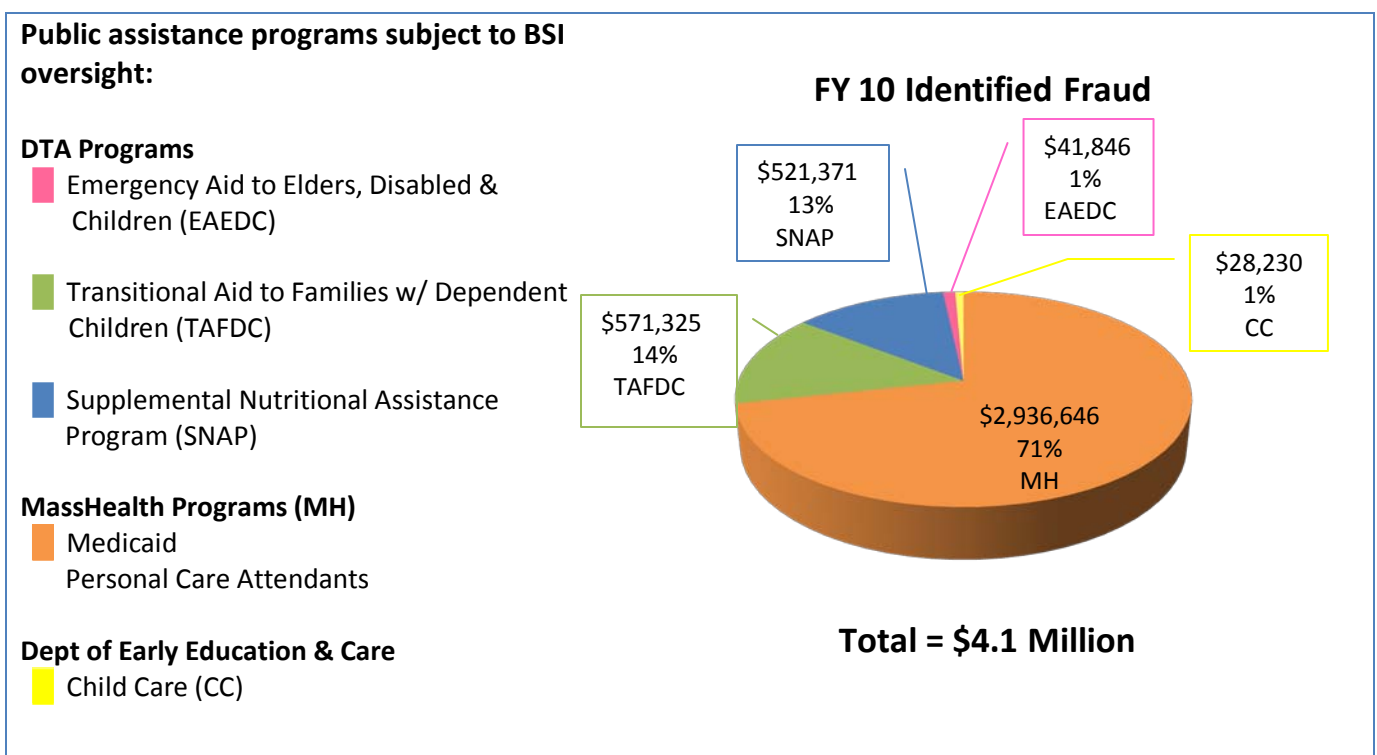


## BUREAU OF SPECIAL INVESTIGATIONS

The Bureau of Special Investigations serves one of the most important functions in the State Auditor's Office -- protecting public assistance programs from fraud and recovering taxpayer dollars from wrongful claimants. During challenging fiscal times, BSI investigations take on even greater importance as agencies and assistance programs struggle to stretch fewer dollars available to help those in need. BSI oversight identifies millions of dollars in fraud every year. Last fiscal year, BSI detected fraudulently-gained assistance equal to nearly a quarter of the entire State Auditor's annual budget appropriation.

Investigations also act as a deterrent to criminals and help agencies and vendors better manage public assistance programs---part of Auditor Bump's mission to help government work better.

BSI examiners work out of five offices throughout the state, investigating referrals from the Department of Transitional Assistance (DTA), Mass Health, law enforcement agencies, and the general public.



During fiscal year 2010, BSI received over 2,000 complaints of suspected fraud in public assistance programs. Of the cases BSI examiners completed, they identified nearly \$4.1 million in fraudulent claims which are subject to recovery by the Commonwealth.

BSI examiners work with dozens of state agencies in tracking fraudulent claims. Investigations where examiners document illegal activity are turned over to the appropriate law enforcement entity -- the Attorney General, the ten District Attorneys' Offices, and the U.S. Attorney -- for potential criminal prosecution, and to the appropriate agency for recoupment of illegally obtained funds. These entities establish restitution payments and are responsible for collecting settlement amounts.

## THIRD QUARTER ACTIVITIES AND ACCOMPLISHMENTS

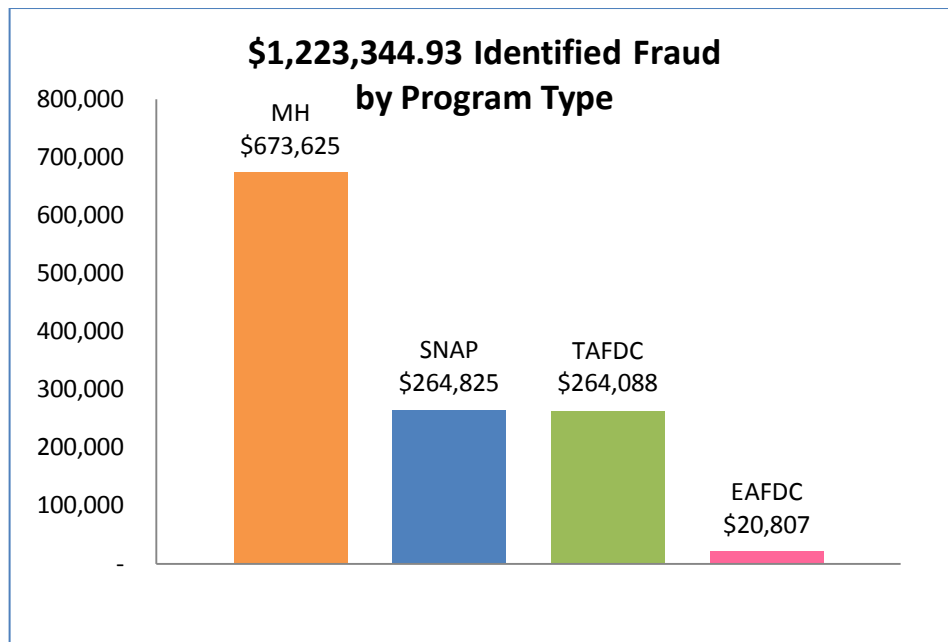
### CASELOAD

At the start of the third quarter of FY 2011, BSI's caseload included 2,933 cases in various stages of investigation. BSI received 439 new allegations of fraudulently obtained public assistance benefits and services between January 1, 2011 and March 31, 2011. BSI ended the third quarter with a case load of 2,762.

Summary by Source	CC	MassHealth	DTA	Hotline	Other
<b>Beginning Balance</b>	44	668	2,149	63	9
<b>New cases</b>	1	182	254	2	0
<b>Completed w/fraud</b>	(0)	(26)	(93)	(2)	(0)
<b>Completed w/o fraud</b>	(0)	(144)	(333)	(10)	(2)
<b>Ending Balance</b>	45	680	1,977	53	7

### INVESTIGATIONS

During the third quarter, BSI examiners completed investigations of 610 cases. In 121 of these investigations, BSI examiners found evidence of illegal activities that amounted to \$1,223,344.93 in fraudulently obtained public assistance benefits and services.



## **RECOUPMENT ACTIVITIES BY PROGRAM TYPE**

### **MASSHEALTH (MH)**

Of the 121 cases with identified fraud, 25 had a Medicaid or Personal Care Attendant component, totaling \$673,624.98. One case with a value of \$50,766.52 is being evaluated for criminal prosecution by the Attorney General's Office. A court also found one defendant guilty of fraudulently procuring public assistance funding in the amount of \$73,000.

Eight cases with values totaling \$425,145 will be evaluated for criminal prosecution by the Court Prosecution Team, and 16 cases with a value of \$166,668 are being prepared for referral to Mass Health for civil recovery. In addition, one case valued at \$23,263.71 has been resolved via civil recovery, and the funds have been repaid to the Commonwealth.

### **SUPPLEMENTAL NUTRITIONAL ASSISTANCE PROGRAM (SNAP)**

Of the 121 cases with identified fraud, 83 had a SNAP component, totaling \$264,825. Of those cases, 57 totaling \$97,174, have been sent to DTA for civil recovery. One case with a value of \$5,947 in SNAP benefits has been resolved via civil recovery, and four cases with a SNAP value of \$12,868 are under review and awaiting a final recommendation on the appropriate course of action.

Ten cases with a SNAP value of \$69,831 are being evaluated by the Court Prosecution Team. Three cases are being prepared for civil recovery.

### **TRANSITIONAL AID TO FAMILIES WITH DEPENDENT CHILDREN (TAFDC)**

Of the 121 cases with identified fraud, 63 had a TAFDC component, totaling \$264,088. Of those cases, 43 with a TAFDC component totaling \$101,648, have been sent to DTA for civil recovery. In addition, nine cases with values totaling \$110,247 will be evaluated for criminal prosecution by the Court Prosecution Team, and nine cases with a TAFDC value of \$37,370 are being prepared for civil recovery. Two cases with a \$14,823 TAFDC value are under review awaiting final recommendation on the appropriate course of action.

### **EMERGENCY AID TO ELDERS, DISABLED, AND CHILDREN (EAEDC)**

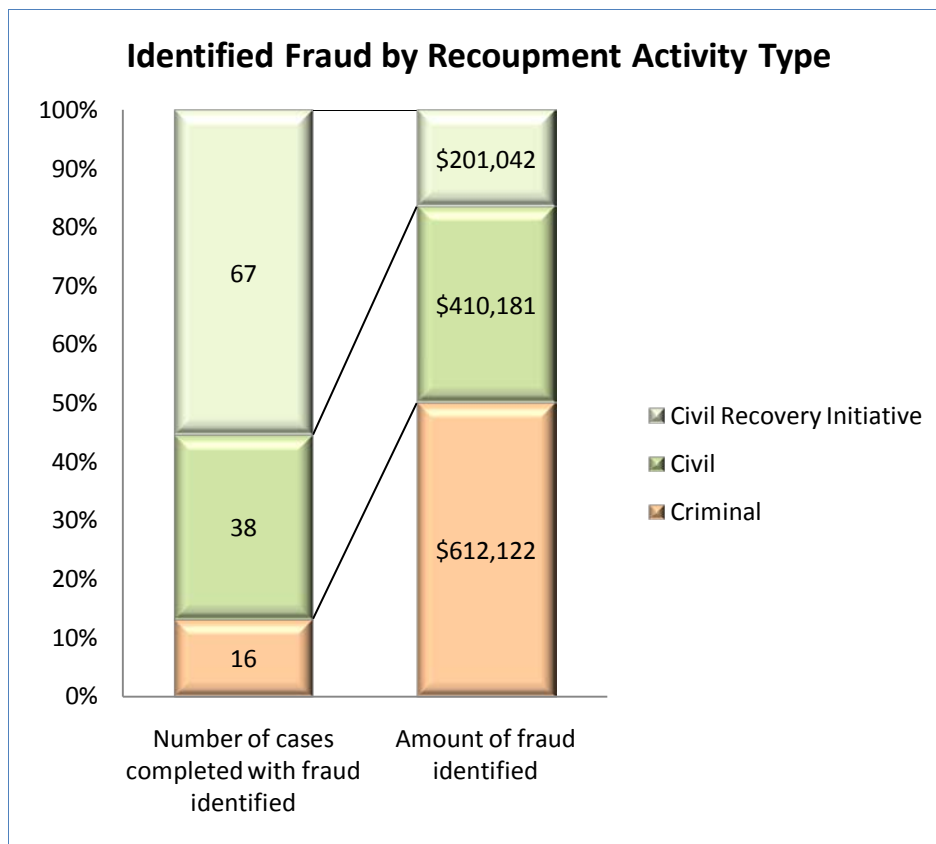
Of the 121 cases with identified fraud, five had an EAEDC component, totaling \$20,807. Of those, two cases totaling \$2,219 have been sent to DTA for civil recovery. Three cases with EAEDC valued at \$18,587 are being prepared for civil recovery.

## IDENTIFIED FRAUD BY RECOUPMENT ACTIVITY TYPE

### CIVIL RECOVERY INITIATIVE

In June 2010, BSI began focusing on civil cases of simple fraud such as under-reporting income that could be quickly investigated by verifying employee business records and fast-tracked back to the Department of Transitional Assistance for recovery of the funds. In the third quarter of FY 2011, BSI investigators completed 67 cases through the initiative and identified \$201,042.33 in fraudulent claims. During the third quarter, civil recovery cases accounted for 16% of the total dollar amount of identified fraud.

Out of the 121 cases completed with identified fraud, 105 cases were sent back to the appropriate agencies for civil recoupment of illegally obtained funds totaling \$611,223.34, and 16 cases have been or are currently in the process of being turned over to the appropriate law enforcement entity for potential criminal prosecution and recovery of a total amount of \$612,121.59.



## BSI Case Highlight - Medicaid Fraud

Investigators: Bill Burke, Monique Packer and Jim Panorese.

Beginning in December of 2004, Susanne Jordan hired Bruce Fields as her Personal Care Attendant (PCA). Over the next four years, Jordan submitted dozens of so-called “daily activity forms” that entitled her to \$103,000 in Medicaid reimbursements. The PCA Program, funded by Medicaid, provides assistance in daily activities to eligible elderly and disabled Massachusetts residents, so that they can continue to live in their own homes, which saves the Commonwealth from having to pay for their care in institutional settings. The only problem was, as BSI Examiners discovered, Suzanne Jordan’s PCA, Bruce Fields, was behind bars in various institutions in Massachusetts and Rhode Island and could not provide the hands-on care Jordan claimed that he had provided.

BSI plays a major role in making sure that the PCA Program does what it is supposed to do. In the nine years that BSI has been investigating fraud in the PCA Program, it has identified \$6.9 million in fraudulent activities. Just as important, BSI thwarts even more wrong-doing because those who would seek to defraud the program are well aware of BSI’s mission and success. And BSI not only finds those wrongdoers and turns them over to prosecutors, BSI Examiners have been able to discover PCA’s who steal from or abuse their clients. BSI’s mission saves money for taxpayers while insuring that those Massachusetts residents in need of PAC services receive the care to which they are entitled.

In Susanne Jordan’s case, BSI Examiners, operating on a tip and working with the Inspector General of the U.S. Department of Health and Human Services and the Massachusetts Attorney General, were able to establish that Jordan had forged the daily activity forms with Fields’ cooperation, submitted the forms for reimbursement, and had the proceeds of the scheme deposited into a joint bank account shared by Jordan and Fields.

During a March hearing in Bristol County Superior Court, Jordan pleaded guilty to the scheme and was sentenced to two years in the House of Corrections. Judge Richard Moses suspended the sentence for five years and is scheduled to issue a ruling on restitution. Fields is currently awaiting trial on the same charges of defrauding MassHealth with false billings.

While the bulk of cases that BSI investigates are referred from state agencies and law enforcement, the general public also plays a vital role in reporting fraud. The State Auditor’s Office has an [online form to report public assistance fraud](#). All complaints are kept confidential. This link would be a valuable asset in delivering constituent services through your legislative webpage.