



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

Making government work better

Issued August 8, 2013

**Bureau of Special Investigations
Third Quarter Report – FY 2013**

January 1, 2013 – March 31, 2013

BUREAU OF SPECIAL INVESTIGATIONS

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, mission to ensure taxpayer dollars are spent properly and as efficiently as possible.

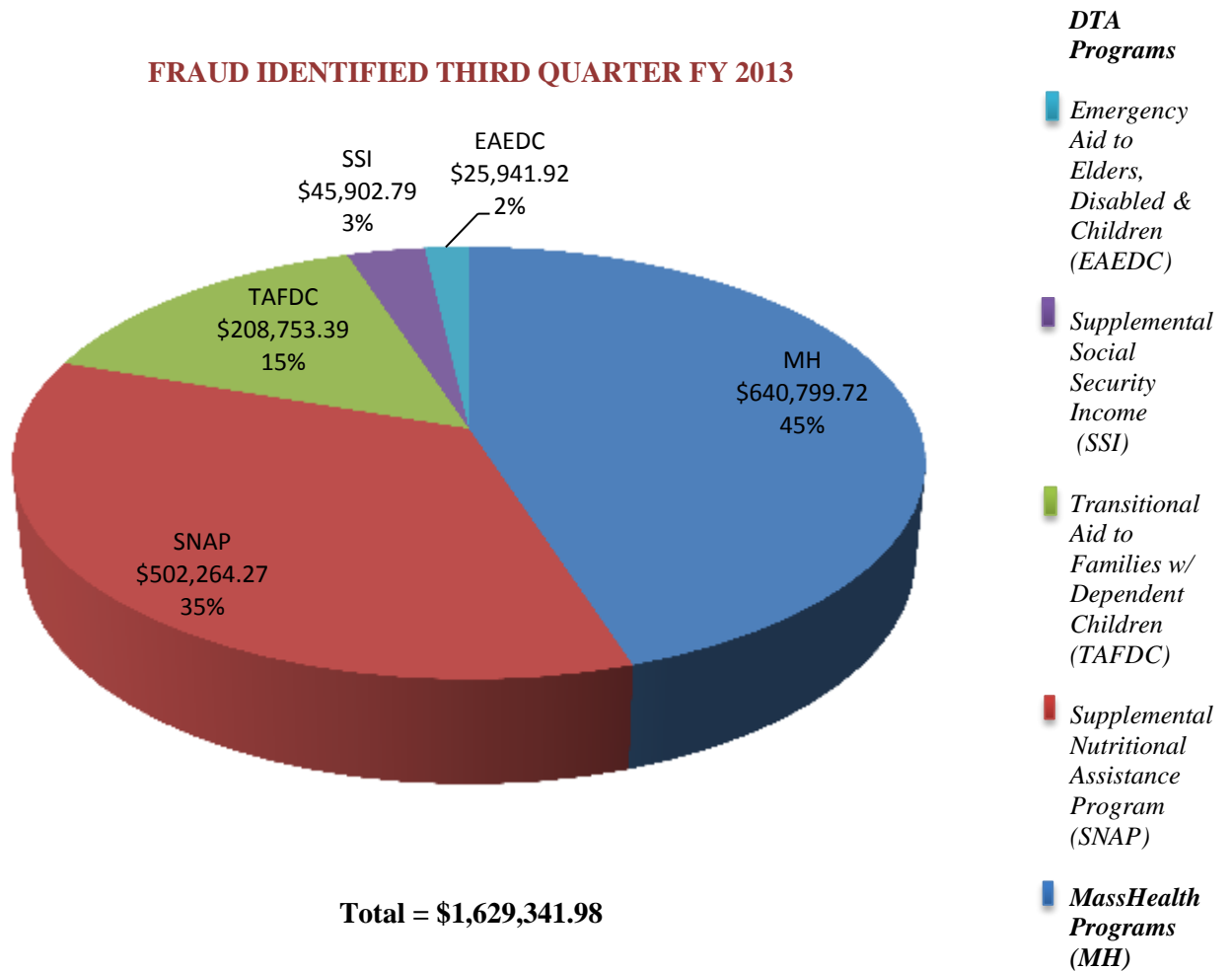
Working under the provisions of M.G.L. Chapter 11, Section 17, BSI examiners operate from five offices across the state, investigating referrals from the Department of Transitional Assistance (DTA), MassHealth, law enforcement agencies, and the general public. BSI works closely with other agencies at the federal, state, and local levels. BSI examiners participate in joint investigations and serve on task forces focused on preventing and combating fraudulent activities. BSI interacts 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 helping to improve compliance rates established by the United States Department of Agriculture Food and Nutrition Service.

THIRD QUARTER ACTIVITIES AND ACCOMPLISHMENTS

During the third quarter of FY 2013, BSI received 2,415 complaints of suspected fraud in public assistance programs. This is a 20% increase from the second quarter. Of the investigations BSI examiners completed, they identified over \$1.6 million in fraudulent claims which are subject to civil recovery or prosecution by the Commonwealth.

FRAUD IDENTIFIED THIRD QUARTER FY 2013



- DTA Programs**
- Emergency Aid to Elders, Disabled & Children (EAEDC)
- Supplemental Social Security (SSI)
- Transitional Aid to Families w/ Dependent Children (TAFDC)
- Supplemental Nutritional Assistance Program (SNAP)
- MassHealth Programs (MH)**
- MassHealth Personal Care Attendants Long-term Care

CASELOAD

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, establishing restitution payments, and the collection of settlement amounts.

CASE SUMMARY SECOND QUARTER FY 2013

| | Child Care | MH | DTA | Hotline | Other | Total Case Counts |
|----------------------------|------------|-------|-------|---------|-------|-------------------|
| Beginning Balance | 4 | 433 | 1,640 | 21 | 0 | 2,098 |
| New Investigations | 1 | 190 | 2,190 | 2 | 32 | 2,415 |
| Completed w/o Fraud | (0) | (111) | (966) | (5) | (0) | (1,082) |
| Completed w/ Fraud | (0) | (26) | (187) | (3) | (0) | (216) |
| Ending Balance | 5 | 486 | 2,677 | 15 | 32 | 3,215 |

At the end of the second quarter of FY 2013, BSI's caseload included 2,098 cases in various stages of investigation. BSI received 2,415 new allegations of fraudulently obtained public assistance benefits and services between January 1, 2013 and March 31, 2013. BSI ended the third quarter of FY 2013 with a case load of 3,215. During this quarter, BSI examiners completed a total of 1,298 cases. Of those cases completed, 216 were associated with fraudulent claims, which equates to an average of \$7,543 of identified fraud per case.

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 likelihood of uncovering stronger evidence increases as does 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 continued reduction of backlogged cases are taking place to include:

- Initial Case Review – Cases are 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 is applied to ensure 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. During this fiscal year two examiners assigned to this initiative successfully recovered \$271,267.35

To gain 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 | TOTAL COLLECTED AMOUNT | NUMBER OF PAYMENTS MADE |
|-----------------------------|-------------------------------|--------------------------------|
| January 2013 | \$48,890.39 | 1000 |
| February 2013 | \$169,119.05 | 1032 |
| March 2013 | \$119,256.46 | 1044 |
| FY2013 Third Quarter Totals | \$337,265.90 | 3076 |

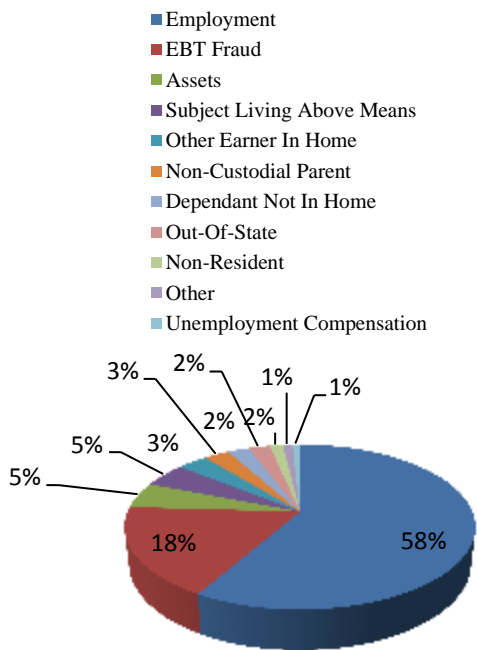
MASSHEALTH AND DEPARTMENT OF TRANSITIONAL ASSISTANCE PROGRAM SUMMARY

- Examiners identified fraud in 31 MassHealth cases totaling \$691,130.16 in public assistance overpayments.
- The majority of referrals involve eligibility issues, such as unreported assets and income, and false identities.
- BSI examiners identified fraud in 179 Supplemental Nutritional Assistance Program (SNAP) cases totaling \$608,422.27 in SNAP benefits.

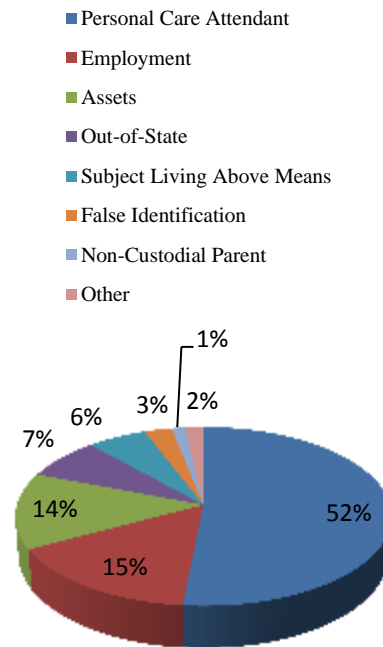
- BSI examiners identified fraud in 51 Transitional Aid to Families with Dependent Children (TAFDC) cases totaling \$253,390.52 in TAFDC benefits.
- BSI examiners identified fraud in 14 Emergency Aid to Elders, Disabled and Children (EAEDC) cases totaling \$30,496.24 in EAEDC benefits.
- BSI examiners identified fraud in 1 Supplemental Social Security Income (SSI) case totaling \$45,902.79 in SSI benefits.

CASES REFERRED BY ALLEGATION TYPE

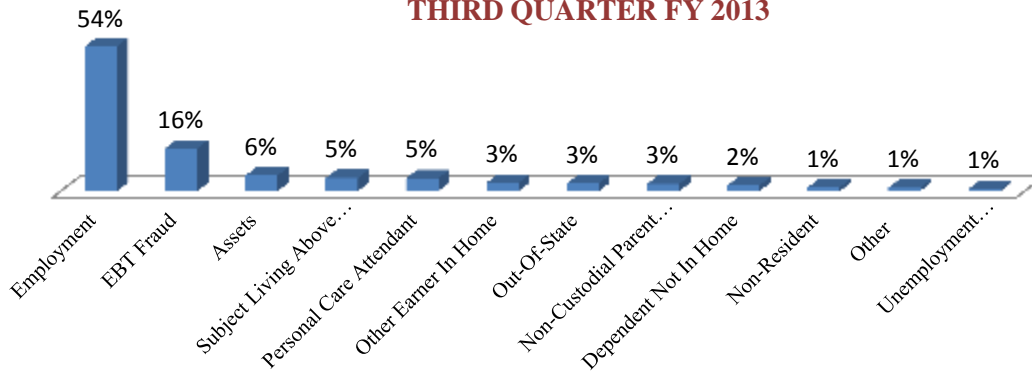
DTA



MASSHEALTH



MASSHEALTH AND DTA REFERRED CASES THIRD QUARTER FY 2013



CASE HIGHLIGHTS

BSI continues to ensure that those more egregious or repeat offenses are identified as potential court cases at the beginning stages of the investigation. BSI examiners sought criminal complaints in 14 cases with a total amount of \$577,893.31 of identified fraud in the following areas:

- Two SNAP cases;
- One case involving MassHealth, SSI and SNAP;
- Seven MassHealth cases;
- One case involving MassHealth and SNAP;
- One case involving SNAP and EAEDC;
- Two cases involving SNAP and TAFDC.

COMMONWEALTH V DOMINGS

Nicole Domings fraudulently collected \$11,382.00 in Supplemental Nutritional Assistance Program (SNAP) benefits and Nicole and Michael Domings received \$27,503.76 in MassHealth benefits between January 1, 2009 and December 31, 2012 by intentionally withholding the fact that Michael Domings, Nicole's husband, resided in the household and was gainfully employed. Nicole Domings continued her scheme by making false representations on six (6) Department of Transitional Assistance (DTA) Forms dated August 19, 2009, January 5, 2010, February 22, 2011, August 22, 2011, February 22, 2012 and August 6, 2012, and one (1) Division of Medical Assistance (DMA) Eligibility Review Form dated December 1, 2010, continuing to claim Michael Domings was not living in her home and her

household was without income. Michael Domings made false representations on one (1) Division of Medical Assistance (DMA) Eligibility Review Form dated April 10, 2010, claiming the household was without income.

As a result, Nicole Domings and Michael Domings defrauded the Commonwealth of \$38,885.76 by intentionally hiding the fact that Michael Domings was residing in the home, gainfully employed, and eligible for family health insurance. They were arraigned in the Boston Municipal Court on April, 30, 2013 on charges of larceny over \$250, public assistance fraud and false representation, failure to disclose, division of medical assistance. They are due back on court on July 15 for a pre-trial hearing. Pat Breen investigated this case for BSI.

While the bulk of cases 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](#). Citizens can also utilize our fraud reporting hotline: (617)727-6771. All complaints are kept confidential.

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