



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

Making government work better

Bureau of Special Investigations

FY 2015 3rd Quarter Report

January 1, 2015 – March 31, 2015



TABLE OF CONTENTS

| | |
|---|---|
| EXECUTIVE SUMMARY | 1 |
| OVERVIEW OF THE 3 RD QUARTER OF FISCAL YEAR 2015 | 2 |
| CASE SUMMARY 3 RD QUARTER OF FISCAL YEAR 2015..... | 3 |
| DETAILED FINDINGS BY UNIT | 3 |
| DEPARTMENT OF TRANSITIONAL ASSISTANCE UNIT | 4 |
| MASHEALTH UNIT | 5 |
| DATA ANALYTICS UNIT | 6 |
| FRAUD INVESTIGATIONS COMPLETED BY OUTCOME | 6 |

EXECUTIVE SUMMARY

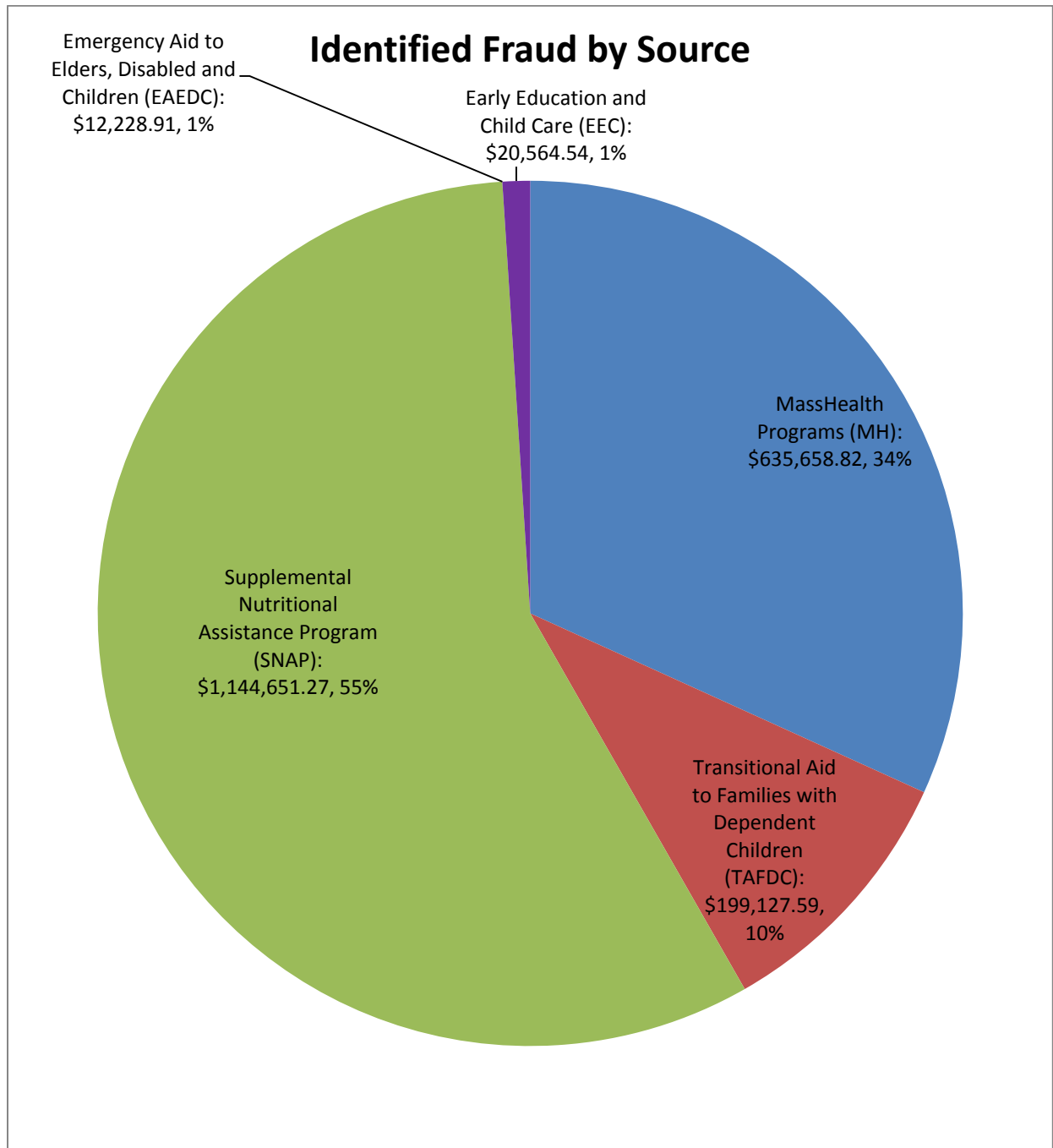
As a part of the Office of the State Auditor (OSA), the Bureau of Special Investigations (BSI) is charged with investigating allegations of public assistance fraud throughout the Commonwealth. BSI receives referrals from a myriad of sources, including, but not limited to, the Department of Transitional Assistance (DTA), MassHealth (MH), Early Education and Care (EEC), private citizens through a fraud hotline, and internal referrals generated by BSI's data analytics unit. BSI works to ensure that public assistance and services are available for the citizens of the Commonwealth who truly need them.

Working under the provisions of M.G.L. Chapter 11, Section 17, BSI examiners operate from five different offices across the Commonwealth. BSI consists of four separate units: the Central Processing Unit, the MassHealth Unit, the Department of Transitional Assistance Unit, and the Data Analytics Unit. BSI participates in joint investigations and task forces that focus on preventing and combating fraudulent activities, and BSI interacts with numerous agencies, including the Department of Agriculture, the Department of Health and Human Services, the Office of the Inspector General, the United States Attorney's Office, the Massachusetts Attorney General's Office, local law enforcement agencies, District Attorney's Offices, and various administrating agencies.

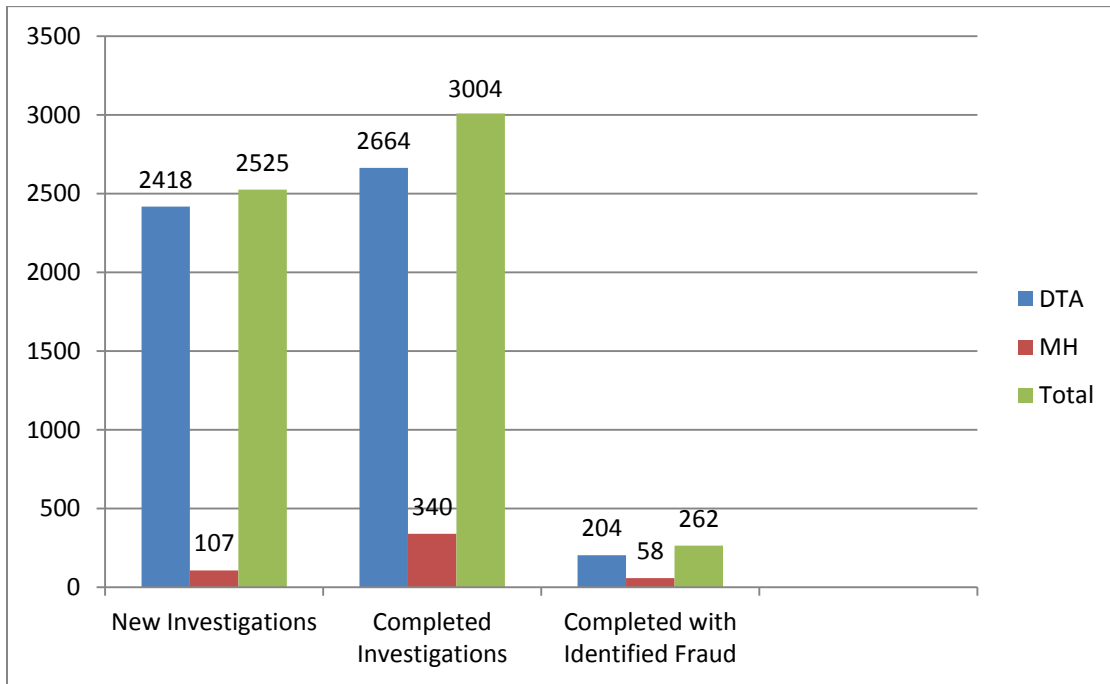
As a result of BSI's investigations, fraud cases are referred to public assistance programs for administrative action, fraudulent overpayments are recovered through civil agreements, individuals are disqualified from programs for specified periods of time, and cases are prosecuted in state District or Superior Courts and the United States District Court for the District of Massachusetts. Cases are recommended for prosecution based upon the severity of fraud, the intent of the perpetrator, and the possibility that the case may serve as a deterrent to future fraud.

OVERVIEW OF THE 3rd QUARTER OF FISCAL YEAR 2015

\$2,007,552.36 in Identified Fraud



CASE SUMMARY 3rd QUARTER OF FISCAL YEAR 2015



DETAILED FINDINGS BY UNIT

The Bureau of Special Investigations combines the skill of the investigators, the sophistication of data analytics, inter-agency teamwork, and cooperation from the public to identify fraudulent payments in public assistance programs. Following Auditor Bump’s goal to make government work better, BSI tries to ensure that public assistance funds are available for those truly in need and not wasted on those who abuse the system. This quarter, BSI identified over two million dollars of such abuse.

CENTRAL PROCESSING UNIT

BSI’s Central Processing Unit (CPU) is the gateway for all fraud referrals. During the 3rd quarter of fiscal year 2015, CPU processed an average of 216 referrals per week. CPU received 2,665 referrals from DTA (94.71% of all referrals received) and 149 referrals from MassHealth (5.29% of all received),

for a total of 2,814 referrals this quarter.

CPU completed and closed 2,493 cases during the 3rd quarter of fiscal year 2015. There are three categories that CPU uses when closing cases: administrative closures, which are returned to the referring agency to pursue; closures without a finding of fraud; and cases that are merged with existing BSI cases. Of the cases that CPU administratively closed this quarter, 2,247 were DTA cases and 156 were MH cases. Fifty-three cases were closed out with a determination of no fraud, fifty-one were DTA cases and two were MH cases. An additional thirty-seven DTA cases were closed out because BSI already had open referrals on the subjects. Of the 2,247 DTA cases that were closed administratively, 1,415 (63%) were identified as potential Intentional Program Violations (IPV) and have been referred to DTA for further administrative action. The remaining 832 cases require no further action.

SUMMARY OF INVESTIGATION BY SOURCE

| | EEC | Hotline | Other | DTA | MH | Total Case Counts |
|---|-----|---------|-------|-------|-----|-------------------|
| Beginning Balance | 1 | 1 | 7 | 2,556 | 568 | 3,133 |
| New Investigations | 0 | 0 | 0 | 2,418 | 139 | 2,557 |
| Total Completed Investigations | 1 | 0 | 4 | 2,664 | 340 | 3,009 |
| Completed with No Fraud Identified | 0 | 0 | 2 | 2,460 | 282 | 2,744 |
| <u>Completed with Fraud Identified</u> | 1 | 0 | 2 | 204 | 58 | 265 |
| Ending Balance | 0 | 1 | 3 | 2,310 | 367 | 2,681 |

DEPARTMENT OF TRANSITIONAL ASSISTANCE UNIT

BSI's Department of Transitional Assistance Unit handles fraud referrals from the Department of Transitional Assistance (DTA) and Early Education and Care (EEC) programs. During the 3rd quarter of

fiscal year 2015, the unit completed 204 investigations and identified \$1.4 million in fraudulent payments of public assistance benefits.

After completing an investigation originating from the Social Security's Office of Inspector General, representatives from BSI's DTA Unit were asked to join a federal task force on public assistance fraud that meets once a month. This task force consists of representatives from the Department of Labor, Homeland Security, the U.S. Post Office, Veterans Affairs, and Health and Human Services. BSI is the only state agency involved in this task force.

During the 3rd quarter of fiscal year 2015, a DTA Unit examiner testified before the Norfolk County Grand Jury, which ultimately led to the indictment of Nicole Kasimatis. Kasimatis was the subject of one of the largest welfare fraud cases in the Commonwealth, receiving almost \$200,000 in fraudulent public assistance payments. Also this quarter, another BSI case, Commonwealth v. Tanya Williams, resulted in a guilty plea in Boston Municipal Court. Williams was sentenced to two and a half years in the Suffolk County House of Corrections, which was suspended for eight years while she is on probation, and ordered to pay full restitution of \$65,679.00.

MASSHEALTH UNIT

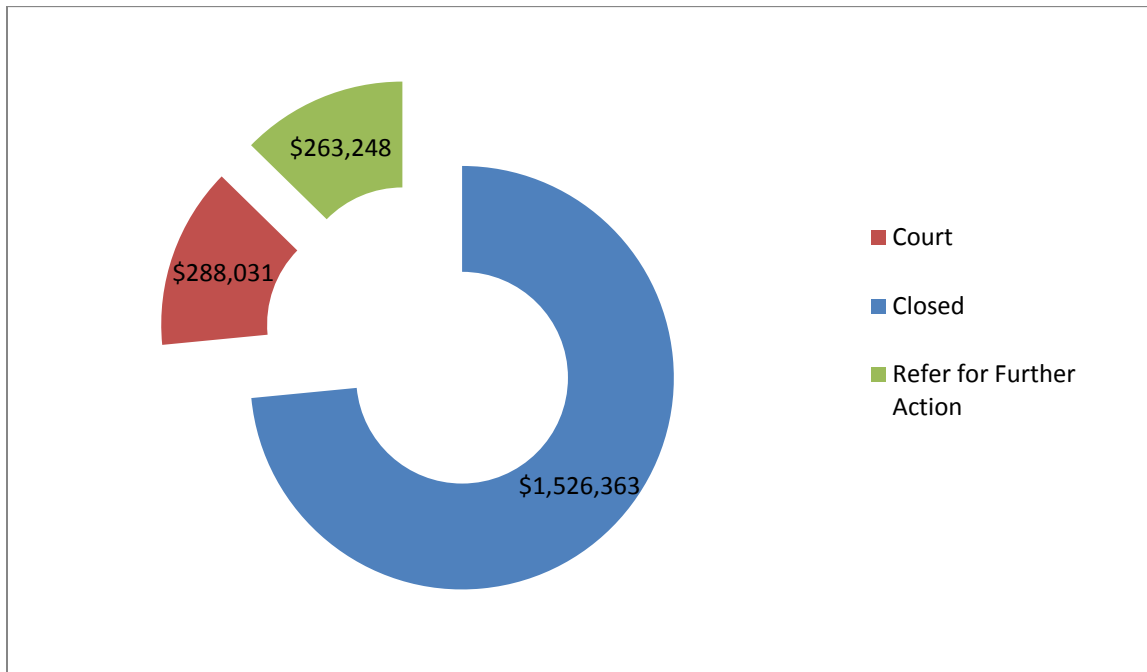
BSI's MassHealth Unit consists of six fraud examiners working in locations throughout the Commonwealth. During the 3rd quarter of fiscal year 2015, 117 new cases were assigned to examiners. During this quarter, fifty-seven investigations were completed for a total of \$532,747.30 in identified fraud. BSI examiners filed criminal charges in two separate cases, one in Lowell District Court with a fraud calculation of \$75,232.39, and a second in Worcester District Court that totaled \$120,446.60 in fraudulent Personal Care Assistant program benefits. The MassHealth Unit attends monthly PCA fraud task force meetings with the Attorney General's Office and the Inspector General's Office.

The MassHealth unit continues to work with the Department of Elder Affairs on an initiative to electronically deliver referrals on a regular basis. Regular meetings are held with MassHealth's Program Integrity regarding new referrals, the calculation of identified fraud cases, and the retrieval of MassHealth applications and re-certifications. The MassHealth Unit is also collaborating with the Data Analytics Unit on cases which involve PCA/Adult Foster Care overlap, gathering documents, interviewing subjects, and completing investigations.

DATA ANALYTICS UNIT

The BSI Data Analytics Unit (DAU) relies on large data sets to pursue the fraudulent receipt of public assistance benefits. Such data analytics techniques allow BSI to proactively identify potential fraud related to criminal and civil offenses against MassHealth and Department of Transitional Assistance programs. During the 3rd quarter of fiscal year 2015, DAU examiners completed seven investigations into suspected fraud. Of those cases completed, six were investigations associated with the Personal Care Attendant (PCA) program and one was related to the Adult Foster Care (AFC) program. These cases totaled \$137,874.59 in identified fraud. The six PCA cases included allegations that PCAs falsified timesheet information, billed MassHealth for services while earning income elsewhere, and received payment from both the PCA and Adult Foster Care (AFC) programs for the same individual during one twenty-four hour period (concurrent charging), among other schemes. Four of the seven investigations involved intentional program violations and three were determined not to be fraud.

FRAUD INVESTIGATIONS COMPLETED BY OUTCOME



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.