



OFFICE OF THE INSPECTOR GENERAL
COMMONWEALTH OF MASSACHUSETTS

GLENN A. CUNHA
INSPECTOR GENERAL

2021 Annual Report

APRIL 29, 2022

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A LETTER FROM INSPECTOR GENERAL GLENN A. CUNHA

I am pleased to publish my tenth Annual Report as the Inspector General of the Commonwealth of Massachusetts. Leading the office has been a great honor, one that I share with just three others: Joseph R. Barresi, Robert A. Cerasoli and, my immediate predecessor, Gregory W. Sullivan.

This summer, when my second five-year term comes to its end, my sadness at leaving my post will be tempered by my pride in our accomplishments over the past decade. I am confident that I have left the Office of the Inspector General (Office) a better place for my successor – and for the residents of the Commonwealth.

During my tenure, the Office has grown in numerous ways. On my first day as inspector general, the Office employed just 39 people, and our annual budget was \$3.8 million. In 2012, our Massachusetts Certified Public Purchasing Official (MCPPO) program offered 47 courses and trained about 1,200 students. Today, the Office employs 78 individuals, and its annual budget is \$7.7 million. In 2021, the MCPPO program offered 110 courses and trained more than 4,300 students.

I am extremely proud of creating the Dr. Frances Burke Diversity Fellowship for Investigators and the Justice Geraldine S. Hines Diversity Fellowship for Lawyers. These two-year programs offer recent graduates from diverse backgrounds the opportunity to begin a career in public service. The first Burke fellow is now a full-time investigator for the Office.

I am also proud of dozens of investigations the Office completed during my tenure, including:

- An investigation of the former Westfield State University President's use of public funds for personal expenses, which led to him repaying the state \$185,000. This investigation gave rise to a new state law requiring all trustees of public colleges and universities to complete training about their obligations to help prevent fraud, waste and abuse of public funds by their chief executives. The Office's MCPPO program provides that training.
- A review of a contract between the city of Methuen and the superior officers in the city's police department that city officials approved without understanding the terms. The Office deemed the contract unenforceable. City officials estimate that Methuen saved \$3.7 million by cancelling the contract.
- A recent investigation that resulted in the indictment of the CEO of a publicly funded non-profit organization for allegedly embezzling nearly \$1.5 million.

These cases were the product of the Office's collaboration with other public agencies to improve government. While some joint investigations can last months, others last years. For instance, the Office spent several years working with federal and state agencies to investigate former Fall River Mayor Jasiel F. Correia II before he was convicted in federal court in May 2021.

Please read the 2021 Annual Report for more details about the Office's accomplishments this year and throughout my tenure. It has truly been a privilege to lead the Office for the past ten years.



INSPECTOR GENERAL COUNCIL

Christopher Walsh, Chair (Governor's appointee)

Susan Terrey, Vice Chair (Secretary of Public Safety and Security's designee)

Gina Kwon (Attorney General's designee)

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James Morris (Attorney General's appointee)

TABLE OF CONTENTS

2021 Highlights	1
About the Office.....	5
Recoveries	8
Hotlines	10
Audit, Oversight and Investigations Division	16
Bureau of Program Integrity	26
Division of State Police Oversight	35
Internal Special Audit Unit.....	40
Legal Division	49
Policy and Government Division	53
Regulatory and Compliance Division	65
Reports, Letters and Other Publications	72

2021 HIGHLIGHTS

The Office of the Inspector General for the Commonwealth of Massachusetts (Office) is an independent state agency charged with preventing and detecting fraud, waste and abuse in the use of public funds and public property. In 2021, the Office's work – which included investigations, reviews, partnerships and trainings – spanned numerous areas of state and local government, including education, healthcare, human services, public administration, public safety and transportation. The Office's efforts resulted in criminal convictions, policy changes, new legislation, stronger internal controls and expanded training opportunities for public employees.

Also in 2021, the Office responded to over 2,690 hotline complaints from public employees and members of the public; many of the investigations and reviews in this report stemmed from those complaints. In addition, the Office collaborated with other agencies to strengthen oversight of the billions of dollars in pandemic-related funds that the federal government has distributed to agencies, businesses, individuals and non-profit organizations.

Because education is an integral tool in preventing the misuse of government funds, the Office continued to expand its professional training program in 2021, offering more classes and new online trainings. The Office taught more than 4,300 students and responded to almost 1,500 inquiries for technical assistance in 2021.

The Office also continued to adapt its operations in response to the ever-changing COVID-19 pandemic. The pandemic and the challenges it presented did not affect the Office's mission, the dedication of its employees or its commitment to improving government. In short, the Office maintained its commitment to detecting, preventing and correcting fraud, waste and abuse of public funds and resources across the Commonwealth.

Looking more closely at each division, in 2021, the **Audit, Oversight and Investigations Division** (Investigations Division) conducted investigations and reviews into a broad range of alleged misconduct and misuse of public funds. For example, the Investigations Division worked with the Internal Special Audit Unit (Transportation Unit) to identify more than \$470,000 in overpaid retirement benefits made by the Massachusetts Bay Transportation Authority Police Association Retirement Plan (Retirement Plan). The Investigations Division made numerous recommendations to the Retirement Plan to strengthen its internal controls, and the Retirement Plan has recovered the overpayments.

The Investigations Division also conducted a joint investigation with the Massachusetts Attorney General's Office (Attorney General's Office) that led to an indictment against Manuel Duran, former CEO of Casa Nueva Vida, Inc. (CNV), for allegedly embezzling nearly \$1.5 million from the organization. CNV operates shelters to aid families experiencing homelessness, specializing in services and programs for single Latina mothers and their children. The Attorney General's Office False Claims Division brought a lawsuit against Mr. Duran, alleging that Mr. Duran abused his position by improperly funneling CNV funds

to himself and that then he falsely certified compliance with regulations designed to detect self-dealing. Mr. Duran agreed to pay \$6 million to settle the lawsuit.

While continuing to fulfill its statutory mandate to conduct reviews and investigations related to the Executive Office of Health and Human Services (EOHHS), in 2021, the **Bureau of Program Integrity** (Bureau) responded to a rise in hotline complaints and expanded its work across EOHHS agencies. The Bureau continued assisting the Department of Developmental Services (DDS) with improving the agency's internal controls and contract administration. The Bureau collaborated with DDS to respond to concerns related to how DDS vendors that run group homes spent COVID-19 pandemic relief funds.

The Bureau also helped to improve the Department of Transitional Assistance's (DTA) fraud detection capabilities and address fraud risks related to the pandemic. For example, the Bureau provided recommendations and technical assistance to help DTA identify benefit recipients who violated program rules by failing to disclose that they were receiving DTA benefits and Department of Unemployment Assistance benefits at the same time. In addition, the Bureau engaged with the Department of Veterans' Services and the Department of Public Health to address several complaints about the Holyoke Soldiers' Home and the Chelsea Soldiers' Home, which provide long-term care to veterans.

The Legislature created the **Division of State Police Oversight** (State Police Division) in response to the discovery that some troopers in Massachusetts State Police Troop E, which patrolled the Massachusetts Turnpike, were being paid for overtime they had not worked. In 2021, the State Police Division completed a review of 2016 data to evaluate overtime in other troops. The State Police Division found that troopers were absent for 447.9 hours – 9% of the hours the troopers should have worked.¹ Across all six troops, the State Police Division found 490 shifts (40% of all shifts) in which troopers were absent for at least 15 minutes of the shift.

The State Police Division also worked collaboratively with the Office's Civil Recovery Unit (CRU) to recover unearned pay from former troopers who claimed to have worked overtime between 2015 and 2017 that they had not worked. To date, 13 former troopers have paid more than \$245,000 to settle allegations that they received pay for overtime that they did not work.

The **Internal Special Audit Unit** (Transportation Unit) continued its work examining and evaluating the Massachusetts Department of Transportation (MassDOT) and the Massachusetts Bay Transportation Authority (MBTA). The Transportation Unit also continued its in-depth review of the Merit Rating Board, the division within the Registry of Motor Vehicles responsible for maintaining and updating driving records. Lastly, the Transportation Unit, in conjunction with the Investigations Division, concluded two investigations related to the MBTA Transit Police. The first investigation found that three Transit Police

¹ These findings are based on reasonable conclusions drawn from an analysis of Massachusetts State Police records, including troopers' cruiser radio records and individual troopers' work schedules. They are not definitive findings that the troopers were engaged in wrongdoing or not working in any law enforcement capacity.

officers received pay for hours they did not work, resulting in larceny charges. The second investigation identified more than \$470,000 in overpayments by the MBTA Police Association Retirement Plan.

The **Legal Division** supported the Office's work in 2021 by providing legal guidance related to investigations, audits, oversight and education-based outreach, as well as reviewing and updating internal policies and procedures. In addition, the Legal Division continued the Office's work related to the Hinton Drug Lab investigation.

The Legal Division's **Civil Recovery Unit** (CRU) continued to work closely with the Attorney General's Office on matters involving false claims and wasted public funds. In 2021, the CRU carried out its mandate to conduct civil recovery actions by resolving cases involving alleged overbilling and overtime abuse. In addition, the CRU worked with other Office divisions and state agencies to identify matters that may be appropriate for a civil recovery.

The **Policy and Government Division** (Policy Division) is responsible for overseeing many of the Office's legislative mandates. In 2021, it continued to help develop policies and procedures related to the Commonwealth's public design and construction laws. The Policy Division also reviewed public land transactions and provided input on more than 100 pieces of legislation to ensure that the transactions and legislation protected public funds and property. Additionally, the Policy Division fulfilled its mandate to report annually on healthcare spending. In 2021, the Policy Division's healthcare work included continuing to assist the Office of Medicaid (MassHealth) to improve its data integrity and the use of background checks in its Personal Care Attendant program.

In January 2022, the Office created the **Pandemic Funding Oversight Unit** (PFO) within the Policy Division. The PFO is responsible for coordinating pandemic-related oversight efforts throughout the Office, including through the development and presentation of trainings; the maintenance of an internal knowledge base of rules and resources; and the tracking of pandemic-related cases and guidance.

The **Regulatory and Compliance Division** (Regulatory Division) continued to help state and local government employees use best practices and comply with Massachusetts public purchasing laws. In 2021, the Regulatory Division responded to 1,493 inquiries made to the Office's Chapter 30B hotline about public bidding laws, good governance and best practices for purchasing supplies and services. The Regulatory Division also continued to expand the curriculum for its professional training program – the Massachusetts Certified Public Purchasing Official (MCPPO) program – by introducing additional webinars and online trainings. These initiatives attracted 4,347 participants to trainings about topics such as procurement law, fraud awareness, public governance, diversity and inclusion in public purchasing, contract administration, leadership and public construction.

During 2021, the Office continued to cultivate a diverse, skilled and engaged workforce dedicated to the highest standards of professional conduct within a supportive, inclusive and collaborative work environment. The Office's Diversity, Equity and Inclusion (DEI) Committee continued to strive to help the Office implement best practices to promote diversity, equity and inclusion in the workplace. The DEI Committee presented a speaker series, bringing in renowned speakers to discuss topics such as healthcare

equity and the 1961 Freedom Rides. It also began a coaching program, pairing experienced employees with employees new to the Office.

In July 2021, the Office welcomed two new [Dr. Frances Burke Investigator Fellows](#) and, in March 2022, the Office welcomed its second [Justice Geraldine S. Hines Legal Fellow](#). The Office established the two-year fellowship programs in 2019 to improve its recruitment and retention of a talented and diverse workforce. The fellowships provide substantive and valuable experience to individuals with strong commitments to public service.

Further details about the activities summarized above, as well as the results of additional investigations, reviews and other projects, are set forth in the rest of this report.

ABOUT THE OFFICE

The Office of the Inspector General for the Commonwealth of Massachusetts (Office) is an independent state agency charged with preventing and detecting fraud, waste and abuse in the use of public funds and public property. By statute, the Office has broad authority to oversee the use of state, local and federal funds by state and local governments, as well as by those who receive government funds or use public property. This includes state agencies, counties, cities, towns, quasi-governmental authorities and districts, as well as individuals, corporations and not-for-profit organizations that do business with the government.

To fulfill its broad mandate, the Office investigates allegations of fraud, waste and abuse at all levels of government and reviews programs and practices to identify vulnerabilities and opportunities for improvement. It also conducts investigations into companies and other organizations, such as vendors that contract with state and local governments to provide goods and services.

When conducting an investigation or review, the Office has the authority to subpoena records, interview witnesses and take testimony under oath. At the completion of an investigation, review or other project, the Office may issue a letter or report detailing findings and outlining recommendations to prevent future fraud, waste and abuse. In some instances, the Office will offer training, policy guidance or technical assistance. In other cases, the Office may require the agency, city or town to submit a corrective action plan detailing the measures it will take to address the problems identified during the Office's investigation.

Further, the Office reports suspected criminal activity to the appropriate authorities, including the Attorney General's Office and the U.S. Attorney's Office. In addition, the Inspector General meets regularly with the Inspector General Council to discuss the Office's activities.

Prevention is a key component of the Office's mission. Therefore, in addition to investigations and reviews, the Office devotes much of its work to preventing the misuse of government resources. For example, the Office collaborates with state agencies to strengthen their operations, internal controls and program integrity efforts, which reduces risks, saves money and improves services. The Office also provides training to help prevent fraud, waste and abuse in government spending. It offers personalized guidance to local government employees on issues that arise under the Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws (Chapter 30B), which governs the purchase and disposition of supplies, services and real property by municipalities and other public entities.

To achieve its mission, the Office is organized into eight divisions: Administration and Finance; Audit, Oversight and Investigations; the Bureau of Program Integrity; the Division of State Police Oversight; the Internal Special Audit Unit; Legal; Policy and Government; and Regulatory and Compliance.

The **Administration and Finance Division** provides vital support to the entire Office by managing the Office's finances, human resources, case management system, information technology, operations and purchasing. Since early 2020, the Administration and Finance Division has also played a key role in the Office's response to COVID-19. The Administration and Finance Division was (and is) an integral part

of the Office's response team, providing input for new policies and guidelines, addressing staff questions and concerns, providing assistance and strategies for remote working, and addressing safety and risks related to the pandemic.

The **Audit, Oversight and Investigations Division** (Investigations Division) investigates allegations of criminal and civil misconduct in the use of public funds. When an investigation reveals potential criminal conduct, the Investigations Division often works closely with other law enforcement agencies – such as the Federal Bureau of Investigation, the state police, federal inspectors general and local police departments – as well as with prosecutorial agencies – including the Attorney General's Office, the U.S. Attorney's Office and local district attorneys' offices. Further, the Investigations Division works on matters involving potential civil actions, either directly with the affected agency or in conjunction with the Attorney General's Office. At any given time, the Investigations Division may be investigating allegations of bribery, theft, extortion, time fraud, false claims, mismanagement, favoritism and other wrongdoing.

Additionally, the Investigations Division works to prevent and detect fraud, waste and abuse by conducting systemic reviews, proposing legislative and regulatory changes and recommending improvements to internal and financial controls in the expenditure of public funds. The Investigations Division also issues public advisories and letters to help state and local governments reduce fraud, waste and abuse.

The **Bureau of Program Integrity** (Bureau) conducts oversight of the agencies and programs within the Executive Office of Health and Human Services (EOHHS). The Bureau monitors the quality, efficiency and integrity of programs administered by EOHHS agencies and seeks to prevent, detect and correct fraud, waste and abuse. The Bureau consults and collaborates with EOHHS agencies while conducting this oversight.

The **Division of State Police Oversight** (State Police Division) monitors the quality, efficiency and integrity of the Massachusetts State Police's (MSP) operations, organizational structure and management functions.² Additionally, the State Police Division seeks to prevent, detect and correct fraud, waste and abuse in the expenditure of public funds and monitors policy changes instituted as a result of the MSP's certification or accreditation by a state or national police accrediting agency pursuant to Section 73 of Chapter 22C of the Massachusetts General Laws.

The **Internal Special Audit Unit** (Transportation Unit) monitors the quality, efficiency and integrity of the Massachusetts Department of Transportation's (MassDOT) operating and capital programs. Additionally, the Transportation Unit provides oversight of the Massachusetts Bay Transportation Authority. As part of its statutory mandate, the Transportation Unit seeks to prevent, detect and correct fraud, waste and abuse in the expenditure of public and private transportation funds. The Transportation Unit is also responsible for examining and evaluating MassDOT's operations, including its governance, risk-management practices and internal processes.

² Section 72 of Chapter 22C of the Massachusetts General Laws refers to the Division as "an internal special audit unit." The Inspector General renamed the State Police Division to avoid confusion with the previously created Internal Special Audit Unit within the Department of Transportation (see M.G.L. c. 6C, § 9).

The **Legal Division** provides essential legal advice to the Office and manages legal strategy in all Office litigation. Attorneys in the Legal Division represent the Office in state and federal court, draft and review legislation, teach procurement law and provide guidance on state and local public procurement matters. Attorneys in the Legal Division also assist the Office's investigative divisions on legal issues that may arise during an investigation, audit or review by assisting during formal interviews; analyzing evidence; conducting legal research; coordinating responses to and enforcing summonses; and liaising with state, municipal and private entities. In addition, the Legal Division also plays a key role in compliance and internal controls within the Office.

Attorneys in the Legal Division's **Civil Recovery Unit** investigate and pursue civil actions to recover money on behalf of the Commonwealth and local governments. These attorneys work closely with the other investigative units within the Office, frequently partnering on investigations that may be appropriate for civil recovery. The Civil Recovery Unit also works closely with the Attorney General's Office when developing matters for litigation or preparing for settlement.

The **Policy and Government Division** (Policy Division) oversees the Office's policy, healthcare and legislative initiatives. The Policy Division is responsible for carrying out the Legislature's annual mandate for the Office to study and review the Massachusetts Medicaid and Health Safety Net programs. Each year, the Policy Division reviews public design and construction projects, methods and practices, as well as public real property transactions, to ensure that the public's interests are protected. Finally, during each legislative session, the Policy Division reviews and comments on numerous pieces of legislation, meets with and provides guidance to legislators and municipalities and responds to requests from the Governor's Office to review proposed legislation before it is signed into law.

The Policy Division's **Pandemic Funding Oversight Unit** coordinates the Office's oversight of federal funds distributed to state and local governments, companies, individuals and non-profits in connection with the COVID-19 pandemic and its economic consequences. It also collaborates with other agencies on pandemic funding oversight and represents the Office on the Commonwealth's Equity and Accountability Review Panel.

The **Regulatory and Compliance Division** (Regulatory Division) provides extensive educational and technical assistance to state and local government officials and employees regarding Massachusetts' public purchasing laws, fraud awareness and prevention, and public governance. Among other activities, the Regulatory Division operates the Office's training programs, publishes educational materials and offers a technical assistance hotline for inquiries and complaints about public procurement, fraud prevention and good governance. The Regulatory Division also interprets and formulates policies for the Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws (Chapter 30B), which governs the purchase and disposal of supplies, equipment and real property and the purchase of services by cities, towns and other local and regional governmental bodies.

RECOVERIES

Often, the Office's efforts result in state and local governments recovering funds that properly belong to them. These recoveries take different forms, including settlements, consent judgments, court-ordered restitution and repayments. The Office's referrals, reviews and investigations also lead to the imposition of fines and civil penalties against individuals and organizations. The Office's work also leads to the prevention of improper payments.

Since 2012, the Office's work has resulted in more than \$34.2 million in court-ordered restitution and settlement agreements. These recoveries came from vendors, organizations, elected officials and other individuals. These recoveries have affected numerous aspects of government, including education, housing, human services, municipal administration, public safety and transportation. The work of the Office has also led to fines and penalties of \$120,800. Over the same period, the Office has identified \$72.9³ million in potential cost savings and wasteful spending of public dollars. See Figure 1 below.

CASE	Amount
Brookline Housing Authority: Information and Technology Services	\$113,000
Department of Transitional Assistance: TAFDC Eligibility	\$25,000,000
MassDOT: Fleet Vehicle Operations	\$4,246,062
MassDOT: Toll Road Access	\$985,942
MassDOT: Turnpike Emergency Management Services	\$1,004,460
MassDOT: Veterans Memorial Bridge	\$20,000,000
MassHealth: Non-Custodial Parent Insurance Coverage	\$17,500,000
Massport: Janitorial Supplies	\$340,000
Methuen: Police Contract	\$3,709,879
Total	\$72,899,343

Figure 1. Potential Cost Savings and Wasteful Spending Since 2012.

In 2021, the Office's investigations and reviews resulted in \$7,915,956 in restitutions and settlements. See Figure 2 below. Additionally, the Office's work relating to a [Methuen Police Department](#) contract led to the city cancelling it. City officials estimated that cancelling the contract saved the city \$3.7 million. Further details about these matters and those listed in Figures 1 and 2 appear throughout the rest of this report.

³ This figure includes \$25 million (TAFDC Eligibility) and \$17.5 million (MassHealth Non-Custodial Parent Insurance Coverage) of potential cost-savings for the Commonwealth annually.

CASE	Type of Recovery	Amount
Genoveva Andrade	Fine	\$50,000
Kenneth Berg	Restitution	\$8,460
James Canty	Settlement	\$3,409
Jasiel Correia	Forfeiture	\$566,740
	Restitution	\$311,340
Antonio Costa	Forfeiture	\$107,550
	Fine	\$10,000
Manuel Duran	Settlement	\$6,000,000
Francois Fils-Aime	Restitution	\$10,000
Sean Hoye	Settlement	\$37,000
Christopher Kudlay	Settlement	\$1,957
Kevin Maple	Settlement	\$45,000
Stephen Mihalek	Settlement	\$23,593
Jason Morris	Restitution	\$4,354
NEL Corporation	Settlement	\$700,000
	Restitution	\$9,402
Carlos Nunez	Settlement	\$7,247
John O'Grady	Settlement	\$3,208
Katelynn Sullivan	Restitution	\$11,500
Keith Sweeney	Settlement	\$1,496
Raymond Thompson	Settlement	\$3,700
Total		\$7,915,956

Figure 2. List of 2021 Recoveries and Fines.

PROTECT YOUR COMMUNITY



OIG Fraud Reporting Form
mass.gov/oigfightfraud

If you suspect fraud, waste or abuse of
public funds or property, you can
confidentially report your concerns



Send us an email at
IGO_FightFraud@mass.gov

HOTLINES

The public – including public employees – have an important role in safeguarding state and local funds. Therefore, the Office operates hotlines for reporting suspected wrongdoing, as well as an assistance hotline to help public employees comply with the state’s procurement laws.

Over the last 10 years, the Office has expanded and strengthened its hotlines, including adding staff and increasing the ways that the public can access the hotlines. For example, the Office created an online form for reporting suspected fraud, waste and abuse, and it established a specialized hotline related to transportation funds. As a result, calls to the Office’s general hotline increased 400% between 2013 and 2021, and the Office received over 10,000 inquiries on its Chapter 30B hotline during that same time.

12,392
Hotline Complaints
from
January 1, 2013
to
December 31, 2021

I. Fraud, Waste and Abuse Hotlines

The Office operates a general hotline for individuals to confidentially report suspected wrongdoing in the use of public funds and assets. The Investigations Division, with assistance from other divisions, manages the hotline. The Office also operates [specialized transportation hotlines](#), managed by the Transportation Unit, to receive reports of suspected fraud, waste and abuse related to public transportation programs and the misuse of transportation funds. The Office’s hotlines receive complaints in a number of ways, including by telephone, online form, email, traditional mail and walk-in visits.

The Office treats all complaints to its hotlines confidentially, and individuals can choose to submit a complaint anonymously. The Office evaluates each complaint to determine whether it falls within the Office’s jurisdiction and whether it warrants action. Some complaints lead to in-depth investigations, some are referred to other agencies and some are closed if a preliminary inquiry fails to substantiate the allegations.

While not all complaints result in an investigation or review, many uncover wrongdoing, such as corruption, theft, fraud, favoritism in contractor selection, mismanagement and wasteful spending. Complaints may also lead to cost recoveries, criminal convictions, civil settlements and improvements in how government operates.

Between January 1, 2013, and December 31, 2021, the Office received 12,392 hotline complaints. These complaints have revealed wrongdoing, saved millions of public dollars and led to changes in legislation and policies. For example, a hotline complaint led to the Office’s investigation of the [Westfield State University](#) president. The Office uncovered the misuse of public funds, repeated misrepresentations to the university’s board of trustees and other misconduct. As a result of the investigation, the former president paid \$185,000 to settle allegations that he used school-issued credit cards and university funds to make personal purchases and take vacations.

The Office received a hotline complaint that a contractor, NEL Corporation (NEL), was overbilling the Massachusetts Department of Transportation (MassDOT). The Office concluded that NEL overbilled MassDOT under contracts to repair and maintain bridges throughout the state. The Office alleged that NEL knowingly charged MassDOT for items that NEL was required to provide at its own expense under the contracts, including certain tools, equipment, sanitary facilities and personal protective equipment. In March 2021, the Office and the Attorney General's Office [reached a settlement with NEL](#) in which NEL agreed to pay \$700,000 in restitution and penalties and undertake compliance and monitoring measures.

One hotline complaint led to an investigation revealing evidence that Interline Brands, Inc. had overbilled the Massachusetts Port Authority (Massport) for a wide array of janitorial products over several years. The Office and the Attorney General's Office then conducted a joint investigation that resulted in the company repaying \$2.36 million to the Commonwealth through a settlement and billing changes.

Another hotline complaint resulted in criminal convictions against two former employees of a housing development in Roxbury (Roxse Homes), Mathis Lemons and Ismael Morales, for conspiring to rent subsidized apartments to ineligible individuals in exchange for bribes. In 2014 and 2015, Mr. Morales solicited cash payments from people who were not on the waitlist for apartments. In exchange, he provided those individuals with blank rental applications and instructed them to backdate the forms or to leave the documents undated. Mr. Lemons then altered Roxse Homes's computerized waitlist to make it appear that they had applied before the waitlist closed. Both Mr. Lemons and Mr. Morales were sentenced to two years in federal prison.

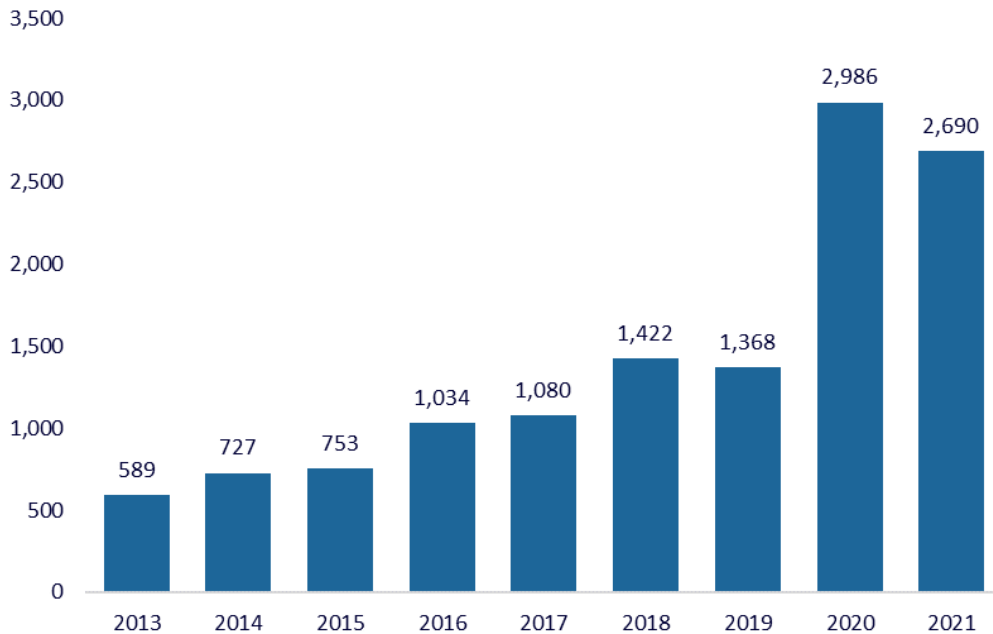


Figure 3. Hotline Complaints by Calendar Year.



In 2021, the Office received and responded to 2,690 complaints. The general hotline received 2,433 complaints while the transportation fraud hotline received 257 complaints.⁴ Since the pandemic began in 2020, complaints to the Office’s general hotline have doubled. While the Office received 1,368 complaints in 2019, it took in 2,986 complaints in 2020 and 2,690 complaints in 2021. The Office responded to 1,612 general hotline complaints, which led to cases across all of government, including education, healthcare, housing, human services and public safety.⁵ As in 2020, moreover, many of the complaints in 2021 related to unemployment insurance benefits associated with the COVID-19 pandemic. Consequently, the Office referred 821 complaints to the Massachusetts Department of Unemployment Assistance’s program integrity team for handling.

Figure 4 below shows the monthly complaints to the Office in 2021. While the Office receives complaints relating to unemployment benefits on its general hotline, it has broken unemployment benefit complaints out on a monthly basis due to the high volume of complaints in 2021.

⁴ These figures include 10 overlapping complaints that staff operating each hotline handled.

⁵ This is the number of general hotline complaints less 821 unemployment insurance complaints.

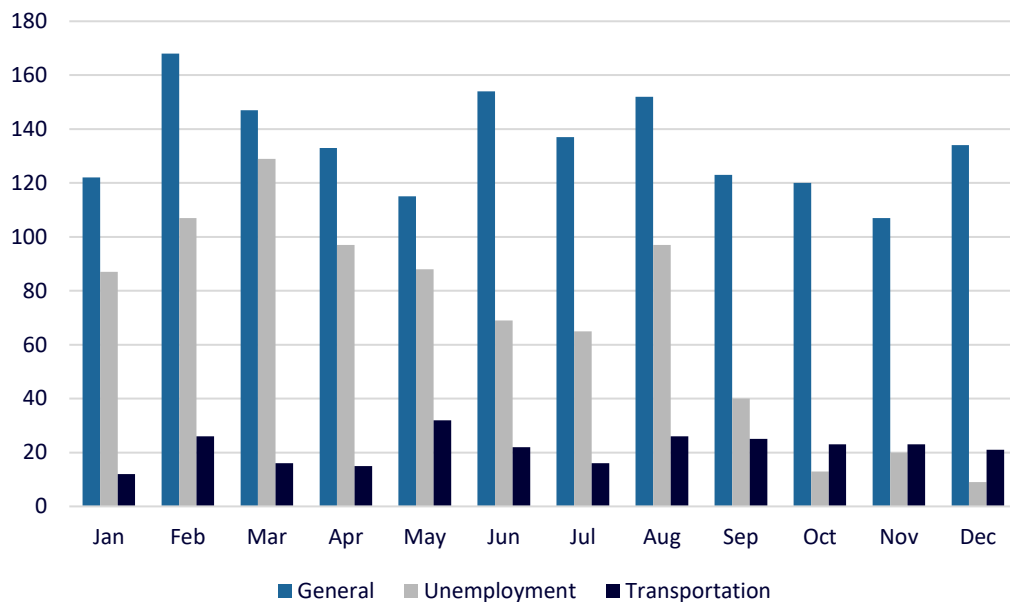


Figure 4. Hotline Complaints by Month (2021).

Figure 5 shows the number of hotline complaints by the method through which the Office received the complaint. Most people used the Office’s toll-free hotline number to report complaints. In addition, many people used the Office’s online form or email. These three methods accounted for 55% of all complaints last year.

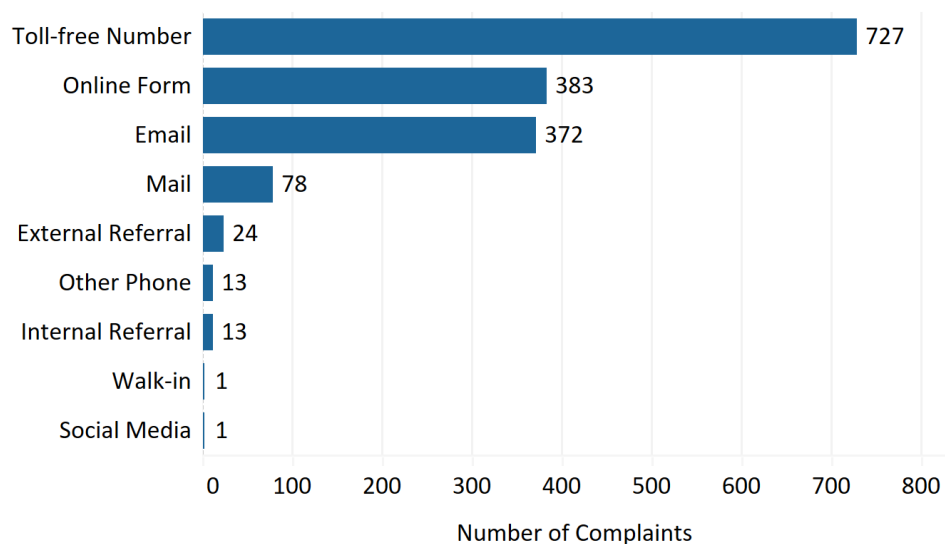


Figure 5. Hotline Complaints by Method Received.

II. Chapter 30B Hotline

Fraud prevention is critical to improving government and safeguarding public assets. Consequently, the Office operates a technical assistance hotline to respond to questions and complaints concerning public procurements and public bidding laws, including Chapter 30B of the Massachusetts General Laws (Chapter 30B hotline). Through the Chapter 30B hotline, the Office helps state and local employees to comply with bidding laws and to conduct fair, open and competitive procurements. Inquiries to the Chapter 30B hotline also lead public entities to rebid contracts, strengthen procurement procedures, institute internal controls and implement other improvements. The Office accepts questions by phone, online form and email.

Since 2015, the Office has handled more than 10,000 inquiries on its Chapter 30B hotline. In 2021, the Office responded to 1,493 calls and questions about Chapter 30B, public construction bidding laws, local purchasing requirements, fraud prevention and internal controls.⁶

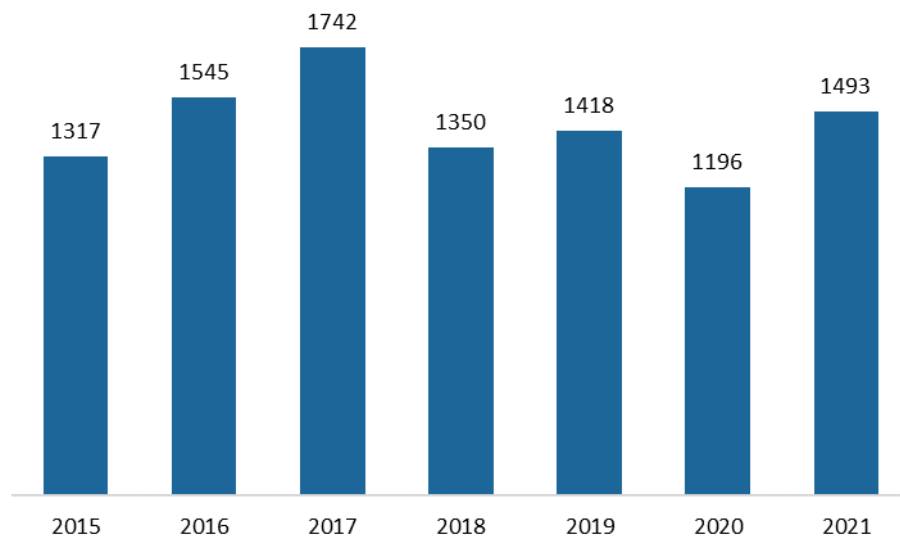


Figure 6. Chapter 30B Hotline Calls by Calendar Year.

⁶ This discussion does not include inquiries from 2013 and 2014 because in 2015, the Office changed the methodology it uses to track inquiries to the Chapter 30B hotline.

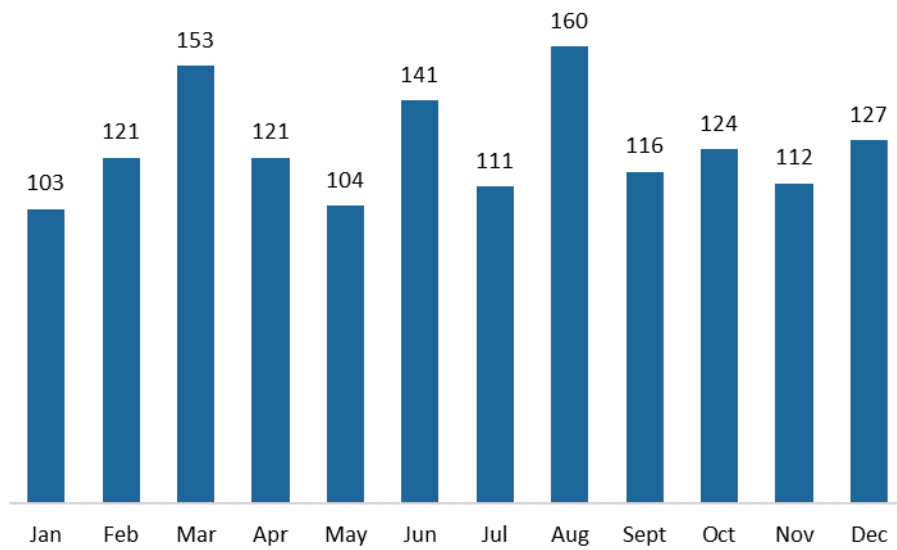


Figure 7. Chapter 30B Hotline Calls by Month (2021).

HAVE A QUESTION ABOUT CHAPTER 30B?



Ask your question at <https://www.mass.gov/oig/chapter30b>

AUDIT, OVERSIGHT AND INVESTIGATIONS DIVISION

As previously discussed, the Audit, Oversight and Investigations Division (Investigations Division) investigates the misuse of public funds and property and recommends improvements to operational and financial controls. The Investigations Division also reviews potential waste and abuse of public funds and assets. As part of its work, the Investigations Division manages the Office's general hotline with assistance from other divisions in the Office.

The Investigations Division:

Investigates the Misuse of Public Funds

-

Conducts Reviews to Identify Improvements to Government Operations

-

Manages the Fraud Hotline

For decades, the Investigations Division has developed civil and criminal cases that lead to large financial recoveries for the Commonwealth and other government entities. Since 2012, the Investigations Division has pursued cases that included restitution and settlement agreements of more than \$33 million in public funds. For example:

- In 2012, an investigation into the financial relationship between Merrimack Education Center (MEC), a private non-profit organization, and the Merrimack Special Education Collaborative (MSEC), a public entity, resulted in MEC refunding \$8.49 million to MSEC.
- In 2013, an investigation into a contract with Honeywell International, Inc. (Honeywell), to provide energy management services to the city of Quincy resulted in Honeywell paying the Commonwealth \$4 million.
- In 2016, an investigation into construction oversight on Plum Island by CDM Smith Inc., a Boston-based engineering firm, led to a \$5.5 million settlement with the firm.
- In 2017, an investigation into the company providing janitorial supplies to the Massachusetts Port Authority resulted in the company repaying \$2.36 million to the Commonwealth.

When the Investigations Division identifies potential criminal misconduct, it works with prosecutors to bring those responsible to justice. Since 2012, the division's work has resulted in criminal charges or indictments against 42 individuals. This includes charges against the executive directors of two different non-profit organizations, the former mayor of Fall River, the executive director of a regional refuse disposal district, a buyer for the MBTA, a district chief of the Boston Fire Department, a lobbyist and the executive director of a housing authority.

Over the last decade, reports and letters issued by the Investigations Division have also resulted in policy and personnel changes at the state and local levels as well as the identification of different types of fraud, waste and abuse. For example:

- In 2013, an investigation into Michael McLaughlin, the executive director of the Chelsea Housing Authority, led to legislative changes in the way housing authorities operate in Massachusetts.
- In 2015, a review found that the Boston Redevelopment Authority (BRA) did not exercise due diligence in property transactions in the Fenway Park area and failed to negotiate sufficient sale prices. The Office recommended that the BRA adopt clear written policies and procedures governing future property transactions.
- In 2016, a review concluded that Mohammed Khan served simultaneously for many years as the administrator of the Montachusett Regional Planning Commission (MRPC) and executive director of Montachusett Regional Transit Authority (MART). The Office concluded that Mr. Khan was violating the state retirement laws concerning excess earnings, was receiving an inflated pension and that MRPC and MART circumvented a state ethics ruling prohibiting his dual employment.

The Investigations Division also led a legislatively mandated review of the Transitional Aid to Families with Dependent Children program that resulted in the Legislature's creation of a unit within the Office dedicated to examining health and human services programs throughout state government. In addition, the Investigations Division has repeatedly shed light on costly issues like [sick leave abuse](#) and [time fraud](#) that do not often draw public scrutiny.

In 2021, the Investigations Division worked on many investigations that are not yet public. The work of the Investigations Division spanned many areas of government, including administration, education, housing, public benefits and public safety. Additionally, the Investigations Division continued to review numerous cases related to potential misuse of federal pandemic funding. Below is a summary of the Investigations Division's work from 2021 that has become public through indictments, settlements, public letters and public recommendations for corrective measures.

I. Housing

A. Former CEO of Non-Profit Organization

The Investigations Division conducted a joint investigation with the Attorney General's Office that led to indictments against Manuel Duran, the former CEO of Casa Nueva Vida, Inc. (CNV), for allegedly embezzling nearly \$1.5 million from the organization between 2012 and 2021. The September 2021 indictments charged Mr. Duran with larceny over \$1200, perjury and false entries in corporate books.

CNV is a non-profit organization that operates shelters to aid families experiencing homelessness, specializing in services and programs for single Latina mothers and their children. The indictments allege that Mr. Duran, using multiple schemes, stole nearly \$1.5 million from CNV, which receives almost all of its funding through contracts with the Commonwealth. In one scheme, the indictments allege that Mr. Duran leased a shelter using a shell corporation and then sublet the shelter to CNV at an inflated cost. Using this scheme, Mr. Duran allegedly diverted more than \$1.1 million in CNV funds to himself between 2014 and 2021.

In another scheme, at various times between 2012 and 2020, Mr. Duran allegedly created fake invoices from three vendors, purportedly for renovations, lead abatement and asbestos abatement at properties that CNV owned or leased. The joint investigation revealed, however, that the vendors allegedly never performed the work. The indictments allege that Mr. Duran had CNV issue 16 payments to the purported vendors who never performed services for the amount paid. Using this scheme, Mr. Duran allegedly stole more than \$242,000.

The indictments further allege that between 2014 and 2019, Mr. Duran stole approximately \$140,831 from CNV by depositing directly into his own bank account paychecks issued to a seasonal maintenance employee for CNV who was in Puerto Rico when the paychecks were issued.

In January 2022, moreover, Mr. Duran agreed to pay \$6 million to settle a lawsuit brought by the Attorney General's Office. The lawsuit alleged that Mr. Duran abused his position by improperly funneling CNV funds to himself and then he falsely certified compliance with regulations designed to detect self-dealing.

Mr. Duran is presumed innocent until proven guilty.

B. Former DDS Group Home Employee

The Investigations Division, along with the Bureau of Program Integrity, conducted an investigation regarding a supervisor of a Department of Developmental Services (DDS) group home based on a report submitted to the Office's general hotline. The Office found evidence that the supervisor, Katelyn Sullivan, entered overtime shifts into DDS's payroll that she did not work, thereby receiving over \$38,000 in wages. Ms. Sullivan admitted to larceny and false claims following the Office's investigation and a prosecution by the Attorney General's Office.

On February 5, 2020, a Superior Court judge continued the case without a finding and ordered Ms. Sullivan to complete three years of probation. On February 23, 2021, Ms. Sullivan was ordered to pay \$11,500 in restitution in monthly increments of \$500 throughout the probationary period. If Ms. Sullivan pays the restitution and completes the probationary period, the indictments will be dismissed.

II. Administration

A. Former Town Accountant

The Office has previously reported on a joint investigation with the Attorney General's Office that led to multiple indictments against Justin Cole for allegedly stealing more than \$930,000 from the towns of Uxbridge, Monterey, Wenham and Millville between December 2012 and June 2018.

Mr. Cole worked as the town accountant for the town of Uxbridge and provided contracted accounting services to the towns of Monterey, Millville and Wenham through his company, Baystate Municipal Accounting Group, Inc. In July 2020, a statewide grand jury indicted Mr. Cole for allegedly embezzling more than \$729,000 between December 2012 and June 2018 from the towns of Uxbridge, Monterey and Millville. Mr. Cole was indicted on five counts of larceny over \$250, two counts of larceny over \$1,200, four counts of presentation of false claims, four counts of unwarranted privilege by a municipal employee and one count of financial interest by a municipal employee.

In March 2021, a statewide grand jury issued a second indictment, alleging that, between March 2014 and February 2017, Mr. Cole stole more than \$200,000 from the towns of Uxbridge and Wenham. The second indictment brought the total Mr. Cole allegedly stole to \$930,000. The additional charges were one count of larceny over \$250 and one count of presentation of a false claim.

Mr. Cole is presumed innocent until proven guilty.

B. Former Mayor of Fall River and Co-conspirators

The Office has previously reported on the criminal cases involving the former mayor of Fall River, Jasiel F. Correia II, and his associates. In 2018, Mr. Correia was indicted for allegedly defrauding investors in a company called SnoOwl by using the funds on vacations, entertainment and other personal expenses. In 2019, moreover, a federal grand jury charged Mr. Correia with bribery, conspiracy to commit extortion, extortion, aiding and abetting, wire fraud and filing false tax returns. Several of the charges alleged he extorted more than \$600,000 in cash and other benefits from individuals seeking to open licensed marijuana businesses in Fall River. The indictments were the result of a joint investigation by the Investigations Division, the U.S. Attorney's Office, the Federal Bureau of Investigation, the Internal Revenue Service and the U.S. Department of Housing and Urban Development.

Following a three-week trial, a federal jury convicted Mr. Correia on May 14, 2021, on 21 of 24 counts, including extortion, extortion conspiracy, wire fraud and filing false tax returns. During sentencing hearings in September 2021, the presiding U.S. District Court judge dismissed guilty verdicts on 10 of the 21 counts, including several convictions for wire and tax fraud. The judge sentenced Mr. Correia to six years in prison on the remaining 11 criminal charges, including extortion and wire fraud. The judge also ordered Mr. Correia to forfeit \$566,740 to the government and provide \$311,340 in restitution to four individuals who invested in SnoOwl.

In March 2022, Mr. Correia filed an appeal, asking the judge to either vacate his conviction or grant him a new trial.

On April 22, 2022, Mr. Correia began serving his sentence at a federal prison in New Hampshire.

Also in 2019, charges were filed against three other individuals who had roles in extorting marijuana businesses. Hildegard Camara, David Hebert and Antonio Costa were charged separately with extortion conspiracy and extortion. Each was also charged with making false statements to federal agents. All three pleaded guilty to all charges in September 2019 and have cooperated with the government.

On June 28, 2021, Mr. Costa was sentenced to three years of probation, with the first 15 months spent under home confinement with electronic monitoring. Mr. Costa was also ordered to forfeit \$107,550 and pay a \$10,000 fine. On July 21, 2021, Mr. Camara was sentenced to three years of probation and 150 hours of community service.

Additionally in 2019, Mr. Correia's former chief of staff, Genoveva Andrade, was indicted on charges of extortion conspiracy, extortion, bribery and making false statements. On December 14, 2020, Ms. Andrade pleaded guilty to all charges. Specifically, Ms. Andrade admitted to conspiring with Mr. Correia to extort \$150,000 in cash from one businessman and to extort other benefits – including a Rolex watch – from a second businessman. Ms. Andrade also admitted to illegally providing half her city salary to Mr. Correia for the first nine months of her employment as his chief of staff. She also admitted to making false statements to federal agents investigating Mr. Correia.

In June 2021, a U.S. District Court judge rejected Ms. Andrade's guilty plea. In October 2021, federal prosecutors dropped two of the six counts against Ms. Andrade: one count of extortion conspiracy and one count of aiding and abetting extortion. Ms. Andrade's trial began in December 2021 with jury selection, but it was delayed after a witness tested positive for COVID-19. In March 2022, Ms. Andrade pleaded guilty to lying to federal agents investigating Mr. Correia. The U.S. District Court judge sentenced Ms. Andrade to time served, one year of probation and a \$50,000 fine.

C. Founders of Non-Profit Organization

The Investigations Division conducted a joint investigation with federal agencies into a Taunton couple who allegedly filed fraudulent claims to obtain Pandemic Unemployment Assistance (PUA) funds, made false statements to obtain a mortgage and illegally diverted donations from a Boston-based non-profit organization.

The indictment charges Monica Cannon-Grant and Clark Grant with defrauding the Massachusetts Department of Unemployment Assistance by submitting false documents to obtain PUA benefits that they were not entitled to receive. The two defendants also allegedly conspired to defraud a mortgage company by submitting false documentation in support of a loan application.

PUA provided up to 79 weeks of unemployment benefits to individuals who were unable to work because of the COVID-19 pandemic. The PUA program began in March 2020 and ended in September

2021. The indictment also alleges that Mrs. Cannon-Grant and Mr. Grant, two founders of Violence in Boston (VIB), a Boston-based non-profit organization, illegally diverted VIB donations and grants and used the money for car repairs, groceries, a vacation and other personal expenses. The 18-count indictment charges Mrs. Cannon-Grant and Mr. Grant with 13 counts of wire fraud, 2 counts of wire fraud conspiracy, 1 count of conspiracy and 1 count of making false statements to a mortgage lending company. Cannon-Grant is charged with 1 count of mail fraud.

Founded in 2017, VIB's stated purpose is to reduce violence and to raise social awareness about the causes of violence and the impacts it has on underserved communities. Mrs. Cannon-Grant is the founder and CEO; Mr. Grant is a founding director. According to the indictment, Mrs. Cannon-Grant and Mr. Grant concealed their criminal conduct from VIB's donors as well as from VIB's other officers and board members.

The charges are allegations. Mrs. Cannon-Grant and Mr. Grant are presumed innocent until proven guilty in court.

The indictment resulted from a collaboration with the U.S. Attorney's Office, the U.S. Postal Inspection Service, the U.S. Department of Labor's Office of the Inspector General and the Internal Revenue Service's Criminal Investigations Division.

III. Education

A. Former METCO Director

The Office has previously reported on a joint investigation with the Essex County District Attorney's Office into spending by a former director of the Marblehead METCO program.⁷ The investigation found evidence that the former director, Francois Fils-Aime, stole approximately \$20,000 from a fund that was intended to benefit students. In particular, the investigation found evidence that Mr. Fils-Aime used a bank account referred to as "the Marblehead METCO Sunshine Fund" for his personal benefit, including for restaurant meals. The account was funded by METCO parents' yearly dues, as well as by donations from individuals and organizations.

Following the joint investigation, a grand jury indicted Mr. Fils-Aime on two counts of larceny. In March 2021, Mr. Fils-Aime admitted to sufficient facts for a guilty finding on both larceny charges. Mr. Fils-Aime received a year of unsupervised probation and he must complete 100 hours of community

⁷ The Department of Elementary and Secondary Education describes the METCO program as follows:

The METCO Program is a grant program funded by the Commonwealth of Massachusetts. It is a voluntary program intended to expand educational opportunities, increase diversity, and reduce racial isolation, by permitting students in certain cities to attend public schools in other communities that have agreed to participate.

METCO, DEPT. OF ELEMENTARY AND SECONDARY EDUC., available at <https://www.doe.mass.edu/metco> (last viewed March 16, 2022).

service. He must also pay \$10,000 in restitution to the Marblehead Public Schools. The case was continued without a finding subject to Mr. Fils-Aime repaying the \$10,000 and successfully completing his probation.

IV. Public Pensions

A. Hampden County Regional Contributory Retirement System

An audit of the Hampden County Regional Contributory Retirement System by the Public Employee Retirement Administration Commission (PERAC) revealed that the retirement board had paid for website-related services it had never received. PERAC found that over five years the retirement board paid more than \$235,000 to more than 50 different entities claiming to provide services such as “search engine optimization” or “online directory listings.” The audit identified 119 fraudulent invoices, many of which claimed to be from a collection agency or legal department and that demanded “immediate action.”

The Investigations Division learned that, often, an individual from the supposed “service provider” would call the retirement board’s executive director and threaten her if she did not send an immediate payment. For example, callers would tell the executive director that the retirement board had entered a contract with them, that they had provided services and that they would send the sheriff to arrest her if she did not pay the bill. At that point, the companies would fax a fake invoice that she would present for payment at the next board meeting.

In December 2021, the Office issued a [fraud alert](#) providing the following precautions and tools to help other jurisdictions from falling victim to such scams:

- Employees should be aware of phone and invoice scams and should know that high-pressure tactics and threats are red flags for fraud.
- Employees should report harassing phone calls to their supervisors. Supervisors should report the calls to the entity’s legal counsel, the local police and the Federal Trade Commission at [ftc.gov/complaint](https://www.ftc.gov/complaint).
- Agencies should research any company that sends an unexpected invoice. Often a quick web search will reveal that the company name, website or phone number is fake.
- Agencies should keep updated and organized records of all current contracts. Agencies should not pay any invoices unsupported by a valid contract. Even if the vendor’s name is familiar, employees should check it against the contract to make sure the account number on the invoice matches the account number on the contract.
- Employees should never pay an invoice without first confirming with the right person in the organization that the services, materials or supplies have been ordered and received.
- If an agency receives invoices for products or services it did not purchase, the agency should contact the Office’s confidential hotline at (800) 322-1312 or [IGO-](#)

FightFraud@mass.gov. All telephone calls and emails are treated confidentially, and individuals may choose to remain anonymous.

B. MBTA Transit Police Retirement Plan

The Investigations Division, working with the [Internal Special Audit Unit](#) (Transportation Unit), examined allegations that the Massachusetts Bay Transportation Authority (MBTA) Police Association Retirement Plan (Retirement Plan) overpaid supplemental and disability retirement benefits to several retirees. During its investigation, the Office found that the Retirement Plan had overpaid 24 retirees more than \$470,000 between 2005 and 2018. The plan overpaid retirees because it had poor internal controls and no system to terminate payments when retirees were no longer eligible for the benefits.

In its letter, the Office recommended that the Retirement Plan:

- Attend a training on the fiduciary duties and responsibilities of public boards and commissions.
- Document all internal controls in writing.
- Conduct a more robust annual audit to examine its internal controls.

When the new executive director of the Retirement Plan discovered the overpayments, she put controls in place to ensure the plan pays the correct retirement benefits going forward. The Retirement Plan also entered into repayment plans with the retirees who received the overpayments by permanently reducing the monthly benefit. Because of this, the Retirement Plan considers the overpayments paid back.

V. Public Safety

A. Methuen Police Department

The Office previously reported on its review of two police department contracts that the former mayor and the Methuen City Council approved in 2017. The contracts provided large raises for the department's superior officers – its sergeants, lieutenants and captains – as well as for the department's longtime chief, Joseph Solomon.

The Office found leadership failures at all levels of city government. Then-Mayor Zanni approved unprecedented changes to the superior officers' contract without considering their potential financial impact. These changes significantly increased the superior officers' total compensation. Mayor Zanni signed the contract without reading the entire document or asking the city's solicitor or auditor to review the terms. City officials also did not review the final contract before presenting it to the City Council for approval.

In addition, the Office found that the president of the superior officers' union, Captain Gregory Gallant, revised the superior officers' contract after the union had ratified it, making changes that city

officials had not agreed to. The combination of the changes Mayor Zanni approved and Captain Gallant's alterations resulted in 35% to 183% raises for superior officers.

Furthermore, then-Chief Solomon knew about Captain Gallant's changes and violated his obligations to the city when he remained silent about them. The changes also indirectly but substantially increased the chief's salary, making him one of the highest paid police chiefs in the country.

Unable to afford the raises in the superiors' union contract (referred to as the 2017 contract), the city never implemented it. Instead, the city negotiated a memorandum of understanding (MOU) with the superior officers' union, which was less expensive than the 2017 contract but more costly than the previous contract signed in 2014. In February 2019, the Office issued a public letter recommending that the City Council rescind the superior officers' 2017 contract and questioning whether the MOU was enforceable. In response, the city reverted to paying the superior officers under their 2014 contract.

After the Office issued its [December 2020 report](#), Methuen's new mayor, Neil Perry, immediately placed Chief Solomon and Captain Gallant on paid administrative leave. Shortly thereafter, in January 2021, Chief Solomon announced his retirement.

After the city reverted to the 2014 contract, the union filed a grievance against the city, seeking to enforce the 2017 contract. In January 2022, an arbitrator agreed with the Office's findings and ruled that the 2017 contract was not binding on the city, upholding the city's decision not to pay the salaries set out in the contract. The union decided it would not appeal the arbitrator's decision. City officials estimated that canceling the 2017 contract saved the city \$3.7 million.

B. Former MBTA Transit Police Officers

The Investigations Division worked in collaboration with the [Transportation Unit](#), the MBTA Transit Police Department and Suffolk County District Attorney's Office to investigate allegations of time theft by three former MBTA police officers. Following the investigation, all three officers were charged with larceny. Two of the former officers have been placed on pre-trial probation and have paid approximately \$12,000 in restitution to the MBTA in connection with receiving pay they did not earn. The third officer's case is still pending.

In July 2021, Kenneth Berg, a former police lieutenant, was charged in Boston Municipal Court (BMC) with larceny over \$250 in connection with receiving \$8,460.97 in pay for hours he had not worked. Evidence gathered during the investigation revealed that between June 23, 2014, and June 16, 2015, Mr. Berg did not work portions of 26 regular shifts and 39 overtime shifts, despite claiming to have worked those entire shifts. On December 22, 2021, a BMC judge ordered Mr. Berg to repay the MBTA \$8,460.97 and to serve three months of pre-trial probation.

Also in July 2021, Jason Morris, a former police sergeant, was charged with larceny over \$250 in connection with receiving \$4,354.55 in pay for hours he never worked. Evidence revealed that between October 2, 2015, and December 24, 2015, Mr. Morris did not work portions of 16 regular shifts and 16

overtime shifts, despite claiming that he had worked those entire shifts. On December 10, 2021, a BMC judge ordered Mr. Morris to repay the MBTA \$4,354.55 and placed him on three months of pre-trial probation.

Former MBTA Transit Police Sergeant Michael Adamson was also charged with larceny for allegedly collecting pay for hours he did not work. Mr. Adamson's case is still pending.

Mr. Adamson is presumed innocent until proven guilty.

BUREAU OF PROGRAM INTEGRITY

The Legislature created the Bureau of Program Integrity (Bureau) in 2013 as a division of the Office embedded within the Executive Office of Health and Human Services (EOHHS) to conduct oversight of its agencies and programs. The Bureau's enabling statute, Section 16V of Chapter 6A of the Massachusetts General Laws, requires that the Bureau monitor the quality, efficiency and integrity of programs administered by EOHHS agencies and that it prevent, detect and correct fraud, waste and abuse.

The Bureau:

Conducts Reviews and Investigations

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Recommends Improvements for EOHHS Agencies and Programs

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Monitors Improvements

To accomplish its work, the Bureau conducts reviews and investigations, makes recommendations and assists with implementing those recommendations. The Bureau works collaboratively with EOHHS agencies and maintains oversight as they carry out necessary changes.

At the outset in 2013, the Bureau focused its work primarily on the Department of Transitional Assistance (DTA). Throughout the past nine years, the Bureau has continued to work with DTA while engaging with other EOHHS agencies. Since its creation, the Bureau has issued three public reports, 24 advisory letters to EOHHS agencies and three letters to the Legislature. In addition, it has responded to 124 hotline complaints regarding EOHHS agencies and programs. Many of these hotline complaints led to reviews and investigations; two led to successful prosecutions. Finally, the Bureau has conducted trainings on internal controls, fraud prevention and contract administration at EOHHS agencies and has provided ongoing technical assistance to EOHHS agencies in the areas of fraud detection, business risk assessment and data analytics.

In 2021, the Bureau engaged with EOHHS, DTA, the Department of Developmental Services (DDS) and the Department of Children and Families (DCF) to monitor the quality, integrity and efficiency of their programs. In addition, the Bureau engaged with the Department of Veterans' Services (DVS) and the Department of Public Health (DPH) to address several complaints related to the Holyoke Soldiers' Home and the Chelsea Soldiers' Home (Soldiers' Homes).

The Bureau also collaborated with other divisions within the Office, including the Policy and Government Division (Policy Division) and Audit, Oversight and Investigations Division (Investigations Division). In 2021, the Investigations Division and the Bureau collaborated on 42 complaints relating to EOHHS and its agencies. This is the largest number of complaints that the Bureau has received since its inception in 2013; many of the complaints involved issues related to COVID-19. Of these 42 complaints, 15 of them led to an investigation or review, while 27 led to outside referrals.

I. The Executive Office of Health and Human Services

In 2021, the Bureau continued its work to monitor how EOHHS administered COVID-19 pandemic relief funds (pandemic relief funds). The Bureau focused on the \$139 million that EOHHS disbursed in April 2020 to vendors that administer congregate care programs, including group homes for DDS, the Department of Mental Health (DMH) and DCF. The Bureau reviewed whether these vendors spent the pandemic relief funds, as required, on staffing, PPE and infection control activities.

The Bureau received several hotline complaints about EOHHS vendors' use of the pandemic relief funds. Some complainants alleged that the vendors received excessive funding and misspent it on executive compensation. In response to these complaints, the Bureau initiated investigations and reviewed the expenditure reports that vendors submitted to EOHHS. In these reports, the Bureau found evidence that some vendors may have used the funds for unauthorized expenditures. In addition, other vendors used the funds after June 2020, which was the deadline that EOHHS had set.

The Bureau identified several ways that EOHHS could have more effectively tracked vendors' spending and recordkeeping. In 2020, for example, the Bureau had recommended that EOHHS require vendors to provide detailed expenditure reports so that EOHHS could identify inappropriate spending more easily. In addition, the Bureau recommended that EOHHS coordinate and share information with DDS, DCF and DMH so that these agencies could assist with reviewing expenditure reports. EOHHS did not fully implement these recommendations. Moreover, EOHHS did not coordinate with the Operational Services Division (OSD) to provide clear guidance on how vendors should have reported these expenditures on the Uniform Financial Report (UFR), a yearly report that vendors must submit to OSD.⁸

Many of the Bureau's concerns with the spending, tracking and coordination of pandemic relief funds directly overlap with areas of risk that may arise as EOHHS administers American Rescue Plan Act (ARPA) funds.⁹ The Bureau has recommended that EOHHS closely monitor the use of ARPA funds and coordinate its efforts with other agencies, including DDS, DMH and DCF, as well as OSD and the Federal Funds Office (FFO).¹⁰ Consistent with federal guidance regarding ARPA oversight, the Bureau has also recommended that EOHHS conduct program evaluation through qualitative and quantitative analysis and that it use metrics to track outcomes.

⁸ The Uniform Financial Report is a reporting mechanism established by the Operational Services Division whereby a human or social service organization that delivers services to the Commonwealth is required to report its annual financial statement, including a general breakdown by program of the organization's revenue and expenses.

⁹ The American Rescue Plan Act, Pub. L. 117-2, passed by the federal government in March 2021, is an economic stimulus bill intended to respond to the public health and economic impacts caused by the COVID-19 pandemic. Massachusetts public entities are administering \$25 billion of American Rescue Plan Act funds.

¹⁰ As part of the Executive Office for Administration and Finance, the Federal Funds Office manages and monitors the distribution of federal funding in response to the COVID-19 public health emergency.

II. Soldiers' Homes

In 2021, the Bureau collaborated with the Investigations Division to produce the Office's report, [Holyoke Soldiers' Home, May 2016 to February 2020](#). The Office issued this report on April 29, 2022. The Office focused on leadership, management and oversight at the Holyoke Soldiers' Home during the period May 2016 to February 2020. The report identified critical shortcomings in the management of the Holyoke Soldiers' Home as well as concerns regarding the supervision of former Superintendent Bennett Walsh. The report also outlines a comprehensive blueprint for lasting improvements.

In addition, throughout 2021, the Bureau addressed numerous hotline complaints regarding the Holyoke Soldiers' Home and the Chelsea Soldiers' Home. The complaints involved clinical issues, such as infection control, as well as allegations of poor management practices. The Bureau prioritized concerns about health, safety and infection control and provided DPH with timely information to address these issues while protecting the confidentiality of complainants. Under the statutory scheme that was in effect during 2021, there was no statutory mandate for DPH to provide clinical oversight to the Soldiers' Homes but agreed to the Office's request to do so on a voluntary basis.

The Bureau also collaborated with the Investigations Division and the Policy Division to comment on proposed legislation regarding reforms to the structure, governance and oversight of the Soldiers' Homes.¹¹ The Office recommended critical changes to their clinical oversight, governance structure and management practices. In addition, to create channels for communication, the Office recommended the creation of an ombudsperson and hotline to receive and address complaints about the Soldiers' Homes. Additionally, the Office recommended that the Legislature provide a new mandate and appropriate funding for DPH to provide ongoing clinical oversight and support for the Soldiers' Homes. Thus far, in drafting proposed legislation, the Legislature has adopted many of the Office's recommendations.¹²

III. Department of Developmental Services

A. State-Operated Group Homes

In 2021, the Bureau and DDS continued to investigate complaints about overtime abuse in state-operated group homes. In response to the Bureau's recommendations, DDS implemented new processes and procedures to monitor group home managers' overtime, including mining payroll data, reviewing data

¹¹ The Office sent three legislative letters on Soldiers' Homes, including: January 12, 2022 – [Letter](#) to the Joint Committee on Health Care Financing on House 4298, An Act Relative to the Governance, Structure and Care of Veterans at the Commonwealth's Veterans' Homes; February 17, 2022 – [Letter](#) to the Senate Committee on Ways and Means on House 4441, An Act Relative to the Governance, Structure and Care of Veterans at the Commonwealth's Veterans' Homes; and March 25, 2022 – [Letter](#) to the Conference Committee on Senate 2761 and House 4441, An Act Relative to the Governance, Structure and Care of Veterans at the Commonwealth's Veterans' Homes.

¹² As of publication of this report, there are two bills pending in the Conference Committee, including: [Senate 2761](#), An Act Relative to the Governance, Structure and Care of Veterans at the Commonwealth's Veterans' Homes; and [House 4441](#), An Act Relative to the Governance, Structure and Care of Veterans at the Commonwealth's Veterans' Homes.

reports, tracking overtime trends and monitoring reporting of overtime. DDS's internal Bureau of Program Integrity led DDS's efforts in this area as part of its overall work to build internal controls within the agency.

The Bureau also continued to work with DDS on mitigating fraud risks and fiscal vulnerabilities related to high compensatory time balances. The Bureau recommended that DDS correct inaccurate compensatory leave balances and establish consistent practices to pay employees for their compensatory time. In response to the Bureau's recommendations, DDS began a manual review of high compensatory time balances and outlined plans to conduct a quarterly manual review of balances. In addition, DDS is in the process of correcting inaccurate compensatory leave balances.

Overall, the Bureau found that DDS improved its internal controls for state-operated group homes by implementing recommendations the Bureau made in 2020 and 2021. For DDS to continue on this track, the Bureau recommended that DDS should:

- Maintain and support its new payroll-monitoring activities to prevent and address overtime abuse.
- Regularly monitor and implement controls to mitigate the agency's liability for compensatory time.
- Monitor the quality of data entry in the payroll system.
- Continue to expand its data analytics capacity to assess and help manage DDS's business risks.

B. Vendor-Operated Group Homes

In 2021, the Bureau continued to work collaboratively with DDS to strengthen its oversight of vendor-operated group homes by building its data analytics capacity, improving coordination among units within DDS and pursuing external partnerships. Responding to the Bureau's recommendations, DDS took significant steps to strengthen its vendor management and contract administration.

In 2020, the Bureau recommended several ways for DDS to integrate data into its decision-making processes. In 2021, DDS started developing its own data warehouse, enabling DDS to combine data from a variety of sources for analysis and data-driven decision-making. The Bureau also helped DDS identify additional sources of data for monitoring the quality of services that vendors provide. For example, the Bureau recommended that DDS obtain from EOHHS the expenditure reports for pandemic relief funds for DDS vendors, and DDS implemented this recommendation.

The Bureau also continued to recommend and help implement best practices for contract administration. For example, the Bureau encouraged DDS to break down internal silos and promote an integrated approach to problem-solving. While responding to multiple hotline complaints about vendors'

spending of pandemic relief funds, the Bureau invited DDS to collaborate on several reviews and investigations so that DDS could leverage agency-wide resources and practice holistic review.

To further support contract administration, the Bureau facilitated collaboration between DDS and the Office of the State Auditor (OSA). In 2021, the Bureau assisted DDS with supporting the OSA's audit process for the Center for Human Development. In addition, the Bureau worked with DDS to follow up on the OSA's audit findings and outline potential corrective action for another vendor, Berkshire County Arc.

Finally, the Bureau facilitated partnerships with other agencies. For example, the Bureau hosted and facilitated meetings with DDS and OSD in order to build a mutual understanding of each agency's role in monitoring the revenue and expenses reported by vendors. In particular, DDS and OSD shared information about how to utilize the UFRs submitted annually by provider agencies as a resource for vendor monitoring. The Bureau also continued working with DDS to further develop its relationships with the Disabled Persons Protection Commission and the Attorney General's Office.

For DDS to continue to improve contract administration and vendor management, the Bureau recommended that DDS:

- Explore and implement additional ways to correlate data to evaluate and manage vendor services.
- Document procedures to develop a new infrastructure across multiple divisions within the agency to support contract administration.
- Expand external partnerships for reviewing potential vendor mismanagement and misconduct.
- Coordinate with other EOHHS agencies, particularly DMH, to manage vendors that provide services to multiple agencies.
- Actively oversee vendors' expenditure of state and federal pandemic relief funds to prevent fraud, waste and abuse.

IV. Department of Transitional Assistance

In 2021, the Bureau continued to work with DTA on prioritizing program integrity within the agency and improving the quality of DTA's data. Fulfilling its statutory mandate to consult with DTA's Program Integrity Division, the Bureau met regularly with members of that division to work collaboratively on projects. The Bureau's statutory mandate also specifically requires the Bureau to coordinate data-sharing between DTA and other agencies; as a result, the Bureau assisted DTA with data-matching with the Department of Unemployment Assistance (DUA). At quarterly meetings with DTA's senior management, the Bureau presented recommendations aimed at enhancing DTA's program integrity and data-matching.

A. Program Integrity

In 2021, the Bureau consulted extensively with DTA on program integrity issues related to the Supplemental Nutrition Assistance Program (SNAP), including trafficking of SNAP benefits, out-of-state benefit spending and fraudulent benefit applications. The Bureau also coordinated meetings with external agencies regarding cybersecurity, identity fraud, ATM skimming and potential criminal referrals.

Previously, in 2015, the Bureau evaluated DTA's processes for identifying and investigating suspected SNAP trafficking cases and made recommendations about documenting procedures and using data to identify suspected trafficking. SNAP trafficking is a program violation in which a recipient allows a retailer to redeem their SNAP benefits in exchange for cash. In 2021, in response to concerns about an uptick in SNAP trafficking, the Bureau revisited this work. The Bureau consulted with DTA on ways to use SNAP transaction data to identify recipients and retailers that may present a high risk for SNAP trafficking.

The Bureau also reviewed transaction data regarding recipients' out-of-state benefits spending. The Bureau determined that certain transaction patterns could indicate fraud, depending on which type of benefits were involved, and consulted with DTA on how to use transaction data to identify individuals who may be misusing their benefits. The Bureau worked collaboratively with DTA to develop models for monitoring out-of-state purchases.

In 2021, DTA experienced an uptick in fraud schemes related to online benefits applications. The Bureau and investigators from DTA's Program Integrity Division worked collaboratively to identify red flags indicating that an online application was likely fraudulent. Based on this work, DTA developed and implemented strategies for monitoring online applications and detecting fraud.

A commitment to program integrity is essential for maintaining the public's confidence in the important programs that DTA administers. The Bureau has consistently recommended that DTA prioritize and continue to develop program integrity. To do this, the Bureau recommended that DTA commit to the following steps to support program integrity:

- Communicate that program integrity is a priority for the agency.
- Document its standard operating procedures for identifying and investigating SNAP trafficking and misuse of SNAP benefits.
- Use data analytics to monitor out-of-state benefits spending and identify high-risk recipients.
- Train case managers on current best practices for the early detection of potential eligibility fraud.

B. Review of EAEDC Applications

In 2021, the Bureau evaluated the quality, integrity and efficiency of the intake and eligibility determination process for applicants to the Emergency Aid for Elderly, Disabled and Children (EAEDC)

program. The EAEDC program provides cash benefits to certain categories of low-income recipients, including those who are over 65 or who have a disability. The Bureau focused on adults who applied for EAEDC benefits during the pandemic between January 2021 and July 2021. More specifically, the Bureau reviewed applicants' case records to ensure that the applicants complied with program rules and provided mandatory documentation to DTA case managers before they received benefits. The Bureau found that in November 2020, DTA amended program rules in response to the pandemic and allowed applicants to "self-declare" their proof of disability, along with proof of other eligibility criteria, such as identity and Massachusetts residency. In other words, applicants only had to tell their case managers that they met eligibility criteria, and case managers did not verify this information with external sources. Further, the Bureau found that DTA kept the flexible program rules in place and accepted self-declarations long past the time when access to medical professionals to certify a disability was hampered by the COVID-19 pandemic; they remained in place when the Bureau conducted its review in August 2021.

The Bureau determined that by accepting self-declarations, DTA made itself vulnerable to eligibility fraud and failed to correct the issue in a timely manner. The Bureau recommended that DTA stop accepting self-declarations of disability and limit its flexibility regarding other eligibility criteria to extraordinary circumstances. The Bureau also recommended that DTA train case managers to document their eligibility reviews in a detailed manner. In response to the Bureau's recommendations, DTA indicated that it would update its policies and procedures for EAEDC eligibility determinations.

C. Data Matching with the Department of Unemployment Assistance

In 2021, the Bureau continued its work with DTA to improve data matching with other state agencies and focused specifically on DTA's data matching with DUA. The purpose of DTA's data matching with DUA is to identify whether any DTA benefit recipients also receive unemployment insurance benefits. In September 2021, DTA and DUA conducted a data match to identify recipients who received both DTA benefits and Pandemic Unemployment Assistance (PUA) benefits between March 2020 through August 2021. DTA recipients who failed to report their PUA benefits as a source of income present a risk of fraud or program violations. The Bureau assisted DTA with analyzing the results of this data match and found a substantial population of recipients who failed to report their PUA benefits to DTA. The Bureau worked with DTA to develop methodologies for identifying those recipients who intentionally withheld information about their PUA benefits from DTA and may have committed program violations.

Following up on this collaborative work, the Bureau presented recommendations to DTA's senior management team and sent an advisory letter to the DTA commissioner. The Bureau recommended that DTA consult with DUA to develop a clear understanding of DUA data. In addition, the Bureau recommended that DTA continue to use DUA data to identify recipients who may have committed program violations. Finally, the Bureau recommended that DTA prioritize and expedite the investigations of recipients who present a high risk of fraud, and the Bureau assisted with identifying those recipients.

The Bureau also recommended ways for DTA to implement long-term plans to incorporate DUA data into its eligibility database. The Bureau cautioned that DTA should maintain the integrity of the DUA

data while incorporating it into the eligibility database and conduct extensive testing and validation before automating processes that rely on it.

DTA responded positively to these recommendations. To mitigate fraud risks while DTA incorporates DUA data into its database, DTA agreed to instruct case managers to take additional steps to verify whether a DTA applicant or recipient is also receiving DUA benefits.

D. Quality Management of Data

In 2020, the Bureau identified the poor quality of data in DTA's eligibility database as a longstanding vulnerability and recommended that DTA prioritize improving it. The Bureau also recommended sustainable quality management practices and procedures. The Bureau provided the following recommendations in an advisory letter to the DTA commissioner:

- Set an appropriate "tone at the top" about the importance of maintaining high-quality data.
- Leverage supervisors for quality control at the point of data entry.
- Develop performance management and training strategies to improve data quality.
- Conduct regular data scans.
- Implement regular data monitoring processes.
- Continuously evaluate and improve data collection fields and processes.

Throughout 2021, the Bureau followed up with DTA on its response to these recommendations. However, DTA reported that it was not able to prioritize this work due to limited information technology resources and other demands related to the pandemic. The Bureau continued to emphasize to DTA that poor data quality creates fraud vulnerabilities and undercuts DTA's ability to implement, evaluate and improve benefit programs.

V. Department of Children and Families

In 2021, the Bureau continued working with DCF to improve the administration of the agency's contract with the Judge Baker Children's Center (JBCC) to run DCF's after-hours hotline. The after-hours hotline is an emergency response system which operates between the hours of 5:00 p.m. and 9:00 a.m. It receives calls of possible child-at-risk situations, including child abuse or neglect, and provides support services to families caring for children who are under DCF custody or care. DCF redesigned its after-hours hotline services in 2019 and selected JBCC, which has held the contract to run the hotline since 1982, to remain as the service provider under a new 10-year, \$45 million contract. The Bureau monitored the initial stages of implementation of this contract, recommending ways in which DCF and JBCC could work together to support continuous quality improvement (CQI) of after-hours services. In early 2021, the

Bureau established a partnership with the Office of the Child Advocate (OCA); the OCA has contributed valuable leadership and clinical expertise to this oversight work.

The Bureau and OCA met with DCF and JBCC on a quarterly basis in 2021 for status updates and to discuss recommendations. DCF and JBCC took the initiative to develop and test CQI tools and implemented many of the recommendations that the Bureau and OCA presented. Despite the challenges of the pandemic, DCF and JBCC implemented regular, collaborative processes for reviewing JBCC's performance and improving after-hours services.

DIVISION OF STATE POLICE OVERSIGHT

The Legislature created the Division of State Police Oversight (State Police Division) as an independent unit responsible for monitoring the quality, efficiency and integrity of the Massachusetts State Police (MSP).¹³ The State Police Division's mission encompasses, but is not limited to (1) monitoring the quality, efficiency and integrity of the MSP's operations, organizational structure and management functions; (2) seeking to prevent, detect and correct fraud, waste and abuse in the expenditure of public funds; and (3) monitoring policy changes instituted as a result of the MSP's certification or accreditation by a state or national police accrediting agency pursuant to Section 73 of Chapter 22C of the Massachusetts General Laws.

The State Police Division:

Investigates Fraud, Waste and Abuse of Public Funds at the MSP

-

Recommends Improvements to MSP's Internal Controls

-

Monitors MSP Internal Policy Changes

Since its inception in 2018, the State Police Division has conducted multiple audits and reviews aimed at detecting, correcting and preventing fraud, waste and abuse related to overtime and paid details, which represent a significant portion of the MSP's annual budget. This work included a review of the MSP's travel time policy, a comprehensive audit of overtime shifts in all MSP troops and, most recently, a review of the MSP's eight-hour paid details. The State Police Division has also worked with the MSP to enhance its internal controls to prevent the type of overtime abuse that occurred at the MSP prior to 2018.¹⁴ The State Police Division conducted all this work while continuing to monitor the MSP's progress towards meeting professional law enforcement standards and to becoming certified or accredited by the Massachusetts Police Accreditation Commission.

Lastly, the State Police Division has worked collaboratively with the Office's [Civil Recovery Unit](#) (CRU) and the Attorney General's Office to recover unearned pay from troopers who claimed to have worked overtime shifts in Troop E that they had not worked or had worked only partially. Those troopers are no longer employed by the MSP. As a result of the CRU and State Police Division's efforts, in 2021

¹³ Section 72 of Chapter 22C of the Massachusetts General Laws refers to the Division as "an internal special audit unit." The Inspector General renamed the Division to avoid confusion with the previously created Internal Special Audit Unit within the Department of Transportation (see M.G.L. c. 6C, § 9).

¹⁴ In the spring of 2017, several Massachusetts media outlets began reporting about overtime irregularities in Troop E. The MSP conducted its own internal investigation and referred the matter to the United States Attorney's Office and the Attorney General's Office. Multiple troopers were charged and convicted, and Troop E was abolished in 2018.

eleven former troopers agreed to pay back more than \$236,000 in unearned compensation for hours that they did not work.¹⁵

The State Police Division's enabling statute requires it to publish an [annual report](#) each March. Below are highlights from that report.

I. Audits, Investigations and Reviews

A. Review of Highway Overtime Shifts in All Troops

In 2021, the State Police Division completed a review across all six MSP troops of federally funded overtime shifts. This review began in 2020 with an [analysis](#) of 207 overtime shifts that troopers in Troop A worked in 2016. In 2021, the State Police Division analyzed 1,029 overtime shifts that troopers in the other five MSP troops worked in 2016. These four-hour overtime shifts were special enforcement highway patrols designed to reduce highway crashes and increase highway safety. They were similar to the Accident Injury Reduction Effort (AIRE) shifts that were at the center of the overtime abuse by troopers in the now-abolished Troop E.¹⁶ The State Police Division conducted this comprehensive review as part of its commitment to examine whether overtime abuses comparable to those in Troop E existed in other troops. Through this work, the State Police Division and the MSP were able to identify controls and safeguards that the MSP should put in place to prevent overtime abuse in the future.

Across all six troops, the State Police Division found 490 shifts (40% of all shifts) in which troopers were absent for at least 15 minutes of the shift. While the State Police Division did not find a comparable scale of overtime abuse as in Troop E, the division did find that troopers were absent for 447.9 hours – or 9% – of the hours the troopers should have worked. These findings are based on reasonable conclusions drawn from a comparison of troopers' cruiser radio records and individual troopers' work schedules. They are not definitive findings that the trooper was engaged in wrongdoing or not working in any law enforcement capacity.

The State Police Division also found that the MSP scheduled 88% of the overtime shifts immediately before or after troopers' regular shifts. Scheduling overtime shifts so that they directly abut troopers' regular shifts may run counter to the MSP's requirements that it schedule these shifts according to relevant crash and arrest statistics to maximize the impact of the patrols. Additionally, this scheduling practice does not take account of a trooper's travel time between their overtime patrol area and their location at the beginning or end of a regular shift. As a result, their travel encroaches on either the federally funded four-hour overtime assignment or their regular shift. The State Police Division recommended that the MSP alter the start time of all federally funded highway overtime shifts so that they do not directly abut the beginning or end of a trooper's regular shift or duty assignment.

¹⁵ In April 2022, the CRU reached settlements with two additional troopers for an additional \$8,921.

¹⁶ After multiple troopers were charged for crimes related to overtime abuse, the MSP abolished Troop E and shifted its responsibilities to other troops in the MSP.

Furthermore, in its 2020 [annual report](#), the State Police Division recommended that the MSP implement mandatory training for all troopers to prevent overtime abuse. In 2021, the MSP created a mandatory online training for all troopers entitled *Ethics: Time, Attendance and Accountability*. This comprehensive training focuses on frontline supervisory roles and responsibilities in order to prevent time fraud and abuse, including overtime abuse. After a full review of the training, the State Police Division recommended that the MSP craft a separate, additional training for supervisors and managers tailored to their unique responsibilities in monitoring and preventing overtime abuse.

B. Review of Eight-Hour Paid Details

Paid police details are optional work assignments that generally involve security or road construction safety and that troopers can work in addition to their regular work schedule. Paid details can represent a significant source of supplemental income for troopers. Public and private entities pay for police details.

Until July 2020, MSP policy and Collective Bargaining Agreement (CBA) rules guaranteed troopers a minimum of four hours of pay at \$50 per hour for any detail that lasted four hours or less. If a detail lasted more than four hours, then the trooper was guaranteed eight hours of pay. For instance, if a trooper worked six hours at a detail, the trooper would be paid for eight hours of detail pay. Importantly, however, if a detail was scheduled to last eight hours but the trooper ultimately worked four hours or less, the trooper was paid for four hours.

In 2021, the State Police Division reviewed over 1,600 eight-hour details in 2016 for which the trooper claimed to have worked between four and five hours. Again, at that time in 2016, troopers received eight hours of pay for any eight-hour detail lasting more than four hours. The purpose of this review was to determine whether troopers inflated the number of hours they reported working in order to receive eight hours of pay.

The State Police Division found that in 50% of the cases in which a trooper reported working between four and five hours of an eight-hour detail, corresponding cruiser radio records indicated the trooper worked less than four hours. From a cost perspective, this resulted in the potential over-payment of more than \$150,000 to troopers for over 3,300 hours not worked. In addition, this conduct violated the MSP's rules regarding paid details. It also was an abuse of their position as sworn law enforcement officers.

The State Police Division also found that on July 31, 2020, the MSP and the State Police Association of Massachusetts (SPAM) amended the current CBA in a way that can promote waste of public funds.¹⁷ In particular, when a trooper signs up for an eight-hour detail, the CBA now requires the trooper to be paid for eight hours regardless of how long the detail lasts. For example, if an eight-hour detail lasts an hour,

¹⁷ SPAM is the union that represents all MSP troopers and sergeants.

the trooper is paid for eight hours. The MSP also placed responsibility for deciding whether details should be classified as four-hour or eight-hour details on the public and private entities that request the details.

Like everyone else, troopers should be paid for the actual hours they work. However, the Office recognizes that troopers historically have been guaranteed eight hours of pay for details that lasted more than four hours. The State Police Division therefore recommended that the MSP limit full payment of eight-hour details to instances where the trooper works more than four hours of the eight-hour detail. The State Police Division further recommended that the MSP take a more active role in determining and classifying four-hour and eight-hour paid details to reduce the waste of public funds.

II. Other Activities

A. The Staffing Allocation Working Group

In the spring of 2021, the MSP created the Staffing Allocation Working Group (Working Group). One purpose of the Working Group is to identify when and where troopers can be temporarily transferred to maintain minimum staffing levels without increasing overtime costs. The State Police Division met on a weekly basis with the Working Group throughout the year.

Upon recommendations from the Working Group, in the summer of 2021, the MSP temporarily transferred dozens of troopers from its Division of Investigative Services to various troops conducting highway patrols.¹⁸ After these transfers, the State Police Division found that overtime in the troops decreased by over 1,500 hours (8%) in 2021 compared to the same period in 2019.

The State Police Division also found that one of the Working Group's biggest challenges was, and is, maintaining up-to-date, detailed trooper staffing assignments for all the MSP. The State Police Division recommended that the MSP explore software-based solutions to this challenge.

B. The MSP's Efforts to Achieve Certification and Accreditation

The State Police Division found that the MSP continued to make progress in achieving certification from the Massachusetts Police Accreditation Commission (MPAC). By the end of 2020, the MSP had determined that it was in full compliance with all mandated standards necessary for certification from the MPAC. In April 2021, the MSP underwent a mock certification with the MPAC in preparation for the final assessment. Throughout 2021, the MSP continued to work with the MPAC to resolve compliance gaps identified during the mock certification. The MPAC awarded the MSP formal certification on February 28, 2022.

¹⁸ The Division of Investigative Services conducts criminal investigations, including homicide investigations, in cooperation with the Commonwealth's district attorney's offices, and provides forensic services through its state crime laboratory system.

C. Civil Recoveries from Former State Troopers

The State Police Division also provided investigative, analytical and administrative support to the [CRU](#) in its efforts to recover unearned pay from former troopers who worked in the now-abolished Troop E. As a result of the collaborative efforts of the State Police Division and the CRU in 2021, 11 former troopers who worked in Troop E repaid more than \$236,000 in unearned compensation for overtime hours they allegedly did not work.¹⁹

¹⁹ In April 2022, the CRU reached settlements with two additional troopers for an additional \$8,921.

INTERNAL SPECIAL AUDIT UNIT

The Massachusetts Department of Transportation (MassDOT) is responsible for managing the Commonwealth's roadways, public transit systems, public airports and the Registry of Motor Vehicles (RMV). The Internal Special Audit Unit (Transportation Unit) monitors the quality, efficiency and integrity of MassDOT's operating and capital programs, including the Massachusetts Bay Transportation Authority (MBTA). As part of its statutory mandate, the Transportation Unit also seeks to prevent, detect and correct fraud, waste and abuse in the expenditure of public and private transportation funds.

The Transportation Unit:

Investigates Fraud, Waste and Abuse of Transportation Funds

-
Reviews MassDOT and MBTA Operations and Programs

-
Works to Strengthen Internal Controls and Contract Administration

Furthermore, the unit is responsible for examining and evaluating MassDOT's operations, including its governance, risk-management practices and internal processes. The Transportation Unit has an additional legislative mandate to review certain MBTA procurements.²⁰

Since its establishment in 2013, the Transportation Unit has issued audit and investigative reports related to large-scale bridge construction contracts, town roadway projects, disability placard abuse and electronic tolling along the Massachusetts Turnpike, among other topics. As part of its mandate to prevent the misuse of transportation funds, the Transportation Unit has regularly provided anti-fraud trainings to MassDOT and MBTA employees and collaborated with transportation officials on contract administration and policy improvements. The Transportation Unit also manages two confidential hotlines for employees and the public to report suspected misuse of transportation funds or resources. Since creating these hotlines, staff have reviewed and responded to 1,623 complaints.

The Transportation Unit's work since 2013 has led to civil recoveries from MassDOT vendors, improvements to MassDOT and MBTA policies and procedures, strengthened contract administration practices, increased oversight of transportation and transit companies doing work for the Commonwealth, and the identification of missed opportunities for cost savings or revenue. Following the Transportation Unit's [2016 report](#) on disability placard abuse, the Office filed legislation to strengthen the Commonwealth's placard laws.²¹ In 2017, the Legislature passed a bill modeled on the Office's proposed

²⁰ See 2015 Mass. Acts c. 46.

²¹ Disability placard abuse refers to the intentional misuse of an RMV disability parking placard or license plate. For example, it is unlawful to use someone else's disability parking placard, and individuals must meet specific medical criteria to lawfully obtain a parking placard or license plate. In its 2016 investigation, the ISAU found several types of placard abuse, including individuals who commuted into Boston and used another person's disability parking placard to park at a metered parking space all day. By law, placard holders may park at parking metered spaces for free across the state. The improper use of placards in Boston may cost

legislation and the new placard law went into effect in July 2018. The new law increased fines, penalties and license suspensions for individuals who misuse placards, and strengthened the RMV's ability to obtain sufficient medical information from placard applicants.

Since 2013, the Transportation Unit's work has also led to \$885,096 in civil recoveries from highway construction and maintenance companies, \$15,300 in fines related to disability placard abuse and \$30,000 in annual MassDOT cost savings for hotline operations. Further, the Transportation Unit identified \$25,250,522 in potentially misused funds and missed cost savings related to a large bridge construction project and MassDOT's fleet of non-revenue vehicles. Lastly, the Transportation Unit identified \$985,000 in lost toll revenue from individuals, municipalities and companies that MassDOT allowed to drive on the Massachusetts Turnpike without paying for tolls.

The Transportation Unit's enabling statute requires it to publish an [annual report](#) each March. Below are highlights from that report.

I. Audits, Investigations and Reviews

A. MassDOT Shared Services

1. Real Estate Leases

MassDOT owns property throughout the state and generates revenue by leasing property to private companies. The Transportation Unit reviewed leases that MassDOT has with three companies and found that all three companies may have underpaid MassDOT. The Transportation Unit determined that one company did not pay rent for several months in 2020 and 2021. The Transportation Unit learned that the company, which operates a parking garage in Boston, may be eligible for a rent abatement if it can show that the COVID-19 pandemic adversely affected its business. The Transportation Unit asked MassDOT to recover all unpaid rent, taking into consideration any rent abatement that the department awards. MassDOT's contracts with the other two companies include audit provisions that allow MassDOT to audit the companies' lease payments. MassDOT has engaged an outside auditor to review both companies' payments, and the audits are currently underway.

B. Highway Division

1. Bridge Maintenance Contractors

The Transportation Unit, in collaboration with the Office's [Civil Recovery Unit](#) (CRU), investigated allegations from a hotline complaint that NEL Corporation (NEL), a Massachusetts-based bridge contractor, overbilled MassDOT. Based on the investigation, the Transportation Unit and the CRU concluded that NEL overbilled MassDOT under contracts to repair and maintain bridges throughout the

the city millions of dollars each year. If just 10% of drivers who regularly park at meters in Boston are misusing placards, for example, this translates into approximately \$1.8 million in annual lost revenue for the city.

state. The Office alleged that NEL knowingly charged MassDOT for items that NEL was required to provide at its own expense under the contracts, including certain tools, equipment, sanitary facilities and personal protective equipment.

In March 2021, NEL agreed to a \$700,000 settlement with the Office and the Attorney General's Office. As part of the settlement, NEL also agreed to implement measures to prevent future overbilling, including designating a contract manager to ensure that the company only bills MassDOT for work, supplies and equipment allowed under the contract. In addition, NEL agreed to hire an outside auditor to review NEL's billing on all open MassDOT contracts annually and provide a copy of the audit to the Transportation Unit. These measures will remain in effect for five years. NEL neither admitted nor denied the allegations.

Similarly, the Transportation Unit and the CRU investigated billing by Massachusetts-based company, Kodiak Corporation (Kodiak), on MassDOT contracts to repair and maintain bridges throughout the state. Based on the investigation, the Office concluded that Kodiak had overcharged MassDOT. The Office alleged that Kodiak knowingly charged MassDOT for items that Kodiak was required to provide at its own expense under the contracts, including tools and equipment, sanitary facilities and personal protective equipment. The Office also alleged that Kodiak knowingly double-billed MassDOT by submitting the same invoices for reimbursement more than once.

In January 2022, Kodiak agreed to pay \$55,000 to settle the claims with the Office and the Attorney General's Office. Under an assurance of discontinuance filed in Suffolk Superior Court, Kodiak was also required to implement measures to prevent future overbilling. It agreed to designate a contract manager for all new and existing MassDOT contracts who will train employees about billing and ensure that Kodiak's billing complies with contractual requirements. Kodiak also agreed to notify MassDOT if it discovers any unallowed billing or payment. These measures will remain in effect for five years. Kodiak did not admit to wrongdoing under the settlement.

Further, during the Transportation Unit's investigation, the Highway Division standardized maintenance contracts across all six of its highway districts. Previously, the terms of the maintenance contracts varied from highway district to highway district. Standardizing the contracts will help provide uniformity to both MassDOT staff and vendors, reduce uncertainty about the interpretation of different contract terms, and allow staff to become more conversant about standard contract provisions, such as provisions regarding permissible charges and billing requirements.

2. Disadvantaged Business Enterprise

Following a hotline tip, the Transportation Unit investigated whether a MassDOT-certified disadvantaged business enterprise (DBE) qualified for the federal DBE program.²² The company has

²² Disadvantaged Business Enterprise Program, U.S. Department of Transportation website, *available at* <https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise> (last viewed April 27, 2022).

worked on MassDOT projects as a subcontractor and supplier for decades. Since 2001, for example, the company has received \$229 million on 228 MassDOT projects.

The Transportation Unit found that the company's success as a construction subcontractor and supplier allowed its owner to "accumulate substantial wealth."²³ Consequently, the company was no longer qualified to participate in the DBE program. The Transportation Unit based its conclusion on an in-depth analysis of the business owner's overall financial condition, including her ownership of other businesses, vast real estate portfolio, access to credit and lavish spending on both personal and business accounts.

Following its review, the Transportation Unit referred the matter to MassDOT to evaluate the firm's DBE certification. MassDOT's Unified Certification Program Board is currently reviewing this company's DBE certification.

C. Massachusetts Bay Transportation Authority

1. MBTA Transit Police Department

Working with the [Investigations Division](#), the MBTA Transit Police Department and the Suffolk County District Attorney's Office, the Transportation Unit investigated allegations that three former MBTA transit police officers committed time theft. As a result of this investigation, all three were charged with larceny for allegedly collecting pay for hours they did not work. Following the charges, two of the former officers paid approximately \$12,000 in restitution to the MBTA and have been placed on pre-trial probation. The case against the third former officer is still pending in the Boston Municipal Court.

2. MBTA Transit Police Retirement Plan

Working with the [Investigations Division](#), the Transportation Unit examined supplemental and disability retirement benefits that the MBTA Police Association Retirement Plan paid to several retirees. The Office found that the Retirement Plan had overpaid 24 retirees more than \$470,000 in supplemental retirement and disability retirement benefits.

The Office determined that the Retirement Plan overpaid the retirees because it had poor internal controls and no systems to track and terminate payments when retirees are no longer eligible. When the new executive director of the Retirement Plan discovered the overpayments, she put controls in place to ensure the plan pays the correct retirement benefits going forward. The Retirement Plan also entered into repayment plans with the retirees who received the overpayments by permanently reducing the monthly benefit. Because of this, the Retirement Plan considers the overpayments paid back.

²³ 49 C.F.R. § 26.67(b)(1)(ii)(A).

3. The MBTA's Privatization of Services

In 2015, the Legislature passed a law giving the MBTA a three-year exemption from the Act Providing for the Delivery of State Services in a Fiscally Responsible Manner (Act). The Act had required the MBTA to follow certain procedures before hiring a vendor to perform services valued at \$500,000 or more “which are substantially similar to and in lieu of,” services that regular employees of an agency provide.²⁴ The 2015 law requires this Office to review all privatization contracts that the MBTA enters into pursuant to this exemption. The review includes assessing the procurement process, the quality of the privatized services provided, the expected and actual cost of the contract, and the actual cost compared to the benefits derived from the contract. This Office must complete its review of each privatized contract within 90 days after the complete performance of the MBTA contract.

Between 2015 and 2018, the MBTA outsourced seven services pursuant to the temporary exemption. Although all seven contracts are still active and the services are ongoing, the Transportation Unit continued to actively monitor their statuses and extensions to meet the Office’s reporting requirements.

4. Federal Pandemic Funding

The MBTA received approximately \$2.2 billion in federal assistance in response to the COVID-19 pandemic. As part of its statutory mandate to monitor the quality and efficiency of MassDOT’s programs, in 2021, the Transportation Unit began to review the MBTA’s use of its federal pandemic assistance funds. The Transportation Unit will continue its reviews of transportation-related pandemic funds in accordance with its statutory mandate.

D. Registry of Motor Vehicles

1. The Merit Rating Board

In 2021, the Transportation Unit continued its review of the Merit Rating Board (MRB), the division of the RMV that maintains and updates driving records.

The Transportation Unit analyzed the MRB’s spending to determine whether the MRB expends funds in accordance with its statutory mandate and pays only for costs related to its operations. Because the Legislature funds the MRB through a separate appropriation, the MRB’s budget can only be used to pay for its operating costs.

The MRB’s budget is roughly \$11 million every year. The MRB’s spending can be divided into two major components: (1) direct spending, such as for staff salaries and office expenses; and (2) MassDOT information technology (IT) expenses. Historically, the MRB has retained approximately half of its budget

²⁴ M.G.L. c. 7, §§ 52-55.

for direct expenses, and MassDOT has used the other half towards its IT budget. The Transportation Unit reviewed both components.

After analyzing detailed spending data and invoices for all of the MRB's direct expenditures in Fiscal Year 2018, the Transportation Unit concluded that the MRB appropriately used its portion of the MRB budget. The Transportation Unit chose Fiscal Year 2018 for its audit because it was the last full fiscal year before the fatal accident that led to the Transportation Unit's review.²⁵

Turning to the second component, the Transportation Unit evaluated the IT expenses that MassDOT paid for with MRB funds. The Transportation Unit found that the MRB pays for a significant portion of the fees that the state's Executive Office of Technology Services and Security (EOTSS) charges MassDOT to provide IT support. In Fiscal Year 2018, for example, MassDOT used almost \$3.9 million in MRB funds for the fees that EOTSS charged to support all of MassDOT. This represented 30% of EOTSS's entire charges to MassDOT for IT services in 2018. The Transportation Unit could not verify that the \$3.9 million allocation was directly related to the MRB's actual IT needs and usage. Finally, the Transportation Unit also found that in Fiscal Year 2018 alone, MassDOT used \$560,862 in MRB funds for IT expenses for RMV branches that were unrelated to the MRB's operations.

The Transportation Unit presented its findings to the MRB in 2021, and met regularly with individuals at the MRB, RMV and MassDOT. The Transportation Unit recommended that MassDOT develop a method for calculating the amount to charge the MRB based on the MRB's actual technology and system usage. The Transportation Unit also advised MassDOT to use MRB funds only for expenses directly related to the MRB's statutory obligations and duties.

II. Other Reviews and Referrals

During 2021, the Transportation Unit referred several complaints to MassDOT and the MBTA. Transportation Unit staff also worked collaboratively with MassDOT and the MBTA to resolve many issues and inquiries. The various reviews, referrals and collaborations included topics such as train idling, rail grants, employees using highway equipment for personal purposes, station access and airport planning.

III. Fraud Prevention Training

In furtherance of its mission to prevent fraud, waste and abuse of transportation funds, the Transportation Unit developed and delivered fraud prevention training at the request of MassDOT and the MBTA. In February 2021, the Transportation Unit provided fraud prevention training to the MBTA's Procurement and Logistics Department. This training outlined common fraud schemes, fraud prevention

²⁵ On June 21, 2019, a Massachusetts resident with an RMV-issued commercial driver's license struck and killed seven motorcyclists while driving in the New Hampshire. A month prior, the driver was arrested in Connecticut for allegedly driving under the influence of alcohol or drugs. Following the fatal accident, it came to light that for years, neither the MRB nor any unit at the RMV had processed notifications from other states concerning driving offenses committed by Massachusetts drivers. The Transportation Unit's review did not encompass the causes of the failure to process out-of-state notifications; the RMV retained a private forensic auditing firm to undertake that analysis.

techniques and red flags for vendor fraud. In April 2021, the Transportation Unit provided specialized training to individuals from MassDOT's Highway Division and Office of General Counsel regarding the oversight of bridge maintenance contracts, with a focus on internal controls for evaluating contract terms, reviewing vendor invoices and making payments.

Also, in 2021, the Transportation Unit developed and taught a class on project management for municipal construction projects. Using case studies from the Transportation Unit's review of town roadway projects, the class focused on contract administration, common construction fraud schemes and the process for false claims recoveries. The Transportation Unit presented this training in collaboration with MassDOT's Community Grants Program.

IV. RMV Disability Placard Abuse Task Force

In 2021, the Transportation Unit continued to participate in the RMV's Disability Placard Abuse Task Force, which is dedicated to addressing and resolving issues surrounding placard abuse, increasing enforcement of the current placard laws and tightening administrative controls to prevent and detect abuse more easily. In 2021, the task force met to discuss ongoing education and outreach, local enforcement trends, and recommendations and goals for the task force moving forward.

V. Hotlines

The Transportation Unit maintains two hotlines for members of the public to confidentially report suspected fraud, waste or abuse in the expenditure of public transportation funds; the hotlines are available on the Office's, MassDOT's and the MBTA's websites. The Transportation Unit also maintains employee hotlines on MassDOT's and the MBTA's intranets.

The Transportation Unit evaluates each complaint received to determine whether it falls within its jurisdiction and whether it merits action. Some complaints lead to extensive investigations, some are referred to other agencies and some are closed if a preliminary inquiry fails to substantiate the allegations. Additionally, the Transportation Unit sometimes refers complaints to MassDOT or the MBTA if it determines that action would be best handled directly by the appropriate division.

During 2021, the Transportation Unit received 257 complaints from private citizens and public employees. Figure 8 details the sources of the complaints and Figure 9 outlines the Transportation Unit's action by receipt method.²⁶

²⁶ The Transportation Unit's annual report included a chart similar to Figure 8, but which did not include 38 general inquiries regarding the rules for using disability placard.

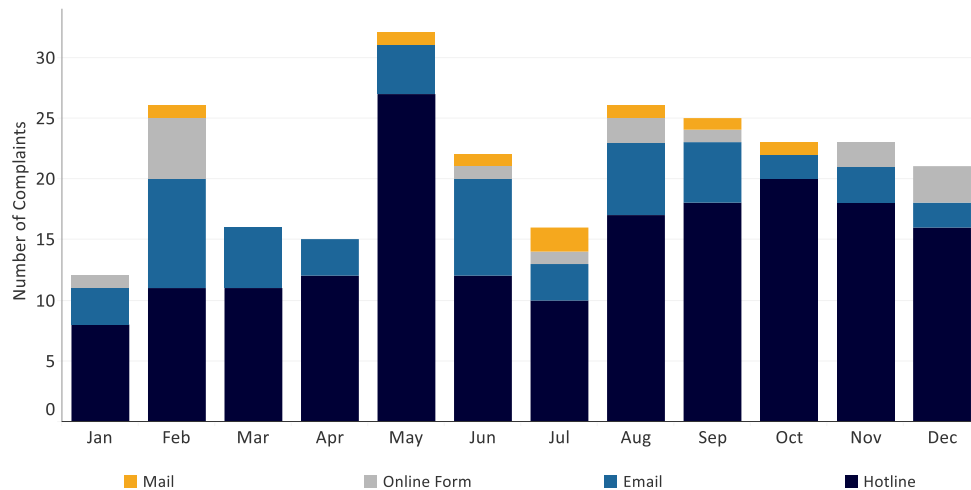


Figure 8. Intake Source by Month (2021).

In Figure 9, “Referral” means the Transportation Unit preliminarily reviewed the complaint, deemed the complaint warranted further review and referred it to the appropriate agency, usually MassDOT or the MBTA. “Referral” also includes placard abuse complaints that the Transportation Unit referred to the RMV’s Medical Affairs Bureau for handling. “Directed Complainant to the Appropriate Agency” means that the Transportation Unit determined that the matter was outside of the Transportation Unit’s jurisdiction; however, the Transportation Unit provided the complainant with the appropriate source for handling their complaint.

“No Action” means that the Transportation Unit was unable to pursue an investigation, refer the matter to the appropriate agency or provide the complainant with an appropriate contact for their complaint. Most often, the complainant did not provide contact information or return a voicemail when the Transportation Unit needed more information. “No Action” also includes instances in which the complainant had already contacted the appropriate agency. Finally, complaints about out-of-state placards fall under “No Action.”

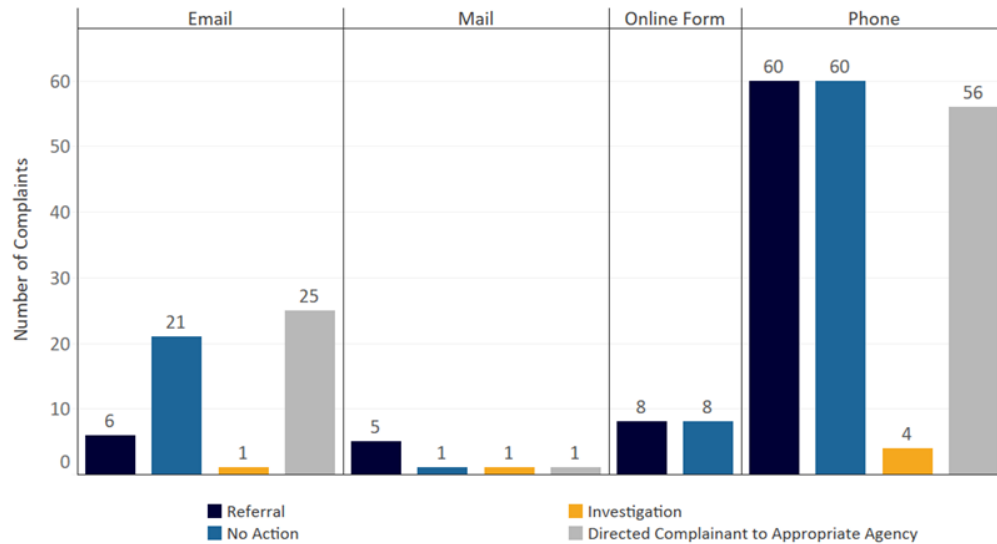


Figure 9. Actions on Complaints Received (2021).

The Transportation Unit also monitors the RMV's disability parking placard abuse hotline and receives reports of suspected placard abuse from the public. The RMV's Medical Affairs Bureau processes this information for further investigation. In 2021, the Transportation Unit received 81 reports of alleged placard abuse and 38 general inquiries regarding the rules for using disability placards.

PROTECT YOUR COMMUNITY

If you suspect fraud, waste or abuse of public transportation or transit funds or property, you can confidentially report your concerns



ISAU at MassDOT Complaint Form
<https://www.mass.gov/igo/massdotfraud>



Send us an email at
MassDOTFraudHotline@mass.gov

LEGAL DIVISION

The Legal Division provides essential legal advice to the Office and manages legal strategy in all Office litigation. Attorneys in the Legal Division represent the Office in state and federal court, draft and review legislation, teach MCPPO classes and provide guidance on state and local public procurement matters. Attorneys in the Legal Division also support the Office on investigations, audits and reviews by assisting during formal interviews; analyzing evidence; conducting legal research; coordinating responses to and enforcing summonses; and liaising with state, municipal and private entities.

The Legal Division:

Provides Legal Advice to the Office

-

Represents the Office in Court

-

Pursues Civil Actions to Recover Public Funds

The Legal Division also plays a key role in compliance and internal controls within the Office, including onboarding new employees; developing and updating policies and procedures; and regularly providing in-house training on topics such as confidentiality, ethics and conflicts of interest. Furthermore, through its Civil Recovery Unit (CRU), the Legal Division pursues civil actions on behalf of the Commonwealth and local governments to recover public funds lost to fraud, waste and abuse. Finally, in addition to their other responsibilities, members of the Legal Division produce and edit content for the Office's quarterly publication, the *OIG Bulletin*.

Over the past 10 years, the Legal Division has played a key role in two aspects of the work of the Office: (1) the investigation of the [Hinton Drug Lab](#); and (2) the pursuit of civil recovery actions. From 2012 to 2014, the Office conducted a comprehensive investigation of the operation and management of the Drug Laboratory at the William A. Hinton State Laboratory Institute (Hinton Drug Lab) after a chemist working there admitted to tampering with evidence. The Office identified multiple systemic management failures at the lab: chemists received little or no supervision; the lab had no formal protocols regarding training, chain of custody and testing methods; and the lab failed to provide potentially exculpatory evidence to parties in criminal cases. In 2014, the Office published its first report on the Hinton Drug Lab, describing its findings and recommending major changes to the management and oversight of the lab.

The Office later conducted a supplemental review of over 15,000 drug samples, working with an independent lab to retest certain samples. The Office published a [second report](#) in 2016, making additional findings and recommendations. Since then, the Legal Division has continued the Office's work regarding the lab by responding to and collaborating with district attorneys' offices seeking more information about the Office's investigations in response to post-conviction litigation of cases related to the Hinton Drug Lab.

Another milestone event over the past 10 years was the establishment of the CRU within the Legal Division in January 2019. The CRU, in consultation with the Attorney General's Office, seeks to recover public funds lost to fraud, waste and abuse. In 2020, the CRU recovered \$850,000 from two companies that sold cleaning supplies and other chemical products to cities and towns across the Commonwealth. The CRU found that these companies used high-pressure telemarketing techniques and misleading statements to induce local governments to buy supplies they did not want, need or even have the budget to purchase. The Office and the Attorney General's Office returned nearly \$400,000 of the settlement payment to 43 Massachusetts cities and towns and \$385,000 to the Commonwealth's General Fund.²⁷

In March 2020, the Legal Division welcomed the Office's first Justice Geraldine S. Hines Diversity Fellow. Despite the challenges presented by starting work during a global pandemic, the Hines Fellow participated in assignments for all divisions in the Office and quickly became an integral part of the Legal Division and the Office as a whole. In 2021, the Hines Fellow provided legal assistance to the Investigation Division, State Police Division, Bureau of Program Integrity, Transportation Unit, Policy Division and MCPPO program. The Hines Fellow also assisted the Legal Division with its review and update of internal policies and procedures. In addition, the Hines Fellow made valuable contributions to the Office's Diversity, Equity and Inclusion efforts, including developing internal presentations and outreach programs. The Office welcomed its second Hines Fellow in February 2022.

In 2020 and 2021, the Legal Division also devoted its efforts to supporting the Office during the COVID-19 pandemic. While continuing with its existing responsibilities, the Legal Division helped implement new statutory requirements and public health guidance arising from the pandemic. The Legal Division reviewed the Office's policies and procedures through the lens of a remote and hybrid workplace to ensure the Office's internal controls meet the demands of a changing workplace.

I. Civil Recovery Unit

The CRU has continued its charge of investigating and pursuing civil actions to recover money on behalf of the Commonwealth and local governments. The CRU investigates and develops matters for potential civil recovery, in partnership with other Office divisions and the Attorney General's Office. Since its establishment in January 2019, the CRU, in collaboration with the Attorney General's Office, has recovered more than \$1.8 million for the Commonwealth, cities and towns.

Attorneys in the CRU also support the Office's other work. CRU attorneys taught classes about identifying common scams and procuring legal services for the Office's MCPPO program. They also made a presentation to another state agency about preventing fraud and contractor overbilling. In addition, the CRU contributed to the *OIG Bulletin*, drafted guides and alerts on fraud prevention and detection, and helped staff the Chapter 30B hotline.

²⁷ Money from settlements and civil recoveries that the CRU works on are returned to the Commonwealth's General Fund, with the exception of investigative costs in limited cases.

A. Civil Recoveries from Former State Troopers for Unworked Overtime

In 2021, the CRU, working with the [State Police Division](#) and the Attorney General's Office, reached settlements with 11 former Massachusetts State Police (MSP) troopers from the former Troop E to recover money they were paid for overtime that they allegedly did not work. To date, the CRU has reached settlements with 13 former troopers, recovering over \$245,000.²⁸

The recoveries arose from the MSP's investigation of overtime abuse by Troop E members who were assigned to special overtime shifts intended to reduce accidents, crashes and injuries on state highways. The troopers were supposed to be on patrol and highly visible, targeting aggressive and speeding drivers.

B. Bridge Maintenance Contractors

The CRU, in collaboration with the Office's [Transportation Unit](#), investigated allegations from a hotline complaint that NEL Corporation (NEL), a Massachusetts-based bridge contractor, overbilled MassDOT. Based on the investigation, the Transportation Unit and the CRU concluded that NEL overbilled MassDOT under contracts to repair and maintain bridges throughout the state. The Office alleged that NEL knowingly charged MassDOT for items that NEL was required to provide at its own expense under the contracts, including certain tools, equipment, sanitary facilities and personal protective equipment.

In March 2021, NEL agreed to a \$700,000 settlement with the Office and the Attorney General's Office. As part of the settlement, NEL also agreed to implement measures to prevent future overbilling, including designating a contract manager to ensure that the company only bills MassDOT for work, supplies and equipment allowed under the contract. In addition, NEL agreed to hire an outside auditor to review NEL's billing on all open MassDOT contracts annually and provide a copy of the audit to the Transportation Unit. These measures will remain in effect for five years. NEL neither admitted nor denied the allegations.

Similarly, the CRU and the Transportation Unit investigated billing by Massachusetts-based company, Kodiak Corporation (Kodiak), on MassDOT contracts to repair and maintain bridges throughout the state. Based on the investigation, the Office concluded that Kodiak had overcharged MassDOT. The Office alleged that Kodiak knowingly charged MassDOT for items that Kodiak was required to provide at its own expense under the contracts, including tools and equipment, sanitary facilities and personal protective equipment. The Office also alleged that Kodiak knowingly double-billed MassDOT by submitting the same invoices for reimbursement more than once.

In January 2022, Kodiak agreed to pay \$55,000 to settle the claims with the Office and the Attorney General's Office. Under an assurance of discontinuance filed in Suffolk Superior Court, Kodiak was also required to implement measures to prevent future overbilling. It agreed to designate a contract

²⁸ This total includes settlements the CRU reached with two troopers in April 2022 for \$8,921.

manager for all new and existing MassDOT contracts who will train employees about billing and ensure that Kodiak's billing complies with contractual requirements. Kodiak also agreed to notify MassDOT if it discovers any unallowed billing or payment. These measures will remain in effect for five years. Kodiak did not admit to wrongdoing under the settlement.

POLICY AND GOVERNMENT DIVISION

The Policy and Government Division (Policy Division) oversees the Office's policy, healthcare and legislative initiatives. The Policy Division also reviews programs and practices in state and local agencies to identify system-wide vulnerabilities and opportunities for improvement.

The Policy Division:

Reviews Healthcare Programs

-

Proposes New Laws and Policies

-

Monitors Legislation to Safeguard Public Funds

Since 2012, the Policy Division has published 15 healthcare reports on the Massachusetts Medicaid and Health Safety Net programs. Between 2012 and 2021, the Policy Division also has reviewed 172 construction manager at-risk (CM at-risk) applications totaling an estimated \$13 billion in project costs. It has also reviewed and commented on over 500 pieces of legislation. The Policy Division has also worked to establish best practices in public design and construction to protect the public's interests. For example, the Policy Division reviewed 12 Massachusetts Department of Transportation (MassDOT) incentive-disincentive contracts, which MassDOT used to improve performance on bridge construction projects. In 24 instances, the Policy Division also assisted agencies and authorities to improve their contracts as well as their procedures for using alternative delivery methods on construction projects.²⁹ In addition, the Policy Division has reviewed, commented on and approved over 100 public land transactions

The Policy Division's mission has also grown; in 2022, the Office established the Pandemic Funding Oversight Unit within the division. As discussed more below, the new unit coordinates the Office's oversight of funds that the federal government has distributed to state and local governments, companies, individuals and non-profit organizations in connection with the COVID-19 pandemic and its economic consequences.

I. Healthcare Reviews

Each fiscal year, the state budget includes language requiring the Office to review the Health Safety Net (HSN) and Medicaid programs, which are administered by the Office of Medicaid (MassHealth).³⁰ This may include reviewing eligibility requirements, utilization, claims administration and

²⁹ "Alternative delivery method" means a construction method other than the traditional design-bid-build sequential method of construction required in M.G.L. c. 149 (building construction projects), and M.G.L. c. 30, § 39M (public works construction projects).

³⁰ The federal government created the national Medicaid program in 1965 to provide medical assistance to low-income individuals, particularly children, through a shared state-federal commitment. The Massachusetts Legislature created the Health Safety Net to pay for medically necessary services that acute care hospitals and community health centers provide to eligible low-income uninsured and underinsured patients.

compliance with federal mandates. The budget language requires the Office to issue a [report](#) each March. Below are highlights from the Policy Division's work in 2021.

A. Substitute Physicians

The Policy Division reviewed crossover claims, in which both the Medicare and Medicaid programs cover members, with Medicare acting as the primary payor and MassHealth as the secondary payor. Under the Medicare program, providers may hire substitute physicians to treat the provider's patients when the provider cannot. MassHealth does not allow a similar arrangement.

However, the Policy Division found instances in which a provider billed Medicare for using the services of a substitute physician on the same day they billed MassHealth for providing direct services. This is an indicator of potential fraud or abuse: it could indicate that (1) the substitute physician billed MassHealth using the provider's identification number, which MassHealth does not allow; or (2) the provider and the substitute physician treated patients at the same time, which neither Medicare nor MassHealth permit.

The Policy Division recommended that MassHealth review crossover claims involving substitute physicians to identify providers that also billed MassHealth as the primary payor on the same day. MassHealth should review any such claims to determine whether they are appropriate and recover any money improperly paid to providers.

B. Personal Care Attendants

MassHealth manages a Personal Care Attendant (PCA) program, which is designed to help MassHealth members who have permanent or chronic disabilities maintain their independence, reside in their communities and manage their own personal care. PCAs provide physical assistance with activities of daily living, including mobility and transfers, bathing, dressing, eating, and toileting. Under the PCA program, the member who receives the PCA services is the PCA's employer. As such, MassHealth has determined that the member, not MassHealth, is responsible for deciding whether to conduct a criminal offender record information (CORI) check or sex offender registry information (SORI) check on a prospective PCA. CORI check provides information about a person's criminal history; SORI indicates the names and addresses of people who have committed certain sex offenses.

MassHealth utilizes personal care management agencies to evaluate members for PCA services and support members participating in the PCA program. As part of their responsibilities, personal care management agencies are required to inform members about resources they can use when they hire a PCA, including the use of CORI and SORI checks. The personal care management agencies also are required to provide members with a form to request a CORI report. For its [2020 healthcare report](#), the Policy Division reviewed de-identified CORI and SORI for 47,735 people who worked as PCAs during the first quarter of 2018. The Office found that a significant number of PCAs had previous involvement with the criminal justice system.

The Office recognized that the PCA program is unique among MassHealth programs because it is a self-determination program, allowing members to select and oversee their PCAs. The member is the PCA's employer, with the responsibilities of hiring, training, disciplining and firing the PCA. Consistent with this approach, MassHealth gives the member receiving the services the option to conduct a CORI or SORI check.

However, this structure means that members receive no support from MassHealth on how to read or interpret CORI or SORI results even though these results often include terms of art and abbreviations that people without training or a criminal justice background have difficulty deciphering. Members also receive no support on how to use the CORI and SORI results in their decision-making process. Further, MassHealth has no formal follow-up process to determine if a member has conducted any kind of background check, nor does MassHealth track or monitor how many members conduct background checks, or document if a member chooses not to conduct a background check.

Since 2019, the Policy Division has worked with MassHealth to address barriers to using background checks in the hiring of PCAs. In the fall of 2021, the Office convened two meetings. The first meeting included PCA program staff and representatives from the Sex Offender Registry Board, which maintains SORI, and the Department of Criminal Justice Information Services (DCJIS), which is responsible for maintaining CORI. The purpose of this meeting was to share information about the PCA program, CORI and SORI. The second meeting focused on ways to decrease barriers to obtaining CORI for MassHealth members in the PCA program and to increase the number of members who run CORI checks during the hiring process.

Members had previously identified several barriers to conducting background checks. For instance, DCJIS has an online system some employers can use to obtain CORI, but it is not available to members. Rather, members must mail in a notarized request form for CORI, and DCJIS then mails the results back to the MassHealth member. This process, including getting the form notarized, takes time and slows down the hiring process; members expressed concern that if they requested CORI, they would not be able to obtain the assistance they need in a timely manner.

Further, while the fiscal intermediary can complete many administrative tasks for members, they could not conduct CORI checks on behalf of members. This is because only a prospective employer can request a CORI and the fiscal intermediary is not considered the employer for purposes of the PCA program.

As a result of these meetings, MassHealth requested a waiver from the DCJIS commissioner to allow the new fiscal intermediary to request and receive CORI on behalf of MassHealth members in the PCA program. The DCJIS commissioner approved this request in January 2022. MassHealth and DCJIS are working out the details of the waiver agreement. Once MassHealth and DCJIS execute the waiver agreement, the fiscal intermediary will be able to conduct a CORI check for a potential PCA and provide a member with the results so the member can make an informed hiring decision. The fiscal intermediary will be able to utilize the online system to check CORI.

The Office recommended that going forward, MassHealth should devote the necessary staff resources to educate stakeholders about the importance of background checks and to support members who want to conduct CORI and SORI checks. MassHealth should ensure that its fiscal intermediary has the necessary access to run CORI checks on behalf of its members. MassHealth should also monitor the fiscal intermediary to make sure that it performs timely background checks when requested by MassHealth members.

C. Claims Paid After Date of Death

In 2021, the Policy Division reviewed claims that MassHealth paid for services a member received after MassHealth's claims system recorded a date of death for the member. Specifically, the Office identified members who (1) had a date of death in MassHealth's system; and (2) had at least one MassHealth claim after their recorded date of death. The Policy Division then reviewed all such claims that MassHealth paid between January 1, 2017, and December 31, 2020. The Policy Division found 2,698 members with at least one claim paid after their listed date of death, with a total of \$6.4 million paid for 32,702 claims over the four-year span that the Office reviewed.

The Policy Division found that the majority of claims were for members whose dates of death in the claims system were before January 1, 2017, including members with dates of death as far back as 1953. Many of these are likely data errors; these members are likely still alive. The Policy Division also observed that the number of claims MassHealth paid past the date of death decreased each year from 2017 to 2019. However, the number and cost of claims increased significantly in 2020.

The Policy Division understands that MassHealth receives eligibility data – including dates of death – from external agencies and that it has no direct control over the data it receives from those agencies. This has likely led to the data errors mentioned above. Nevertheless, MassHealth needs to identify a solution to (1) remove erroneous dates of death from its claims system; and (2) ensure it is not paying claims for members who are deceased.

Finally, the Policy Division has provided MassHealth with the list of members it identified in its review. MassHealth should review this information, correct any eligibility errors and recover all payments that it should not have made. MassHealth should also refer providers that appear to be engaging in fraudulent billing to the Attorney General's Office's Medicaid Fraud Division.

D. Date-Span Billing

In previous reports on both the Adult Day Health (ADH) and Adult Foster Care (AFC) programs, the Office found that some providers bill MassHealth for multiple days of service on a single claim, a practice known as date-span billing. While permissible, date-span billing makes oversight difficult because it is impossible to determine the specific dates the provider allegedly provided ADH or AFC services.

For both programs, the Policy Division recommended that MassHealth require providers to bill for services one day at a time. In 2021, the Policy Division found that MassHealth has taken steps towards addressing the division's concerns. MassHealth informed ADH providers that they could no longer submit claims using date-span billing. MassHealth subsequently updated its billing system to prohibit ADH providers from using date-span billing and it is implementing this change for all claims with dates of service on or after May 1, 2022.

MassHealth also informed the Policy Division that it implemented an edit in its billing system in August 2021 to prevent AFC providers from using date-span billing. However, the Policy Division reviewed claims submitted in October 2021 and identified 15,207 claims, or 4.81% of all AFC claims for the month, in which providers billed for multiple days on a single claim.

The Policy Division recommended that MassHealth ensure that the edit intended to prevent date-span billing is working properly. If not, MassHealth needs to fix it. Further, if MassHealth finds that certain providers persist in date-span billing, it should furnish those providers with additional guidance or training on appropriate billing practices.

E. Social Security Numbers

In 2016, the Policy Division made several recommendations to MassHealth to improve its program integrity relating to social security numbers (SSN) after finding that the agency's data contained facially suspect SSNs (*e.g.*, 111-11-1111) and multiple members with the same SSN. Federal regulations require all persons applying for Medicaid to furnish a SSN or proof of application for an SSN, subject to limited exceptions.³¹ The regulations further require MassHealth to verify each SSN to ensure that the SSN was issued to the applicant and to determine whether any other SSNs were issued to that person. In turn, MassHealth's regulations state that it verifies each SSN by an electronic data match with the Social Security Administration (SSA). If the applicant has provided an SSN to MassHealth that the SSA is unable to verify, the applicant has 90 days to provide MassHealth with an approved verification of the SSN.

In 2021, the Policy Division again reviewed MassHealth's data integrity for SSNs. After reviewing the SSNs of all 2,270,914 active MassHealth members, the Office found only one SSN that could be considered invalid. MassHealth's system changes to prohibit staff from entering invalid SSNs appear to be working. However, the Policy Division also found 2,179 SSNs linked to more than one MassHealth member's identification number (ID). One individual may have two MassHealth IDs, making it appear that two people have the same SSN. However, MassHealth needs to evaluate and correct the duplicate SSNs, including removing any duplicate IDs.

³¹ 42 C.F.R. 435.910.

F. Dental Claims

Most dentists in the United States use a universal numbering system for teeth, which assigns a specific number or letter to each tooth in the mouth. In 2019, the Office reviewed certain aspects of MassHealth's dental program and found that while MassHealth's claims system contained tooth numbers, its data warehouse did not.³² To conduct robust program integrity activity, MassHealth needs to ensure that the claims information in its data warehouse includes the tooth numbers associated with all dental claims. For example, a tooth can only be extracted once; the identification of which tooth the provider billed to extract therefore would allow MassHealth to determine whether a provider billed twice for extracting the same tooth. Similarly, a provider can only bill for one filling per tooth per calendar year. Without having the tooth numbers, MassHealth cannot determine if providers are billing for multiple fillings for the same tooth in a calendar year.

In 2021, the Policy Division found that a field in the data warehouse that is supposed to contain the tooth number sometimes was blank instead. The blanks seem to follow a pattern. When tooth numbers 1 through 9 were entered as "01" through "09" in the claims adjudication system, the data transferred properly to the data warehouse. However, when tooth numbers were entered as a single digit, *i.e.*, without the "0" before the tooth number, the numbers did not transfer to the data warehouse. The Policy Division brought this to the attention of MassHealth's data warehouse team, which is currently working on a solution. The Policy Division commended MassHealth for taking steps to fix the communication error between its claims system and the data warehouse. The Policy Division recommended that MassHealth continue its efforts to resolve this issue for single-digit tooth numbers.

II. Pandemic Funding Oversight Unit

In January 2022, the Office created the Pandemic Funding Oversight Unit (PFO) within the Policy Division. The PFO is charged with coordinating pandemic-related oversight efforts throughout the Office, including by developing and presenting of pandemic-related trainings, maintaining an internal knowledgebase of rules and resources related to pandemic funding, tracking and publishing pandemic-related cases and guidance, and centralizing external communications relating to federal pandemic funding oversight.

Since its inception, the PFO has focused on preventative measures to combat fraud, waste and abuse in the use of federal pandemic funds. First, the PFO developed an online resource hub for guidance from the Office, other government offices and private entities related to the American Rescue Plan Act (ARPA).³³ The PFO additionally published guidance to help state and local governments monitor ARPA

³² The data warehouse contains MassHealth claims data; MassHealth uses the data warehouse for program integrity data analysis and reporting.

³³ The American Rescue Plan Act, Pub. L. 117-2, passed by the federal government in March 2021, is an economic stimulus bill intended to respond to the public health and economic impacts caused by the COVID-19 pandemic. Massachusetts public entities are administering \$25 billion in American Rescue Plan Act funds.

grant recipients. Finally, the PFO and the Regulatory Division developed a free, 90-minute ARPA webinar, which the Office has delivered to over 500 public employees from cities, towns, school districts, public works departments, fire departments, planning commissions and state agencies. The training provides tools to help state and local governments spend ARPA funds correctly and covers topics such as the allowable uses for ARPA fiscal recovery funds, the application of public procurement laws to ARPA funds and compliance with federal single audit requirements.

The PFO has also conducted meetings with the State Auditor's Office, the Attorney General's Office, the Comptroller's Office and the Executive Office for Administration and Finance's Federal Funds Office to coordinate pandemic funding oversight activities. Finally, the PFO represents the Office on the Equity and Accountability Review Panel created by Chapter 102 of the Acts of 2021.

III. Public Design and Construction

Since its inception, the Office has helped develop policies and procedures related to the Commonwealth's public design and construction laws. In 2021, the Office worked with the Department of Capital Asset Management and Maintenance (DCAMM), MassDOT, the Massachusetts Port Authority, the Massachusetts School Building Authority, the Attorney General's Office and other state and local entities to establish best practices in public construction.

A. Alternative Construction Methods

Pursuant to Chapter 149A of the Massachusetts General Laws, the Office reviews applications to use alternative delivery methods, including the CM at-risk and design-build methods.³⁴ In addition, before certain state agencies and authorities may use alternative delivery methods on construction projects, the Legislature has charged the Office with reviewing and approving the procedures for utilizing those delivery methods. Consequently, the Office reviews and approves certain procedures for DCAMM, the Massachusetts Port Authority, MassDOT, the Massachusetts Bay Transportation Authority, the Massachusetts Water Resources Authority, the Massachusetts State College Building Authority and the University of Massachusetts Building Authority.

In 2021, the Office received 19 applications to use the CM at-risk delivery method, totaling over \$1.4 billion in estimated project costs. The projects included the construction of six public schools, six affordable housing developments, one public charter school, two municipal office buildings, two public safety buildings, a public charter school, a pump station and a police station/district court. Applicants included the cities of Boston, Lawrence, Peabody and Somerville, as well as and the towns of Groton, Tisbury, Walpole and Wellesley. The other applicants included the Brookline, Cambridge, Ipswich,

³⁴ "Alternative delivery method" means a construction method other than the traditional design-bid-build sequential method of construction required in M.G.L. c. 149 (building construction projects), and M.G.L. c. 30, § 39M (public works construction projects).

Medford and Somerville housing authorities and the Advanced Math and Science Academy Charter School.

B. Owner's Project Manager Review Panel

Staff from the Office represent the Office at the Massachusetts School Building Authority's (MSBA) Owner's Project Manager Review Panel (Review Panel). When a school district receives state funding to build a new school, it must use an owner's project manager (OPM) to oversee the building project. The Review Panel, led by the MSBA, reviews each school district's selection of an OPM, including the evaluation process the school district used.

As a member of the Review Panel, Office staff review each district's process and evaluation of its OPM applicants. This review entails examining both the school district's needs and the OPM's qualifications, including the OPM's project experience, managerial experience, backlog of other ongoing work and financial viability. Staff then participate in the Review Panel's meeting, listening to school district presentations. After considering the presentations and reviewing the materials, the Review Panel may either agree with the school district's selection of an OPM or recommend further review and consideration.

IV. Public Land Transactions

Each year, the Policy Division reviews a variety of real property transactions involving public property, including dispositions, acquisitions and long-term leases to ensure that the public's interests are protected. In addition, the Legislature frequently mandates that the Office review and approve independent appraisals of real property that the Commonwealth, counties and municipalities propose to convey or acquire. The Office's appraisal reviewers evaluate whether the analyses, opinions and conclusions in the appraisal are appropriate and reasonable. As mandated, the Office provides a report on each appraisal to the commissioner of DCAMM for submission to the House and Senate Committees on Ways and Means and the Joint Committee on State Administration and Regulatory Oversight.

Below are examples of transactions that the Office reviewed in 2021.

A. Lowell District Courthouse

Chapter 304 of the Acts of 2008 authorized the sale of the Lowell District Courthouse. In 2020, the Office reviewed the appraisal and the methodology used to value the property. In 2021, DCAMM proposed using a public auction to dispose of the property. The Policy Division is working with DCAMM to develop an accountable and transparent process to obtain the best price for the former courthouse.

B. University of Massachusetts' Field Station in Waltham

Chapter 209 of the Acts of 2020 authorized the sale of the University of Massachusetts' (UMASS) Field Station to the city of Waltham. In 2021, the Office reviewed the draft transaction documents and provided comments to UMASS. UMASS and the city closed on the transaction on March 1, 2022. The property sold for \$17.4 million and is subject to a restriction limiting the use of the property to open space, recreation or agricultural purposes under Article 97 of the Amendments to the Constitution.

C. Easements

Pursuant to legislation, the Policy Division reviewed appraisals of permanent and temporary easements in (1) Boston to allow for an apartment development; (2) Somerville to facilitate the redevelopment of a public housing complex and private housing; and (3) Lynn for a roadway improvement project. In the separate reviews of each easement area, the Policy Division found that DCAMM's appraisers used appropriate methodologies to support the valuations and appropriately analyzed the property rights associated with the grants of the easements. The Policy Division therefore approved the appraisal methodologies and opinions of value for the easements.

V. Springfield Technical Community College Assistance Corporation

Since 1994, the Springfield Technical Community College Assistance Corporation (STCCAC) has owned and operated the Springfield Technical Community College (STCC) Technology Park in Springfield. The Legislature created STCCAC to pursue opportunities for the benefit of STCC students and the Commonwealth. STCCAC uses a contractor to manage the Technology Park on behalf of its mission. The property consists of approximately 325,000 square feet, and multiple tenants occupy it, including a STCC. By statute, STCCAC must submit every contract requiring an annual expenditure of more than \$100,000 to the Office for review and comment.

In 2021, STCCAC, with assistance from Springfield Technical Community College, conducted a procurement for property management services for the Technology Park. After conducting the procurement, STCCAC selected a property manager and, because the resulting contract exceeds \$100,000, STCCAC submitted the contract to the Office for review. The contract contains terms and conditions related to the leasing, operation and management, and security of the property in Springfield. The contract also includes provisions related to the property manager's responsibilities for accounting and recordkeeping requirements, among other terms. The Policy Division found that STCCAC's agreement included adequate safeguards.

VI. Legislative Initiatives

Since it was established in 1981, the Office has reviewed and commented on proposed legislation during each legislative session. In addition, the Office regularly provides feedback to individual legislators who are developing both legislation specific to the districts they represent and legislation that affects the

general operations of state and local government. The Office also responds to requests from the Governor's Office to review legislation that the Legislature has passed and is awaiting the Governor's signature.

The Office continued to provide these important services throughout 2021. For instance, the Office reviewed and commented on more than 100 pieces of legislation for the 2021-2022 legislative session. In 2021, the Inspector General and his staff also provided testimony and guidance to legislative committees on issues related to real estate transactions, fraud controls, post-retirement work policies, tax credits, and the procurement of public supplies and services. In all cases, the Office stressed the importance of transparency in government and the need for safeguards to ensure the appropriate oversight of public funds.

VII. Proposed Legislation: 2021-2022 Session

Chapter 30 of the Massachusetts General Laws permits the Office to file legislation in the November of even years for the upcoming legislative session. In November 2020, the Office filed the following [bills](#) for the 2021-2022 legislative session.

A. [House 4](#), An Act Relative to Chapter 12A

House 4 would strengthen the Office's ability to prevent and detect fraud, waste and abuse. Modeled after the federal Inspector General Empowerment Act of 2016, the bill clarifies that the Office has access to all records of a public body unless the Legislature expressly limits that access. The bill would also extend whistleblower protections to private employees. Any person who violates these whistleblower protections would be subject to a fine and liable for damages. Further, the bill would allow the Office to refer a potential criminal matter to a district attorney in the same manner that it refers cases to the U.S. Attorney and the Attorney General. Finally, the bill would permit a member or designee of the Inspector General Council to attend a private session where testimony is given under oath at the request of the Inspector General, but it removes the attendance requirement. The role of the Inspector General Council otherwise would remain the same, including approving summonses to take testimony under oath.

The Inspector General testified in favor of House 4 before the Joint Committee on State Administration and Regulatory Oversight on September 14, 2021. The committee reported this bill out favorably and referred it to the House Committee on Ways and Means. As of the date of this report, the bill remains in the Committee.

B. [House 5](#), An Act Relative to Inspector General Annual Report

House 5 would promote efficiency by consolidating the Office's annual reports into one comprehensive report. Specifically, the bill would modify the requirement that two embedded units in the Office – the Transportation Unit and the State Police Division – submit separate annual reports to the Legislature. Instead, these reports would be included in the Office's annual report required under Section

12 of Chapter 12A. The bill would also require the Office to submit its annual report to both the Joint Committee on Transportation and the Joint Committee on Public Safety and Homeland Security, the committees that currently receive the Transportation Unit's and the State Police Division's annual reports.

The Inspector General testified in support of House 5 before the Joint Committee on State Administration and Regulatory Oversight on September 14, 2021. As of the date of this report, the bill remains in the Committee.

C. [House 6](#), An Act Relative to Chapter 30B

House 6 would increase the fine for causing someone or conspiring with someone to solicit or award a contract in violation of the Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws (Chapter 30B). Based on the Office's investigations and reviews, those who conspire to violate Chapter 30B can receive hundreds of thousands of dollars as a result of their misconduct while depriving a municipality of needed goods or services. Consequently, the current fine – \$2,000 – is an insufficient deterrent to violating Chapter 30B. Raising the fine to \$10,000, as the Office proposes, would have a greater deterrent effect.

The bill also would update Chapter 30B to include the correct statutory references to other recently amended statutes. The bill would also strike a section of Chapter 30B that is duplicative.

The Inspector General testified in favor of House 6 before the Joint Committee on State Administration and Regulatory Oversight on September 14, 2021. As of the date of this report, the bill remains in the Committee.

D. [House 7](#), An Act Revising Chapter 30B

House 7 would augment certain sections of Chapter 30B to promote best practices, fair competition and transparency. The bill defines certain terms, clarifies certain sections of the statute and enhances the process an awarding authority must use when soliciting quotations.

Under the proposed revisions, awarding authorities would be able to use requests for proposals for procurements in the \$10,000-to-\$50,000 range.³⁵ The bill also clarifies that an awarding authority cannot allow a vendor to modify its quotation for goods and services after submitting it to the awarding authority. Further, the bill would require awarding authorities that do not have written procedures for the disposal of surplus supplies to use sound business practices to dispose of surplus supplies valued at less than \$10,000. The bill also would require contractors to notify the Office when they have credible evidence of criminal conduct, civil violations or overpayments.

In addition, the bill would clarify that a procurement officer may cancel a solicitation for supplies or services if it is in the best interest of the awarding authority and the procurement officer documents

³⁵ An awarding authority is a local jurisdiction, such as a city or town, that conducts procurements and enters into a contract.

the reason for cancellation. Finally, the Office would be permitted to promulgate regulations related to the interpretation and enforcement of Chapter 30B.

The Inspector General testified in favor of House 7 before the Joint Committee on State Administration and Regulatory Oversight on September 14, 2021. As of the date of this report, the bill remains before the Committee.

E. [House 8](#), An Act Relative to Public Employee False Claims

House 8 would protect municipalities, counties and the state when public employees knowingly submit false or fraudulent claims for hours they did not work. Under the bill, public employees would be liable for treble damages for any false or fraudulent claims for hours worked.

The Inspector General testified in favor of House 8 before the Joint Committee on the Judiciary on September 23, 2021. The bill received a study order from the Committee.

REGULATORY AND COMPLIANCE DIVISION

The Regulatory and Compliance Division (Regulatory Division) supports the Office's mission to promote good government and prevent the misuse of public funds. To that end, the Regulatory Division provides educational materials, classes, trainings and a confidential technical assistance hotline to the public, state and local government employees, procurement professionals, and individuals in the private sector who conduct business with public entities.

The Regulatory Division:

Runs the Office's Training Program

-

Helps Improve Public Purchasing Practices

-

Provides Advice and Guidance

As part of this work, the Regulatory Division interprets and provides technical assistance about the application of the Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws (Chapter 30B). Chapter 30B governs the sourcing and award of public contracts for supplies, services and real property by cities, towns and other governmental bodies as well as the disposal of surplus supplies and real property. The purpose of Chapter 30B is to ensure open and fair competition for public procurements by requiring public entities to allow qualified vendors an equal opportunity to enter government contracts.

The Regulatory Division also leads the Office's Massachusetts Certified Public Purchasing Official (MCPPO) training program, which prevents fraud, waste and abuse through education. The Office established the MCPPO training program 25 years ago, in 1997, with legislative authorization. Since then, the MCPPO training program has grown to include a broad range of classes, including government operations, internal controls, cybersecurity, governance, contract administration, prevailing wage laws, emergency procurement and fraud prevention. Because participants often have a variety of training needs, limited availability and limited budgets for professional development, the MCPPO training program offers a low-cost option for jurisdictions to develop expertise in these topics.

Since 2012, the number of MCPPO training program participants increased from about 1,200 annually to more than 5,000 in 2020. The number of classes and training sessions offered by the MCPPO training program over the course of a year more than doubled from 47 trainings in 2012 to 110 trainings in 2021. Since 2012, the demand for classes offered by the MCPPO training program increased dramatically. In response, the MCPPO training program expanded its class offerings and increased its outreach through the use of online training and learning management software.

In 2021, the Regulatory Division continued to help state and local government employees use best practices and comply with Massachusetts public purchasing laws. The Regulatory Division collaborated

with external agencies on trainings about prevailing wage laws and building construction, added new MCPPO classes such as *Sustainable Procurement* and *Promoting Procurement Diversity Using Chapter 30B*, simplified the MCPPO training program’s designation and certification process, developed new publications and guidance, and used technology to streamline its online technical assistance request form.

I. New Training Collaborations

The Office created the MCPPO training program to ensure that public purchasing officials have the tools necessary to operate effectively and comply with public procurement laws. Because of the COVID-19 pandemic, the Office significantly developed its remote learning capabilities. As a result, the MCPPO training program has introduced new ways to educate participants, including through 60- to 90-minute webinars and asynchronous online trainings. These new formats not only increased participation in the MCPPO training program – attracting, this year, a total 4,347 participants – but they enabled MCPPO to more easily collaborate with external agencies on new trainings about important topics.

The Regulatory Division continued its work with the Attorney General’s Office to train public purchasing officials on the prevailing wage law – a law which requires that covered employees on public works projects be paid a minimum hourly rate set by the Department of Labor Standards. During 2021, the Attorney General’s Office presented a 90-minute segment on *Prevailing Wage Law Enforcement*. Along with incorporating information about the prevailing wage law in several classes, the Office also offered a full-day class presented by the Attorney General’s Office called *Prevailing Wisdom — Confronting Potential Pitfalls and Applying Solutions on Prevailing Wage and Public Construction*.

In collaboration with the Massachusetts School Building Authority (MSBA), the Regulatory Division offered a *Story of a School Building* training webinar about construction at Bartlett High School in Webster. This two-hour training webinar addressed differences in how school officials should approach a public-school building renovation as opposed to a new public school building construction project. The training webinar discussed how school officials can reimagine a school’s dark spaces, like internal classrooms, which are devoid of natural light and proper ventilation, and transform them into vibrant learning spaces. Finally, the training webinar discussed how a major renovation can cost less than a new building.

Other agencies and local jurisdictions that provided their expertise to the MCPPO training program include the State Ethics Commission, the Division of Capital Asset Management and Maintenance, the University of Massachusetts Building Authority, the City of Cambridge, the Department of Energy Resources, the Edward J. Collins, Jr. Center for Public Management at UMass Boston, the Massachusetts Bay Transportation Authority, the City of Boston, the Supplier Diversity Office, the Operational Services Division and the MassCyberCenter. Several experts, including retired public employees, lent their support to the MCPPO training program as well.

Lastly, the MCPPO training program partnered with different governmental entities to offer trainings about the American Rescue Plan Act (ARPA) passed by the federal government in 2021.³⁶ Massachusetts state, county, tribal and local entities received or will receive funds through ARPA to respond to the public health and economic impacts created by the COVID-19 pandemic. These expenditures trigger compliance obligations with public procurement laws in the Commonwealth.

II. Classes and Participants

In 2021, the Regulatory Division held 110 classes through the MCPPO training program, including 25 speaking engagements to other governmental entities and professional organizations.



Figure 10. Speaking Engagements (2021).

Office staff presented to a wide variety of professional groups on topics including public procurement, fraud prevention, bidding basics and MCPPO designation changes. Audiences included state and local government employees, procurement professionals, individuals from professional associations, and individuals in the private sector who conduct business with public entities.

During 2021, the Office offered 85 classes through the MCPPO training program and participated in 25 separate speaking engagements – the most classes and speaking engagements combined to date.

³⁶ The American Rescue Plan Act, Pub. L. 117-2, passed by the federal government in March 2021, is an economic stimulus bill intended to respond to the public health and economic impacts caused by the COVID-19 pandemic. Massachusetts public entities are administering \$25 billion in American Rescue Plan Act funds.

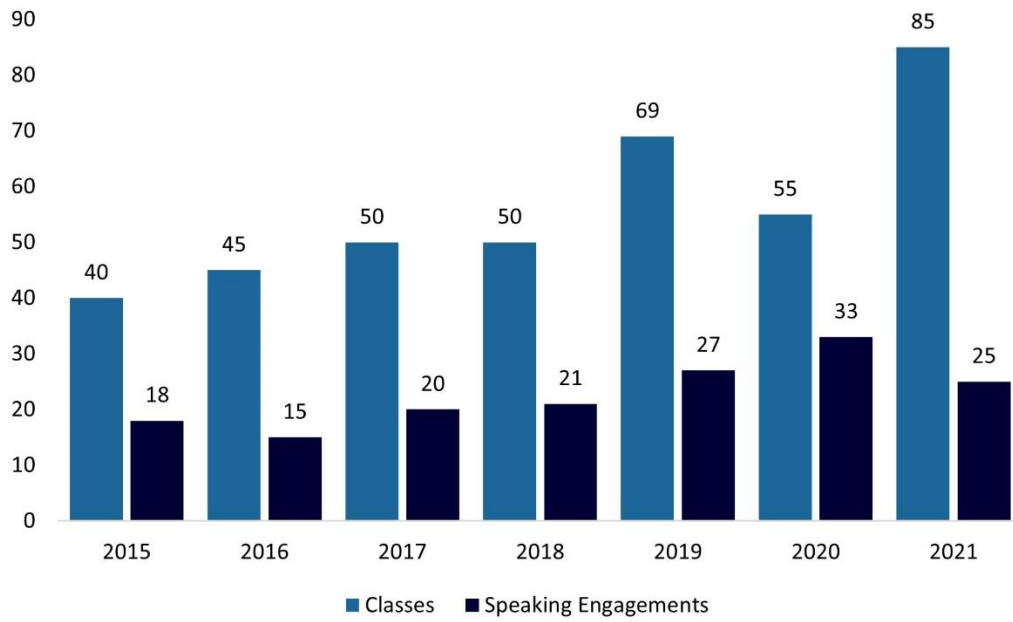


Figure 11. MCPPO Classes through the MCPPO Program by Calendar Year.

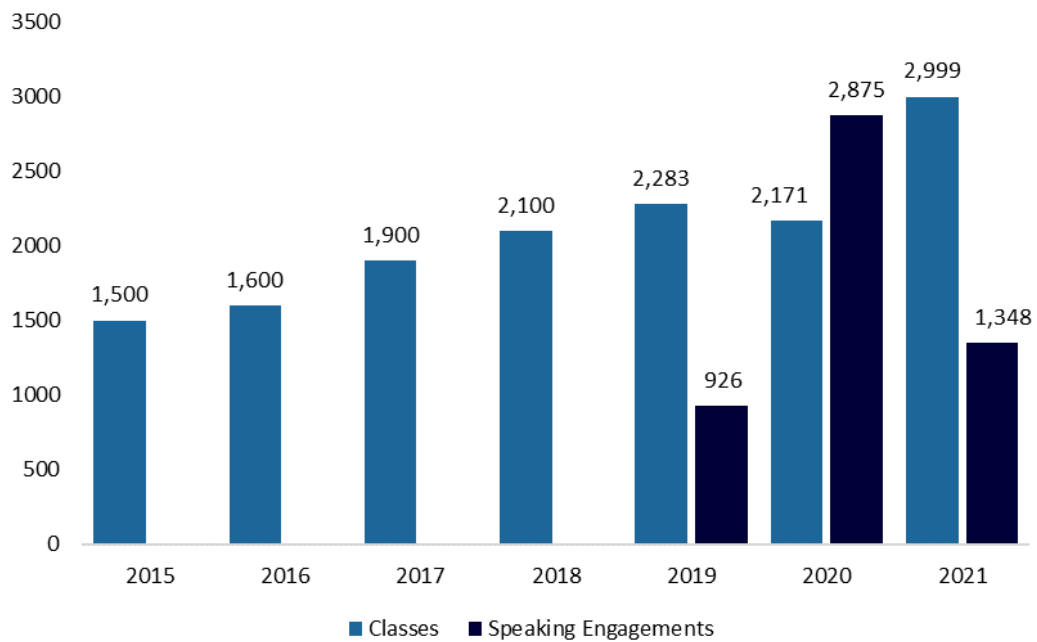


Figure 12. MCPPO Participants by Calendar Year.

Since 1997, more than 34,000 students have attended classes offered by the Office through the Regulatory Division's MCPPO training program. In 2021 alone, the Office provided classes to 4,347 participants in the MCPPO training program.

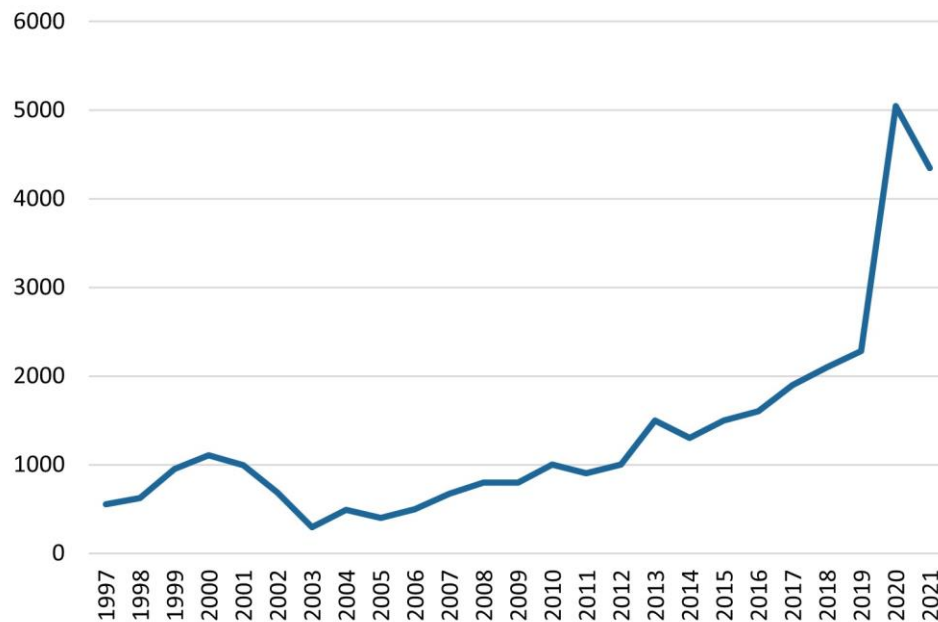


Figure 13. Class Attendance by Year Since MCPPO Program Creation.

III. MCPPO Training Program's Class Selection

In 2021, the MCPPO training program expanded the types of webinars it offers and developed four new online webinars:

- IT Procurement: Hardware, Software & Cybersecurity
- Promoting Procurement Diversity Using Chapter 30B
- Chief Procurement Officer Responsibilities and Delegation Authority
- Preventing Common Frauds and Scams

Other online classes that the MCPPO training program provided in 2021 include:

- Sustainable Procurement
- Promoting Procurement Diversity Using Chapter 30B
- Hiring Legal Counsel and the Attorney-Client Privilege
- Procurement Best Practices for Sewer System
- Surplus Supply Disposition Practices Under Chapter 30B
- How to Navigate an Investigation by an Oversight Agency
- Massachusetts Public Construction Bid Laws & Workforce Participation Goal Requirements

- Public Sector Ethics

IV. MCPPO Designation and Certification Processes

The MCPPO training program continued to offer MCPPO designations and certifications through an application process. Designations and certifications are based on class participation and scores of 70% or better on competency assessments related to statutory compliance and best practices associated with public procurement, public records and laws that govern the conduct of public employees and officials. An MCPPO designation or certification, which must be renewed every three years, signifies that the holder has a competent understanding of Massachusetts public purchasing laws.

An MCPPO designation requires an individual to take three classes offered through the MCPPO training program and pass an assessment with a score of 70% or higher. The classes include: (1) *Public Contracting Overview*, an introductory class that provides an overview of Massachusetts' procurement laws; (2) *Supplies and Services Contracting*, a more in-depth review and application of Chapter 30B to a set of facts; and (3) *Design and Construction Contracting*, which provides in-depth instruction on the procurement laws governing public design and construction in Massachusetts.

The Regulatory Division also offers specialized classes, such as a four-day *Certification for School Project Designers and Owner's Project Managers* class. The Office created this class in 2007 in response to a MSBA regulation that requires that public school designers and owner's project managers be certified to work on MSBA-funded school projects that trigger public procurement laws.

The Regulatory Division also continued to offer a two-day *Charter School Procurement* class in response to a statutory mandate requiring certification for charter school procurement staff. In this class, charter school employees learn about how to conduct open and fair competitions in accordance with Chapter 30B.

V. Enrollment and Participation Technology

As the MCPPO training program transitioned all classes to an online platform, it introduced new ways for participants to access staff and receive support, including a dedicated email address called "Ask-the-OIG-Instructor@mass.gov." This email address enables participants to ask class-related questions to MCPPO instructors both during and after class. In 2021, the program received 1,068 inquiries. The "Ask the Instructor" email operates daily and ensures that participants' education continues beyond the MCPPO training program's formal classes.

The Office also operates a MCPPO training program helpline, accessible by phone or email, which supports enrollment and participation in the MCPPO training program. In 2021, the MCPPO training program email received and responded to 2,364 emails and 632 calls. The MCPPO training program helpline operates daily.

VI. The Chapter 30B Hotline and Publications

The Regulatory Division operates a [hotline](#) through which it assists callers with questions concerning Chapter 30B, public construction bidding laws, local purchasing requirements, fraud prevention and internal controls. In 2021, the Office responded to 1,493 inquiries and questions.

In 2021, the Regulatory Division introduced the [Chapter 30B Technical Assistance Form](#). The form contains a list of resources and provides a new way for individuals with questions about Chapter 30B to get assistance. The hotline operates Monday to Friday, except holidays. Individuals can email the hotline directly or leave voice messages 24 hours a day.

The Regulatory Division also publishes a wide range of materials to educate and inform public employees, vendors and members of the public about compliance with public procurement laws. The Regulatory Division continues to publish responses to Frequently Asked Questions (FAQs) and other related articles in the Office's quarterly publication: the *OIG Bulletin*.

REPORTS, LETTERS AND OTHER PUBLICATIONS

When the Office completes an investigation, review or other project, it may issue a report, letter or case update. The Office also publishes manuals, advisories, guides and a quarterly *OIG Bulletin*. The following documents related to the Office's 2021 activities are available on the Office's website, www.mass.gov/ig.

I. Reports, Letters and Case Updates

- [Case Update](#): Former Fall River Mayor Sentenced to Six Years in Prison for Extortion, Fraud; Ordered to Pay More Than \$878,000
- [Case Update](#): Taunton Man Charged With Pandemic Unemployment Fraud Following Federal-State Investigation
- [Case Update](#): Two of Former Fall River Mayor Jasiel Correia's Co-conspirators Sentenced for Extorting Marijuana Vendors
- [Case Update](#): Former CEO Charged with Stealing \$1.5 Million from Shelter Provider
- [Case Update](#): Six Former State Troopers Agreed in Settlements to Repay Over \$94,000 for Unworked Overtime
- [Letter](#) to the State and House Committees on Ways and Means Regarding Proposed Film Tax Incentive Program Reforms
- [Case Update](#): Former Fall River Mayor Found Guilty of Defrauding Investors and Extorting Marijuana Vendors
- [Letter](#) to MBTA Police Association Retirement Plan Regarding Overpayments
- [Case Update](#): Former State Troopers Paid \$110,000 to the Commonwealth for Unworked Overtime
- [Report](#): Summary of the Methodology for the Investigation of the Drug Laboratory at the William A. Hinton State Laboratory Institute
- [Case Update](#): Former Marblehead METCO Director Paid Restitution
- [Case Update](#): Former Accountant for Multiple Towns Faces New Charges for Allegedly Stealing \$200,000
- [Case Update](#): Former Employee of a Department of Developmental Services Group Home Ordered to Serve Probation and Pay Restitution
- [Case Update](#): Bridge Contractor Agreed to Pay \$700,000 to Settle Allegations of Overbilling

- [Report](#): Internal Special Audit Unit: 2020 Annual Report
- [Report](#): MassHealth and Health Safety Net: 2021 Annual Report
- [Report](#): Division of State Police Oversight: 2020 Annual Report

II. Legislative Testimony

- Inspector General's [Testimony](#) on Pandemic Relief Oversight
- Inspector General's [Testimony](#) on House 7 of 2021, An Act Updating Chapter 30B
- Inspector General's [Testimony](#) on House 6 of 2021, An Act Relative to Chapter 30B
- Inspector General's [Testimony](#) on House 5 of 2021, An Act Relative to Inspector General Annual Reports

III. Publications

- [OIG Bulletin](#), Vol. 2, Issue #3-4 (October 2021)
- [OIG Bulletin](#), Vol. 2, Issue #2 (June 2021)
- [OIG Bulletin](#), Vol. 2, Issue #1 (February 2021)

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