



OIG BULLETIN

Official Newsletter of the Office of the Inspector General



Photograph by Anna Lockett, 2023

Good day:

In January, OIG staff members and I attended the Massachusetts Municipal Association's Annual Meeting and Trade Show. It was a valuable opportunity to talk with municipal officials and professional staff about areas of intersection between the OIG and municipal government. I enjoyed speaking with public servants responsible for ensuring that local government works for residents across the Commonwealth. Their work is not easy, but it is meaningful and necessary. I was also fortunate to attend the plenary session at which Gov. Healey and Lt. Gov. Driscoll announced their Municipal Empowerment Bill. If enacted, a section of this bill will address concerns raised by the OIG regarding the problems with the procurement process for electric school buses and associated charging infrastructure.

I recently initiated a series of one on one meetings with the Commonwealth's ten first term mayors in their city halls. While a considerable time commitment, these meetings are an invaluable opportunity to discuss issues of concern, identify ways the OIG can better assist on matters such as procurement, governance and financial controls, and outline the many ways that municipalities and the OIG interact. As I shared with them, it is better to discuss prevention and education at a scheduled meeting than to have OIG staff members show up as part of an investigation!

In February, I was pleased to launch the final phase of our OIG reorganization, which began last spring, to better equip the OIG to address its broad mandate and deploy its resources in a more strategic way. Notably, I separated the functions of public procurement assistance from compliance by placing them into two separate divisions. Early in my tenure, local officials expressed concern that requesting assistance on the OIG's Chapter 30B Hotline could trigger a compliance review. While this was not the case, it was important for me to address because this perception may have dissuaded some people from asking for help. Now, the OIG Academy and the Chapter 30B Hotline are within the OIG's new Learning & Development Division, and Chapter 30B compliance will be handled by the Public Procurement & General Government Oversight Division.

I am committed to ensuring that the OIG serves as a resource to public employees who need assistance in following the law while also holding those with nefarious intent accountable. I welcome your feedback on how the OIG can better serve as a resource to you and your community or agency.

As always, I am honored to serve as your Inspector General, and to work with the dedicated OIG leadership and professional staff. Thank you for reading the *OIG Bulletin* and working to mitigate and prevent fraud, waste and abuse. Only with your help can we effectively meet this challenge.

Sincerely,

Jeffrey S. Shapiro, Esq., CIG
Inspector General
Commonwealth of Massachusetts

In This Issue

Recent OIG Investigations and Case Updates.....3

One Free Designee Program Update....5

Upcoming ARPA Deadlines and New Resources.....5

OIG’s MassHealth Report Finds Likely Overpayments and Shortcomings in Autism Services.....7

New OIG Advisory: Off-Boarding and Banking Controls Protect Public Funds From Fraud.....8

Chapter 30B and Procurements Related to Advertising.....9

Creating and Managing Passwords....11

Frequently Asked Questions13

Protect Your Community

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



Fill out our **Fraud Reporting Form**



Send us an email at **IGO-FightFraud@mass.gov**

Have a Question about Chapter 30B?



Send us an email at **30BHotline@mass.gov**

Connect with the OIG



Follow **@MassOIG** on X



Join us on **LinkedIn**



Subscribe to our **YouTube** channel

Recent OIG Investigations and Case Updates

Former Homeless Shelter CEO Ordered to Pay More Than \$380,000 in Restitution

On February 8, 2024, a Suffolk County Superior Court judge ordered Manuel Duran, the former executive director of Casa Nueva Vida, a shelter for homeless families, to pay \$382,843 in restitution to the Commonwealth. On September 29, 2022, Duran pleaded guilty to four counts of perjury, three counts of larceny over \$1,200, and two counts of making false entries in corporate books. He was sentenced to one year in the Suffolk County House of Correction, followed by four years of probation.

In determining the restitution amount, the judge credited the testimony of OIG Senior Investigator Jack Meyers, who provided detailed information about Duran's schemes to steal public funds that were designated to provide housing and services to homeless families. Meyers led the investigation following an anonymous tip to the OIG's fraud hotline.

For additional information about Duran's guilty plea and sentencing, see the [December 2022](#) issue of the *OIG Bulletin*. For additional information about the indictment, see the [February 2022](#) issue of the *OIG Bulletin*.

Former UMass Student Facing Criminal Charges for Collecting Deceased Professor's Pension

On January 25, 2024, Jeffrey Nazarian, a former UMass Lowell student, was arraigned on charges alleging that he collected more than \$70,000 from his deceased professor's state pension. He was charged with two counts of forgery and one



Adobe stock image

count each of larceny over \$1,200, perjury and uttering in Essex County Superior Court.

The charges are the result of a joint investigation by the OIG and the Massachusetts Attorney General's Office (AGO). Investigators found that, between January 31, 2019, and June 31, 2020, Nazarian received more than \$70,000 in state pension payments after the death of his former professor and friend, John Hamer.

The indictment alleges that following Hamer's death on January 30, 2019, Nazarian accessed Hamer's personal bank account and used Hamer's pension benefits to pay his own credit card balances. The indictment also alleges that Nazarian forged Hamer's signature on nine checks drawn on that bank account. The indictment further alleges that Nazarian forged Hamer's signature on a State Retirement Board form attesting that Hamer was still alive and eligible to continue receiving pension payments.

Nazarian will return to court for a pretrial conference on March 29, 2024. He is presumed innocent unless or until proven guilty.

Continued on next page

Recent OIG Investigations, continued

OIG Issues Supplemental Report on the MBTA's Contract for Police Dispatch Services



Photograph by Adam Somers, 2024

On December 27, 2023, the OIG released a [supplemental report](#) regarding its statutory review of the 2017 contract between the Massachusetts Bay Transportation Authority (MBTA) and IXP Corporation (IXP) for police dispatch services. The OIG's Internal Special Audit Unit (ISAU) released its [first report](#) regarding the IXP contract on December 23, 2022. At that time, the ISAU determined that it needed additional information from both the MBTA and IXP to properly evaluate the fairness and competitiveness of the MBTA's procurement process. The ISAU prepared the supplemental report based upon additional information it later received.

In 2016, the MBTA posted a Request for Proposals (RFP) for police dispatch services on its website. The deadline for responses was extended three times, and three companies, including IXP, submitted proposals. Ultimately, however, the 2016 procurement did not result in a contract, and the MBTA had to issue a revised RFP in 2017.

The MBTA posted the revised RFP on [COMMBUYS](#), the public procurement website managed by the Commonwealth. The MBTA notified 33 companies, including IXP, of the revised RFP, but it did not notify the two other companies that responded to the 2016 RFP. In addition, the MBTA gave interested parties just 22 days to respond to the revised RFP. Ultimately, IXP was the only company that submitted a proposal in

2017, and the MBTA awarded the police dispatch contract to IXP.

In the supplemental report, the ISAU identified issues with the MBTA's records management practices and possible bias in favor of IXP. The ISAU found that the MBTA did not maintain records related to its evaluation of IXP's 2017 proposal and therefore could not demonstrate that it used a fair evaluation process. Furthermore, the ISAU reviewed communications between the Transit Police and IXP during the evaluation process that raised significant concerns about potential bias in favor of IXP.

In 2015, the Legislature eased requirements for the MBTA to privatize services during a three-year period but mandated that the OIG conduct a review of each privatized contract following the end of the contract period. See [2015 Mass. Acts, c. 46, § 196](#). To date, the OIG has reviewed and published reports on three MBTA privatization contracts ([in-station customer service](#), [police dispatch services](#) and [employee absence management](#)). Four additional MBTA contracts will be subject to OIG review at the end of each contract term.

The OIG's full supplemental report on the MBTA's contract with IXP is available on the OIG's [website](#).



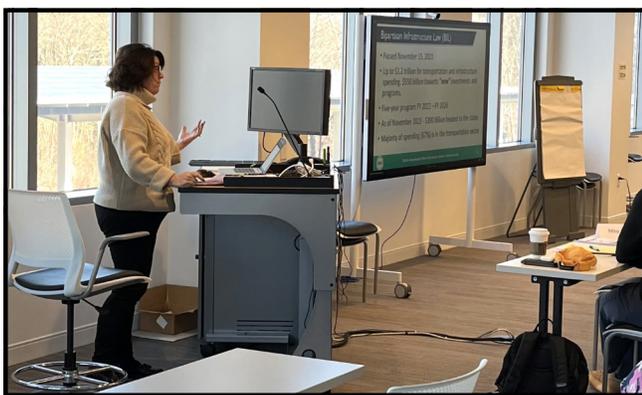
Photograph by Adam Somers, 2023

One Free Designee Program Update

As of March 1, 2024, 137 municipal employees, representing nearly 40% of the 351 cities and towns in Massachusetts, have begun the work necessary to obtain their Massachusetts Public Purchasing Official (MCPPO) designation through the OIG's One Free Designee program. To date, 28 of these municipal employees have earned their MCPPO designations.

The OIG launched the One Free Designee program in 2023 to encourage every community in Massachusetts to have at least one employee with a current MCPPO designation. The program offers free tuition for the OIG Academy classes required for one employee from each municipality to earn an MCPPO designation.

The MCPPO designation is widely recognized as an indicator of the holder's comprehensive understanding of Massachusetts procurement law and best practices. Designation holders must complete three multi-day classes, achieve a passing score on an exam in each class, demonstrate professional procurement experience and pass a background check.



On February 6 and 8, 2024, employees from the OIG's Internal Special Audit Unit (ISAU) provided fraud awareness training to employees of the Highway Division at the Massachusetts Department of Transportation. Pictured at the podium is ISAU Deputy Director Kim Stanley.

Congratulations to everyone who has earned an MCPPO designation through our One Free Designee Program!

Upcoming ARPA Deadlines and New Resources

Spending-Related Deadlines for Certain ARPA Programs Are Approaching!

If your jurisdiction received funds through either the Elementary and Secondary School Emergency Relief III (ESSER III) program or the Coronavirus State and Local Fiscal Recovery Fund (FRF), be aware of upcoming spending deadlines. Local jurisdictions must have spending commitments (or "obligations") in place for ESSER III funds by **September 30, 2024**. See [86 Fed. Reg. 21200 n. 13 \(Apr. 22, 2021\)](#). The deadline is **December 31, 2024**, for FRF funds. [31 C.F.R. § 35.5\(a\)](#). Local jurisdictions must return any funds not committed (or "obligated") by these deadlines. See *id.* at [§ 35.5\(c\)](#).

ESSER III funds are intended to combat classroom learning loss in the aftermath of the pandemic. See [86 Fed. Reg. 21196 \(Apr. 22, 2021\)](#). School districts must appropriate at least 20% of their ESSER III funds toward evidence-based initiatives to aid underrepresented student groups' social, emotional and academic needs. See *id.* at [21197](#). For a complete list of what constitutes the "obligation" of ESSER III funds as required by the September deadline, see [34 C.F.R. § 76.707](#).

Continued on next page

Upcoming ARPA Deadlines, continued

The FRF program is intended to provide flexible assistance to local jurisdictions to respond to the economic and public health impacts of the pandemic, to replenish lost revenue, to provide premium pay to essential employees, to provide emergency disaster relief, and to support certain infrastructure and affordable housing programs. See [31 C.F.R. § 35.6](#).

Under federal regulations, FRF funds are considered “obligated” when a jurisdiction has placed an order for property or services or has entered “into contracts, subawards, and similar transactions that require payment.” See *id.* at [§ 35.3](#). The regulations also consider funds obligated when the recipient expects to use the funds to comply with a federal law or regulation, or with award terms and conditions. *Id.* The U.S. Treasury’s Obligation Interim Final Rule describes allowable expenditures related to the obligation deadline. See [88 Fed. Reg. 80586 \(Nov. 20, 2023\)](#). Award funds that local jurisdictions have transferred to subrecipients are considered obligated, and subrecipients have until December 31, 2026, to spend received funds. See *id.* at [80587](#).

In view of these approaching deadlines, we encourage jurisdictions to plan early to ensure that they comply with all requirements for spending their ESSER III and FRF funds.

Two New Resources for Project Management

The OIG recently released two new publications to assist jurisdictions in managing projects funded by federal resources.

First, the OIG’s [Checklist of Requirements for Contracts Using Federal Grant Funds](#) lists provisions that may be required for transfers of federal funds from a recipient to a third party. Federal law requires that these kinds of agreements include certain statutory or regulatory language, most of which can be found in [2 C.F.R. Part 200, Appendix II](#). There are specific requirements for many types of agreements, including:

- contracts valued at over \$10,000;
- procurements valued at over \$10,000;
- contracts for construction;
- contracts that employ mechanics or laborers; and
- funding agreements involving research work.

The checklist also lists other federal laws, including anti-discrimination laws, that may apply to contracts that use federal grant funds. For the complete list, download the guide from the OIG’s [website](#).

Second, the OIG’s [Short Guide to Project Management Recommendations from the Federal Acquisition Institute](#) provides a framework for identifying and managing risks inherent in a proposed project. It includes guidance for project managers about developing project requirements, creating a budget and execution plan, and managing the procurement process. It also provides templates that project managers can use to organize their preparation for a project, including templates for:

- a scope statement, which identifies the broad goal of the project;
- a project charter, which identifies specific project objectives, assigns authority to a project manager and describes success measurements;
- a team charter, which describes the staff and partners relevant to the project’s administration; and
- a work breakdown structure, which breaks down the project into more manageable parts.

The *Short Guide* is also available for download on the OIG’s [website](#).

If you have questions about your jurisdiction’s compliance with federal award programs, please reach out to the federal awarding authority. You may also reach out to the OIG for general information about these programs.

OIG's MassHealth Report Finds Likely Overpayments and Shortcomings in Autism Services



In March 2024, the OIG issued its annual [MassHealth and Health Safety Net report](#). Focusing on MassHealth's Applied Behavior Analysis (ABA) Program, the report identified up to \$17.3 million in claims that MassHealth likely overpaid to service providers for children diagnosed with autism spectrum disorder (ASD). The OIG's Healthcare Division determined that a lack of strong internal controls resulted in overpayments for improperly supervised ABA services. MassHealth also paid for ABA claims that were indicative of "impossible billing" (over 24 hours of service for a member on a given date) and questionable claims for ABA services purportedly provided on major holidays.

MassHealth's ABA Program provides treatment to MassHealth-eligible children diagnosed with ASD through MassHealth managed care entities (MCEs). MassHealth contractually requires that ABA providers within MCE healthcare networks ensure that licensed applied behavior analysts (LABAs) supervise all paraprofessional staff, including behavioral technicians and interns, at a minimum of one hour for every 10 hours of direct service.

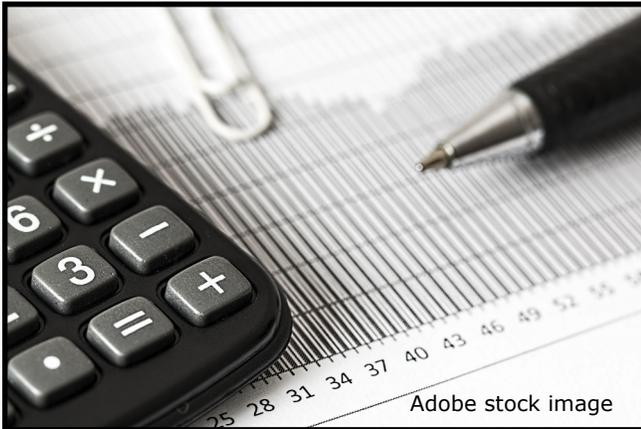
The OIG's review found that, while most MassHealth MCEs met or exceeded the 10-to-1 standard, MassHealth paid \$16,761,445 for services which fell short of the 10-to-1 LABA supervision ratio, with the

highest discrepancies surpassing a ratio of 30-to-1. The OIG further identified 627 claims indicative of "impossible billing" for over 24 hours of ABA services for a member on a given date, for which MassHealth paid \$439,632. Additionally, the OIG identified 561 questionable claims for ABA services purportedly provided to 311 members on major holidays such as Christmas and Independence Day, amounting to MassHealth payments of \$162,535.

In light of the payments MassHealth made for improperly supervised and questionable services, the OIG reviewed MassHealth's oversight and internal controls to identify, prevent and recover improper payments. The OIG found that MassHealth's 2023 contract with MCEs includes provisions that reward MCEs for fraud referrals and recoveries of overpayments, providing financial incentives for MCEs to develop program integrity measures and controls to identify fraud, waste and abuse. However, the OIG identified further opportunities for MassHealth to bolster program integrity for its ABA services, such as conducting audits of MCEs that provide ABA services, something that MassHealth has not done since it began covering ABA services in 2015.

The OIG recommended that MassHealth and its MCEs review any overpayments for ABA services to determine whether MassHealth can recover those funds. It also suggested that MassHealth take action to address the shortage of LABAs in Massachusetts by expanding programs that offer financial relief to individuals pursuing careers in healthcare to include LABAs. Still, the OIG reiterated that, even in the face of staffing shortages, MassHealth must take responsibility to ensure that the ABA claims it pays for are adequately supervised.

New OIG Advisory: Off-Boarding and Banking Controls Protect Public Funds From Fraud



On January 11, 2024, the OIG published a [new advisory](#) about the importance of off-boarding and strong banking controls for mitigating the risk of fraud, misappropriation and abuse of public assets. The advisory, entitled *Off-Boarding and Banking Controls Protect Public Funds From Fraud*, recommends that public entities adopt and implement strong controls to mitigate these risks. Entities that fail to implement adequate controls may be vulnerable to fraud or misuse of public assets.

The OIG's recommendations include the following:

Training Controls

- Public entities should require cybersecurity training upon hire and at least annually thereafter for all employees.

System Access Controls

- Public entities should develop, document and implement controls and procedures to periodically (at least annually) review user access to ensure that only authorized individuals can gain entry to operational systems and that each individual's level of access is appropriate based on their business responsibilities.

- In addition, public entities should terminate every departing employee's access to all paper and electronic systems on their day of departure as part of their off-boarding. Public entities should also communicate to vendors, business partners and others as applicable that an individual is no longer authorized to transact business on the entity's behalf.

Treasury Controls

- Public entities should maintain a written list of the individuals authorized to act and sign on behalf of that entity with respect to its bank and investment accounts. They should revise the list at least annually and immediately upon the departure of any authorized individual.
- Public entities should grant financial system access and banking authorization to the smallest number of individuals possible. Each individual should only have as much access as needed for their specific job responsibilities.
- Authorized individuals should make vendor payments only from operating accounts and should have their own usernames and passwords to access online accounts, including investment portals. Public entities should also require multi-factor authentication for all financial transactions.
- In addition, each entity should set a threshold amount for financial transactions that triggers an additional review and approval from a separate authorized individual prior to being processed.
- One individual should prepare monthly reconciliations for all bank and investment accounts, with review and approval by another to ensure proper segregation of duties. Each public entity

Continued on next page

New OIG Advisory, continued

should ensure that any variances are researched, explained and resolved.

- For audit purposes, public entities should retain evidence of all financial transactions, approvals and reconciliations in accordance with their records retention policy.

Regularly Scheduled Reviews and Control Updates

- Public entities should review and update all controls at least annually, or upon changes in personnel, systems, vendors or risks.

To read the complete advisory, visit the OIG's [website](#).

Chapter 30B and Procurements Related to Advertising

The OIG's Chapter 30B Hotline often receives inquiries about whether advertising is exempt under the Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws (Chapter 30B). Unlike other professional services that are exempt as an industry (for example, contracts for architectural or engineering services), Chapter 30B does not broadly exempt all advertising services. Instead, determining whether a procurement related to advertising is subject to Chapter 30B depends on the specific circumstances of the procurement, as the following categories demonstrate.

1. Hiring a vendor to market municipal services

All procurements for services by a local jurisdiction must follow Chapter 30B requirements unless the services fall under an exception to the statute. See [M.G.L. c. 30B, § 1](#). Advertising services are not included in the statutory list of exceptions.

See *id.* Therefore, if a local jurisdiction seeks to hire an advertising firm to market a governmental service or event (including, for example, school or recreation activities) to residents or other members of the public, the jurisdiction must follow Chapter 30B's procedural requirements. For example, if a town estimates that advertising services to market its summer camp programs would cost \$15,000, the town must seek written quotations from at least three different advertising vendors. See *id.* at [§ 4\(a\)](#). Alternatively, jurisdictions seeking such advertising services can consider whether a statewide or other cooperative contract for those services could meet their needs. Jurisdictions obtaining services through a statewide or other cooperative contract are deemed to have complied with Chapter 30B. See *id.* at §§ [1\(c\)](#), [22](#).

2. Advertising by installing a billboard or similar structure on municipal property

Local jurisdictions must also follow Chapter 30B requirements when conveying to a third party the right to install a billboard or similar structure for advertising purposes on municipal property. All conveyances of real property rights by local jurisdictions must follow the competitive process outlined in Section 16 of Chapter 30B. See *id.* at [§ 16](#). The use of municipal property for the placement of a billboard or similar structure for advertising would likely constitute a lease, which is an interest in real property. Therefore, a local jurisdiction leasing its property for a billboard must determine the value of the lease through customary appraisal procedures. *Id.* at [§ 16\(b\)](#). In addition, if the value of the lease exceeds \$35,000, the jurisdiction must solicit proposals and advertise the solicitation. *Id.* at [§ 16\(c\),\(d\)](#). (See section five below for applicability of Chapter 30B to advertisements of official notices.)

Note that if the installation of the billboard or similar structure requires construction, then the construction bid laws may apply

Continued on next page

Chapter 30B and Procurements Related to Advertising, continued

as well. See [M.G.L. c. 30, § 39M](#); [M.G.L. c. 149](#); [M.G.L. c. 30B, § 5](#). In that case, the jurisdiction should consult the Construction Bid Unit at the Office of the Attorney General for guidance at (617) 963-2371.

3. Advertising by placing a sign on a municipal structure

In contrast to billboard advertisements, Chapter 30B likely does not apply to advertisements on posters, banners or other signs placed on a municipal structure. If a vendor seeks to place an advertisement on a sign on the side of a municipal structure like a building or fence without installing a billboard, a local jurisdiction would likely not need to follow Chapter 30B requirements. Selling advertisement space on the wall of a municipal structure likely conveys a license, not a lease. Licenses are not subject to the requirements of Chapter 30B as they, unlike leases, do not convey an interest in real property. However, the OIG strongly encourages jurisdictions to engage in an open, fair and transparent process when issuing licenses and to consider any revenue implications of these licenses.

Note that [Chapter 149](#) may also apply depending on the alterations being made to the structure. Again, the jurisdiction should consult the Construction Bid Unit at the Office of the Attorney General for guidance at (617) 963-2371.

4. Advertising in a municipal publication

The sale of advertising space in a municipal publication is likely not subject to Chapter 30B. Chapter 30B applies to the acquisition of supplies, services and real property, and the disposition of surplus supplies and real property by certain governmental bodies, including cities and towns. See [M.G.L. c. 30B, § 1](#). In the OIG's opinion, the sale of advertising space in a municipal publication, including on its website, is not the acquisition of a "supply" or "service"

or the disposition of a "supply" as defined in Chapter 30B. See *id.* at [§ 2](#).

As a best practice, the OIG recommends that governmental bodies selling this type of advertising space establish comprehensive guidelines and rates before any sale. The OIG further recommends that all parties sign an agreement detailing the cost, duration, size and placement of the advertisement. In addition, jurisdictions should consult legal counsel about whether they must satisfy any other requirements (such as a vote by the governing body) before entering into any agreement for advertising.

5. Advertising to meet statutory notice requirements

Chapter 30B does not apply to local jurisdiction's advertisements for notices required by the statute. These advertisements are exempt under Chapter 30B as "contract[s] for the advertising of required notices." See *id.* at [§ 1\(b\)\(6\)](#). Therefore, although Chapter 30B requires governmental bodies to advertise notice of their invitations for bids (IFBs), requests for proposals (RFPs) and solicitations for the acquisition or disposition of real property, Chapter 30B does not require a procurement process for those advertisements. See *id.* at [§§ 5\(c\)](#), [6\(c\)](#), [16\(d\)](#).

Governmental bodies should carefully examine contracts related to advertising to ensure they conduct procurements in accordance with Chapter 30B. Even in instances in which Chapter 30B may not apply, governmental bodies can — and should — engage in a competitive process when procuring supplies, services and real property.

If you have any questions about procurements related to advertising under Chapter 30B, please contact the Chapter 30B Hotline by filling out our [online form](#), emailing 30BHotline@mass.gov or calling (617) 722-8838.

Creating and Managing Passwords



Adobe stock image

As criminals engage in more sophisticated cyberattacks, strong passwords and good password habits are critical to preventing unauthorized account access and protecting sensitive data.

Bad actors have many ways to access your data. One common tactic is phishing, in which the hacker sends an email with an attachment that installs malware on your device, or an email that includes links to websites or phone numbers that prompt you to enter personal information. Other common tactics are brute force attacks, where hackers use software to try every possible combination of characters, and dictionary attacks, where bad actors use a list of commonly used passwords until one works. Using these tactics, hackers can typically crack a 7-character password in seconds (a similar 12-character password can take more than 200 years to crack).¹

Unfortunately, many users have password habits that leave them vulnerable to these attacks. According to a 2021 report, 44% of users reuse passwords across personal and work-related accounts.² More than 30% use their child's or significant other's name or birthday in their passwords.³ 57% admit to writing down work-related passwords on sticky notes, and 62% report sharing a work-related password via text message or

email.⁴

Fortunately, there are steps you can take to create strong passwords and improve your password habits.

What makes a strong password?

- It is at least 12 characters long, with 14 or more characters preferable.
- It does not include any personal information (e.g., name, birthday, etc.).
- It includes a mix of characters – upper-case and lower-case letters, numbers and symbols.
- It does not reveal anything about the data it is protecting (e.g., it does not include your employer's name).
- It is unique to the program or website it protects.

How can I create strong passwords?

• Strategy 1: Random Words

- String together unrelated words to create a unique password.



Adobe stock image

¹ WORLD ECONOMIC FORUM, THIS CHART SHOWS HOW LONG IT WOULD TAKE TO HACK YOUR EXACT PASSWORD (Dec. 7, 2021), <https://www.weforum.org/agenda/2021/12/passwords-safety-cybercrime/>.

² KEEPER SECURITY, WORKPLACE PASSWORD MALPRACTICE REPORT 2021 at 3, available at <https://www.keepersecurity.com/resources/workplace-password-habits.html>.

³ *Id.*

⁴ *Id.* at 2.

Continued on next page

Creating and Managing Passwords, continued

- Use at least three words that are each at least six characters long.
- Example: DessertCopperFlight
- **Strategy 2: Pass Phrasing**
 - Select a phrase, then substitute numbers and symbols for letters to create a unique password.
 - Example: "Lara Likes Yucky Burgers" becomes "L4r4L1k3sYuckyBurg3r5."
- **Strategy 3: Use a Password Manager**
 - A password manager is a program that can create, store and manage passwords, as well as alert users when their credentials have been compromised.
 - Password managers typically create strong passwords, which are long and random, with a variety of symbols.
 - As a bonus, users only need to remember one password to log into the password manager program; the program stores all other passwords for you.
 - Stored passwords are encrypted and checked against databases for known breaches.
- Never share work-related passwords. They provide data security and create an audit trail.
- Do not use email or text messages to store or share personal passwords.
- Avoid serialization: pA\$\$wOrd1 and pA\$\$wOrd2 are effectively the same password.
- If you learn that your password has been compromised in a data breach, change it immediately.

Other Ways to Improve Your Password Habits

- Remember that every resource that requires protection needs to have its own unique password.
- Do not recycle personal passwords for work-related systems and vice versa.
- Do not write down passwords. Notes and journals can be lost, misplaced or stolen.
- Change your passwords at least every six months.

OIG at MMA Annual Meeting and Trade Show

On January 19 and 20, 2024, the OIG participated in the Massachusetts Municipal Association's (MMA) Annual Meeting and Trade Show at the Hynes Convention Center in Boston. The Inspector General, members of his leadership team and other employees hosted a table and shared information about the OIG's work with attendees.



Pictured from left to right, behind the desk: Sarah Hoover, OIG Director of Human Resources and Recruitment; Katie Verma, OIG Chief Operating Officer; and Inspector General Jeffrey S. Shapiro.

Frequently Asked Questions

Q: My city wants to purchase software to protect our drinking water system from cybersecurity attacks. We found a vendor whose software has the cybersecurity protection we want. The software costs over \$50,000. Can we conduct a sole source procurement for the software?



Adobe stock image

A: No. Although the OIG commends your city for taking steps to protect your resources from cyberattacks, Chapter 30B does not permit a sole source procurement for cybersecurity software valued at over \$50,000. See [M.G.L. c. 30B, § 7](#).

A sole source procurement is a purchase of supplies or services without advertising or competition. Because advertising or competition is not required, Chapter 30B places strict limits on these procurements. Chapter 30B allows for a sole source procurement only if the estimated cost of the supply or service you seek is less than \$50,000 and your procurement officer determines after a reasonable investigation that there is only one practicable source for the supply or service. *Id.* at [§ 7\(a\)](#). For supplies or services estimated to cost \$50,000 or more, the statute permits sole source procurements only for library books, educational materials, software maintenance and certain regulated utilities, and only after conducting a reasonable investigation

and determining in writing that only one practicable source for the required supply or service exists. *Id.* at [§ 7\(a\),\(c\)](#).

The purchase of new software not already in use is not software maintenance. Therefore, you cannot undertake a sole source procurement for cybersecurity software costing more than \$50,000. Chapter 30B requires you to use an invitation for bids or request for proposals to procure supplies or services costing \$50,000 or more (or \$100,000 or more for municipal or regional school districts). *Id.* at [§§ 5, 6](#). A robust market exists for cybersecurity software, and you may discover that other vendors offer software that meets or exceeds your needs at a more competitive price.

Alternatively, a convenient, time-saving option may be to purchase the software through a statewide contract. Local jurisdictions are deemed to have complied with Chapter 30B when they obtain supplies or services through statewide contracts because the Commonwealth has already competitively procured those supplies and services. See *id.* at [§ 1\(c\)](#). For more information on statewide contracts, check out the [April 2023 OIG Bulletin](#) article, *Statewide Contract Vendors: What Municipalities Need to Know*.

Q: My town is holding a large event, and we need to rent chairs, tables and tents. We estimated the cost of all needed supplies to be \$16,000. We sought written quotations from four vendors who specialize in the supplies we need, and received quotations from three of the vendors. The lowest quotation is several thousand dollars less than the next vendor's quote, but the vendor who submitted the lowest quotation is asking for a 10% deposit before the event occurs. Can my municipality award the contract to this vendor and prepay for the supplies?

Continued on next page

Frequently Asked Questions, continued

A: No. Generally, municipalities cannot prepay for supplies; state law requires that municipalities pay contractors for supplies or services only after the supplies are delivered or the services rendered. See [M.G.L. c. 41, § 56](#). There are limited exceptions when prepayments may be made. For example, payment for school travel prior to the date of travel and payment for school curriculum-related software licenses prior to the fiscal year in which the services will be rendered are allowed. *Id.* The supplies you are seeking do not fall under any of these exceptions.

In procuring the supplies, however, you followed the correct process for the estimated value of this contract. When procuring supplies estimated to cost at least \$10,000 but not more than \$50,000 (or not more than \$100,000 for municipal or regional school districts), Chapter 30B requires that towns seek written quotations from at least three vendors that customarily provide the supplies sought. [M.G.L. c. 30B, § 4\(a\)](#). In addition, Chapter 30B requires that you record the names and addresses of all vendors from whom you sought quotations, the purchase description, the names of vendors who submitted quotations, and the date and amount of each quotation. *Id.* Under Chapter 30B, you must award the contract to the responsible vendor offering the needed supplies at the lowest quotation. *Id.* at [§ 4\(b\)](#).

Because state municipal finance law prohibits your town from prepaying for supplies, you cannot agree to provide a prepayment in awarding the contract to the vendor with the lowest quotation. If the vendor agrees to enter into a contract with you without a deposit, then you can award the contract to the vendor who submitted the lowest quotation. Otherwise, you must award the contract to the vendor offering the next lowest quotation without the prepayment requirement.

For more information about the laws governing prepayment, please review the [City & Town newsletter](#) issued on August 4, 2022, by the Massachusetts

Department of Revenue's Division of Local Services (DLS). Please contact the DLS for any additional questions about prepayment. Contact information for DLS may be found on its [website](#).

Q: My school district is conducting an invitation for bids for a fleet of new school buses. We would like to trade in our used school buses as part of the procurement. Does Chapter 30B allow trade-ins and if so, what steps must we include in our procurement process?



A: Yes. Chapter 30B allows you to trade in surplus supplies when procuring new ones through an invitation for bids (IFB) or request for proposals (RFP) process. See [M.G.L. c. 30B § 15\(e\)](#). Chapter 30B requires that you use an IFB or RFP for contracts you expect to cost more than \$100,000. *Id.* at §§ [5\(a\)](#), [6\(a\)](#). (This price threshold applies to municipal and regional school districts only. For all other local jurisdictions, Chapter 30B requires an IFB or RFP for supplies or services valued at more than \$50,000. *Id.*) If you decide to include the trade-in of surplus supplies as part of the IFB or RFP process, you must list the trade-in supplies in the solicitation.

You should also include in the solicitation a pricing sheet for interested bidders to indicate the amount they are offering for the used buses, how much the new buses will cost per unit and the total price. That way, you will be able to clearly compare the submitted bids and choose the responsible and responsive vendor offering you the best price.

Continued on next page

Frequently Asked Questions, continued

Note that you may receive a better price for the old buses from a purchaser other than the vendors who respond to your solicitation for a new bus fleet. Therefore, it could be more cost effective for your district to dispose of the used buses through a separate process. In that situation, Chapter 30B requires that you dispose of surplus supplies through competitive sealed bids, public auction or established markets if the buses are valued at \$10,000 or more. *Id.* at [§ 15\(b\)](#). Notice of the sale by bid or auction must include a description of the supply being offered for sale, the location and method for inspection of the supply, the terms and conditions of the sale, and notice that your district retains the right to reject all bids. *Id.* at [§ 15\(c\)](#). For supplies costing less than \$10,000, you must dispose of them using written procedures approved by your jurisdiction. *Id.* at [§ 15\(f\)](#). If you do not have a local policy for disposing of supplies valued at less than \$10,000, you must establish such a policy prior to the disposal. Otherwise, you must follow the same process for disposing of supplies valued at \$10,000 or more outlined above.

Regardless of the process you use to dispose of the used buses, you should determine their potential value by conducting market research (such as reviewing price guides) in advance. This will enable you to know if vendors offer a fair price. Also, your solicitation should clearly describe the buses that you want to dispose of, including their condition, mileage and other factors.

Q: Our town's cemetery department pays for its operating expenses, other than payroll, from a trust fund that includes funds from the purchase of plots and grave markers, a town appropriation and bequests. Do we need to follow Chapter 30B to purchase items we pay for using these trust funds?



A: Generally, no. Chapter 30B applies to every contract for a town's procurement of supplies, unless an exception applies. [M.G.L. c. 30B, § 1\(a\)](#). Contracts funded by proceeds derived from a gift to a governmental body or a trust established for the benefit of a governmental body are generally exempt from the requirements of Chapter 30B. *Id.* at [§ 1\(b\)\(20\)](#). However, there are some important requirements that must be met for the exception to apply. First, the trust must meet the Massachusetts Department of Revenue's rules for the establishment and maintenance of trusts. Second, any purchases using trust funds must be for the named beneficiary of the trust. Third, your town may not place funds into the trust for the purpose of evading Chapter 30B.

Regardless of any exemption, we encourage jurisdictions to use a competitive process for all purchases. Doing so will help your jurisdiction obtain the supplies and services you need at a competitive and fair price and may help prevent fraud, waste and abuse.

Contact and Subscription Information



Contact the Massachusetts Office of the Inspector General

One Ashburton Place, Room 1311
Boston, MA 02108

Phone

Main Office (617) 727-9140

Fraud, Waste and Abuse Hotline
(800) 322-1323

MassDOT Fraud Hotline
(855) 963-2580

Chapter 30B Assistance Hotline
(617) 722-8838

OIG Academy (617) 722-8884

Media Inquiries (617) 722-8894

Email

Fraud, Waste and Abuse Hotline
IGO-FightFraud@mass.gov

MassDOT Fraud Hotline
MassDOTFraudHotline@mass.gov

Chapter 30B Assistance Hotline
30BHotline@mass.gov

Training/OIG Academy Inquiries
MA-IGO-Training@mass.gov

Employment Inquiries
IGO-Employment@mass.gov

Attorney General's Office

For questions related to public construction, public works or designer selection, please contact the AGO at (617) 963-2371.



Class Information

To view the current class schedule or to register for a class electronically, use the links below. If you have any questions, please contact us at (617) 722-8884.

- [Class schedule](#)
- [Class registration](#)

Subscribe to the *OIG Bulletin*

The Office of the Inspector General publishes the *OIG Bulletin* on a periodic basis. There is no charge to subscribe.

To receive the *OIG Bulletin* electronically, use our [online form](#). Alternatively, send an email containing your first and last name to MA-IGO-Training@mass.gov, subject line: *OIG Bulletin* subscription.

Report suspected fraud, waste or abuse to the

OIG Fraud Hotline



1-800-322-1323

IGO-FightFraud@mass.gov