

One **BAD** apple
can spoil the bunch.



PERAC's Guide to Understanding & Preventing
PENSION FRAUD



ABOUT THE PERAC FRAUD PREVENTION UNIT

The **Public Employee Retirement Administration Commission (PERAC)** was created for and is dedicated to the oversight, guidance, monitoring, and regulation of the Massachusetts public pension systems. The Commission's efforts are focused on the identification and prevention of public pension fraud. Fraud can be defined as "deception deliberately practiced in order to secure unfair or unlawful gain."

Chapter 427 of the Acts of 1996 established the creation of a **Fraud Prevention Unit** within the Public Employee Retirement Administration Commission (PERAC). The Unit has the powers and duties necessary for the prevention and investigation of fraudulent disability pension claims and payments. The Unit is responsible for data collection relating to all disability retirees, including earnings statements, Registry information, criminal offender record information, DOR wage match data, retirement board records and other relevant information.

For additional copies of the 2017 Fraud Awareness Poster (right) or Referral Report of Potential Fraud form (below), please contact the **PERAC Fraud Prevention Unit** at **1-800-445-3266**.

REFERRAL REPORT OF POTENTIAL FRAUD

Subject of Referral

NAME (LAST, FIRST, MIDDLE INITIAL) _____ S.S.# (IF AVAILABLE) _____
STREET ADDRESS _____ PHONE # (IF AVAILABLE) _____
CITY/TOWN _____ STATE _____ ZIP _____ RETIREMENT BOARD OF RETIREE _____

Allegation
Please give a brief description of the allegation.

Optional
If we need more information, may we contact you?
NAME (LAST, FIRST, MIDDLE INITIAL) _____ PHONE # _____
CITY/TOWN _____ STATE _____ ZIP _____
STREET ADDRESS _____

If you prefer to make a report by telephone, please call the **PERAC Pension Fraud Hotline** at **1-800-445-3266**.

For PERAC Use Only

RECEIVED BY _____ DATE _____

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
Five Middlesex Avenue, Third Floor, Somerville, MA 02145
ph 617 666 4446 | fax 617 628 4414 | ttr 617 581 8917 | web www.mass.gov/perac
Pension Fraud Hotline: 800-445-3266 | Email: pensionfraud@per.state.ma.us

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Help us pick out
the **BAD** apples!



If you suspect someone has committed Pension Fraud, contact the
PERAC Fraud Prevention Unit:
1.800.445.3266
pensionfraud@per.state.ma.us



COMMONWEALTH OF MASSACHUSETTS
PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

REFERRAL REPORT OF POTENTIAL FRAUD

If you have reason to believe that public pension fraud may have occurred or is about to occur, please promptly notify **PERAC's Fraud Prevention Unit**. The Unit will review each report and undertake further investigation as it deems necessary and proper to determine the validity of the transaction.

Depending on the outcome of any investigation, the Commission may refer matters to the Attorney General, the appropriate District Attorney or the United States Attorney.

You may reach the Fraud Prevention Unit via phone, email or mail (by filling out and mailing in a **Referral Report of Potential Fraud** form). Copies of the Referral Report form may be obtained from PERAC, the PERAC Web site (www.mass.gov/perac) or any public employee retirement board in the Commonwealth.

PREVENTING PENSION FRAUD

PUBLIC PENSION FRAUD FALLS LARGELY INTO FOUR CATEGORIES:

1| Submission of Falsified Records

Anyone who knowingly submits falsified records to a public employee retirement board or PERAC for the purpose of gaining benefits will be investigated for fraud. Such records may include, but are not limited to, falsified birth certificates, marriage certificates, adoption records, divorce decrees, medical records, and accident reports.

2| Submission of Falsified Affidavits

Each year, every public pension retiree and the surviving beneficiaries of such deceased retirees, receive affidavits from their retirement board. The purpose of this affidavit is to verify that the retiree/beneficiary is living and to update other key information such as his/her current address. Confirmation of a beneficiary's dependency status is also sought where it is relevant for continued receipt of benefits. Any retiree/beneficiary who knowingly makes false responses on this affidavit will be investigated for fraud. Anyone who signs an affidavit who is other than the retiree, his/her beneficiary, or an individual with a valid power of attorney will be investigated for fraud.

3| Disability Retirees Working in Excess of the Limitations

G.L. c. 32, § 91A provides that if the amount of a disability retiree's annual retirement allowance, when added to his/her total post retirement earnings, is in excess of the regular compensation the retiree would have received if he/she continued in service at the grade held at retirement plus \$15,000, his/her retirement allowance may be reduced or suspended. Each disability retiree is required to file an Annual Statement of Earned Income with PERAC on or before April 15th of each year, certifying the amount, if any, of his/her earnings from earned income during the preceding year. Disability Retirees who do not report or under-report earned income will be investigated for fraud.



4| Retirees Working in Excess of the Limitations in the MA Public Sector

PERAC Fraud Prevention Unit:



1.800.445.3266



pensionfraud@per.state.ma.us



**5 Middlesex Avenue,
Suite 304,
Somerville, MA 02145**

Pursuant to G.L. c. 32, § 91(b) a retiree can be employed in the service of the commonwealth, county, city, town, district or authority for not more than nine hundred and sixty hours in the aggregate, in any calendar year; provided that the earnings therefrom, when added to any pension or retirement allowance he/she is receiving, do not exceed the salary that is being paid for the position from which he/she was retired. Effective 4/2/2012, a retiree may earn an additional \$15,000 per year if retired for at least one calendar year. Retirees are required to report their status as public retirees to prospective public employees.



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