

HOUSE No. 2786

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to fair dealing in business..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 14 of the General Laws, as appearing in the 2006 Official Edition,
2 is hereby amended by inserting after section 9 the following new sections:--

3 Section 10. There shall be in the department of revenue a bureau of special
4 investigations, headed by a director, who shall be appointed by the commissioner of revenue, and
5 who shall be a person of ability and experience and shall devote his entire time to the duties of
6 the office. Said commissioner may appoint such other experts and officers as he deems necessary
7 to carry out the work of the bureau. Appointments to the positions of director, legal counsel and
8 confidential administrative secretary shall not be subject to chapter 31 or section 9A of chapter
9 30. The director may expend for legal, investigative, clerical, and other assistance and expenses
10 such sums as may be appropriated therefore.

11 Section 11. The director shall initiate investigations and investigate complaints which
12 indicate the possibility of fraud being committed by businesses subject to the provisions of
13 chapter 63. The director, in conformity with the rules and regulations of the commissioner, shall:

14 (1) initiate investigations in order to discover illegal acts being committed by businesses
15 subject to the provisions of chapter 63. Said illegal acts shall include, but not be limited to, the
16 hiring of aliens as promulgated under section 19C of chapter 149; evasion of remitting taxes as
17 promulgated under chapter 63; and, any attempt by businesses to commit fraud;

18 (2) establish a toll-free telephone hotline to facilitate anyone with knowledge of a
19 business in direct violation of the provisions of this act to report such violations to the bureau;

20 (3) examine, upon written request to the commissioner of revenue, the tax reports, papers
21 or other documents on file with said commissioner, relative to the investigation of a business in
22 direct violation of the provisions of this act. Nothing herein shall be construed to authorize the
23 examination or disclosure, directly or indirectly, of any information, returns, or records received
24 from the Internal Revenue Service;

25 (4) examine any information contained on the warrant management system established by
26 section 23A of chapter 276;

27 (5) report to the attorney general or a district attorney, for such action as they may deem
28 proper, any case in which, after investigation, there is probable cause to believe a violation of
29 this act has been made;

30 (6) examine the records and accounts of any bank, as defined in section 1 of chapter 167,
31 national bank, federal savings and loan association, benefit association, insurance company, safe
32 deposit company or loan company authorized to do business in the commonwealth relative to
33 businesses who are the subject matter of an investigation insofar as the records and accounts
34 pertain to deposits, withdrawals, loans, insurance transactions, claims settlements and payments;

35 (7) a written request of the director, or of an authorized representative of the director, for
36 examination of information, records or accounts as provided in clause (6) shall be complied with
37 within a reasonable period of time.