OFFICE OF THE INSPECTOR GENERAL
MASSACHUSETTS

2023 Annual Report

April 30, 2024

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

OFFICE OF THE INSPECTOR GENERAL
MASSACHUSETTS

JEFFREY S. SHAPIRO
Inspector General

April 30, 2024

Via Electronic Mail

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Re: Office of the Inspector General's 2023 Annual Report

Dear Governor Healey and Commonwealth Leaders:

As the Commonwealth's Inspector General, it is my distinct honor to present the Office of the Inspector General's (OIG) 2023 Annual Report.

The enclosed report, prepared pursuant to the statutory requirement of Section 12 of Chapter 12A of the Massachusetts General Laws, is a comprehensive summary of the work completed in 2023 by the nearly 90 professional staff members of the OIG. This group of dedicated public servants is committed to the mission of the OIG and the ideals that the Ward Commission envisioned when it recommended, several decades ago, that the Massachusetts Legislature create an oversight entity. While the OIG has continued to grow and evolve since its establishment in 1981, the insightful and meaningful work completed in the past year is a testament to our laser-like focus on making government work better at the state and municipal levels.

This report, which covers my first full year as Inspector General, reviews our progress in realizing my vision of a more proactive OIG that offers an enhanced focus on education, training and intervention and ensures that our compliance and investigative work considers all available outcomes. While this report provides an overview of our 2023 accomplishments and describes how we worked to satisfy our statutory obligations, it also reflects the initial results of an internal restructuring that will allow us to expand our capabilities and knowledge to better support our mission.

A Focus on Education and Training, Not Limited to Procurement

During my statewide listening tour with local officials, state agency leaders and other stakeholders, I regularly heard from individuals who thought that our training programs were limited to procurement issues. That misunderstanding likely arose from the similarity of the training program's name to the OIG's procurement certification, the MCPPO Designation. We therefore rebranded our training curriculum as the "OIG Academy" to highlight its expansive offerings beyond those related to municipal procurements. The new name better describes the breadth of our training topics and gives the OIG an opportunity to engage with a broader section of professionals who would benefit from our courses. Expanding and marketing our prevention and education offerings to promote principles of good government among public employees is one critical way the OIG is taking a more proactive approach.

In 2023, over 2,000 individuals signed up for OIG Academy classes that covered not only public procurement issues, but an array of topics such as contract management, fraud prevention, best practices for expending federal ARPA funds, the responsibilities of those serving on public boards and commissions, and managing a new school building project. I believe this broad training approach addresses some of the root causes of waste, fraud and abuse more effectively than investigations and compliance work can do alone.

Through our FY24 "One Free Designee" pilot program, the OIG is covering the cost for each municipality to have one employee take the courses required to earn the MCPPO Designation. During the first 10 months of this pilot, 156 communities signed up to participate. Significantly, 24 communities that never previously participated in this training over the last 26 years have taken advantage of this opportunity.

Investigations and Compliance; Deterrence, Always Part of the Plan

Notwithstanding the OIG's educational focus, the fact remains that investigations, audits and compliance work is critical to our mission. We continue to work successfully with our state and federal law enforcement colleagues to obtain restitution from individuals who have stolen public assets. In 2023, five cases resolved with guilty pleas and orders of restitution. Four of our investigations resulted in grand juries indicting six people on embezzlement or fraud charges for stealing public funds. Those cases are ongoing. All told, the OIG's work led to the recovery of more than $1.7 million on behalf of the Commonwealth, including $568,000 from a MassDOT corporate tenant delinquent in its lease payments. Of course, an accounting of funds recovered is not a full assessment or means to value our efforts.

A Consolidated OIG Annual Report; Other OIG Reports

An early legislative priority for me was to consolidate the various statutorily mandated OIG annual reports into one comprehensive report. Though I am not the first Inspector General to have that vision, I am honored that I was able to work with the legislative leadership to make this consolidation part of the

laws enacted last year. Thus, the previously separate annual reports of two of our statutory units – the Division of State Police Oversight and the Internal Special Audit Unit – are now consolidated into the enclosed report. Combining our reports makes for a more efficient process and allows our team to devote more time to mission-focused work.

In the past year, the OIG investigated, drafted and released seven reports, including reports related to a statutory review of an MBTA privatized contract for in-station customer service, a town housing authority's improper procurement of an independent contractor, and a town official's mishandling of cash revenues. In addition to its investigative reports, the OIG issued 13 public letters and 10 private letters and published four issues of the *OIG Bulletin* for interested stakeholders. The OIG also introduced the *OIG Advisory*, which will promote best practices by synthesizing and sharing lessons learned from investigations with other public entities.

Internal Restructuring

Internally, the OIG focused on developing an optimal operational structure for the OIG as it grew from a smaller to larger midsized agency. The restructuring included the creation of three key positions: a chief operating officer, a director of human resources and recruitment, and a chief communications officer. This restructuring has provided the support needed for all employees and frees mission-side staff from operational and administrative tasks. Further, it will ultimately support my plan to expand our use of technology both internally and as an investigative tool.

While I am honored to serve as Inspector General and to have the opportunity to set the strategic path for the agency, I am humbled to serve with a dedicated team of professionals committed to the finest ideals of public service. The work described in this report is the product of that team, with whom I am privileged to work.

Sincerely,

Jeffrey S. Shapiro, Esq., CIG
Inspector General

cc (by email):

Michael D. Hurley, Senate Clerk
Steven T. James, House Clerk
Stacy DeBole, State Librarian, State Library of Massachusetts
Susanne M. O'Neil, Deputy Inspector General and General Counsel, OIG
Nataliya Urciuoli, Executive Assistant to the Inspector General, OIG

Inspector General Council

Susan Terrey, Chair (elected) – By designation of Secretary of Public Safety and Security

Michael Leung-Tat, Vice Chair (elected) – By designation of State Auditor

Amy Crafts – By designation of Attorney General

Comptroller William McNamara – By statute

Michael Caira – By Governor's appointment

Rachel Ciocci – By State Auditor's appointment

James Morris – By Attorney General's appointment

Christopher Walsh – By Governor's appointment

Office of the Inspector General's Leadership

Jeffrey S. Shapiro, Inspector General

Susanne M. O'Neil, Deputy Inspector General and General Counsel

Katie Verma, Chief Operating Officer

Marcelle Payen, Chief Fiscal Officer

Sarah Hoover, Director of Human Resources and Recruitment

George Xenakis, Director of Audit, Oversight and Investigations Division

Julie Lavin Flaherty, Director of Bureau of Program Integrity

Alyssa Tasha, Director of Data Analytics Division

David B. Andrews, Director of Division of State Police Oversight

Gregory H. Matthews, Director of Healthcare Division

Emily Pedersen, Director of Internal Special Audit Unit

Joshua L. Giles, Director of Policy and Government Division

Neil Cohen, Director of Regulatory and Compliance Division

(Vacant), Veterans' Services Oversight Division

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SECTION I

ABOUT THE OIG

The Office of the Inspector General for the Commonwealth of Massachusetts (OIG) is an independent state agency charged with preventing and detecting fraud, waste and abuse in the use of public funds and assets. The OIG investigates allegations of fraud and waste at all levels of government, assists the public in preventing the misuse of public funds, and reviews programs and practices in state agencies and municipalities to identify systemic vulnerabilities and opportunities for improvement. The OIG strives to enhance public confidence in government, ensure accountability and promote the best interests of the people of the Commonwealth in the use of public funds and property.

The Legislature established the OIG in 1980 as the first state-level inspector general's office in the country.[1] Today, the OIG oversees more than $120 billion in spending and the work of over 300,000 public employees across all state and local public entities throughout the Commonwealth. The OIG's mission includes providing guidance to public employees and the public at large on issues arising under the Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws. In that capacity, the OIG serves as an educational resource advising on the statutory protocols required for a public entity's procurement of supplies, services, equipment and real property. The OIG also offers the Massachusetts Certified Public Purchasing Official (MCPPO) Designation through its OIG Academy training program.

The OIG operates on an annual budget of approximately $10.3 million and employs a staff of around 90 experienced specialists, including investigators, analysts, attorneys, certified public accountants and certified fraud examiners. The OIG is headed by an executive team comprised of the Inspector General, Deputy Inspector General, General Counsel, Chief Operating Officer, Chief Fiscal Officer, Director of Human Resources and Recruitment, and division directors. The OIG's divisions, described below, include three units with specific statutory mandates to examine the quality, efficiency and integrity of the state agencies the Legislature has charged them with overseeing.[2]

The **Audit, Oversight and Investigations Division** (AOI Division) investigates allegations of criminal and civil misconduct in the use of public funds and assets. As part of the OIG's commitment to good government, the AOI Division works with agencies and municipalities to identify needed improvements to operational and financial controls. At any given time, the division may be investigating allegations of public corruption, bribery, theft, extortion, time fraud, false claims, mismanagement, favoritism and other alleged wrongdoing. The division's investigations and reviews lead to many different outcomes, such as civil actions to bring money back to the Commonwealth, changes to policies and procedures, and referrals of potential criminal conduct to prosecutorial agencies.

The **Bureau of Program Integrity** (BPI) oversees the agencies and programs administered by the Executive Office of Health and Human Services (EHS), the Commonwealth's largest secretariat made up of 11 agencies and the Office of Medicaid. In this capacity, BPI is responsible for preventing, detecting and correcting fraud, waste and abuse within EHS programs and agencies; monitoring the quality, efficiency and integrity of EHS programs; reviewing eligibility intake procedures; assisting EHS agencies with developing new intake procedures and regulations; and coordinating data sharing with other state agencies. BPI was created by Section 16V of Chapter 6A of the Massachusetts General Laws.

The **Division of State Police Oversight** (DSPO) monitors the quality, efficiency and integrity of the Massachusetts State Police's (MSP) operations, organizational structure and management functions. Created by the Legislature, DSPO is specifically charged with preventing, detecting and correcting fraud, waste and abuse in the expenditure of public funds by the MSP, and 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 **Healthcare Division** (HCD) was established by Inspector General Shapiro in 2023 to oversee the OIG's healthcare initiatives. The HCD is responsible for carrying out the Legislature's annual mandate for the OIG to study and review the Massachusetts Medicaid (MassHealth) and Health Safety Net programs. The HCD also reviews and reports on a variety of issues related to healthcare policy, delivery and access, including matters related to practices in hospitals, free care services, service delivery and potential or actual instances of fraud, waste or abuse.

The **Internal Special Audit Unit** (ISAU) monitors the quality, efficiency and integrity of the Massachusetts Department of Transportation's (MassDOT) and the Massachusetts Bay Transportation Authority's (MBTA) operating and capital programs. As part of its statutory mandate, the ISAU seeks to prevent, detect and correct fraud, waste and abuse in the expenditure of public and private transportation funds. The ISAU is also responsible for examining and evaluating the adequacy and effectiveness of MassDOT and MBTA operations, including their governance, risk management practices and internal processes. The ISAU was created by Section 9 of Chapter 6C of the Massachusetts General Laws.

The **Legal Division** serves as in-house counsel for the Inspector General and the OIG, providing legal support across the office related to human resources, procurements, compliance, litigation and investigations. The Legal Division provides guidance to the office on employment, ethics and procurement matters. The division also develops and updates office policies and procedures and coordinates internal controls within the OIG. The Legal Division is responsible for representing the OIG in court, as necessary. The division assists other divisions with investigations and reviews, including serving as counsel for formal interviews, reviewing document requests, and providing legal research and analysis.

The **Operations Bureau** performs essential administrative tasks for the OIG, managing fiscal and budgetary functions, procurement and contract administration, human resources, information technology and cybersecurity. The Operations Bureau encompasses the **Data Analytics Division**, which was established in 2022 with a staff that specializes in data collection and analysis. The Data Analytics Division provides support and training for other OIG divisions as well as for external clients, using exploratory data analysis, statistical analysis, machine learning and visual analytics.

The **Policy and Government Division** (P&G Division) oversees the OIG's policy and legislative initiatives. The P&G Division reviews programs and practices in state and local agencies to identify systemwide vulnerabilities and opportunities for improvement. In addition, the P&G Division helps to develop policies and procedures related to the Commonwealth's public design and construction laws, and reviews public real property transactions to ensure that the public's interests are protected. During each legislative session, the P&G Division reviews and comments on numerous pieces of proposed legislation. Residing within the P&G Division is the **Pandemic Funding Oversight Unit** (PFO), which is dedicated to overseeing state and local expenditures of federal relief funds distributed in the wake of the COVID-19 pandemic.

The **Regulatory and Compliance Division** (R&C Division) administers training and certification programs through the **OIG Academy** and issues **Massachusetts Certified Public Purchasing Official** (MCPPO) Designations, designed to educate public and private employees on Massachusetts procurement laws and best practices. The division also operates a technical assistance hotline to provide guidance to municipal procurement officials on compliance with the Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws. In addition, the R&C Division prepares and publishes the *OIG Bulletin*, a quarterly publication which updates the public on OIG activities and provides procurement advice and related guidance to public employees and officials.

The **Veterans' Services Oversight Division** (VSOD) was established in 2023 by Inspector General Shapiro to oversee the services that the Commonwealth and its municipalities provide to veterans. It monitors the Commonwealth's veterans' homes and the management and leadership practices of the Department of Veterans' Services, which the Legislature elevated to a cabinet-level Secretariat through Chapter 144 of the Acts of 2022. The VSOD is responsible for ensuring the quality and accessibility of public resources designated for Massachusetts veterans.

Inspector General Council

The **Inspector General Council** (IGC), established by Section 3 of Chapter 12A of the Massachusetts General Laws, is composed of the Attorney General, State Auditor, State Comptroller, and Secretary of Public Safety and Security or their designees, as well as two members appointed by the Governor, one member appointed by the Attorney General, and one member appointed by the State Auditor.

The Inspector General meets with the council at least quarterly. Agendas are posted on the OIG's website and sent to the Secretary of the Commonwealth at least 48 hours prior to the meeting, consistent with the Commonwealth's open meeting law. In 2023, the IGC held five public meetings on February 2, May 18, August 10, October 12 and November 16.

The Inspector General may consult with council members or request their assistance on OIG matters. Among other functions, the council approves summonses for witness testimony and sets the Inspector General's salary.

Currently serving on the Inspector General Council are:

Susan Terrey, Chair (elected) – By designation of Secretary of Public Safety and Security

Michael Leung-Tat, Vice Chair (elected) – By designation of State Auditor

Amy Crafts – By designation of Attorney General

Comptroller William McNamara – By statute

Michael Caira – By Governor's appointment

Rachel Ciocci – By State Auditor's appointment

James Morris – By Attorney General's appointment

Christopher Walsh – By Governor's appointment

OIG Budget

The OIG receives an annual legislative appropriation as part of the Commonwealth's annual budget process. In addition to appropriated funds, the OIG is funded by (1) legislative trust fund accounts; (2) retained revenue; and (3) direct costs recovered from civil recovery investigations.

Appropriated Funds

The OIG's total funding for Fiscal Year (FY) 2024[3] is **$8,000,728**.

FY23 and FY24 OIG Appropriations			
	FY23	FY24	% increase
Agency operations and oversight not otherwise statutorily funded	$3,827,383	$5,475,461	43.06%
Data Analytics Division	$500,000	$500,000	0.00%
Human Services oversight	$743,085	$743,085	0.00%
Transportation oversight	$577,604	$844,932	46.28%
State Police oversight	$437,250	$437,250	0.00%
Total	$6,085,322	$8,000,728	31.48%

Total Potential Funds Across All Funding Sources

Additional funding sources make up the balance of the OIG's total FY24 budget picture, including allowable retained revenues from MCPPO tuition monies.

Total FY24 Funding Sources	
Trust funds for healthcare study	Up to $1,000,000
IG Trust Fund (costs recovered from civil recovery investigations)	Up to $200,000
MCPPO retained revenues (OIG retains up to a capped amount of OIG Academy fees and tuition to support its educational mission)	Up to $1,175,000
Appropriations (see above)	$8,000,728
Total Potential Funding	$10,375,728

Talk to Us

Public input is central to the OIG's mission of promoting good government. The public and government employees can reach the OIG in person, as well as by telephone, email, traditional mail and online forms available on the OIG's website.

For fraud reports or complaints related to state and local government spending, anyone can reach the OIG through its "**Fraud Hotline**" phone, email or online form. For transportation-related fraud, MBTA and MassDOT employees, as well as members of the public, can reach the OIG through the "**MassDOT Fraud Hotline – ISAU**" phone, email or online form.

While most people choose to reach the OIG by telephone, email and online form, the OIG has an open-door policy. Members of the public can visit our offices at **Room 1311, Floor 13, One Ashburton Place, Boston, MA 02108** or send us a letter through the mail.

In 2023, the OIG received over **1,800** reports and complaints to the **Fraud Hotline** and over **330** to the **MassDOT Fraud Hotline**.

Many of the OIG's investigations stem from the public's reports of suspected fraud, waste or abuse.[4] The OIG carefully evaluates each of the reports and complaints it receives. As a public agency, the OIG values directing people to the right federal, state or local agency when the OIG cannot provide the person with the requested help. In 2023, the OIG directed people to many different agencies across the Commonwealth, including the Registry of Motor Vehicles, Department of Revenue, AGO Medicaid Fraud Division, State Ethics Commission and local police departments.

The OIG also fields questions related to the Commonwealth's Uniform Procurement Act, Chapter 30B of the Massachusetts General Laws, through its "**Chapter 30B Technical Assistance Line**." Chapter 30B is the law that governs the procurement of supplies, services and real property by cities, towns and other local jurisdictions in Massachusetts. It contains procedures to ensure open and fair competition for contracts paid for with public money.

Public employees and individuals can reach the OIG with Chapter 30B procurement-related questions by telephone or email. The Chapter 30B team will respond with technical assistance.

In 2023, the OIG received over **1,200** questions through the **Chapter 30B Technical Assistance Line**.

In addition to the technical assistance line, the OIG maintains publicly available resources on Chapter 30B on its website. Visit **OIG Public Procurement and Chapter 30B Programs | Mass.gov** to explore the OIG's Chapter 30B Manual, past and present issues of the *OIG Bulletin*, Procurement FAQs and other resources to support good government procurement practices.

OIG'S FRAUD HOTLINE

Report fraud, waste or abuse of government funds or property.

Tel: (800) 322-1323

Email: IGO-FightFraud@mass.gov

OIG'S MASSDOT FRAUD HOTLINE – ISAU

Report fraud, waste or abuse of public transportation funds.

Tel: (855) 963-2580

Email: MassDOTFraudHotline@mass.gov

30B TECHNICAL ASSISTANCE

Tel: (617) 722-8838

Email: 30BHotline@mass.gov

Have a question about the Uniform Procurement Act, also known as Chapter 30B? Contact our team via the hotline, email or consult our manual.

SECTION II

DIVISIONS

Audit, Oversight and Investigations Division

The broad oversight authority of the Audit, Oversight and Investigations Division (AOI Division) to investigate the misuse of public funds and assets spans all sectors of state and local government. The AOI Division has many different tools available for resolving a matter, with outcomes that may include referrals for criminal prosecutions; letters recommending changes to policies, procedures or internal controls; letters suggesting legislative changes; and civil recoveries that recoup money for the Commonwealth.

In 2023, several prosecutions that began as investigations by the AOI Division moved forward, including cases involving alleged tax evasion, pension fraud, kickbacks, falsification of bank statements and fraudulent claims for pandemic relief funds. The division also issued reports and letters on a variety of matters it handled, including those related to a Boston Public Schools transportation contract with a bus vendor, a town's processes for disposing of surplus supplies, and overpayments for educational incentives made by a municipal police department. This section highlights a representative sample of cases from this past year.

Misuse of Pandemic Relief Funds

Beginning in March 2020, COVID-19 relief programs delivered more than $5 trillion to the U.S. economy to help moderate the economic impact of the pandemic. These federal and state programs – designed to help individuals, businesses and governments – were implemented quickly, and often with minimal controls, leaving pandemic funding vulnerable to fraud, waste and abuse. Considering these risks, the AOI Division began reviewing pandemic-related government-funded programs in the fall of 2020, including the Paycheck Protection Program, the Economic Injury Disaster Loan program, the Federal Pandemic Unemployment Compensation program and the Emergency Rental Assistance Program (ERAP). The division's efforts have led to multiple criminal and civil cases against individuals who allegedly misused pandemic funds for their own benefit.

In March 2023, following a joint federal-state investigation, a federal grand jury returned a superseding indictment against **Monica Cannon-Grant** and **Clark Grant**, two founders of the nonprofit Violence in Boston (VIB). Cannon-Grant and Grant allegedly filed fraudulent claims to obtain Pandemic Unemployment Assistance (PUA) funds and illegally diverted donations to VIB, using those funds to pay for personal expenses such as car repairs and groceries. Clark Grant passed away on March 29, 2023. Monica Cannon-Grant faces 27 charges, including counts of wire fraud, mail fraud and mortgage fraud. The AOI Division worked with several federal departments to secure the indictment. The U.S. Attorney's Office for the District of Massachusetts is prosecuting the case, and the matter is currently scheduled for trial in U.S. District Court on December 2, 2024. The charges are allegations, and Cannon-Grant is presumed innocent unless and until proven guilty in court.

Following a separate AOI investigation of PUA fraud, three individuals were arraigned in Suffolk Superior Court for allegedly collecting $97,000 through fraudulent unemployment claims. In October 2023, **Aaron Fernandes** and **Katherine Quigley** were arraigned on charges of unemployment fraud, larceny over $1,200, identity fraud and conspiracy to commit larceny. **Rebecca Holmes** was arraigned on one charge of conspiracy to commit larceny.

As of early 2024, no trial date had been set. The Attorney General's Insurance and Unemployment Fraud Division is prosecuting the case. The charges are allegations, and the defendants are presumed innocent unless and until proven guilty in court.

The AOI Division also investigated a case involving the misuse of funds from ERAP, a pandemic-era variation of an existing program that provides rental assistance to families at risk of homelessness. In June 2023, a former residential housing counselor agreed to pay back two times the amount that she fraudulently received in ERAP funds. **Jennifer Munoz** was employed by Community Teamwork, Inc. (CTI), a regional administering agency that awards rental assistance on behalf of the Commonwealth. Munoz allegedly used her position at CTI to facilitate the approval of false claims she filed between April 2020 and January 2022 to obtain $54,550 in ERAP funds. Munoz agreed to pay $109,100 over three years to resolve the allegations against her and further agreed to never apply for state housing assistance again. Munoz was terminated by CTI after they learned of her actions. The matter was a joint investigation and enforcement action led by the Attorney General's False Claims Division.

Embezzlement from Public Employers

In addition to investigating pandemic funding fraud in 2023, the AOI Division continued its decades-long efforts to pursue officials who undermine confidence in government by stealing from their public employers.

In August 2023, a Hampshire County grand jury indicted former **Town of Ware Fire Chief Thomas Coulombe** for allegedly embezzling more than $28,000 from the town and three regional nonprofit fire associations. Coulombe is alleged to have submitted false and overstated reimbursement requests to the town amounting to more than $3,700 between 2014 and 2019. Coulombe is also alleged to have embezzled more than $24,000 between 2013 and 2020 while serving as treasurer for regional fire associations funded by area communities to provide services and training. Coulombe was charged with four counts of larceny over $1,200. This matter is being prosecuted by the Worcester County District Attorney's Office. The charges are allegations, and Coulombe is presumed innocent unless and until proven guilty in court.

The OIG played a significant role in the investigation leading to the indictment of the Town of Ware's former fire chief.

In September 2023, former **Town of Stow Treasurer Pamela Landry** appeared before a Concord District Court judge to resolve charges of embezzlement, forgery and making a false claim to a government agency. The charges resulted from an investigation by the AOI Division and the Middlesex County District Attorney's Office that found evidence that Landry stole town funds over several years. A routine audit in January 2020 found a $133,584 discrepancy between the balance shown on the treasurer's general ledger and the town's account balances at its bank. Landry, who worked in the town treasurer's office for over 30 years before retiring in 2019, is alleged to have stolen the town funds and falsified bank statements to conceal the thefts. Landry admitted there were facts sufficient for a finding of guilt. The court continued the case without a finding. The judge ordered Landry to undergo a mental health evaluation and barred her from employment in the financial field, with vulnerable populations, and in positions of public trust during her 18 months of probation.

Also in September 2023, former **Massachusetts Bay Transportation Authority (MBTA) buyer Timothy Dockery** pleaded guilty to 13 charges, including bribery, procurement fraud, accepting illegal gratuities, and larceny. Dockery stole more than $38,000 from the MBTA by conspiring with a vendor to submit fake invoices and share the money paid out. He also received at least $80,000 in kickbacks from vendors in exchange for helping them secure MBTA contracts. Additionally, Dockery received illegal gratuities from vendors, including approximately $23,000 in high-end tickets to sporting events and a swimming pool installed at his residence. Dockery was sentenced to one year in a house of correction followed by two years of probation. Dockery was also ordered to pay $37,860 in restitution. This case was prosecuted by the Attorney General's White Collar and Public Integrity Division.

A Norfolk County grand jury indicted former **Town of Medfield Parks and Recreation Director Kevin Ryder** in October 2023 for allegedly stealing town funds and exploiting his position for his own enrichment. Ryder is charged with eight counts, including larceny, accepting illegal gratuities and use of his official position to secure an unwarranted privilege. Ryder served as the director of the Parks and Recreation Department from 2014 to 2022, during which time he allegedly stole over $100,000 in the form of cash and personal purchases made from town accounts. He also allegedly received a $16,000 kickback from a local gym which provided services sponsored by the Parks and Recreation Department, an amount representing 50% of the gym's profits from town-sponsored programming. The charges against Ryder were brought as the result of a joint investigation of the AOI Division, the Attorney General's White Collar and Public Integrity Division, and the Massachusetts State Police assigned to the Attorney General's Office. The case is being prosecuted by the Attorney General's White Collar and Public Integrity Division. The charges are allegations, and Ryder is presumed innocent unless and until proven guilty in court.

Public Pension Fraud

The AOI Division investigated two cases that led to indictments for pension fraud.

In December 2023, an Essex County grand jury indicted **Jeffrey Nazarian** for allegedly collecting a deceased state retiree's pension. The grand jury indicted Nazarian on two counts of forgery and one count each of larceny over $1,200 by a single scheme, perjury and uttering. The indictment alleges that Nazarian failed to notify the State Retirement Board of the retiree's death, accessed the deceased's personal bank account, and used his pension benefits to pay credit card bills. The indictment also alleged that Nazarian forged checks to himself from that bank account. The Attorney General's White Collar and Public Integrity Division is prosecuting the case. Nazarian was arraigned on January 25, 2024, and a pretrial hearing was held on March 29, 2024. The charges are allegations, and the defendant is presumed innocent unless and until proven guilty in court.

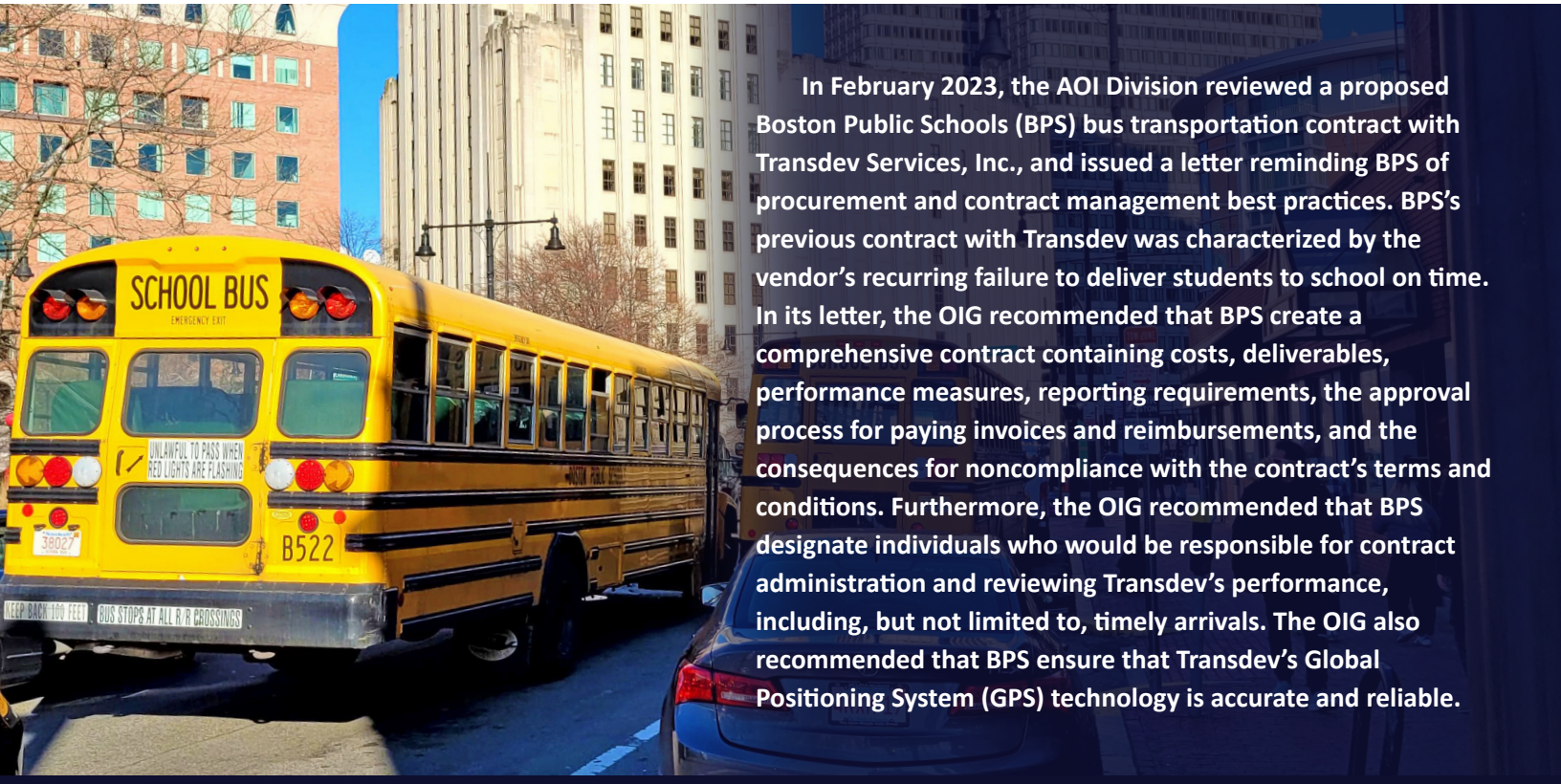
In May 2023, **Robert Dombek** was arraigned on indictments handed down by a Hampden County grand jury. He allegedly filed a false affidavit with the Hampden County Retirement Board stating that a deceased retired public employee was still alive in order to continue collecting pension benefits. Dombek received $27,111 in illicit benefits and was indicted on one count of perjury and one count of larceny over $1,200. The AOI Division, the Massachusetts State Police and the Attorney General's White Collar and Public Integrity Division investigated the case. The charges are allegations, and the defendant is presumed innocent unless and until proven guilty in court.

Tax Evasion Scheme

The AOI Division participated in an investigation of **Peter Tufts**, an Everett-based contractor who pleaded guilty to one count of tax evasion and two counts of submitting false loan applications in July 2023. Between 2015 and 2021, Tufts, owner of Tufts Construction, Inc., cashed check payments from customers and failed to report this income on tax filings. He used the cash to fund an off-the-books, under-the-table cash payroll to avoid employment taxes. Tufts also obtained loans from a local bank and the U.S. Small Business Administration, falsely claiming he had never declared bankruptcy and did not owe back taxes. Tufts was sentenced to two years of supervised release and 240 hours of community service. The judge ordered Tufts to pay a $50,000 fine, $551,941 in restitution, and to forfeit $450,000. The case was prosecuted by the U.S. Attorney for the District of Massachusetts's Financial and Cyber Fraud Unit and was part of a joint investigation mounted by an array of federal agencies and the Massachusetts Department of Revenue.

Investigative Findings and Recommendations

The AOI Division issues investigative findings in reports, letters and advisories. While reports and letters are written in response to a specific matter, the recommendations issued in these publications are often applicable to other state or local entities. In 2023, AOI released reports and letters on a variety of matters, including the following.



In February 2023, the AOI Division reviewed a proposed Boston Public Schools (BPS) bus transportation contract with Transdev Services, Inc., and issued a letter reminding BPS of procurement and contract management best practices. BPS's previous contract with Transdev was characterized by the vendor's recurring failure to deliver students to school on time. In its letter, the OIG recommended that BPS create a comprehensive contract containing costs, deliverables, performance measures, reporting requirements, the approval process for paying invoices and reimbursements, and the consequences for noncompliance with the contract's terms and conditions. Furthermore, the OIG recommended that BPS designate individuals who would be responsible for contract administration and reviewing Transdev's performance, including, but not limited to, timely arrivals. The OIG also recommended that BPS ensure that Transdev's Global Positioning System (GPS) technology is accurate and reliable.

In February 2023, the AOI Division issued a review of the **Mashpee Housing Authority**'s (MHA or authority) consulting contract with its former executive director, **Leila Botsford**. While still employed by MHA in 2020, Botsford authored and entered into a contract with the authority to manage an MHA property after she retired. By hiring Botsford as an independent contractor without reviewing the terms of her contract, the MHA Board of Commissioners violated state procurement laws, as well as their fiduciary duties. On March 19, 2021, the authority terminated Botsford's contract after determining it was improperly procured. The following day, an unidentified party accessed MHA's computer system and scheduled $112,000 in direct deposit payments to Botsford's personal account. Although MHA successfully canceled the payments, this incident highlighted the security risks present in the authority's IT systems and processes. The AOI Division recommended that MHA update its procurement and contract administration policies and procedures; adopt written guidelines regarding fiduciary responsibilities; and develop written onboarding and offboarding procedures to protect MHA data.

The AOI Division, supported by other OIG divisions, manages the general fraud hotline, a resource available for Massachusetts residents to report suspected misuse of public funds and assets.

In 2023, the general fraud hotline received 1,817 tips and complaints, on topics ranging from suspicion of embezzlement and time fraud to allegations of mismanagement and wasteful spending. The complaints spanned all areas of government, including education, housing, public safety and healthcare.

Complainants may contact the OIG by

The AOI Division published a report in August 2023 outlining its findings and recommendations after an investigation into the **Town of Abington's Department of Public Works**. The investigation followed a complaint to the OIG's general hotline alleging that former **Public Works Assistant Superintendent John Caine** sold the town's scrap metal to an unregistered vendor and failed to remit the cash proceeds to the town treasurer. The investigation found that the vendor paid the town more than $9,000 in cash for scrap metal between 2016 and 2021, but the OIG was unable to account for those public funds due to poor recordkeeping. The OIG had identified similar procurement concerns in a 2017 report. Among the most recent recommendations, the AOI Division advised the town to update its procurement policies; educate employees and ensure compliance with those policies; and review its internal controls regarding the handling of cash receipts.

In October 2023, the AOI Division issued a letter to the **town of Boxborough**, recommending that it audit its **police department** payroll and seek repayment from any personnel whom the town overpaid since Fiscal Year 2019. The AOI Division initially received a complaint alleging that the department overpaid education incentives in 2021. At that time, Boxborough officials told the AOI Division that overpayments were limited to Fiscal Year 2021 and that the town had already sought $12,154 in reimbursement for overpayments made in 2020. However, in 2023, the AOI Division became aware of additional overpayments made prior to 2020 that the town was likely aware of as early as 2021. The OIG recommended in its letter that the town conduct a new audit of the police department's payroll to ensure it has a complete accounting of overpayments and then take appropriate actions to recoup the monies.

Bureau of Program Integrity

Pursuant to its legislative mandate, in 2023 the Bureau of Program Integrity (BPI) reviewed programs administered by the Executive Office of Health and Human Services (EHS) and its child agencies, including the Department of Transitional Assistance, the Department of Developmental Services, the Department of Mental Health, and the Department of Children and Families. BPI also assisted with reviewing the Executive Office of Veterans' Services and the Veterans' Homes.

Executive Office of Health and Human Services

Compliance Program

Throughout the year, Inspector General Shapiro and BPI leadership and staff communicated regularly with the EHS leadership team and provided recommendations to support EHS's development of a compliance program. In June and July 2023, BPI made recommendations about appropriate qualifications for an EHS compliance leader and the scope of a compliance program for administrators of public funds. On October 27, 2023, the Inspector General sent a letter to EHS Secretary Kate Walsh with specific recommendations that EHS (1) hire and empower a leader to implement a secretariat-wide compliance program; (2) provide its agencies with clear, written directives and guidance on identifying spending issues; and (3) consider expanding its management team to include a leader dedicated to compliance issues.

In response to these recommendations, the EHS leadership team created a Chief Compliance Officer (CCO) position and posted it in October 2023. The posting included BPI's suggestions for the CCO responsibilities. In early 2024, EHS hired a CCO who began work in February 2024.

In addition, the EHS leadership team took initial steps to develop a secretariat-wide compliance program. Secretary Walsh sent a memorandum in December 2023 asking its agency heads to support a secretariat-wide compliance program and explained the next steps to develop the program. Secretary Walsh also outlined an interim plan for pandemic relief funds oversight.

BPI will continue to monitor EHS's development and implementation of the compliance program.

Pandemic Relief Spending Oversight

In collaboration with the OIG's Pandemic Funding Oversight Unit (PFO), BPI continued to monitor EHS's administration of pandemic relief funds. In 2023, BPI provided general recommendations to improve the oversight capacity of EHS and its agencies, including that EHS (1) create a secretariat-wide plan for monitoring pandemic relief spending; and (2) coordinate its agencies' oversight and monitoring.

As part of those efforts, BPI also conducted a focused review of the over $1 billion EHS distributed to home- and community-based services (HCBS) programs in Fiscal Year 2022 through a 10% rate increase to existing contracts. HCBS programs provide critical services to vulnerable individuals in group homes and other residential settings. EHS directed the HCBS vendors to use these funds to recruit and retain direct care staff. BPI communicated regularly with EHS about its review of the HCBS spending reports and recommended that EHS improve the reporting guidelines for HCBS vendors as well as the template for their spending reports.

By the end of 2023, EHS had taken some steps in response to BPI's recommendations. First, EHS created an interim pandemic relief funds oversight plan (the PRO plan). In December 2023, EHS sent a memorandum to its agency heads describing the PRO plan and detailing the initial roles and responsibilities of key lead staff members and principal contacts at each EHS agency.[5] The memorandum also described initial PRO plan activities and regular meetings between secretariat and agency staff. At that time, BPI noted that for the plan to be successful, EHS needed to direct how agencies oversaw and monitored their vendors' pandemic relief funds spending.

Second, also in December 2023, EHS shared the December 2022 data from vendors that received HCBS funding with EHS agencies and directed agencies to contact vendors who had not reported on their spending, flag questionable spending and identify promising (or problematic) practices. Then EHS met with the agencies to discuss how to approach this work. EHS scheduled a meeting in late January with the same agency contacts to share their findings. Throughout 2023, BPI communicated its concerns to EHS about the amount of time that EHS took to plan and execute this work.

Third, EHS incorporated some, but not all, of the OIG's recommendations for improving the next round of HCBS vendor reporting. EHS revamped the reporting template in its online portal and updated some of its guidance for reporting but only required a smaller group of HCBS vendors (those that received more than $10,000 in enhancement funds) to submit a spending report. The reports were due on March 29, 2024, and EHS agreed to promptly share them with all of the EHS agencies that oversee HCBS vendors to allow the agencies to appropriately follow up.

Department of Transitional Assistance

The **Department of Transitional Assistance** (DTA) assists low-income citizens of the Commonwealth in meeting their basic needs and achieving long-term economic self-sufficiency. For eligible individuals and families, DTA administers public benefit programs that provide economic assistance, including the Emergency Aid to the Elderly, Disabled and Children (EAEDC) program and the Transitional Aid to Families with Dependent Children program. DTA also administers food assistance through the Supplemental Nutrition Assistance Program (SNAP).[6]

Program Integrity

Following up on a previous recommendation, BPI worked with DTA to develop agency-wide training on program integrity, including information about emerging fraud schemes and DTA's response to them, for staff in local offices. DTA offered the training in December 2023.

BPI also followed up on its previous recommendation that DTA document procedures to identify and investigate SNAP trafficking, application fraud and skimming. DTA updated its standard operating procedures and agreed to add new procedures. BPI is monitoring DTA's progress in implementing these new procedures.

Data Quality Management

Missing Social Security Numbers

On November 21, 2023, Inspector General Shapiro sent a letter to DTA about the high number of recipients with temporary identification numbers, rather than Social Security numbers (SSNs), in their DTA eligibility database profiles. Temporary identification numbers create the possibility that ineligible individuals will receive benefits and undermine the quality of the data that DTA uses and shares with other agencies.

BPI and DTA worked collaboratively to identify the causes of temporary identification numbers and ways to reduce or eliminate their presence in the eligibility database. BPI recommended that DTA improve its approach to recording and maintaining SSNs in its database by (1) conducting a manual cleanup of recipient profiles with no SSN information; (2) retraining case managers and supervisors on policies, procedures and data quality issues related to SSNs; (3) enhancing database fields and functionality; and (4) continuing to improve the overall quality of the eligibility database by implementing the recommendations from the 2021 OIG annual report.[7]

Consistent with BPI's recommendations, DTA has taken some important steps to implement these recommendations and to identify the root causes of problems with identifying and validating SSNs. DTA agreed to pursue other short-term fixes, such as undertaking an immediate manual cleanup effort and creating a dashboard to track the project. While DTA is making progress, it has not yet acted upon all of the OIG's recommendations.

Other Data Quality Issues

DTA has a history of poor data quality in the database that it uses to enter eligibility information and to manage benefit recipients' cases. Last year, BPI recommended that DTA continue to dedicate resources, and add more resources, to data quality management. BPI recommended that DTA conduct regular data scans to detect and correct obvious errors and improve supervisors' quality control. BPI also recommended that DTA develop performance management and training strategies to improve data quality.

In response, DTA restarted monthly program accuracy meetings to review and analyze examples and results of poor data quality. DTA agreed to facilitate ongoing meetings with the senior managers responsible for quality and performance management. DTA has also implemented new management and training strategies during which staff members conduct routine reviews of cases to identify errors, discrepancies, outliers and inaccuracies.

Electronic Benefit Transfer (EBT) Services

DTA contracts with a vendor for Electronic Benefit Transfer (EBT) services, which include administering EBT cards, maintaining the retailer payment system and networking with banks. EBT services also include collecting and storing data on food purchase transactions and assisting with the detection of fraud, waste and abuse.

In 2022, DTA reported that it would execute a contract with a new EBT services vendor in 2023. BPI met with DTA's senior leadership and recommended that DTA (1) coordinate its contract administration with an internal cross-disciplinary team; (2) establish clear goals and procedures for contract administration; (3) set strict standards and hold the vendor accountable for service outages and data quality issues; and (4) require the vendor to focus its fraud detection on specific ways to prevent the misuse of EBT cards.

Due to delays beyond its control in implementing the new EBT services, DTA did not immediately implement the recommendations for the new EBT services contract or transition to a new vendor. However, DTA has since engaged a consultant to manage the contracting and conversion to the new EBT service vendor. DTA anticipates having a completed contract for EBT services in early 2024. The OIG is closely monitoring the status of this transition and how DTA is acting upon the OIG's recommendations.

Emergency Aid to the Elderly, Disabled and Children Program

DTA's Emergency Aid to the Elderly, Disabled and Children (EAEDC) program provides cash benefits to certain categories of low-income recipients who are over 65 years old or who have a disability. In 2022, BPI visited local DTA offices to assess how DTA's new hybrid work model affected the EAEDC eligibility process. BPI also evaluated the forms used during that process, including the new Medical Provider Statement, which DTA implemented in response to BPI's recommendations. Following these visits, BPI made additional recommendations to improve this process. DTA continues to use the Medical Provider Statement form to verify disability and has an analyst review data on outstanding disability determinations. DTA has also simplified and condensed the EAEDC eligibility forms to make them easier to understand and more accessible for remote applicants. DTA created expedited eligibility processes during the pandemic and continues to re-examine and update those processes.

Department of Developmental Services

The **Department of Developmental Services** (DDS) builds opportunities for individuals with intellectual and developmental disabilities to meaningfully participate in their communities. DDS administers community-based residential programs, including group homes and other shared residences, with the assistance of nonprofit human services agencies that serve as vendors and receive state and federal funds.

Vendor Management

BPI continued to support DDS in addressing complaints regarding specific DDS vendors. For example, BPI assisted DDS's internal program integrity division, known as the DDS Bureau of Program Integrity, in reviewing serious allegations of medical neglect at a vendor's residential program. BPI's review of those allegations led to a letter to DDS recommending that the agency give a greater focus to vendor oversight and suggesting next steps for improving monitoring, benefits eligibility tracking, policies and procedures, training, communications and documentation. BPI also recommended that DDS work more closely with the state's Disabled Persons Protection Commission (DPPC) and healthcare providers' professional licensure agencies. DDS reviewed the vendor's response to the circumstances, which included terminating the employee who allegedly committed medical neglect, reporting that employee to a professional licensure agency for investigation, creating a clinical lead position to supervise nursing staff, and implementing new policies. DDS has met weekly with the vendor's nurses and managers, and has made site visits. DDS also initiated a medical services review with the vendor to assess the medical needs of the residents and the services and treatments that residents are receiving, as well as to make recommendations to support better health outcomes for residents. BPI continues to monitor DDS's response.

BPI identified another DDS vendor that was the subject of many complaints filed with the DPPC. BPI reviewed the complaints of abuse and neglect – including medical neglect – alleged against this vendor from 2018 through 2023 and found that the numbers were consistent over time. BPI discussed these findings with DDS and suggested that DDS follow up with the vendor to

identify systemic issues that may have prompted the complaints. DDS met with the vendor's senior management team and discussed the medical neglect allegations. The vendor noted that staff turnover and temporary staffing impacted its quality of services. The vendor has since improved its training and orientation processes. The vendor has also created resident profiles for the staff, which summarize each resident's preferences, communication style, routine, hygiene procedures, dining routine, and behavioral and medical needs. BPI will continue to monitor DDS's interactions with the vendor and will issue additional recommendations.

Department of Children and Families

The **Department of Children and Families** (DCF) collaborates closely with families and communities to protect children from abuse and neglect. DCF responds to reports of abuse and neglect of children, many of which come from mandated reporters such as educators, healthcare providers and law enforcement officers, and maintains around-the-clock intake processes to screen these reports and implement emergency responses.

In 2023, BPI worked with the **Office of the Child Advocate** (OCA) to evaluate its work in improving the administration of DCF's contract with the Baker Center for Children and Families (Baker Center) to run DCF's after-hours hotline. BPI and the OCA determined that BPI would stop monitoring the contract, which it had done since 2021, and that the OCA would continue to oversee the delivery of services under the contract. The OIG sent a letter to DCF and the Baker Center to close out BPI's monitoring role, recognizing that DCF and the Baker Center had responded positively to OIG recommendations and had built a sound and sustainable approach to problem-solving and maintaining the quality of after-hours services.

Payroll Data Analytics

BPI analyzed DDS's use of the "Paid Administrative Leave Pending a Workplace Investigation" (DET) time reporting code, identifying the number of DET periods taken, the number of employees with one or more DET periods, the number of DET periods exceeding 60 business days, and certain employees' status following an extended DET leave. In a September 13, 2023, letter to DDS, BPI shared its findings and recommended that DDS improve its evaluation and monitoring of its employees' DET time.

Department of Mental Health

The **Department of Mental Health** (DMH) connects citizens of the Commonwealth with mental health needs to services that will support them in living and participating fully in their communities. DMH administers community-based residential programs with the assistance of nonprofit human services agencies that serve as vendors and receive state and federal funds.

On September 29, 2023, Inspector General Shapiro sent DMH Commissioner Brooke Doyle a letter listing three high-priority areas for collaborative work: (1) pandemic funds oversight; (2) contract administration and vendor management; and (3) developing additional program integrity resources within DMH. In December 2023, BPI initiated a series of meetings with designated DMH senior staff to discuss DMH's program integrity and vendor management work.

In 2023, BPI continued to monitor the oversight that DDS and DMH conducted over the Center for Human Development (CHD), a vendor shared by both agencies. In December 2021, the Office of the State Auditor issued findings and required a corrective action plan (CAP) for CHD, citing problems with how CHD addressed human rights complaints and managed the Social Security income of program participants. BPI assisted DDS and DMH with coordinating their oversight work, which continues. BPI requested CAP status updates throughout 2023 from DDS and DMH, reviewed documentation and communications between the vendor and agencies, and met with the agencies to discuss ongoing monitoring activities.

Executive Office of Veterans' Services and the Veterans' Homes

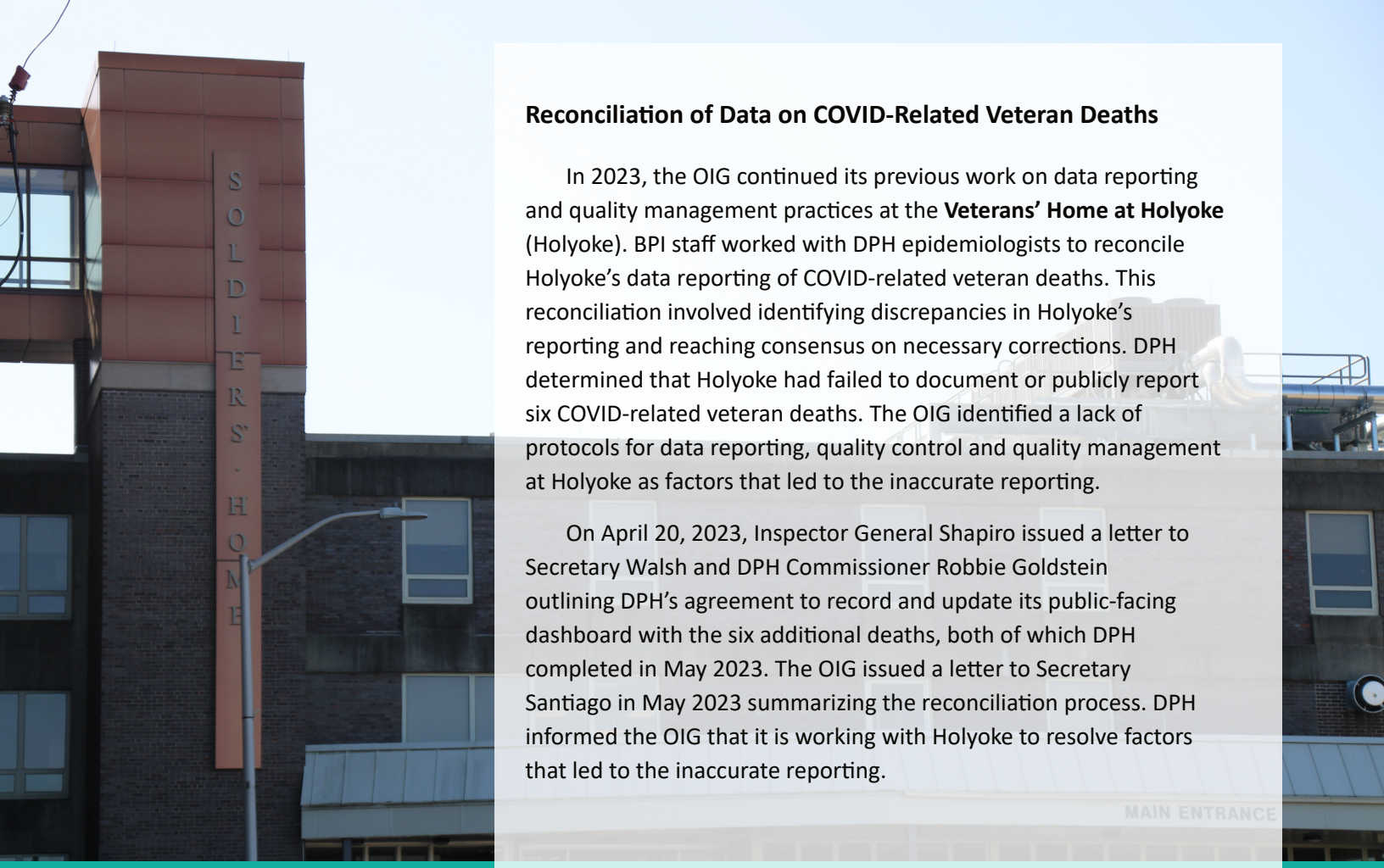
On March 1, 2023, the effective date of Chapter 144 of the Acts of 2022 (Chapter 144), the newly created Executive Office of Veterans Services (EOVS) replaced the Department of Veterans' Services (DVS), which had fallen under BPI's oversight umbrella as part of EHS.[8] BPI staff collaborated with the OIG's new Veterans' Services Oversight Division in overseeing various aspects of veterans' services in 2023, as described below.[9]

Review of Veterans' Homes Management

In late 2022, the OIG reviewed EHS investigative reports about the Chelsea Soldiers' Home, now called the **Veterans' Home at Chelsea** (Chelsea).[10] Those reports documented leadership failings at Chelsea, deficient and unsanitary conditions for some veterans, and a dysfunctional work environment for staff. Based on the findings in those reports, Inspector General Shapiro sent a letter on January 3, 2023, to then-EHS Secretary Marylou Sudders expressing significant concerns about leadership at EHS and Chelsea. Inspector General Shapiro urged Secretary Sudders, whose term was scheduled to end with that of the governor, to provide a complete, transparent briefing on these issues to her successor.

Following the creation of EOVS, the OIG sent a letter on May 9, 2023, to new EOVS Secretary Jon Santiago, with recommendations for improving the quality, integrity and efficiency of the Commonwealth's two Veterans' Homes. The recommendations stemmed from BPI's investigations into numerous OIG hotline complaints dating back to 2020 that alleged mismanagement at the Homes. The OIG recommended that EOVS establish quality leadership at the Homes, partner with the Department of Public Health (DPH) to improve quality of care at the Homes, establish an EOVS ombudsperson program, implement an electronic medical records (EMR) system for both Homes, and manage donations to the Homes as public funds.

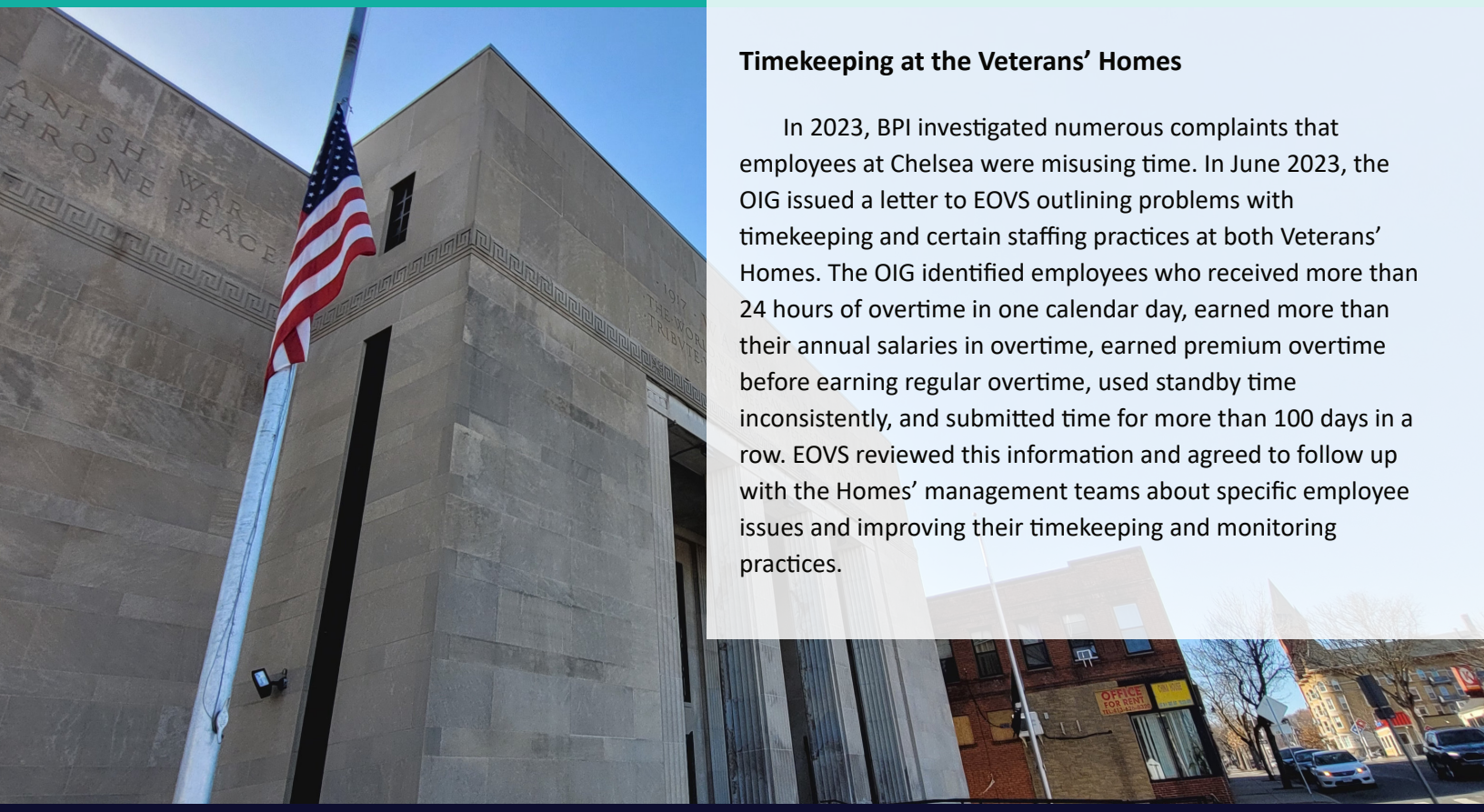
As required by Chapter 144, EOVS hired two ombudspersons. It also increased its collaboration with DPH, which sent nurses to both Homes to monitor infection control and other clinical issues. EOVS is in the process of implementing an EMR system for both Homes. Finally, in response to the OIG's repeated advice, EOVS is working to manage the oversight and transparency of the funds donated to the Homes, consistent with how such public funds are managed across state government. The OIG continues to monitor EOVS's implementation of these recommendations.



Reconciliation of Data on COVID-Related Veteran Deaths

In 2023, the OIG continued its previous work on data reporting and quality management practices at the **Veterans' Home at Holyoke** (Holyoke). BPI staff worked with DPH epidemiologists to reconcile Holyoke's data reporting of COVID-related veteran deaths. This reconciliation involved identifying discrepancies in Holyoke's reporting and reaching consensus on necessary corrections. DPH determined that Holyoke had failed to document or publicly report six COVID-related veteran deaths. The OIG identified a lack of protocols for data reporting, quality control and quality management at Holyoke as factors that led to the inaccurate reporting.

On April 20, 2023, Inspector General Shapiro issued a letter to Secretary Walsh and DPH Commissioner Robbie Goldstein outlining DPH's agreement to record and update its public-facing dashboard with the six additional deaths, both of which DPH completed in May 2023. The OIG issued a letter to Secretary Santiago in May 2023 summarizing the reconciliation process. DPH informed the OIG that it is working with Holyoke to resolve factors that led to the inaccurate reporting.



Timekeeping at the Veterans' Homes

In 2023, BPI investigated numerous complaints that employees at Chelsea were misusing time. In June 2023, the OIG issued a letter to EOVS outlining problems with timekeeping and certain staffing practices at both Veterans' Homes. The OIG identified employees who received more than 24 hours of overtime in one calendar day, earned more than their annual salaries in overtime, earned premium overtime before earning regular overtime, used standby time inconsistently, and submitted time for more than 100 days in a row. EOVS reviewed this information and agreed to follow up with the Homes' management teams about specific employee issues and improving their timekeeping and monitoring practices.

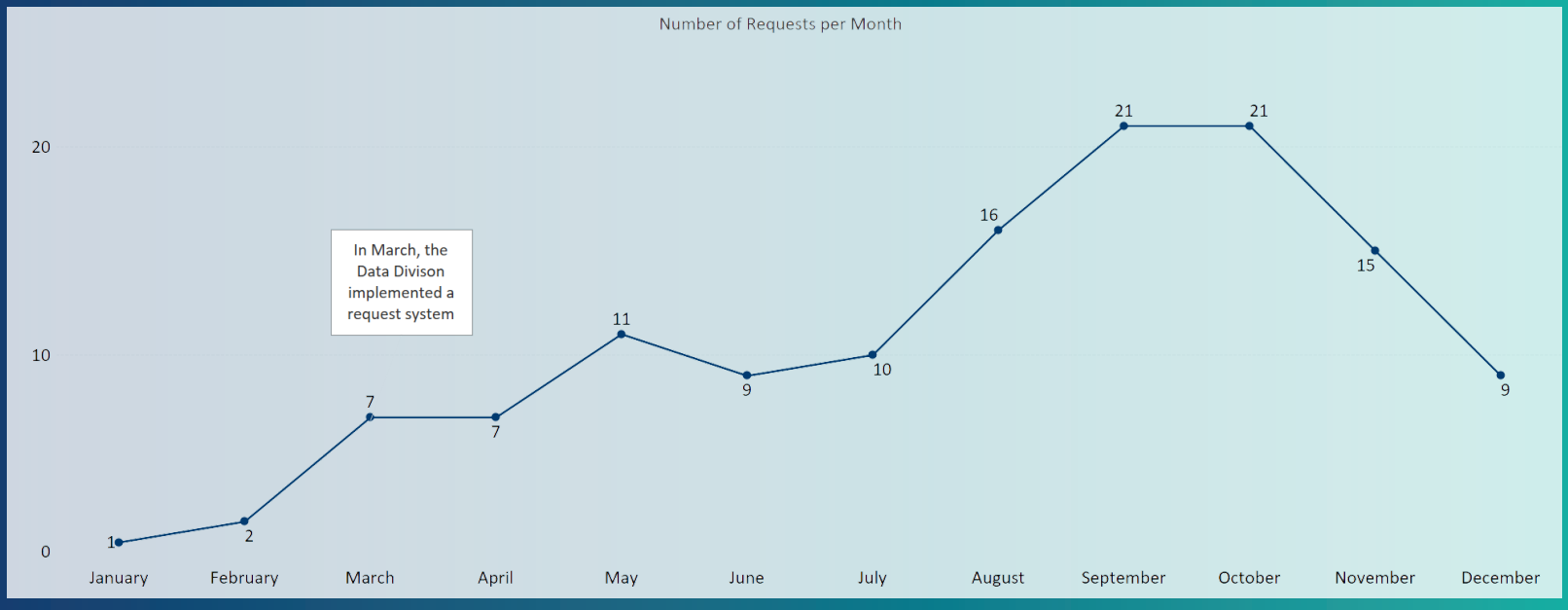
Data Analytics Division

The Data Analytics Division (Data Division) experienced a year of tremendous growth in 2023. Established in September 2022 after the Massachusetts Legislature funded a dedicated data unit, the division serves as a shared central resource to build and grow data-driven analyses and investigations. The division added a senior data analyst and a data scientist in January 2023 and a deputy director in February 2023, bringing its number of staff members to four.

In 2023, the Data Division supported the OIG's overall mission in four broad ways. The division:

- **Analyzed data and prepared reports and dashboards in support of the OIG's operations and investigations;**
- **Facilitated data education, both within the OIG and with outside state and local entities;**
- **Led the OIG's enterprise data management strategy; and**
- **Acquired, transformed and provided data for OIG projects, oversight and investigations.**

Analyzing data and building reports, visualizations and dashboards are the core functions of the division. Beginning in March 2023, the division began funneling data requests through a central process. The accompanying figure shows the number of project requests the division received each month in 2023.

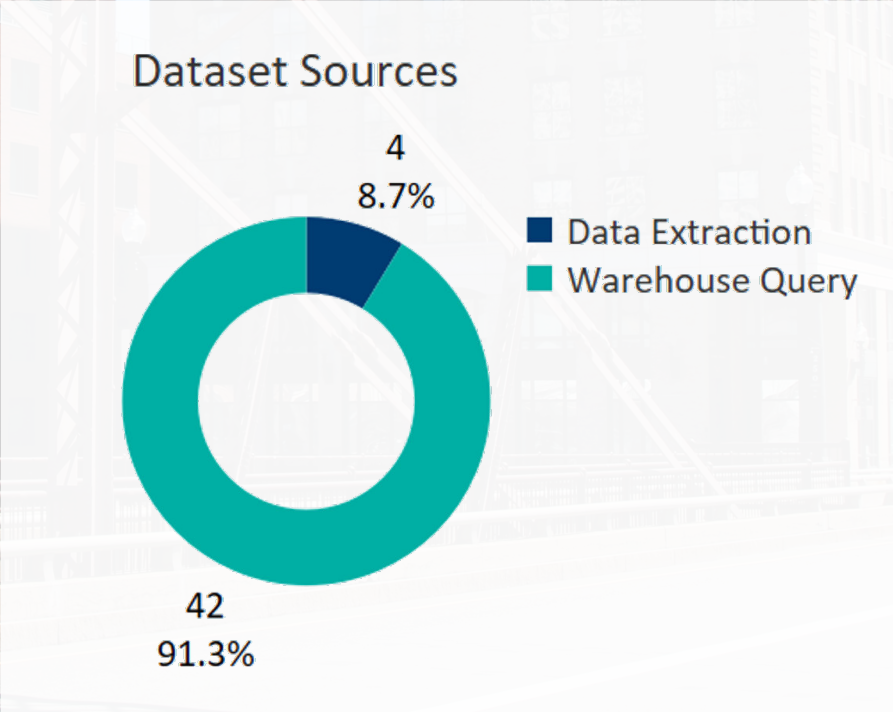


Understanding and using data is not an innate skill for many. For that reason, in 2023 the division created a program to educate OIG staff on how data, data analysis and data visualization can lead to new areas of investigation, help staff conduct investigations and reviews, and improve how the OIG reports findings and recommendations. The division hosts a biweekly data discussion group, where OIG staff members can pose data questions, discuss ongoing projects, or just join in to learn from experienced data analysts.

The Data Division also leads the Data Education Committee, which facilitates data-focused learning in the OIG's other divisions. One of the committee's initiatives is the data "Lunch and Learn" series, which periodically provides training on a specific data topic such as Microsoft Excel. The series is delivered in both in-person and remote modes to accommodate hybrid employees and has been very well received, with over half of the OIG's staff attending each session.

In its data acquisition role, the Data Division retrieves information from data warehouses and other sources, combines data from independent sources, and identifies new data sources that may be helpful in the OIG's work.

In 2023, the division provided other OIG divisions with 46 datasets from multiple data sources. As the accompanying figure demonstrates, most of these datasets were retrieved from data warehouses, while the remaining datasets were extracted from documents. The division continues to expand access to other data sources, including public and non-public data, to allow the OIG to gain new insights by combining disparate datasets.



In the past year, the Data Division also led the OIG's enterprise data management strategy. Responsible stewardship of data is paramount. The Data Division worked closely with other divisions, including the Legal Division and IT personnel, to constantly improve the OIG's enterprise data management to ensure the continued quality, security, availability and compliance of the data entrusted to the OIG.

The Data Division is developing its expertise to also contribute to the OIG's oversight work by serving as a means to identify potential projects and investigations.

Division of State Police Oversight

The Division of State Police Oversight (DSPO) was created pursuant to Section 72 of Chapter 22C of the Massachusetts General Laws in July 2018. The DSPO's mission is to conduct reviews consistent with its legislative charge to monitor the quality, efficiency and integrity of Massachusetts State Police (MSP) operations. Among other activities in 2023, the DSPO continued to review the MSP's new paid police detail system, identified potential vulnerabilities in the MSP's vendor contract to centralize detail administration, offered recommendations to strengthen the MSP's outside employment policy, and reviewed policy changes the MSP made following its certification and accreditation in 2022, including its new use-of-force policy.[11]

Continued Review of Paid Details

Paid police details are optional work assignments providing a police presence to a state agency, business or other entity. Most paid details are for roadwork or security purposes, such as a highway paving project or a large outdoor event that state troopers work in addition to their regular shift. Details can represent a significant source of supplemental income for troopers. For instance, in 2021 and 2022, MSP troopers worked over 153,000 details and received over $60 million in compensation. The Commonwealth paid for a large portion of these police details, while private businesses and other entities paid for the remainder.[12]

In 2023, the DSPO completed a review of the MSP's prior and current practices and policies regarding the compensation of paid details. This review encompassed paid detail payroll and compensation data from 2016 through 2022.[13] The purpose of the review was to examine the integrity of the MSP's practices and policies and determine if there was any increase in the cost to the public under the current pay practice. Under the prior practice, if a trooper worked between four and eight hours of a scheduled detail, they reported in their payroll entry that they earned eight hours of pay. If the trooper worked four hours or less, they reported in their payroll entry that they were entitled only to four hours of pay.

The current compensation practice is the result of a July 31, 2020, agreement between the MSP, the Commonwealth's Human Resources Division (HRD) and the State Police Association of Massachusetts (SPAM).[14] Under this new agreement, individual trooper payroll entries specifying the hours worked no longer determine whether the trooper is entitled to four or eight hours of pay. Instead, the agreement places sole responsibility on the entity requesting the detail to decide whether the detail is compensated at four or eight hours. Importantly, the agreement mandates that entities pay troopers who sign up for a detail designated as eight hours for the entire eight hours. That holds true regardless of how long the detail actually lasts, even if less than four hours.[15]

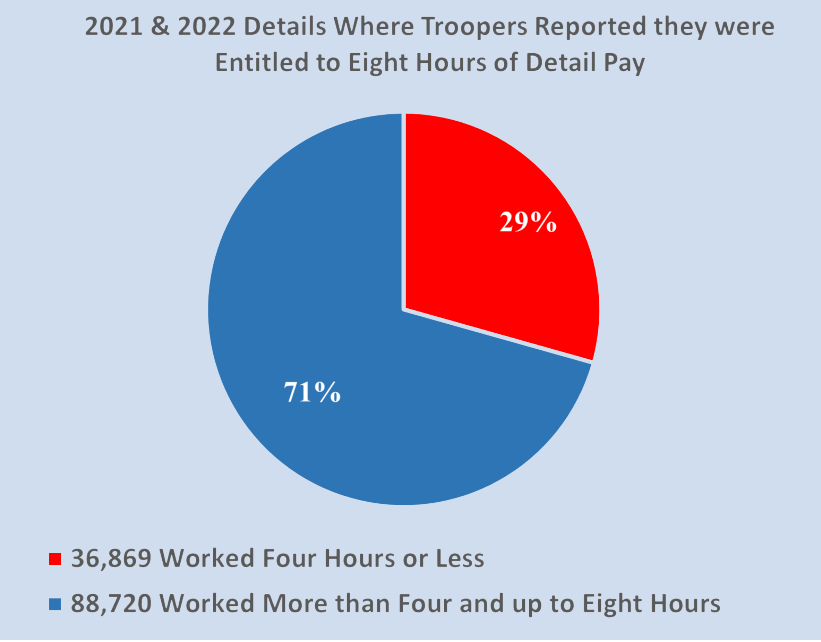
The DSPO found that in 2021 and 2022, troopers received over $7.4 million under the current paid detail compensation agreement that they would not have received under the prior detail compensation system. As shown in the pie chart on the next page, for 2021 and 2022, the DSPO identified a total of 125,589 instances in which MSP troopers reported that they were entitled to eight hours of detail pay. In 36,869 of those details, troopers reported that they worked four hours or less but were compensated with an additional four hours of pay.[16] This represents a combined total of $7,440,500 in additional detail pay for the years 2021 and 2022 as a result of the new detail compensation agreement.[17]

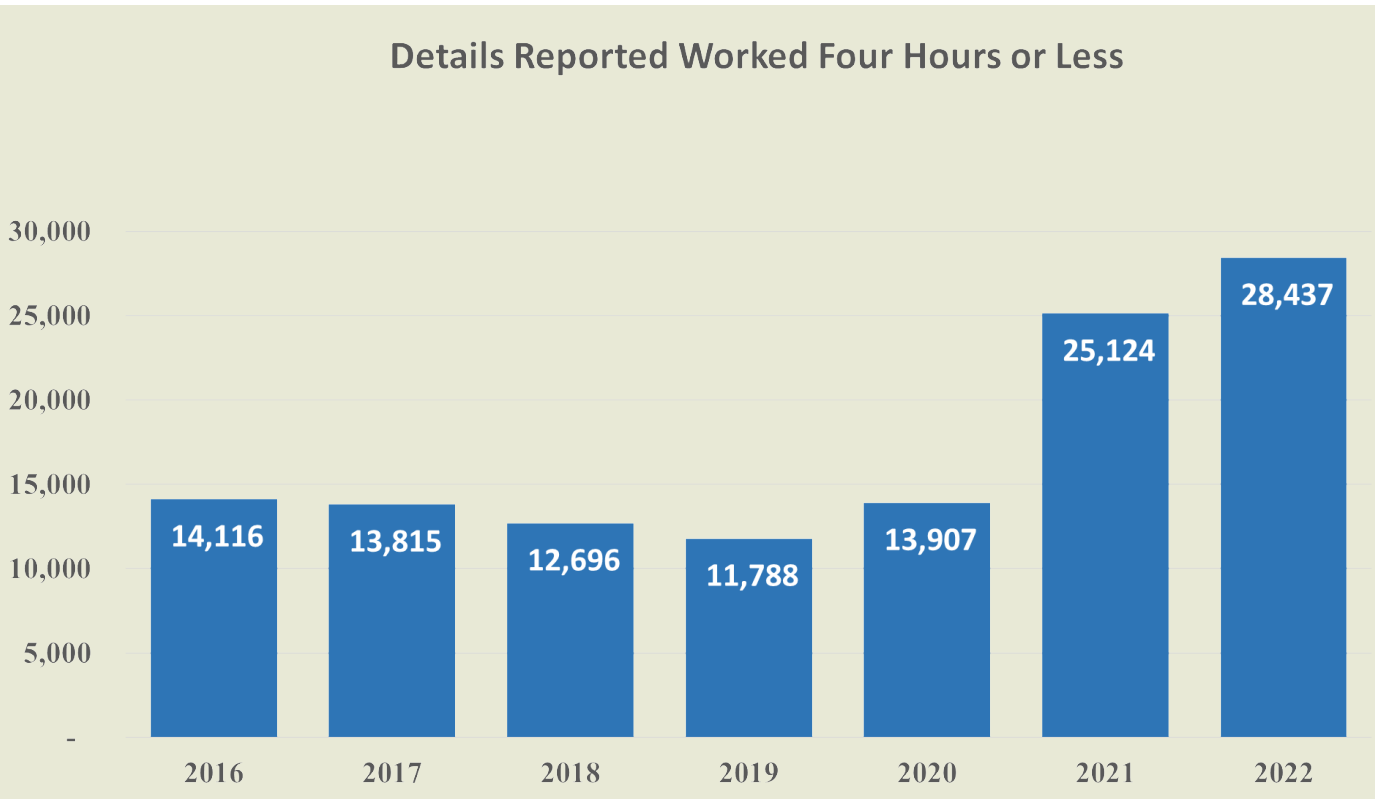
The DSPO recommended that the MSP track and document all details paid for by public entities in order to get an accurate assessment of the increased cost to the public of the current paid detail compensation system.

In addition, the DSPO recommended that the MSP implement clear and uniform guidelines for entities to consider when requesting either a four-hour or an eight-hour detail. More accurate assessments of how long a detail will truly last will reduce excessive costs to the public for time not worked. Otherwise, entities under pressure to fill short details may feel compelled to request eight-hour details to ensure that troopers volunteer to work them.

As illustrated in the bar graph below, the DSPO also found a significant increase in 2021 and 2022 in the number of instances in which troopers reported they worked four hours or less of a detail compared to prior years when troopers would have been limited to four hours of detail pay.

This increase demonstrated by the data raises concerns that in prior years troopers may have mispresented the number of hours they worked in order to reach the eight-hour compensation threshold. While the new compensation agreement for paid details has removed this incentive, it results in excessive costs to vendors, and by extension, the public, for unworked time. The DSPO will continue to monitor similar data in the coming years to assess costs, accuracy and transparency.





Continued Review of Procurement for Paid Detail Office

The DSPO followed up on its past recommendation that the MSP create a centralized paid detail office. A central office would be responsible for administering all paid details from a single location as opposed to each troop administering their own details. The office would utilize uniform practices with a fully electronic, web-based operational platform. After the DSPO made this recommendation, the MSP entered into a two-year contract with an outside vendor on November 9, 2021, to centralize and civilianize aspects of the paid detail offices.[18]

In 2023, the DSPO conducted a comprehensive review of the MSP's procurement procedures in securing the contract**.** The DSPO reviewed the contract, contract amendments and procurement documents, and spoke with members of the MSP's legal department and the Division of Administrative Services on the procurement process.

The DSPO found that an amendment to the initial contract with the outside vendor may have violated Executive Office for Administration and Finance regulations prohibiting the MSP from charging other state agencies administrative fees for paid details.[19] [20] The language of the MSP's public request for response (RFR) did not permit an outside vendor to charge an administrative fee for paid details to other state agencies. Likewise, the November 9, 2021, contract between the MSP and the outside vendor did not permit the vendor to charge an administrative fee for paid details to other state agencies. However, as work under the contract progressed, the MSP and the vendor amended the contract on July 27, 2022, to permit the vendor to charge an additional 10% administrative fee to any state agency that secured a trooper to work a paid detail.

The DSPO also found that this contract amendment may have violated regulations governing the procurement of commodities and services found in 801 CMR 21.00. In order to ensure fair competition and best value in all procurements, these regulations place strict requirements specifying elements in an RFR that may be subject to negotiation between a Commonwealth department and a vendor prior to or after a contract has been executed. The only elements that may be negotiated are those which are expressly identified in the RFR. If the RFR makes no specification, a department and vendor can only negotiate elements that do not increase or change the scope of performance or the costs outlined in the RFR.[21]

The DSPO found that the RFR did not expressly identify the bar on charging administrative fees as subject to negotiation. The amendment to the original contract permitting 10% administrative fees therefore materially changed the scope of the costs outlined in the RFR. The fees subjected other state agencies that were not a party to the RFR or the contract to unanticipated financial liabilities that they did not agree to, effectively increasing the costs of the contract to the Commonwealth. The amendment also potentially exposed the MSP to claims from any vendor that did not bid on the initial RFR, considering the RFR's provision stating that the selected vendor could not charge administrative fees to governmental entities.

The DSPO recommended that the MSP take action to rectify these potential regulatory violations and liabilities. After the DSPO met multiple times with members of the MSP's Command Staff and Legal Department, the MSP and its outside vendor ceased charging administrative fees to state agencies for paid details under the November 2021 contract. The MSP also issued a new RFR in the summer of 2023 that fully complied with all regulations and informed potential bidders that it would seek additional funds through its annual budget to cover the vendor's costs to administer details for public entities without assessing fees. At the end of 2023, the MSP entered into a contract with the same outside vendor to administer paid details according to the terms of the compliant RFR and contract.[22] The DSPO will continue to monitor the processes surrounding this procurement.

Review of the MSP's Outside Employment Policies

Pursuant to its statutory mandate to review the operations, policies and procedures of the MSP, the DSPO assessed the efficacy of the MSP's outside employment policies. As part of its review, the DSPO discussed the outside employment policy with the MSP's legal counsel's office and reviewed a sample of troopers' outside employment files. The DSPO found that the current outside employment policy provides a robust internal control to prevent conflicts of interest and interference in troopers' law enforcement duties. However, the DSPO recommended that the MSP place limits on the number of daily and weekly hours troopers are allowed to commit to outside employment and adopt more formal written requirements outlining the current policies.

The MSP's outside employment policy allows troopers to engage in outside employment provided that such employment does not (1) interfere with the trooper's MSP employment; (2) create any conflict of interest or violate Chapter 268A of the Massachusetts General Laws; or (3) bring the trooper or the MSP into disrepute.[23] The policy also lists specific factors which would warrant denial of a trooper's request for outside employment. Such factors include employment which could impair the operational efficiency of the MSP, physically or mentally exhaust the trooper, or render the trooper unavailable for an emergency.

As a regular practice, the DSPO found that the MSP requires troopers to report any change in circumstances affecting their outside employment, *e.g.*, a change in rank or a change in the nature or scope of the outside employment. The DSPO also found that the MSP routinely follows this practice, but has not formalized it in writing. Moreover, the MSP does not require all troopers to annually report on new outside employment or any change in circumstances.

Both MSP policy and its collective bargaining agreement place strict limitations on the number of hours that troopers can work on a daily and weekly basis. Generally, troopers cannot work more than 16.5 hours in a single day nor more than 85 hours in a single week. These limitations apply to a combined total of all regular duty, overtime, court time and paid detail hours. One of the primary purposes behind these limitations is to promote trooper safety and operational readiness by preventing fatigue and exhaustion, a concern specifically referenced in the MSP's outside employment policy.

The DSPO concluded that the MSP's outside employment policy is a robust internal control, which seeks to prevent conflicts of interest or interference in police officers' sworn duties. However, it does not explicitly take into account the number of hours that troopers work in outside jobs, which, if excessive, could lead to impairment of their ability to focus on their duties as law enforcement officers.[24] The CBA includes strict daily and weekly work hour limitations for that reason.

The DSPO recommended that the MSP adopt a limit on the number of daily and weekly hours that troopers may work in outside jobs. Short of that, the MSP should require all troopers to report the number of hours they work in outside employment on a weekly basis. Such a requirement would not necessitate any changes to the CBA and would keep the MSP better informed on a factor already delineated in its outside employment policy: the potential for a trooper's outside employment to cause or contribute to mental or physical exhaustion.

The DSPO also recommended that the MSP adopt (1) a formal written requirement that troopers report any changes in circumstances affecting their outside employment; and (2) an annual practice of asking all troopers in writing if they have any new outside employment or changed circumstances.

Review of the MSP's Efforts to Achieve Certification and Accreditation

As part of its statutory mandate under Section 73 of Chapter 22C of the Massachusetts General Laws, the DSPO is charged with monitoring the MSP's efforts to achieve certification or accreditation by a state or national law enforcement accrediting agency. The DSPO is also required to monitor policy changes the MSP institutes as a result of these efforts.

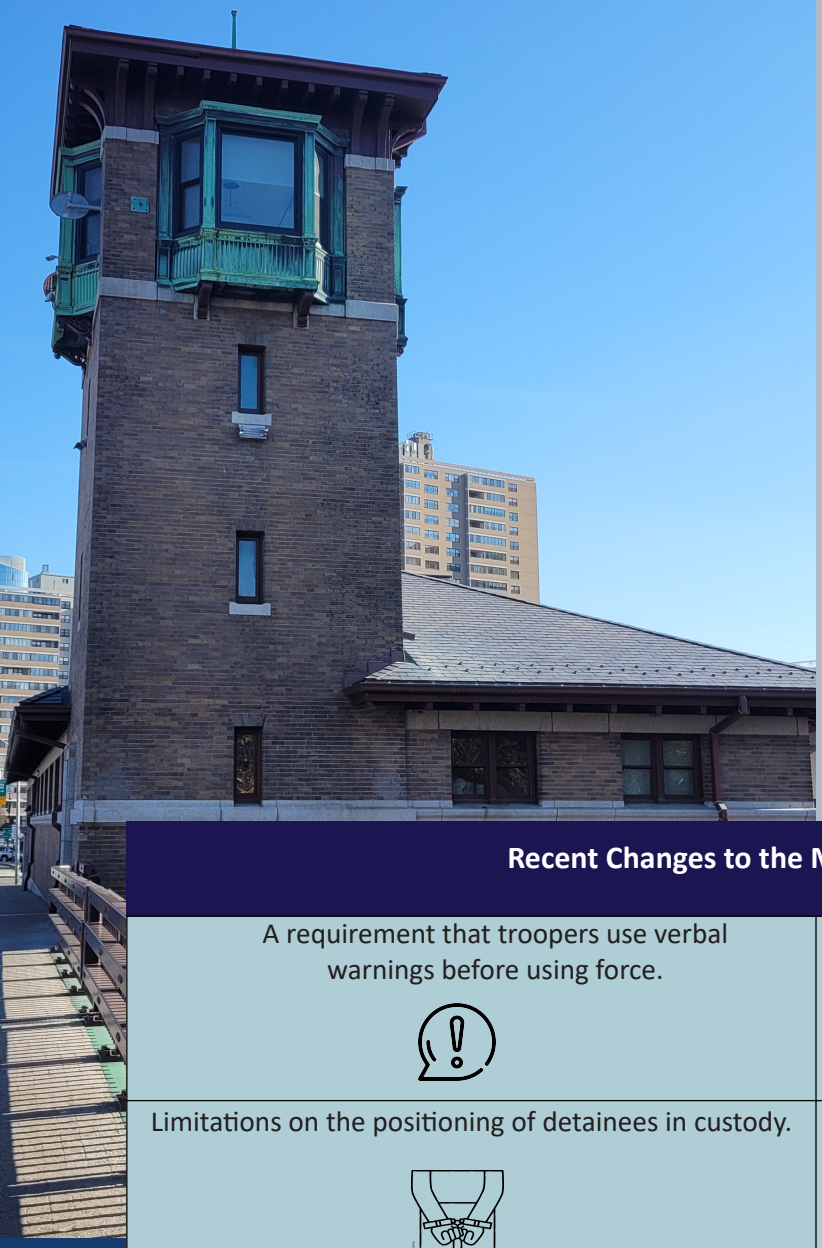
The certification or accreditation process for any police organization, regardless of size, generally consists of two major components: (1) establishing administrative and operational standards for the police organization; and (2) assessing the police organization to ensure it meets these standards. This generally entails a top-to-bottom internal review of the organization and, when necessary, revision of the organization's policies and procedures, followed by an external peer review by the certifying or accrediting body.

The Massachusetts Police Accreditation Commission (MPAC) is the sole arbiter of state certification and accreditation of police agencies within the Commonwealth.[25] MPAC's operational and administrative standards reflect national best practices in police management, administration, operations and support services. MPAC offers two professional credentialing programs: certification and accreditation. Accreditation is the higher of the two program awards. Certification is a significant milestone toward accreditation.[26]

Certification and Accreditation Awards

The MSP began the certification process through MPAC in early 2019, and achieved certification on February 28, 2022. By attaining certification, the MSP is in functional compliance with the required MPAC administrative and operational standards of a police organization. After February 2022, the MSP continued to work with MPAC to demonstrate functional compliance with all law enforcement standards to work toward final accreditation. The MSP achieved full accreditation through MPAC on December 21, 2022.

Both the certification and accreditation awards are valid for three years. MPAC will conduct a midpoint assessment of the MSP approximately 18 months after the initial accreditation to ensure ongoing compliance with the necessary standards for certification and accreditation. The MSP has also established a policy review committee to review all MSP policies, rules and regulations each year to maintain compliance with all certification and accreditation standards.



Use-of-Force Policy Changes

Since the MSP attained full accreditation, the DSPO has reviewed a multitude of policy changes instituted through the certification and accreditation processes. In terms of scale, the DSPO found that at the time of the MSP's application for initial certification, the MSP operated under 148 policies codified in 615 pages and organized into 10 articles. At the time of accreditation, the DSPO found that the MSP operated under 154 policies codified in 768 pages, organized under the same articles. In the past year, the DSPO focused its review on the MSP's use-of-force changes, which include the measures in the chart below.

The DSPO will continue to work with the MSP in furtherance of its statutory mandate to monitor policy changes initiated as a result of the MSP's efforts to achieve and maintain certification and accreditation.

Recent Changes to the MSP's Use-of-Force Policies

A requirement that troopers use verbal warnings before using force.	A prohibition on the use of chokeholds and obstructing the airway or blood flow of detainees.
Limitations on the positioning of detainees in custody.	An obligation to provide medical assistance.
A requirement to terminate force when objectively reasonable.	Instruction and requirements on the use of de-escalation tactics.
A duty to intervene.	A duty to report, with no retaliation.

On February 15, 2024, the 75 members of the Massachusetts State Police 89th Recruit Training Troop graduated after completing over one thousand hours of grueling training over a period of six months. After nearly half of those who started the training dropped out, much was made of the achievement of the 75 who graduated. Out of the 75 graduates, 68 are men, seven are women, one-third are persons of color, and several are bilingual, with one new trooper who speaks three languages.

An MSP-produced video featured some of the graduates answering the question, "Why We Stayed."

"My family taught me the values of strength and integrity, so quitting is not an option."
(Lynn, MA)

"Being a Massachusetts State Trooper, to me, is a calling."
(Dartmouth, MA)

"I wanted to be part of the best law enforcement agency in the country and that's the Massachusetts State Police."
(Bellingham, MA)

"I was raised with the values of hard work and dedication."
(Middleborough, MA)

"This is the career I wanted more than anything in my life."
(Salem, MA)

"I respect the challenge and as a first generation American, I owed it to my family."
(Lynn, MA)

Quotes from graduation video.

Healthcare Division

In 2023, Inspector General Shapiro created the Healthcare Division (HCD) to expand the OIG's healthcare oversight work from an annual project managed by another business unit with shared staff to a standalone division headed by a professional with specific subject matter expertise.

Historically, the state budget bill includes a provision each fiscal year requiring the OIG to conduct focused reviews of the Massachusetts Medicaid and Health Safety Net programs. The same legislation directs the OIG to offer specific recommendations for improvements to the Office of Medicaid (MassHealth), which oversees both programs.

In elevating the work to fulfill these mandates, Inspector General Shapiro hired a division director focused exclusively on healthcare issues. Since joining the OIG in 2023, the director has prioritized developing a vision for the HCD and has established the foundation necessary to drive its future work. In its inaugural year, the HCD identified short-term and long-term projects and began building working relationships with various healthcare stakeholders.

MassHealth and Health Safety Net Report

The state budget bill requires the OIG to issue a report each March setting forth the findings from its reviews. On March 1, 2024, the OIG issued its annual MassHealth and Health Safety Net report, detailing the HCD's review of MassHealth's Applied Behavior Analysis (ABA) Program, which provides treatment to MassHealth-eligible children diagnosed with autism spectrum disorder. The review identified up to $17.3 million in claims that MassHealth likely overpaid to service providers for treatment that was improperly supervised, as well as for claims that were indicative of "impossible billing" – billing for over 24 hours of service for a single member on a given date – and questionable claims for ABA services purportedly provided on major holidays.

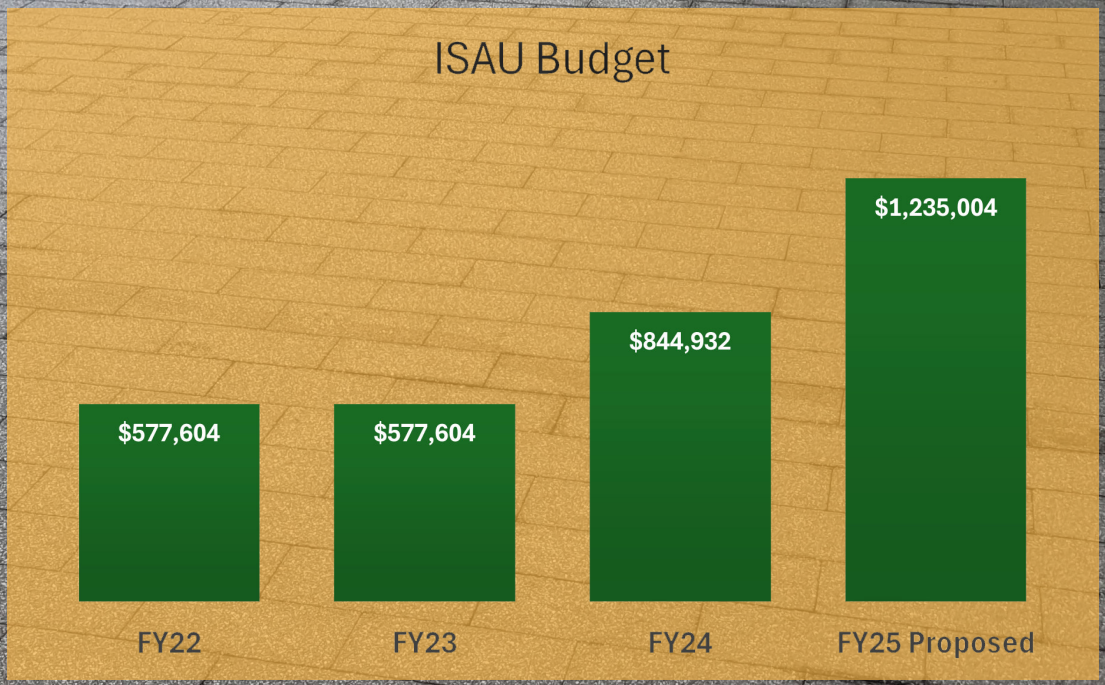
"The failure to ensure that ABA services are properly supervised undermines the reliance that families place in MassHealth to deliver the highest quality of services for their children."

Inspector General Jeffrey S. Shapiro

Internal Special Audit Unit

Since its establishment in 2013, the Internal Special Audit Unit (ISAU), which oversees transportation agencies, has issued an array of audit and investigative reports in areas such as Massachusetts Bay Transportation Authority (MBTA or authority) contracts for privatized services, large-scale bridge construction contracts, disability placard abuse and electronic tolling along the Massachusetts Turnpike. The ISAU makes recommendations for contract administration and policy improvements, and regularly provides fraud prevention training to employees of the Massachusetts Department of Transportation (MassDOT) and the MBTA. The ISAU also manages two confidential hotlines for employees and the public to report suspected misuse of transportation funds or resources.

With the ISAU overseeing nearly $4 billion in spending and the work of approximately 11,600 employees,[27] Inspector General Shapiro made it a priority to secure more funding for the ISAU, which has been significantly under-resourced. Fortunately, the FY24 budget of $844,932 allowed the Inspector General to nearly double the ISAU staff from six to eleven employees.



Audits, Investigations and Reviews[28]

Massachusetts Bay Transportation Authority

Privatization of Services Reviews

The *Act Providing for the Delivery of State Services in a Fiscally Responsible Manner* (Act), passed into law in 1993, requires that state agencies and applicable authorities, like the MBTA, 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 the state entity provides. Hiring a company to discharge services previously administered by public employees is commonly referred to as "privatization."

In 2015, the Legislature granted the MBTA a temporary three-year exemption from the Act's requirements.[29] Between 2015 and 2018, the MBTA outsourced seven services pursuant to the temporary exemption.

The 2015 law also directed the OIG to review all contracts that the MBTA executed pursuant to its temporary flexibility to privatize services. The OIG's evaluation is to specifically assess four areas: the procurement process, the quality of the services provided, the expected and actual cost of the contract and the actual cost of the contract compared to the benefits derived.

The OIG must report on each privatized MBTA contract within 90 days of its "complete performance."[30] Of the seven services the MBTA outsourced pursuant to the temporary exemption, three of the vendors have completed performance of their respective contracts.

In its first privatization review in October 2022, the ISAU found that the MBTA failed to identify overbilling by UPMC Benefit Management Services, Inc. (d/b/a **Workpartners**), a company which the MBTA hired to provide absence management services to the MBTA from May 2016 to April 2022. Overbilling over the contract period resulted in a $222,934.40 overpayment to Workpartners, equivalent to 9% of the contract cost. In 2022, the Commonwealth's Human Resources Division (HRD) entered into a separate contract with Workpartners to provide absence management services for all Executive Department employees for a period of three years.[31]

The ISAU wrote a letter to HRD in 2023 outlining its prior findings of overbilling on the part of Workpartners, as well as best practices for contract administration and payment processing to ensure that HRD receives the services it needs and that Workpartners meets its contractual obligations, particularly with billing practices.

In its second privatization review, the ISAU issued a report in July 2023 on a completed contract between the MBTA and Mydatt Services, Inc. (d/b/a **Block by Block**) for in-station customer service. The ISAU's analysis found that the contract enabled the MBTA to expand the number of hours and stations covered by customer service professionals and cost the MBTA less than it would have for the same coverage by its own employees. However, the ISAU discovered shortcomings in the MBTA's management of the contract, such as a failure to institute performance metrics or penalties for nonperformance, which made it impossible to determine the quality of Block by Block's services or whether the contract was successful in making stations more accessible.

In 2022, the ISAU issued an initial report on a review of the MBTA's completed contract for police dispatch services. During this review, the ISAU determined that it required additional information from both the MBTA and the selected vendor, **IXP Corporation** (IXP), to properly evaluate the fairness and competitiveness of the procurement. In December 2023, the ISAU issued a supplemental report detailing its analysis of the MBTA's procurement process. Owing to evidence suggesting that favoritism may have influenced the MBTA's selection of IXP, the MBTA could not demonstrate that its selection process for a police dispatch vendor was fair and competitive.

Across its three privatization reviews to date, the ISAU has identified opportunities for the MBTA to improve its stewardship of public dollars, procurement processes, and vendor oversight. In all three reviews, the ISAU found that the MBTA's actual contract costs exceeded the expected costs of the contract.

The ISAU also found that not all of the contracts included performance metrics to hold vendors accountable or that the MBTA failed to actively review and enforce metrics that were specified.

"The need for clear, transparent and fair procedures for the selection of contractors by public entities is a bedrock principle. It is essential that the public have confidence in government when it conducts public procurements and expends the public's money."

Inspector General Jeffrey S. Shapiro

The ISAU determined that when the authority outsourced these services, the MBTA generally suffered from a lack of an organizational approach to procurement, contract development and contract administration; poor or nonexistent transition of information and documentation when employees leave the agency, *i.e.*, knowledge transfer or business continuity efforts; and poor recordkeeping that was contrary to best practices and potentially in violation of the Commonwealth's record retention laws.

The MBTA reports that it is working to improve its procurement and contract administration practices.

In March 2018, the MBTA hired a new chief procurement and contract administration officer who has worked with the ISAU to implement the many recommendations highlighted throughout the OIG's procurement and contract reviews. The ISAU is cautiously optimistic with the MBTA's commitment to revamp internal procurement procedures and recordkeeping efforts under the direction of General Manager Phillip Eng.

The MBTA procurement department developed an electronic contract records filing system that it formally implemented on July 1, 2023.[32] Since that date, MBTA buyers and sourcing executives have been required to save all relevant procurement-related documents in the contract records filing system, including requests for proposals and invitations for bids, advertisement and posting information, all proposals and bids received, as well as evaluation and selection documents. The ISAU looks forward in future evaluations to seeing how well the MBTA procurement team implements this system into its daily work.

For each of the three privatized services the ISAU reviewed (absence management, police dispatch and in-station customer service), the MBTA entered a second contract with the incumbent vendor after the initial contract had ended. In the three new contracts, the MBTA included performance metrics to oversee vendor performance. For contracts valued at over $250,000, the MBTA reports that it also now assigns and documents a dedicated contract manager to oversee performance. As an added contract administration tool, the MBTA procurement department developed a "Contract Administration Form" that it plans to use for future goods and services contracts. Once fully implemented, the form will summarize key contract terms, primary MBTA oversight and vendor personnel, scopes of work and vendor expectations, and pricing requirements. The MBTA implemented this enhanced oversight tool for its new contract for in-station customer service. The MBTA reported that it used the form to facilitate a "kickoff" meeting with the vendor before commencing work to ensure all parties understood the terms of the contract and service expectations.

Further, the MBTA chief procurement and contract administration officer reports that he is currently updating the MBTA procurement manual, including making changes to address issues the ISAU has raised. The ISAU looks forward to assisting the MBTA in enhancing its procurement procedures and seeing its progress in responding to the ISAU's recommendations for improvement.

The ISAU is actively reviewing the fourth privatization contract to manage the MBTA's customer service call center and is monitoring the completion dates of the remaining three contracts related to inventory management and warehousing, cash collection and processing, and automated fare collection services.

In conducting its three privatization reviews completed to date, the ISAU identified recurring shortcomings in the MBTA's procurement and contract development and administration practices. The ISAU accordingly has recommended ways that the MBTA can strengthen its procurement, contract and vendor oversight protocols.

Comply with all procedures in the MBTA procurement manual, such as calculating independent cost estimates for procurements before receiving bids.

Consider the size and complexity of a procurement when deciding how long to advertise, and solicit a wide pool of proposals.

Instruct employees of the circumstances in which they may and may not communicate with vendors outside of the formal procurement process to avoid an appearance of bias or actual bias.

Avoid sole-source procurements, except in limited circumstances meeting the standards in the MBTA's procurement manual.

Develop clear, complete contracts outlining the full scope of services expected from the vendor.

Include measurable performance metrics in contracts, specify how to report performance against the metrics, and identify penalties for nonperformance.

Obtain and document all necessary approvals for initial contracts, subsequent options, amendments and price changes before the vendor commences performance.

Adhere to negotiated contract rates, except in unique circumstances when renegotiating rates benefits the MBTA.

Designate the departments and employees responsible for contract monitoring and enforcement, including tracking deliverables, vendor performance and costs.

Ensure that employees who review and approve invoices are familiar with contract terms and billing rates.

Improve record retention procedures by maintaining documents in a central file, ensure the transfer of former employees' work records, and train employees on records management.

Sponsorship Agreement

Following a hotline tip, the ISAU reviewed the MBTA's decision to enter into a 2018 agreement with a nonprofit organization that pairs sponsoring businesses with startup companies to collaborate on the sponsor's operational challenges. On August 31, 2023, the ISAU issued a letter to the MBTA's chief administrative officer regarding the ISAU's findings.

The ISAU found that the MBTA did not have a clear objective in pursuing the sponsorship agreement and did not appropriately oversee the contract and vendor by assigning a contract manager. Furthermore, the ISAU found nothing to indicate that the MBTA followed through with its chosen startup to leverage the agreement's anticipated benefits. The ISAU's review ultimately concluded that the sponsorship did not yield any discernible benefits for the MBTA, even though the authority paid $75,000 in public funds for the sponsorship and additionally committed to $250,000 in complimentary advertising for the nonprofit.

Similar to themes the ISAU identified in its privatization reviews, the MBTA could produce few records pertaining to this engagement. Notably, while the MBTA provided the due diligence posting of the sponsorship, it could not provide the ISAU with records related to the procurement decision-making process or the outcome of the agreement. As with previous ISAU reviews of the MBTA's procurements and contracts, this review highlighted the significance of effective procurement, contract development, contract administration and records management practices.

Employee Outside Activities

The ISAU reviewed allegations that an MBTA employee engaged in activities unrelated to his MBTA duties during work hours. The ISAU concluded that the employee regularly solicited, picked up and delivered bulk seafood orders on paid work hours, which hindered his work attendance and ability to remain on duty as required.

Although the ISAU found that the employee acted with the knowledge of, and occasionally the participation of, his supervisor, who appears to have condoned such behavior, more senior management at the MBTA was unaware of the inappropriate behavior. During the ISAU's review, the MBTA took corrective action related to this matter, including changing the employee's duty location and shift hours, and requiring the employee to file daily work activity reports.

In its letter to the MBTA's chief administrative officer, the ISAU reiterated that the MBTA must closely monitor employees' performance, including time and attendance, so that inappropriate behavior and abuse of MBTA resources (including time) are not perceived as acceptable. The ISAU recommended that the MBTA take the additional actions of (1) enforcing current MBTA procedures related to secondary activities and addressing malfeasance immediately; (2) defining the disciplinary actions should an employee engage in outside employment or activities during work hours; and (3) training supervisors on how to institute disciplinary actions for violations.

Massachusetts Department of Transportation

Office of Real Estate and Economic Development – Leases

MassDOT owns property throughout the Commonwealth and generates revenue by leasing some properties to private companies. Over the last several years, the ISAU has reviewed certain leases to evaluate whether MassDOT collected all rents and other payments due under the lease terms.

In prior years, the ISAU found that a corporate tenant appeared to have outstanding balances on four of its leases to operate service plazas on MassDOT property along highways throughout the Commonwealth. In light of the potential underpayments, the ISAU notified MassDOT, which retained an outside auditor. The auditor confirmed that the tenant had not paid the full rent owed to MassDOT and calculated late fees and penalties that MassDOT could recover under the specific provisions of the lease agreements.

The ISAU made a recommendation to then-MassDOT Secretary Gina Fiandaca to enforce the department's rights under the four leases and recover the unpaid amounts due. Specifically, the ISAU recommended that MassDOT recover over $750,000 in unpaid rents and fees, as well as the costs of performing the outside audit.

In October 2023, MassDOT finalized its settlement with the tenant and recovered $568,305.65 to resolve prior underpayments of rent.

Enterprise-Wide Services Vendor

The ISAU conducted a preliminary investigation of a vendor that provides enterprise-wide services for the State Transportation Building at 10 Park Plaza in Boston.

Following this investigation, the ISAU forwarded its findings to MassDOT so that it could take action to improve contract administration and oversight and seek appropriate recoveries from the vendor. The ISAU also met with MassDOT to discuss corrective action plans.

Throughout the life of the contract, MassDOT had paid the vendor for hours its employees had worked at the State Transportation Building, but the ISAU began looking into the matter after receiving a complaint alleging that the vendor had incorrectly billed MassDOT. Similar to its experience in other contract reviews, the ISAU had difficulty performing a thorough analysis due to a lack of records. The ISAU had difficulty locating formal contract documents specifying a scope of services for the vendor's engagement with MassDOT.

Nonetheless, the ISAU uncovered questionable billing practices by the vendor. In particular, the ISAU found that the vendor had billed MassDOT for time its employees had spent performing activities – such as attending virtual college classes, conducting personnel interviews, hiring new employees and performing work at other government buildings – unrelated to the services MassDOT contracted for. It appeared unlikely, even in the absence of memorialized contract terms, that MassDOT should have paid for time the vendor's employees spent on administrative duties and work that was not MassDOT-related.

MassDOT has since engaged with a new vendor for these services. MassDOT developed a specific scope of work for the services with the new vendor and outlined for the ISAU contract administration enhancements it made in response to the ISAU's recommendations.

Fraud Prevention Training

In furtherance of its mission to prevent the misuse of transportation funds, the ISAU developed and delivered fraud prevention training in 2023. In February 2023, the ISAU provided fraud prevention training for the MassDOT

Highway Division's Construction Management Certification Program. The training highlighted common fraud schemes, prevention techniques and red flags for vendor fraud. The training also included a case study on bridge maintenance contracts, with a focus on evaluating contract terms, vendor submittals and invoices.

Hotlines

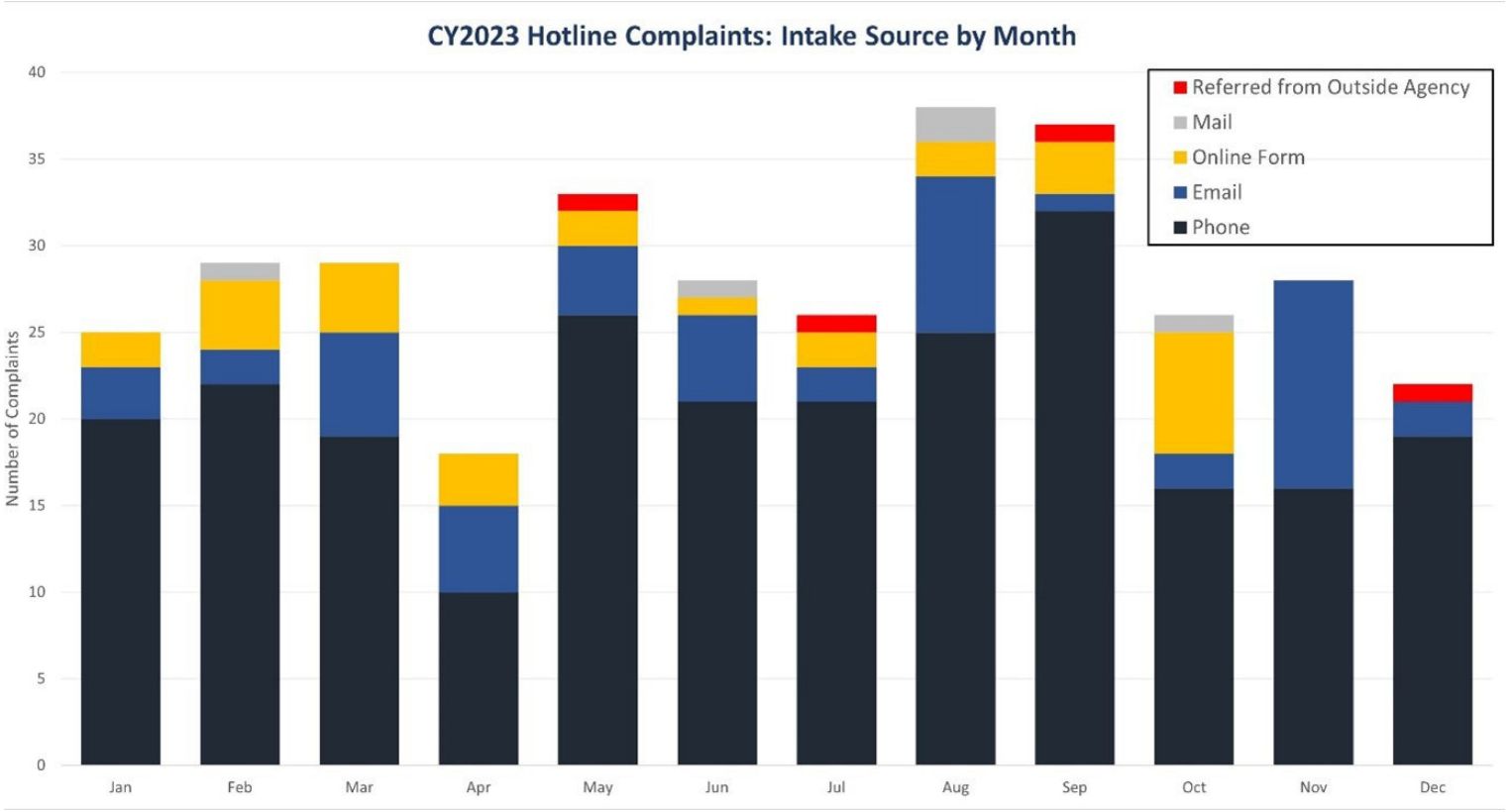
The ISAU maintains a hotline for members of the public to confidentially report suspected fraud, waste or abuse in the expenditure of transportation funds. Information on how individuals may submit information via email, telephone, mail or online form is available on the OIG's website. The ISAU also maintains employee hotlines on MassDOT's intranet where the organization's employees can report wrongdoing or suspected misuse of MassDOT funds.

The ISAU received 339 hotline complaints in 2023, with 130 complaints, or 38.35%, related to disability parking or placards. The remaining hotline tips related to topics such as employee misconduct or mismanagement, vendor fraud and MBTA safety concerns.

The ISAU evaluated each complaint to determine whether it fell within the ISAU's jurisdiction and whether it merited action. Some complaints led to extensive investigations, while others were redirected to other agencies.

In 2023, the ISAU referred several hotline complaints to MassDOT and the MBTA for further investigation and possible corrective action. ISAU staff also worked collaboratively with MassDOT and the MBTA to resolve issues and inquiries into topics as diverse as time and overtime fraud, misuse of highway equipment and facilities, local public works projects, vehicle inspections, and other personnel matters. The ISAU relies on data analysis and its own observations of MassDOT and MBTA practices to identify additional areas within MassDOT and the MBTA for possible evaluation.

Complaints were closed if a preliminary inquiry did not substantiate the allegations.



Legal Division

The Legal Division serves as in-house counsel for the Inspector General and the OIG providing legal support across the office related to human resources, procurements, compliance, litigation and investigations. In 2023, attorneys in the Legal Division assisted the OIG with legal guidance on employment matters including a new hybrid work model and a complete review of the personnel manual. Throughout the year, attorneys onboarded and offboarded new employees, provided in-house training, answered ethics questions and reviewed personnel matters. The Legal Division provided expert advice on requests for proposals and contract review for office procurements from technology upgrades to engagement of experts to support the OIG's mission.

In addition, Legal Division attorneys led the process for updating the OIG's internal control plan and worked side-by-side with the Data Analytics Division to ensure that the OIG's data management policies and procedures stay current with evolving laws and regulations for data protection. The Legal Division also managed litigation strategy on behalf of the OIG, as needed.

On an ongoing basis, the Legal Division provides legal support to the core mission of the OIG: investigations, reviews, education and legislation. Throughout 2023, Legal Division attorneys provided valuable assistance on legal issues that arose in investigations and reviews, provided guidance for interviews, reviewed requests for documents and evaluated findings and recommendations for referrals, letters and reports. They also provided legal research and analysis for the OIG's education and legislative initiatives.

The Legal Division produced and edited content for the OIG's quarterly newsletter, the *OIG Bulletin*, and provided indispensable support to the Inspector General in conveying his perspective on government procurement processes, retail electricity programs, and electric buses and charging stations.

The Legal Division also supported the Inspector General Council, which assists the Inspector General in carrying out his duties and responsibilities under Chapter 12A of the Massachusetts General Laws. In addition, it supported the Inspector General in his position as a member of the Asset Management Board.

Civil Recovery Unit

During the past year the Legal Division continued to investigate and develop matters for potential civil recoveries. In partnership with other OIG divisions and the Attorney General's Office (AGO), the division helped the Commonwealth and local governments recover public funds lost to fraud, waste and abuse.

Civil Recoveries from Former State Troopers for Unworked Overtime

In 2023, the OIG and the AGO reached consent judgments with three former Massachusetts State Police (MSP) troopers from the now-disbanded Troop E to recover over $13,000 paid to the troopers for overtime they allegedly did not work. The recoveries arose from the MSP's investigation of overtime abuse by Troop E members assigned to special overtime shifts intended to reduce accidents, crashes and injuries on state highways. In March and April 2022, the OIG also filed suit against four additional former MSP troopers to recover allegedly unearned overtime payments. This case is pending in Suffolk Superior Court.

The OIG has cumulatively recouped more than $263,000 in unearned overtime from 17 former Troop E officers as of the end of 2023.

Policy Recommendations to Improve Retail Electricity Supplier Programs

On September 26, 2023, the OIG issued a letter to the Commonwealth's Climate Chief Melissa Hoffer, Executive Office of Energy and Environmental Affairs Secretary Rebecca Tepper, and the chairs of the Joint Committee on Telecommunications, Utilities and Energy – Senator Michael Barrett and Representative Jeffrey Roy – with policy recommendations for improvements to retail electricity supplier (RES) programs in the Commonwealth.

Massachusetts RES programs – including the Renewable Energy Portfolio Standard (RPS), Alternative Energy Portfolio Standard (APS) and Clean Energy Standard (CES) – have a substantial impact on public funds, raising revenue to support the Commonwealth's investments to mitigate the negative consequences of climate change and accelerate development of the state's future in clean energy.

Following an investigation, the OIG concluded that strengthened enforcement mechanisms and bolstered surety requirements are necessary to position the Commonwealth's RES programs to fulfill their purpose and better hold participants accountable. In reviewing prior years of these programs, the OIG identified gaps in enforcement measures that prevented the Commonwealth from recouping millions of dollars that RESs owed to the state.

The OIG believes that by adopting legislative and regulatory fixes to the RPS, APS and CES programs, Massachusetts can continue to be a national leader in preserving our environment, stimulating our green sector economy by fostering investments in renewable and clean energy sources, and collecting fees, fines and dues for the benefit of the Commonwealth.

Operations Bureau

Inspector General Shapiro believes that the OIG must be appropriately staffed with professionals who have the necessary skills and technical knowledge to best meet the OIG's broad oversight authority and the challenges of the modern age. As such, he created the Operations Bureau in 2023 to provide comprehensive and efficient administrative and technical support to the OIG's mission-driven functions. The Operations Bureau centralizes the OIG's business, finance, human resources and information technology operations and builds internal specialized knowledge, allowing the OIG to meet the needs of a mid-sized independent state agency.

Reflecting a reorganization of the former Administrative and Finance Division, the new Operations Bureau serves as the administrative and technological backbone of the OIG. The bureau's leadership consists of several newly created positions, including a chief operating officer, a chief fiscal officer, a director of human resources and recruitment, a director of information technology and a project manager. This structure allows staff members in other divisions to focus on their investigative, oversight and training responsibilities, better utilizing the OIG's human and financial resources. While the office maintains a collaborative team approach, the complexity of a modern office requires professionals with specialized skill sets.

The director of human resources has expanded the OIG's recruitment efforts to promote the OIG as a destination employer for experienced professionals who value its mission and vision. Additionally, human resources has served as a dedicated resource to support the growth and development of current OIG employees and managers, which will aid in employee retention.

Tools and Technology

The Operations Bureau is responsible for providing tools and systems that enable employees to work efficiently. Throughout 2023, the bureau, in collaboration with other divisions, promoted the use of Office 365 tools, including SharePoint, MS Forms and MS Lists, to support efficient processes for routine tasks. Additionally, the OIG streamlined time reporting in 2023 by joining the electronic self-service time and attendance features of the Commonwealth's payroll system, HR/CMS. This powerful payroll management tool has been offered by the Comptroller's Office for many years and the OIG is now taking advantage of its benefits.

Inspector General Shapiro is focused on introducing and advancing modern technology to facilitate the OIG's work. Gauging the effectiveness of office technology was a key undertaking in 2023 and will continue to be a priority for the Operations Bureau in 2024. Anticipated future projects include developing a learning management system, adding a new policy management system, upgrading the OIG's case management system, and identifying an electronic signature solution. The bureau also looks forward to spearheading the design of a more intuitive, user-friendly website.

Hybrid Work Model

In September 2023, in collaboration with the Legal Division and after months of research and staff feedback, the Operations Bureau rolled out the OIG's new hybrid work model. The model supports employee productivity and performance while ensuring that the OIG meets its obligation to safeguard the public trust in a fiscally responsible manner. The hybrid model sets weekly on-site and remote days for all employees, incorporates a desk reservation system to schedule hoteling space, and assigns lockers for hybrid employees to store their belongings when on-site. The Operations Bureau continues to evaluate the policy by soliciting employee feedback and keeping abreast of emerging trends. The Inspector General believes this flexible work policy is one way to keep the OIG competitive in a tight labor market.

Policy and Government Division

The Policy and Government (P&G) Division reviews proposed legislation for transparency and the effective use of public dollars. In 2023, the OIG took a stance against bills that would exempt certain public safety officials and other individuals from the "return-to-work" law, which sets hours and earnings limitations for public pensioners who return to the public workforce. Concurrently, the P&G Division advocated for the OIG's position in support of several bills that would streamline aspects of the Commonwealth's procurement law. Consistent with its mandate, the P&G Division also reviewed a host of public construction projects and real property transactions. The division's Pandemic Funding Oversight Unit continued to coordinate the OIG's oversight of federal pandemic funds expended by Commonwealth agencies and municipalities, and developed several educational programs designed to inform municipalities of the federal and state laws governing the use of these recovery funds.

Public Construction

As part of its role overseeing the Commonwealth's public design and construction laws, the OIG received 19 applications in 2023 from public bodies seeking approval to use the construction management (CM) at-risk delivery method. Under this model, the awarding authority for a construction project hires a construction manager and agrees on a maximum price for the project, with any costs exceeding that price shouldered by the construction manager.[33] The applications represented over $1.7 billion in estimated project costs. The OIG ultimately issued approvals to proceed for all of the construction projects, which consisted of five public high schools, three public middle schools, two public safety facilities, a public charter school, a town hall, a municipal building, a park pavilion, a skating rink, a pool complex, a customer service operations center, a convention center and a stadium project. The applicants included the cities of Beverly, Boston, Cambridge, Lynn and Peabody, as well as the towns of Agawam, Belmont, Clinton, East Longmeadow, Hopkinton, Lynnfield, Middleborough and Wilmington. The other applicants were the Conservatory Lab Charter School, the Massachusetts Convention Center Authority, Nashoba Regional School District and Whittier Technical School District.[34]

In 2023, the OIG implemented new reporting requirements to learn more about public agencies' CM at-risk experience. As a condition of the OIG issuing a notice to proceed with this construction method, an applicant must submit status reports to the OIG detailing the chosen CM at-risk firm, key contract dates and cost of the project. This information will keep the OIG apprised of a project through completion and will assist the OIG in its evaluation of the CM at-risk program.

Real Property

The OIG reviews a variety of real estate transactions involving public property – including dispositions, acquisitions and long-term leases – to ensure the public's interests are protected. The Legislature often requires the OIG to review and approve the appraisal methodologies used to value the state land involved in these transactions.

In 2023, the OIG reviewed and approved the methodologies and opinions of value for the disposition of state land to other public entities for subsurface water infrastructure and electrical tie line projects. Additionally, the OIG approved the methodology and appraisal of a disposition of state land to a private party for open space and commercial purposes.

Bill Reviews

Since its establishment in 1981, the OIG has reviewed and commented on proposed legislation to ensure the legislation promotes transparency in government and contains the necessary safeguards to protect public funds and resources. In addition, the OIG regularly provides feedback to individual legislators who are developing bills specific to the districts they represent or bills that affect the general operations of state or local government. The OIG also responds to requests from the Governor's Office to review measures awaiting the Governor's signature.

In 2023, the Inspector General offered public comments, including through testimony at legislative hearings, on several matters before the Legislature.

Chapter 30B Procurement Thresholds

The OIG has consistently advocated for transparency, fairness and open competition when the Legislature contemplates amending Chapter 30B of the Massachusetts General Laws, the Uniform Procurement Act.

In 2023, legislators considered amending Chapter 30B to address problematic statutory language applicable to municipal and school procurements. Current law permits school districts to seek written quotations for procurements up to, but not exceeding, $100,000 rather than undertaking a competitive sealed bidding process. Municipal governments, on the other hand, are permitted to seek written quotations only for purchases up to $50,000.

In the interest of fairness and equity, Inspector General Shapiro supported two bills that would create consistent thresholds for municipalities and school districts. If enacted, House 3127, *An Act Relative to Chapter 30B Procurement Parity*, and Senate 2019, *An Act Relative to Chapter 30B Procurement*, would permit all governing bodies subject to Chapter 30B to seek written price quotations for procurements up to, but not exceeding, $100,000.

The OIG has typically discouraged exemptions from Chapter 30B procedures, which are designed to promote fair and open competition. However, in 2023, Inspector General Shapiro supported a proposed exemption that would aid in remedying a problem created by a previous exemption that allows local

governments to procure snow plowing services without following the procurement law. As part of his statewide listening tour, the Inspector General learned through meeting with municipal officials in their communities that procuring snow plowing services is challenging when not coupled with snow hauling and removal services. Conversely, contractors find it more attractive to enter into a contract for snow plowing services if it includes snow hauling and removal. In view of the challenges cities and towns face in contracting these related services, Inspector General Shapiro wrote legislators in support of House 3039, *An Act Relative to Snow Hauling and Removal*. If enacted, snow hauling and removal would be added to the current snow plowing exemption in Chapter 30B. This position is driven in no small part by the reality faced by municipalities trying to contract for these services with less competition in this industry and a less predictable winter season due to global warming.

Public Retirees

The OIG monitors legislation that amends Section 91 of Chapter 32 of the Massachusetts General Laws, known as the "return-to-work" law. Under this statute, public retirees who return to work for a public entity are subject to hours and earnings limitations.[35]

In 2023, Inspector General Shapiro opposed two bills that would create exemptions allowing certain public safety officials to return to post-retirement public work with no restrictions.

First, the Inspector General opposed House 2546, *An Act to Exempt the Executive Director of the Municipal Police Training Committee from Earnings Limitations*. This bill would create an exemption for the holder of a specific position to return to work while simultaneously collecting a full salary from the Commonwealth and a full public pension from one of its public retirement boards. Allowing one jobholder to circumvent the return-to-work law that applies to all other public employees would be inequitable and contrary to the purpose of a public pension to support those who are retired from public service.

Clean Energy

Inspector General Shapiro is directing some of the OIG's resources toward clean energy oversight, as increased federal and state funds are allocated to this space. Given the urgency of the climate issues driving government spending and the large investment of public funds, Inspector General Shapiro recognizes the Commonwealth's efforts to promote clean energy and electrification. The Inspector General is also mindful that such widespread spending in new industries at an accelerated pace creates opportunities for fraud, waste and abuse. The OIG is focused on finding ways to balance the accelerated growth of this new industry and its related projects with the OIG's statutory mandate to hold government leaders, industry leaders and other stakeholders accountable.

The OIG found that the complex clean energy landscape and the confusing statutory framework for procuring both electric vehicles and their appropriate charging stations may lead to inadvertent violations of state law, particularly for school districts procuring electric buses. Under current law, the purchase of electric vehicles falls under Chapter 30B, while the purchase and installation of the necessary charging infrastructure falls under the public construction statute.

In an opinion piece published in *Commonwealth Beacon*, the Inspector General urged the Governor and the Legislature to streamline the current laws governing the procurement of electric school buses and charging infrastructure so that localities can more effectively do their part to meet the Commonwealth's ambitious climate goals. The Inspector General was pleased that the Governor included language to this effect in her *Municipal Empowerment Act*, Senate 2571. The OIG is hopeful that this legislation is enacted forthwith to meet the flow of federal dollars allocated for this purpose while ensuring compliance with the state's procurement laws.

Second, the Inspector General submitted testimony opposing House 2488, *An Act Relative to Public Safety Personnel*. The bill would create a blanket exemption for municipal police and fire department retirees to provide consulting services to municipalities without adhering to Chapter 32's hours and earnings limits. Moreover, the bill does not define "consulting services," which may lead to abuse, as the existing post-retirement rules have few controls and rely heavily on retiree self-reporting.

The Inspector General wrote to the Joint Committee on Public Service arguing that these bills go beyond the scope of the intent of the return-to-work law.

The Boston Globe

Shapiro, the state's inspector general, said he's personally troubled by repeated attempts to chip away at the pension rules, pointing to another legislative proposal that would exempt municipal police and firefighter retirees who are providing "consulting services" for towns.

"These exemptions tend to be the highest-paid people," he said. "It's not a person who has a $40,000 pension."

-February 5, 2024

Proposed OIG Legislation

Section 33 of Chapter 30 of the Massachusetts General Laws permits the OIG to file legislation in November of even years for the upcoming legislative session. In November 2022, the OIG filed two bills for consideration during the 2023-2024 legislative session.

House 6, *An Act Relative to the Consolidation of Inspector General Annual Reports*, was signed into law on March 29, 2023, as Sections 4 and 5 of Chapter 2 of the Acts of 2023. The measure was introduced by the OIG to consolidate three of the OIG's statutorily required annual reports into one comprehensive report. The new law promotes efficiency by eliminating the legislative mandate that two statutory units in the OIG – the Internal Special Audit Unit (ISAU) and the Division of State Police Oversight (DSPO) – submit separate annual reports to the Legislature. Instead, these reports are now included as part of the OIG's annual report required under Section 12 of Chapter 12A of the Massachusetts General Laws. The law requires that the OIG submit its annual report to both the Joint Committee on Transportation and the Joint Committee on Public Safety and Homeland Security, the previous recipients of the separate ISAU and DSPO reports.

House 7, *An Act Relative to Technical Corrections in Chapter 30B*, would update Chapter 30B to correct statutory cross-references rendered inaccurate by recent amendments. The bill would also strike a duplicative section of Chapter 30B.

Pandemic Funding Oversight Unit

In 2023, the Pandemic Funding Oversight Unit (PFO) continued its work to coordinate and support the OIG's efforts to ensure the prevention and detection of fraud, waste and abuse in the spending of federal pandemic funds by state and local governments.

PFO developed and delivered two free webinars describing the rules associated with fiscal recovery funds to staff from over 280 municipalities. These webinars described the initial federal and state rules that applied to the spending of Coronavirus State and Local Fiscal Recovery Funds, as well as updates and best practices for the administration of related programs.

Additionally, PFO created a training segment for the OIG Academy's "Advanced Topics Updates" training, describing best practices for administration of pandemic-funded projects. PFO will continue to deliver this segment in 2024.

PFO also began a process of reviewing policies that state agencies maintain to oversee projects funded by federal pandemic-related funds. PFO requested and received policies related to a number of these programs and is in the process of developing and communicating related guidance.

As part of its collaborative approach, PFO provided research assistance to the OIG's transportation oversight division, worked with the Bureau of Program Integrity on guidance for health and human services programs supported with pandemic-related federal funds, and addressed calls to the OIG's hotlines about federal awards received by Massachusetts public entities.

For more information on pandemic funding under the American Rescue Plan Act of 2021 (ARPA), refer to the OIG's Pandemic Funding Oversight Resources page.

Regulatory and Compliance Division

In 2023, the Regulatory and Compliance Division (R&C Division), the OIG's educational and technical assistance arm, continued to educate state and local government employees, procurement professionals and private individuals on Massachusetts's public purchasing laws, good governance, contract administration, fraud prevention and related topics.

The R&C Division conducted classes, provided training materials and offered a technical assistance hotline, all with the goal of advancing best practices in public procurement. The main functional areas of the division are the OIG Academy and the Chapter 30B (Public Procurement) technical assistance team.

OIG ACADEMY

The OIG's education program was renamed the OIG Academy in 2023 to better reflect the variety of topics offered, which extend beyond public procurement. The re-branding is at the heart of Inspector General Shapiro's focus on prevention through education and training. Previously known as the Massachusetts Certified Public Purchasing Official (MCPPO) Program, the OIG Academy offers training to help public employees and others acquire the tools needed to carry out their responsibilities while safeguarding public resources from fraud, waste or abuse.

In addition to gaining subject knowledge, many participants train to earn the MCPPO Designation, a widely recognized credential that remains the centerpiece of the OIG Academy. A student earns the MCPPO Designation upon the completion of three foundational procurement courses. Other participants seek a School Project Designers and Owner's Project Managers certification or a charter school certification.

The OIG Academy is a recognized provider of continuing education, which many professionals need to maintain a variety of licenses or certifications. Participants also rely on the OIG Academy for required or voluntary professional development, as well.

The OIG Academy maintains accreditations from the National Association of State Boards of Accountancy (NASBA), the American Institute of Architects, the Massachusetts Department of Elementary and Secondary Education (DESE), the Massachusetts Fire Service Commission, and the Massachusetts Department of Environmental Protection (DEP) for wastewater and drinking water facility operators.

To meet these diverse needs, the OIG Academy offered 30 unique classes in 2023, comprised of 6 core classes and 24 electives on more specialized topics. In 2023, 2,112 individuals registered for 90 class sessions, of which approximately 45% were the OIG's core classes. The 6 core classes are presented several times each year.

To make its program accessible to as many as possible, the OIG Academy offers both live and self-paced online classes, with introductory and advanced topics. Classes range in length from one hour to four days. At the start of the COVID-19 pandemic, the OIG

transitioned to a completely remote learning environment. Due to the popularity of virtual classes – preferred by over 92% of participants – and with the goal of accommodating various learning styles, the OIG Academy has continued to develop virtual learning as it explores cutting-edge learning management systems. The OIG Academy plans to reinstitute in-person classroom options in the future.

In addition to Academy classes, the R&C Division presented outside speaking engagements to a variety of government jurisdictions and professional organizations on a range of topics including fraud prevention, procurement best practices and effective governance. In 2023, the OIG Academy presented at 31 outside speaking engagements to 1,767 participants, most of them in person.

OIG Academy 2023 By the Numbers

30 *unique classes*

90 *class sessions*

2,112 *registrants*

489 *earned or renewed MCPPO Designations*

268 *earned or renewed school certifications*

109 *cities and towns participated in 'One Free Designee' program*

5 *accreditations*

7,400 *instructor or helpline queries*

The MCPPO Designation

A core function of the OIG Academy is to educate those responsible for public procurements. An MCPPO Designation, granted after the completion of a specialized curriculum on public procurement, signifies that the holder achieved a comprehensive understanding of Massachusetts public purchasing laws, practices and principles. Holders of an MCPPO Designation must renew their designation every three years.

To earn an MCPPO Designation, a student must complete three required classes: (1) **Public Contracting Overview**, an introductory class providing an overview of Massachusetts procurement laws; (2) **Supplies and Services Contracting**, providing a more in-depth review of Chapter 30B; and (3) **Design and Construction Contracting**, offering in-depth instruction about public design and construction laws in Massachusetts. Candidates for the credential must also pass competency assessments related to procurement best practices.

Four hundred eighty-nine individuals earned or renewed their MCPPO Designation in 2023. The OIG Academy is developing additional certifications and class offerings.

"I believe that increasing the number of MCPPO designees is core to the mission of the OIG to prevent fraud, waste and abuse of public resources. The MCPPO Designation provides public employees with a better understanding of the complexities of Massachusetts procurement law and best practices. The foundational knowledge increases the proficiency of public employees tasked with procuring goods and services, and, therefore, decreases the probability of fraud, waste and abuse of public resources. I am doing everything I can to remove barriers to training and to position the Office of the Inspector General as a resource and a partner in good government."

Inspector General Jeffrey S. Shapiro

'One Free Designee' (OFD) Program

The OIG Academy and the OIG staff who support the OIG's training and educational functions are funded by a retained revenue account, meaning that the program is paid for by the tuition collected rather than through an appropriation in the state budget. Based on feedback Inspector General Shapiro actively sought from state and municipal officials, it was clear the cost for the MCPPO three-course series was a barrier for some communities to enroll in the training.

Inspector General Shapiro therefore created the pilot "One Free Designee" (OFD) Program, offering core public procurement training at no cost to every municipality in the Commonwealth. Every city and town is eligible to send one employee to take the three classes needed to earn the MCPPO Designation at no cost, amounting to $1,885 in savings per participating community. The OIG has also eliminated the fees associated with all designation applications and triennial renewals. The OIG is picking up the costs associated with the OFD Program.

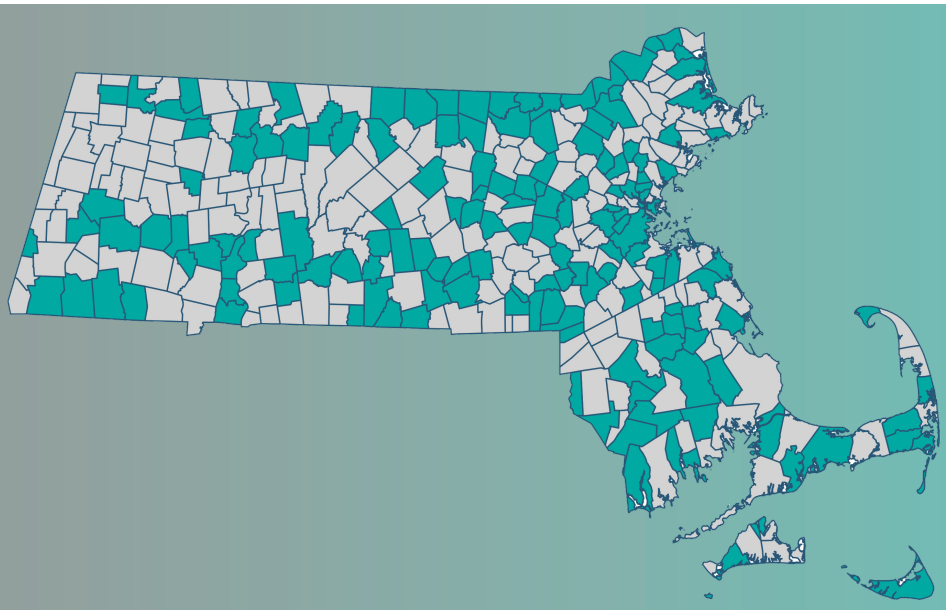
The response to the pilot program has been resoundingly positive, with 109 communities participating in 2023.[36]

"I would encourage cities and towns to take advantage of the one free designation currently offered by the IG's office . . . We have found that more people in local government with knowledge of public purchasing laws, rules and regulations results in stronger best practices and transparent purchasing policies. This free designation has allowed us to expand our office capacity and support more departments and projects."

Jaime Morrow, Chief Procurement Officer, City of Holyoke

The Inspector General is working to extend the pilot program through Fiscal Year 2025. To enroll an employee in the training, a chief municipal officer (mayor, manager, administrator or select board chair) simply completes an online form indicating the employee to receive the training and acknowledging that the cost of the training is a factor in obtaining the designation.

As of the date of this report's publication, about 45% of Massachusetts municipalities have enrolled an employee in the OFD program, as shown in the map below.



OFD Registrations as of 4/12/2024

Registered Not registered

What are municipalities saying about OIG trainings and outreach?

"Inspector General Shapiro is accessible and open to discussing issues of concern, legislation and best practices. By making training opportunities more widely available and making the effort to meet with municipal and procurement officials, he has set a positive tone that we are partners in the prevention of fraud, waste and abuse – or that we are partners in promoting the principles of good government."

Mary Delaney, Chief Procurement Officer, City of Fitchburg and former President of the Massachusetts Association of Public Procurement Officers

"The value of the MCPPO credential speaks for itself and is steadily becoming the standard for most listings for Town Administrator openings. Procurement is not a simple thing and the courses, as well as the assistance of some of my colleagues, have been instrumental in not only compliance, but a better quality of pricing for my Town."

Matthew Chabot, Town Administrator, Berkley

"For me, one of the most valuable aspects of the training was the expertise of the instructors. After I obtained the MCPPO designation from the OIG Academy, I felt I had the tools, knowledge and practical examples to assist my municipality and make sure we are doing things correctly. Additionally, probably the most valuable thing I took away from the training were the resources available to me. The 30B helpline, all the publications available electronically to reference, and my personal favorite – which I use daily – are the procurement charts!"

Jaime Morrow, Chief Procurement Officer, City of Holyoke

"The MCPPO designation and associated training has provided me with the knowledge and tools necessary to navigate the complex procurement processes while also promoting a culture of transparency and accountability within municipal government."

Jennifer Bonfiglio, Chief Procurement Officer, Town of Agawam

Partnerships

The OIG Academy is proud to work with many state and local partners who enhance the training curriculum and enhance the subject matter the Academy can offer. In 2023, the OIG Academy continued its work with the Massachusetts Attorney General's Office (AGO) and the Department of Labor Standards (DLS) to educate public employees on construction bid laws, as well as on the prevailing wage law requiring that employees on public works projects be paid a minimum hourly rate set by DLS. OIG Academy staff also collaborated with the AGO to educate program participants on the appropriate uses of opioid settlement funds. The UMass Building Authority, the State Ethics Commission, and the Division of Capital Asset Management and Maintenance also continued to provide their expertise throughout the year in OIG Academy trainings. The OIG has also continued its collaboration with the Massachusetts School Building Authority on several trainings, including the very popular "Story of a Building" seminar, which serves as a forum for school districts to share information about the building construction process.

Student Assistance

Participants in the OIG Academy have several means of reaching out to staff outside of class sessions. The Academy provides a dedicated email address – "Ask-the-OIG-Instructor@mass.gov" – through which participants can pose questions to instructors both during and after class sessions. In 2023, instructors fielded nearly 1,750 inquiries. In addition, the Academy's telephone and email helpline, which fielded almost 5,650 inquiries in 2023, assists participants and those seeking to register for classes who have enrollment, payment, scheduling or technical questions. The OIG Academy also offers advisory services for current or potential participants who need help choosing appropriate classes or who wish to learn more about the MCPPO Designation.

The Chapter 30B (Public Procurement) Technical Assistance Team

The R&C Division provides interpretation and technical assistance to the public regarding 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 local government jurisdictions, as well as the disposal of surplus supplies and real property. Chapter 30B helps to ensure open and fair competition for public contracts by requiring jurisdictions to give qualified vendors an equal opportunity to be awarded government contracts.

The R&C Division operates a Chapter 30B technical assistance hotline to advise on questions concerning Chapter 30B, public construction bidding laws, local purchasing requirements, fraud prevention and internal controls. The hotline operates Monday through Friday. Information on how individuals may submit information via email, telephone, mail or online form is available on the OIG's website. OIG subject experts typically respond to inquiries within 24 to 48 hours.

In 2023, the hotline responded to 1,235 inquiries. For more complicated Chapter 30B questions, or in the case of state or municipal employees new to public procurement, hotline staff provided consultations by telephone or through virtual meetings.

The R&C Division publishes a wide range of materials to inform government employees, vendors and the general public about public procurement and contracting issues. These materials are available on the OIG's website. The R&C Division also continues to support the quarterly *OIG Bulletin* by providing responses to frequently asked questions (FAQs) and reviewing procurement-related articles.

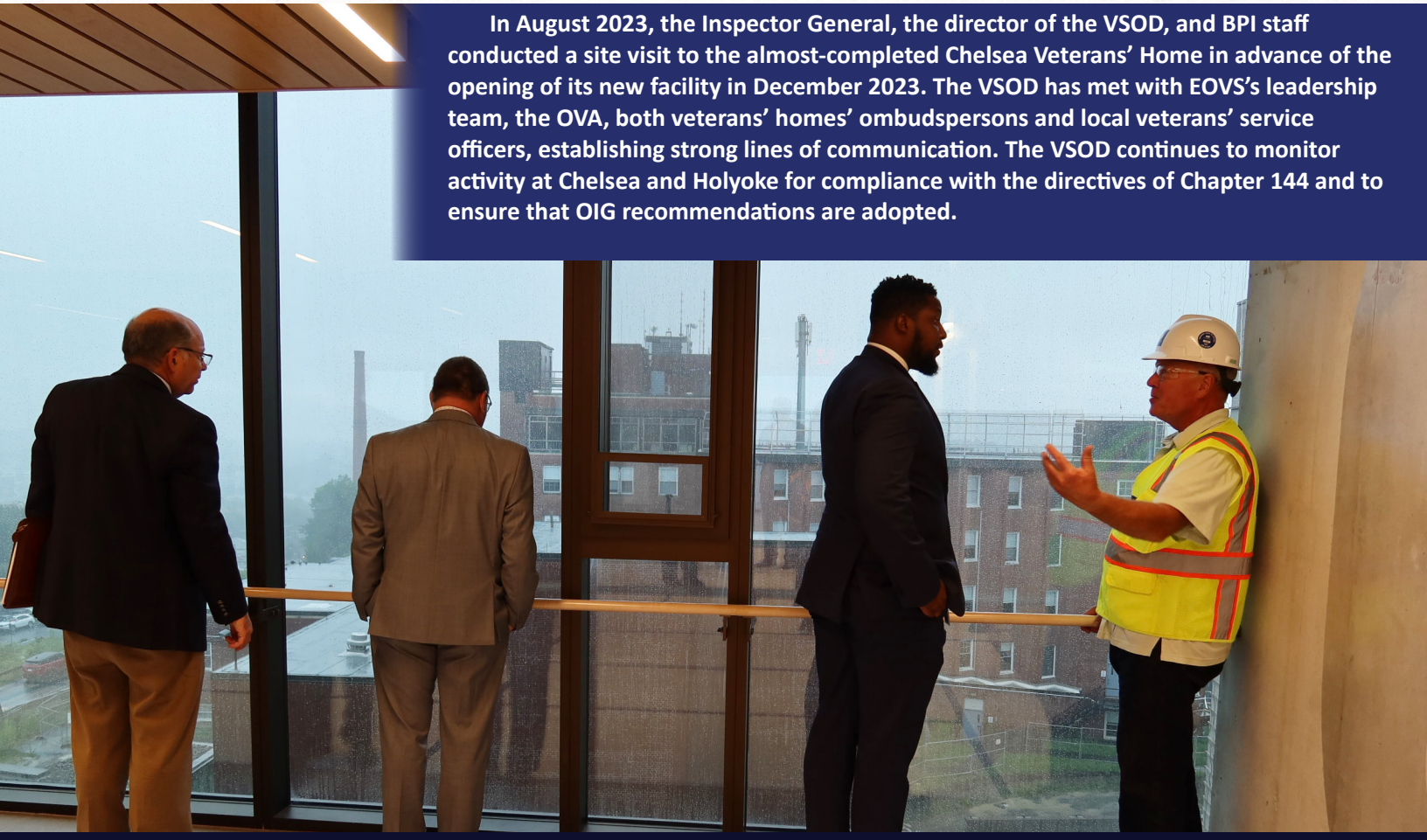
Veterans' Services Oversight Division

Inspector General Shapiro believes that oversight of services provided to veterans is a critical responsibility of the OIG. He therefore established the Veterans' Services Oversight Division (VSOD) in June 2023 after the Commonwealth's elevation of veterans' services to a full cabinet secretariat. The Inspector General wants to ensure that the services provided to veterans by the Commonwealth and its municipalities, including Massachusetts's two veterans' homes and local departments of veterans' services, are monitored to ensure that our veterans are receiving all the benefits of services they are entitled to receive.

In prior years, the OIG's Bureau of Program Integrity (BPI) oversaw the Commonwealth's veterans' services, since they were under the purview of the Department of Veterans' Services, an office within the Executive Office of Health and Human Services. But on March 1, 2023, Chapter 144 of the Acts of 2022 (Chapter 144) created the Executive Office of Veterans Services (EOVS), taking these services out of the jurisdiction of BPI. In response, the Inspector General created the VSOD as an OIG division solely dedicated to oversight of the Commonwealth's obligation to those who have served in our Armed Forces.

The VSOD evaluates the management, performance and leadership practices at the veterans' homes in Chelsea and Holyoke; monitors the implementation of Chapter 144; and oversees the municipal departments of veterans' services, including local veterans' agents, the Office of the Veteran Advocate (OVA), and the veterans' ombudsperson program.

In August 2023, the Inspector General, the director of the VSOD, and BPI staff conducted a site visit to the almost-completed Chelsea Veterans' Home in advance of the opening of its new facility in December 2023. The VSOD has met with EOVS's leadership team, the OVA, both veterans' homes' ombudspersons and local veterans' service officers, establishing strong lines of communication. The VSOD continues to monitor activity at Chelsea and Holyoke for compliance with the directives of Chapter 144 and to ensure that OIG recommendations are adopted.



SECTION III

SPECIAL MANDATES

Star Store: 182 Union Street, New Bedford

In 2023, the Legislature directed the Division of Capital Asset Management and Maintenance (DCAMM) to submit a report to the OIG detailing each expenditure made between September 7, 2021, and September 2023 related to the Star Store, a building leased by the state at 182 Union Street, New Bedford, for the University of Massachusetts at Dartmouth's (UMass Dartmouth) College of Visual and Performing Arts.[37] The Legislature further directed the OIG to review those expenditures in accordance with Chapter 12A.[38] While DCAMM did provide the requested records to the OIG, the OIG's Chapter 12A review is ongoing. The OIG expects to issue its findings in a report within 120 days of this report.

Background

The Star Store was originally built in 1844 and operated as a popular department store in downtown New Bedford for many years. In 1995, the City of New Bedford took possession of the building in lieu of unpaid taxes. The next year, state lawmakers passed legislation authorizing DCAMM to enter a 20-year lease for a property in New Bedford to provide additional facilities for UMass Dartmouth.[39] At that time, the OIG raised concerns about the procurement process, including that the Star Store building was the only property that fit the criteria in downtown New Bedford.

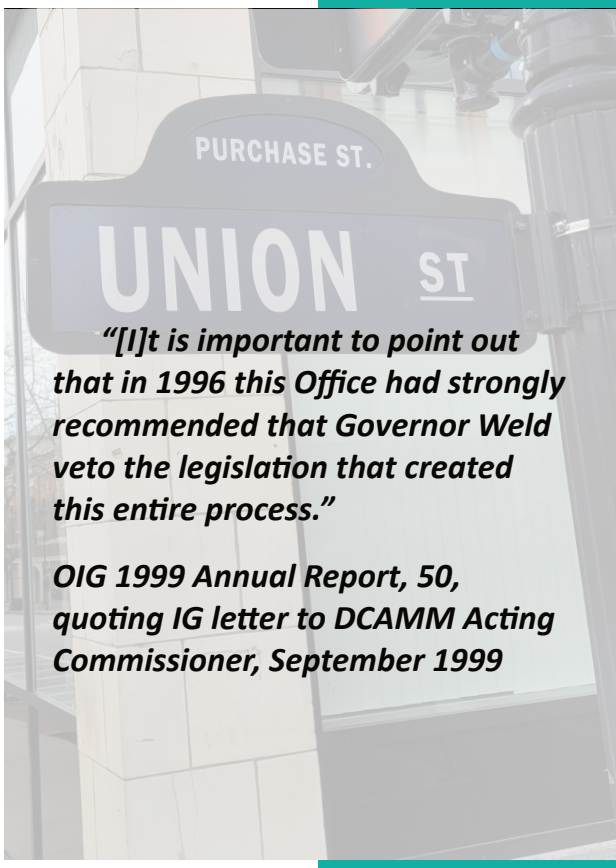
In 1999, New Bedford sold the Star Store to Star Holdings, Limited Partnership, a private corporation, for $1.

In 2000, following an RFP process, DCAMM (on behalf of UMass Dartmouth) executed an agreement with Star Holdings to lease the Star Store for 20 years with an option for the state to purchase the building for $1 at the end of the lease. In addition to regular rent payments, the state was also required to cover the building's operating costs through payments designated as "additional rent" and to make small monthly payments into an account designated for replacing capital items. The Inspector General had expressed concern about this rider, advising DCAMM, "In general, allowing a landlord – or any vendor – to bill the Commonwealth for the vendor's normal operating expenses exposes the Commonwealth to excess costs while reducing the landlord's incentive to operate efficiently and cost-effectively."[40] Over the life of the lease, the rent for the building increased from $2.1 million to $2.3 million annually.

In 2001, UMass Dartmouth's College of Visual and Performing Arts moved into the building and conducted classes there until 2023.

In 2020, at the end of the 20-year lease, the state did not exercise its option to purchase the building for $1. Instead, in August 2021, the parties extended the lease for an additional year, with rent set at $1.9 million for the term. The state continued to pay Star Holdings "additional rent" to fund operating costs and routine maintenance. In 2022, when the lease extension was set to expire, the state again did not exercise its purchase option, although it did make a belated offer that Star Holdings rejected. UMass Dartmouth remained in the building and made monthly rent payments until August 2023.

The state invested significant resources in the form of rent and other payments over the life of the lease – totaling more than $40 million – and at the end did not exercise its option to purchase the building for $1. The Legislature has directed the OIG to review and investigate the expenditures, focusing on the two years after the original lease term expired when the state extended the lease without a clear intent to exercise its option. The OIG is actively conducting its review and investigation to provide a full and complete report on this matter.



"[I]t is important to point out that in 1996 this Office had strongly recommended that Governor Weld veto the legislation that created this entire process."

OIG 1999 Annual Report, 50, quoting IG letter to DCAMM Acting Commissioner, September 1999

Asset Management Board

The Asset Management Board (AMB) is a five-member board authorized by statute to permit alternative methods of procurement or disposition of state assets – in particular, real property – when appropriate and when in the best interests of the Commonwealth.[41] The Inspector General serves as an *ex officio* member, alongside the Secretary of Administration and Finance who serves *ex officio* as chair, and three members of the public appointed by the Governor.[42]

In 2023, Inspector General Shapiro, in his capacity as an AMB member, reviewed and approved proposals related to the following:

(1) A lease for a new and expanded State Police Crime Lab;[43]

(2) A public-private partnership to modernize the Northern Essex Community College fitness center and athletic fields;[44]

(3) A public-private partnership to modernize Bunker Hill Community College;[45] and

(4) The redevelopment of the Hurley Building in downtown Boston.[46]

As part of the review process, the Inspector General worked with DCAMM and the involved agencies to conduct appropriate due diligence, including site visits and meetings with key agency personnel.

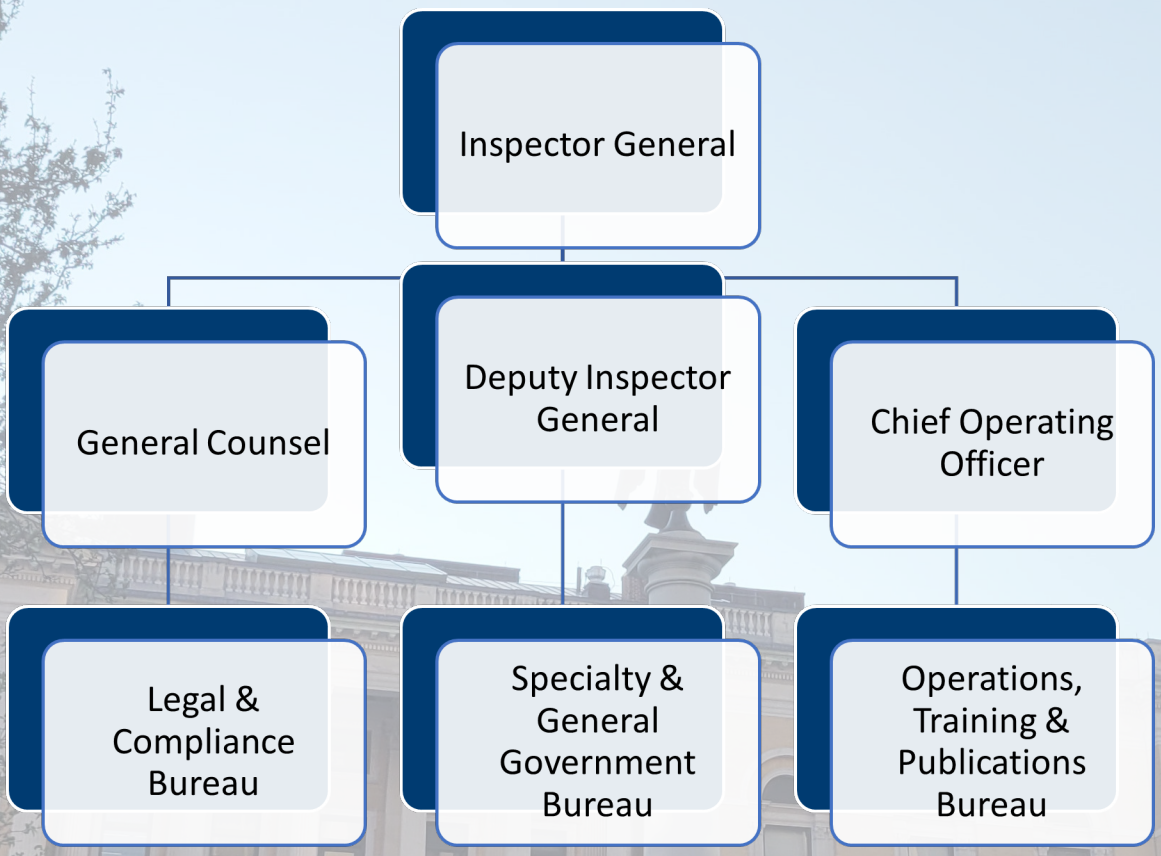
The Inspector General and the OIG continue to monitor AMB-approved projects for compliance with the terms of their approvals to ensure the Commonwealth is making the best use of its assets.[47]

SECTION IV

LOOKING FORWARD

OIG Office Reorganization

As a preview for the 2024 Annual Report, this section highlights changes that Inspector General Shapiro made to the OIG's organizational structure in early 2024 – after the period covered by this report but prior to its issuance – to maximize the office's productivity and efficiency.



As illustrated in the accompanying chart, most of the divisions described in this report have been realigned into three bureaus whose chiefs – the Deputy Inspector General, Chief Operating Officer and General Counsel – manage the daily operations of their respective bureaus and report directly to the Inspector General. The new model is designed to streamline the OIG's work; give its leadership more flexibility in assisting investigations; and better position the OIG to more quickly issue its findings and recommendations.

The OIG looks forward to sharing more details on its structural reorganization in its 2024 Annual Report.

SECTION V

DELIVERABLES

Reports, Letters and Other Publications

The OIG publishes publicly available OIG reports, letters and case updates, as well as manuals, advisories, guides and the quarterly *OIG Bulletin*, on its website. The following are links to the OIG's 2023 activities:

Reports

Report: A Review of the MBTA's Police Dispatch Services Contract with IXP Corporation, Supplemental Report

Report: Town of Abington Department of Public Works

Report: A Review of the MBTA's In-Station Customer Service Contract with Block by Block

Report: MassHealth and Health Safety Net: 2023 Annual Report

Report: Internal Special Audit Unit: 2022 Annual Report

Report: Division of State Police Oversight: 2022 Annual Report

Report: Mashpee Housing Authority: Review of Contract with Former Executive Director

Letters

Letter to Chairs of the Joint Committee on Public Service regarding proposed exemption to earnings limits for municipal police officer and firefighter retirees

Letter to Colonel John E. Mawn Jr. commending the Massachusetts State Police on its new policies

Letter to Chairs of the Joint Committee on Transportation regarding issues related to the procurement of electric school buses and their associated charging infrastructure

Letter to Boxborough Town Administrator Michael Johns and Boxborough Select Board Chair Kristin Hilberg regarding alleged overpayments for education incentives to members of the Boxborough Police Department

Letter to Chairs of the Joint Committee on Public Service expressing opposition to proposed exemption to earnings limits for the Executive Director of the Municipal Training Committee

Letter to Chairs of the Joint Committee on State Administration and Regulatory Oversight regarding proposed corrections of statutory references in Chapter 30B

Letter to Chairs of the Joint Committee on State Administration and Regulatory Oversight regarding proposed addition of snow hauling exemptions under Section 1 of Chapter 30B

Letter to Chairs of the Joint Committee on State Administration and Regulatory Oversight regarding the proposed raising of procurement thresholds in Section 4 of Chapter 30B

Letter to Climate Chief, EOEEA Secretary and Chairs of the Joint Committee on Telecommunications, Utilities and Energy regarding recommendations for improvements to retail electricity supplier programs

Letter to State Treasurer Deborah Goldberg and the Massachusetts School Building Authority regarding the mitigation of risks of smart building technology

Letter to MBTA regarding its sponsorship agreement with nonprofit MassChallenge, Inc.

Letter to Boston Public Schools Superintendent Mary Skipper regarding plans to enter a new bus transportation contract with Transdev Services, Inc.

Letter to EHS Secretary Marylou Sudders regarding leadership failings at the Chelsea Soldiers' Home

Case Updates

Case Update: Former transit police sergeant to pay restitution in stolen wages case

Case Update: Medford contractor sentenced for tax evasion scheme

Case Update: Three arraigned for more than $97,000 collected in pandemic unemployment fraud

Case Update: Former Medfield Parks and Recreation Director indicted on charges of larceny

Case Update: Former buyer for MBTA pleads guilty to larceny, bribery, illegal gratuity and procurement fraud charges

Case Update: Former town treasurer of Stow pleads guilty to embezzlement

Case Update: Former Ware fire chief indicted for embezzlement of over $28,000

Case Update: US Attorney's Office files charges against Medford contractor for tax evasion scheme

Case Update: Former housing counselor agrees to repay $109,100 for fraudulently obtained pandemic-era rental assistance

Case Update: Two founders and former directors of nonprofit Violence in Boston face nine new fraud charges

Case Update: Four former state troopers repay more than $17,500 for alleged unworked overtime

Legislative Testimony

Inspector General's Testimony on safety oversight of the MBTA before the Joint Committee on Transportation

Inspector General's Testimony on the FY 2024 OIG budget before the House and Senate Committees on Ways & Means

Bulletins

OIG Bulletin, Vol. 4, Issue #4 (December 2023)

OIG Bulletin, Vol. 4, Issue #3 (October 2023)

OIG Bulletin, Vol. 4, Issue #2 (July 2023)

OIG Bulletin, Vol. 4, Issue #1 (April 2023)

SECTION VI

REFERENCES

Acknowledgments

While the OIG is an independent agency, it appreciates the cooperative and collaborative spirit of the entities with whom it worked in 2023, including the constitutional offices, the secretariats, and independent and quasi-public agencies. The OIG also acknowledges municipalities, professional associations, nonprofits, vendors, contractors and suppliers – as well as the public at large – whose invaluable assistance has been critical to fulfilling the OIG's mission to prevent and detect fraud, waste and abuse in the expenditure of public funds and assets. The OIG's meaningful and impactful work to balance responsive and effective government with the safeguarding of public funds and assets is only possible with an engaged citizenry. We appreciate all of those who take the time to report tips or complaints to the OIG.

The OIG could not accomplish its mission without its committed team. Thank you to the dedicated team members who work tirelessly to advance the OIG's objectives and contribute to its overall success. The OIG's audit, investigative and educational work can be difficult, demanding and lonely. But the results of that work are invaluable, because the success of the OIG can be measured by its ability to maintain faith in government for some and to restore that faith for others. I am honored to work with public servants who embody the mission of this office each day as they assist government in operating efficiently and using public funds appropriately. Their goal, like mine, is to make government work better tomorrow than it did today.

Photograph by Anna Lockett, 2023

Jeffrey S. Shapiro

Jeffrey S. Shapiro, Esq., CIG
Inspector General
April 30, 2024

OIG in the News

State inspector general instructs Boston schools to crack down on late buses

By James Vaznis Globe Staff, Updated February 28, 2023, 8:11 p.m.

OPINION > EDITORIALS

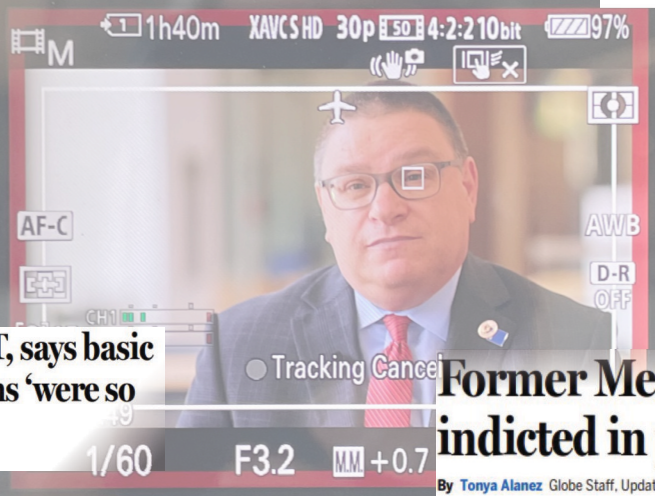
Editorial: MBTA safety problems call for new, separate agency

May 10, 2023

CommonWealth
NONPROFIT JOURNAL OF POLITICS, IDEAS & CIVIC LIFE

Push for electric school buses faces procurement bump in the road

JEFFREY S. SHAPIRO Oct 15, 2023



Mass. inspector general rips T, says basic and routine business functions 'were so poorly managed'

By Daniel Kool Globe Correspondent, Updated July 27, 2023, 4:53 p.m.

Former Methuen police chief, officer indicted in public corruption case

By Tonya Alanez Globe Staff, Updated September 28, 2023, 9:17 p.m.

Former MBTA employee pleads guilty to stealing from T, taking kickbacks

By Maeve Lawler Globe Correspondent, Updated September 25, 2023, 6:58 p.m.

Inspector general flags high-tech lighting problems at Wilbraham school as example of mistake to avoid

Published: Sep. 25, 2023, 7:36 p.m.

SHNS
STATE HOUSE NEWS SERVICE

Tuesday, October 31, 2023

Shapiro Making Imprints As New Inspector General

Balancing Investigatory Role With Public Sector Education and Training

Chris Lisinski

Endnotes

1. The Legislature created the OIG pursuant to the recommendation of the Special Commission Concerning State and County Buildings, a legislative commission that spent two years probing corruption in the construction of public buildings in Massachusetts.
2. In early 2024, the OIG implemented an office reorganization that created three bureaus – Specialty and General Government; Legal and Compliance; and Operations, Training and Publications. See page 65 for more information.
3. The Commonwealth's fiscal year runs from July 1 through June 30.
4. Other investigations may originate through the OIG's own initiatives or through recommendations from other governmental agencies.
5. The memorandum noted that the PRO plan is subject to revision by EHS's new CCO.
6. SNAP is a federal nutrition program administered by DTA.
7. In that report, the OIG recommended that DTA emphasize the importance of maintaining high quality data, make supervisors responsible for quality control at data entry, develop training to improve data quality, and continuously evaluate and improve data collection fields and processes.
8. 2022 Mass. Acts c. 144, § 105.
9. Inspector General Shapiro created the Veterans' Services Oversight Division following the passage of Chapter 144 to continue the scrutiny and oversight of veterans' services as a commitment to the Commonwealth's veterans. See page 60 for more information.
10. Chapter 144 renamed the Commonwealth's two Soldiers' Homes to Veterans' Homes. 2022 Mass. Acts c. 144, §§ 13, 16-20.
11. Section 72(e) of Chapter 22C of the Massachusetts General Laws previously required the DSPO to produce a separate annual report of its activities in the preceding calendar year. Section 5 of Chapter 2 of the Acts of 2023, effective March 29, 2023, amended Section 72(e) by directing that the DSPO annual report be included as part of the OIG's officewide annual report required under Section 12 of Chapter 12A of the Massachusetts General Laws.
12. The number of details MSP troopers work each year has consistently fallen from 2018 through 2022. The reason for this trend is unclear and whether it will continue in the coming years remains to be seen.
13. The DSPO conducted a similar review on a smaller scale in 2021.
14. The SPAM is the union that represents all MSP troopers and sergeants.
15. Entities can also request troopers for details designated to last four or eight hours. If a trooper elects to work a four-hour detail, and then works four hours or less, the trooper only receives four hours of pay. However, if the detail lasts longer than four hours, the trooper receives eight hours of pay.

16. Troopers were paid $50 per hour for details from 2016 through November 12, 2022, at which time the detail rate increased. Since November 13, 2022, the paid detail rate is $56.25 per hour.

17. While the DSPO was unable to accurately determine how much of the approximately $7.4 million increase involved public monies, the data clearly reflects that a significant portion of the paid details were funded with public dollars. Many payroll entries indicated the detail assignment was for a federal roadway or a Commonwealth or municipal agency. The public or private entity requesting the detail ultimately reimburses the MSP for its cost. Public entities reimburse the MSP with public dollars. Private entities can, and likely do, pass increased detail costs onto residents of the Commonwealth, typically in the form of rate or price increases.

18. The MSP and SPAM also entered into a written agreement on October 14, 2022, to remove troopers from the paid detail offices as the transition to an outside vendor occurs. The MSP would reassign these troopers to perform police patrolling duties in their respective troops. Since entering into the contract with the outside vendor, the MSP has begun the process of transferring the administration of paid details to the vendor one troop at a time.

19. *See* 801 CMR 4.02(520).

20. The MSP, and any outside vendor hired to administer paid details, is permitted to charge an administrative fee for paid details to any nongovernmental or private entity.

21. *See* 801 CMR 21.07(1).

22. Only two outside vendors, including the outside vendor awarded both contracts, responded to the MSP's RFRs.

23. M.G.L. c. 268A pertains to the conduct of public officials and employees.

24. Research suggests a link between officer safety and fatigue. *See* Rex M. Scism, *Human Fatigue in 24/7 Operations: Law Enforcement Considerations and Strategies for Improved Performance*, Police Chief Magazine, at 7 and 8, *available at* https://www.policechiefmagazine.org/human-fatigue-in-247-operations/, citing Shantha M.W. Rajaratnam, et al., *Sleep Disorders, Health, and Safety in Police Officers*, Journal of American Medical Association 306, no. 23 (2011).

25. MPAC was established in October 1996 through the combined efforts of the Massachusetts Chiefs of Police Association, the Massachusetts Police Accreditation Coalition and the Executive Office of Public Safety and Security. Pursuant to Executive Order 392, MPAC was initially created as a state agency within the Executive Office of Public Safety and Security, mandated to oversee accreditation for police organizations throughout the Commonwealth. In February 2004, MPAC transitioned from a state agency to a private, nonprofit organization.

26. To earn MPAC certification, a police agency must demonstrate compliance with 159 mandatory standards. To earn MPAC accreditation, a police agency must demonstrate compliance with 257 mandatory standards, as well as certain optional standards. MPAC requires a police agency to achieve certification before it will assess the agency for accreditation. *The Standards*, The Massachusetts Police Accreditation Commission, https://www.masspoliceaccred.net/standards (last visited April 3, 2024).

27. According to Fiscal Year 2024 operating budgets, MassDOT and the MBTA anticipate spending $1.15 billion and $2.73 billion in operating expenses, respectively. Additionally, according to capital investment plans for Fiscal Years 2024 through 2028, MassDOT and the MBTA anticipate costs of $15.7 billion and $9.7 billion, respectively, over five years. However, actual capital spending may vary. The budget figures reflected here include items such as operating assistance and grants to regional transit authorities. These figures do not encompass all transportation spending in the Commonwealth, such as spending by municipalities for local roadway projects that are also within the ISAU's jurisdiction.

28. Section 9(e) of Chapter 6C of the Massachusetts General Laws previously required the ISAU to produce a separate annual report of its activities for the preceding calendar year. Section 4 of Chapter 2 of the Acts of 2023, effective March 29, 2023, amended Section 9(e) by directing that the ISAU annual report be included as part of the OIG's officewide annual report required under Section 12 of Chapter 12A of the Massachusetts General Laws.

29. *See* Section 196 of Chapter 46 of the Acts of 2015.

30. *Id*.

31. The contract period of performance is from January 12, 2022, to January 11, 2025.

32. Although the formal records system went into effect in July 2023, the MBTA reported that it made efforts to collect and maintain previous procurements prior to that date.

33. Construction projects typically involve three phases that run sequentially: planning, design and construction. However, under the construction management at-risk model, the awarding authority uses a two-phase selection process and hires a construction manager early in the design process to later oversee construction. The awarding authority and construction manager negotiate a maximum price for the project during the design phase. The method is "at risk" because the construction manager is responsible for any costs exceeding that amount. In the design-build model, design and construction are combined into a single stage. The awarding authority executes a contract with a single entity – *e.g.*, a design-build firm, joint venture, or contractor that subcontracts with a designer – to design and construct the project. To use the CM at-risk or design-build models on a public works project of $5 million or more, an awarding authority (except for certain exempt agencies) must apply to the OIG for approval to proceed.

34. The OIG subsequently rescinded the Whittier Technical School District authorization through a March 15, 2024, letter after a districtwide vote rendered the project financially unviable.

35. A public retiree is permitted to work for a public entity post-retirement provided the retiree abides by Section 91's requirements: (1) a 1,200-hour cap on hours worked per year; (2) a salary limit based on their pre-retirement earnings as a public employee; and (3) an obligation to track and report earnings limits to their post-retirement employer.

36. As of April 12, 2024, the number of cities and towns participating in the OFD Program stood at 156.

37. *See* Section 79 of Chapter 28 of the Acts of 2023 (Section 79), which reads, "Not later than October 1, 2023, the division of capital asset management and maintenance, in consultation with the University of Massachusetts Building Authority, shall submit to the inspector general for inclusion in the annual report

pursuant to section 12 of chapter 12A of the General Laws, a report detailing each expenditure made after September 7, 2021, from item 1599-7104 for the facility located at 182 Union street in the city of New Bedford. The report from the division shall identify the purpose of each expenditure and provide documentation therefor, including, but not limited to, amounts paid for rents, utility expenses, deferred maintenance, capital improvements, personnel expenses and any other operating expenses. The inspector general shall review and investigate all such expenditures in accordance with said chapter 12A, including, but not limited to, the production of all records, correspondence and payments relating to the facility and shall refer any appropriate matters in accordance with sections 10 and 11 of said chapter 12A. No funds from any reserve account, of the University of Massachusetts or otherwise, shall be expended to maintain or renovate the facility until the implementation of chapter 141 of the acts of 2022 or until such time as the facility is otherwise conveyed by deed to the University of Massachusetts Building Authority."

38. *Id*.
39. *See* Section 2 of Chapter 457 of the Acts of 1996.
40. OIG 1999 Annual Report, 51, quoting IG Letter to DCAMM Acting Commissioner, September 1999.
41. M.G.L. c. 7B, § 4(b).
42. M.G.L. c. 7B, § 2(a).
43. *See* June 27, 2023, AMB meeting minutes.
44. *See* July 18, 2023, AMB meeting minutes.
45. *See* November 2, 2023, AMB meeting minutes.
46. *Id*.
47. M.G.L. c. 7B, § 4(c); 810 CMR 2.08(1).

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