



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

Official Report – Issued May 1, 2019

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## Bureau of Special Investigations 2<sup>nd</sup> Quarter Report

Fiscal Year 2019  
October 1, 2018 – December 31, 2018



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## ABOUT THE BUREAU OF SPECIAL INVESTIGATIONS

As a part of the Office of the State Auditor, the Bureau of Special Investigations (BSI) is charged with investigating allegations of public assistance fraud throughout the Commonwealth in order to make government work better. The diligent work of BSI fraud examiners ensures taxpayer dollars used to fund Massachusetts' public benefits programs are managed effectively so that programs are available to residents who truly need them.

Under state law, BSI's investigative authority extends to any assistance program administered by the Department of Transitional Assistance (DTA); the Department of Children and Families (DCF);<sup>1</sup> and the Division of Medical Assistance, which administers MassHealth (the state's Medicaid program). Although the Department of Early Education and Care (EEC) is not included in the BSI statute, BSI also works with EEC through a Memorandum of Understanding. As a result of BSI's investigations, public assistance fraud cases are adjudicated in the following ways: cases are referred to agencies for administrative action, fraudulent overpayments are recovered through civil agreements, individuals are disqualified from programs for specified periods of time, and cases are prosecuted in state district or superior courts and the United States District Court for the District of Massachusetts. BSI recommends cases for prosecution based on the severity of fraud, the intent of the perpetrator, and the possibility for the case to serve as a deterrent to future fraud.

Working under Section 17 of Chapter 11 of the Massachusetts General Laws, BSI fraud examiners operate from five offices across the Commonwealth. BSI consists of four separate investigative units: the Central Processing Unit, the MassHealth Unit, the DTA Unit, and the Data Analytics Unit (DAU). An Assistant Director, who reports to the Director of BSI, heads each unit. While each unit has its own specific concentration, there is extensive cross-unit collaboration, and investigations often involve overlap. BSI also participates in joint investigations and task forces with other state and federal agencies that focus on combating fraudulent activities throughout the Commonwealth.

This report, as statutorily required, summarizes BSI's work in the 2<sup>nd</sup> quarter of fiscal year 2019, during which BSI identified \$2,940,235.34 in fraud.

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1. DCF does not administer public assistance funding and therefore does not fall within the scope of BSI's investigative work.

**Figure 1. Total Identified Fraud by Referral Source**

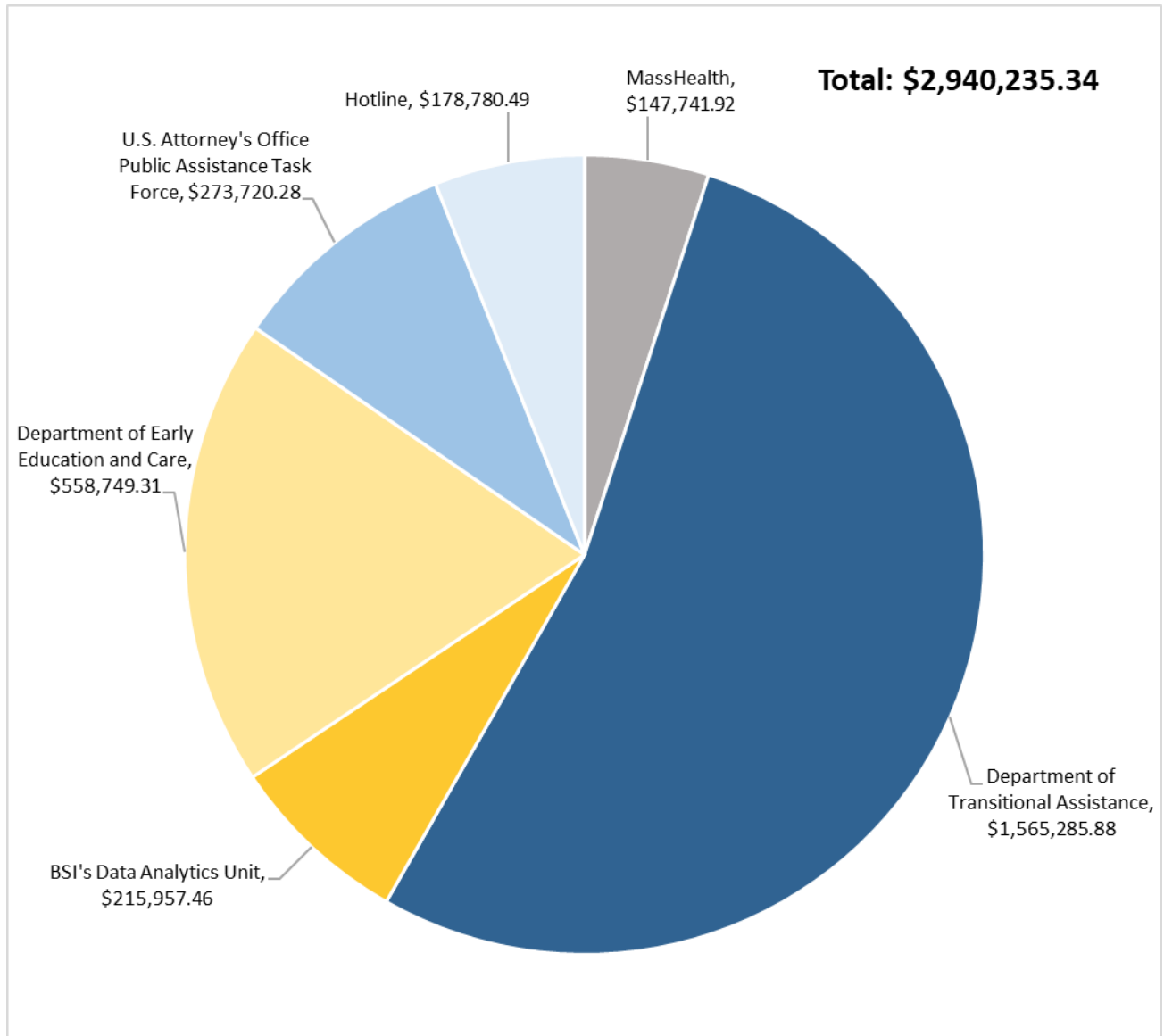


Figure 1. The total amount of fraud BSI identified in the 2<sup>nd</sup> quarter of fiscal year 2019, organized by the referral source. For example, BSI identified \$1,565,285.88 in fraud as a result of referrals from DTA. Referrals from DTA are investigated by the MassHealth Unit, the DTA Unit, or DAU.

## 2<sup>nd</sup> QUARTER SUMMARY BY UNIT

### Central Processing Unit

The Central Processing Unit (CPU) received 1,415 new referrals for investigation in the 2<sup>nd</sup> quarter of fiscal year 2019 (FY19) from the following sources:

Source	Number of Referrals	Percentage of Total*
Department of Transitional Assistance (DTA)	988	69.8%
MassHealth	295	20.8%
Hotline	113	8.0%
Task Force	12	0.8%
Department of Early Education and Care (EEC)	4	0.3%
Data Analytics Unit (DAU)	3	0.2%

\* Percentages do not total 100 due to rounding.

The primary sources of fraud in these 1,415 new referrals, based on the number of cases, are as follows:

Type	Number of Cases	Percentage of Total
Supplemental Nutrition Assistance Program (SNAP)	429	30.3%
Transitional Aid to Families with Dependent Children (TAFDC)	308	21.8%
MassHealth	300	21.2%
Classification to Be Determined	220	15.5%
Emergency Aid to the Elderly, Disabled, and Children (EAEDC)	153	10.8%
Other	5	0.4%

CPU processed, analyzed, and reviewed 1,367 cases. CPU identified 189 referrals as potential Intentional Program Violation cases, where BSI determined that a fraud claim had merit but returned the case to DTA for further action based on our evidence. Additionally, CPU closed 811 cases administratively with a finding of no fraud after completing a preliminary investigation. CPU designated the remaining 367 cases for assignment to either the MassHealth Unit or the DTA Unit. CPU team members also completed 66 DTA investigations, identifying fraud in 56 of those cases.

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## MassHealth Unit

During the 2<sup>nd</sup> quarter of FY19, there were 117 new cases assigned to the MassHealth Unit, which completed 163 investigations that were assigned in this and previous quarters and identified \$629,944.08<sup>2</sup> in fraud in 116 cases. The remaining 47 cases resulted in findings of no fraud or were closed administratively.

The MassHealth Unit also completed 13 civil recovery cases, totaling \$160,724.37.

The unit's ongoing investigative efforts into MassHealth's Personal Care Attendant (PCA) Program contributed to the filing of two criminal complaints during this quarter. The first case, in Pittsfield District Court, involved an individual who allegedly submitted timesheets for payment for providing personal care services while the consumer was an inpatient at a nursing facility. The total amount paid for services not rendered was \$14,946.47. The second case, filed in Ayer District Court, involved an individual who allegedly submitted timesheets for payment for providing personal care services while married to the consumer. The individual allegedly used her maiden name as PCA, but acted as the consumer's surrogate under her married name. The total amount paid for fraudulent services was \$457,253.52, as she was also charged with receiving MassHealth benefits for a period when she underreported her employment.

The MassHealth Unit continues to work closely with MassHealth management and meets monthly with MassHealth's Program Integrity Unit. The MassHealth Unit maintains constant contact with stakeholders, including the Executive Office of Elder Affairs, fiscal intermediaries, UMass Medical Center, and the Attorney General's Office, resulting in increased referrals to BSI. In addition, BSI regularly schedules trainings for the directors and staff of the four MassHealth Enrollment Centers located throughout the Commonwealth in order to foster greater communication and shared goals between the agencies.

## DTA Unit

For the 2<sup>nd</sup> quarter of FY19, the DTA Unit completed 1,073 cases, identifying fraud totaling \$2,080,050.82 in 150 cases. In total, the DTA Unit identified the following fraud: \$995,829.58 in SNAP benefits, \$653,726.01 in EEC benefits, \$352,749.39 in TAFDC benefits, and \$77,745.84 in EAEDC benefits.

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2. The figure includes referrals from MassHealth and DAU.

In addition, the DTA Unit filed charges on four subjects in various courts and conducted 13 civil recoveries for \$367,060.92 fraudulently obtained from the Commonwealth.

### **Data Analytics Unit**

For the 2<sup>nd</sup> quarter of FY19, the MassHealth and DTA Units completed 87 cases from DAU-generated referrals from previous quarters and identified fraud totaling \$215,957.46 in 85 of those cases. The majority of the cases identified fraud in connection with PCAs falsely submitting timesheets for services allegedly provided to MassHealth members residing in long-term care facilities; MassHealth prohibits PCA services for long-term-care facility residents.

DAU continued its efforts to uncover suspicious activity related to providers participating in the MassHealth program. These efforts led to DAU entering several joint investigations with federal law enforcement partners that participate in the Public Benefits Fraud Federal Task Force.

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## NOTABLE BSI ACTIVITY

### **Medford Woman Pleads Guilty to Social Security, Medicare, MassHealth, and Food Stamp Fraud**

On November 27, 2018, a Medford woman pleaded guilty in US District Court in Boston for allegedly stealing over \$100,000 through various larceny schemes defrauding state agencies of benefits. The defendant pleaded guilty to three counts of theft of public funds, two counts of making false statements, and one count of falsely representing a Social Security number.

BSI's investigation revealed that from October 2007 through May 2017, the defendant stole \$73,288 in Social Security benefits, \$8,455 in Medicare benefits, \$8,615 in MassHealth benefits, and \$17,929 in Supplemental Nutrition Assistance Program benefits (food stamps). Additionally, in September 2015, the defendant falsely informed the Massachusetts Department of Transitional Assistance that she did not have any income while she was working as a personal care attendant (PCA). And in March 2016, the defendant falsely reported to the Social Security Administration that she did not take care of any other individuals while she was working as a PCA and falsely represented her Social Security number on a timesheet submitted while working in that capacity.

BSI collaborated with the Health and Human Services Office of the Inspector General over the course of its investigation; the US Attorney's Office Major Crimes Unit prosecuted the case.

### **Tewksbury Woman Pleads Guilty, Sentenced for Submitting False Timesheets**

On December 13, 2018, a Tewksbury woman pleaded guilty and was sentenced for a scheme to defraud MassHealth in Middlesex County Superior Court in Woburn. The woman, who submitted false timesheets claiming that she provided PCA services to her aunt after the aunt's hospitalization and death, pleaded guilty to one count of Medicaid false claims and one count of larceny over \$250.

Based on BSI's investigative efforts and collaboration with the Attorney General's Medicaid Fraud Division, a Middlesex County grand jury indicted the defendant for allegedly stealing more than \$10,000 in MassHealth benefits from September 2016 through April 2017. After her plea, the defendant was sentenced to one year in the House of Corrections, suspended for three years, with the conditions that



she is prohibited from providing any service that is billed directly or indirectly to MassHealth and that she pay restitution of up to \$12,360.

## **BSI Staff Training**

In December 2018, BSI's legal counsel gave a presentation on discovery to BSI staff members. The presentation, which covered a wide array of topics, is part of an ongoing series to promote staff education, development, and training. Moreover, these presentations equip BSI's staff with the tools and information to work smarter and more efficiently in safeguarding the Commonwealth's public assistance benefit programs.

While the bulk of cases BSI investigates are referred from state agencies and law enforcement, the general public also plays a vital role in reporting fraud. The State's Auditor's Office has an online form to report public assistance fraud: <https://www.mass.gov/forms/report-public-benefit-fraud-online>. Citizens can also use BSI's fraud reporting hotline: (617) 727-6771. All complaints are kept confidential.