



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

*Making government work better*

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**Bureau of Special Investigations**  
**Second Quarter Report – FY 2013**

October 1, 2012 – December 31, 2012

## BUREAU OF SPECIAL INVESTIGATIONS

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The Bureau of Special Investigations (BSI) continues to serve an important and necessary function in the State Auditor's Office by diligently protecting public assistance programs from fraud and recovering taxpayer dollars from those who choose to cheat the system, thereby maximizing resources for those citizens truly in need of services. During challenging economic times, the identification and recoupment of fraudulently used public assistance takes on an even greater importance as agencies and assistance programs struggle to stretch limited resources to help those in need.

BSI has embraced State Auditor Bump's mission to help government work better by instituting and enhancing several initiatives and organizational changes, focused around this simple, yet vital, mission to ensure taxpayer dollars are spent properly and as efficiently as possible.

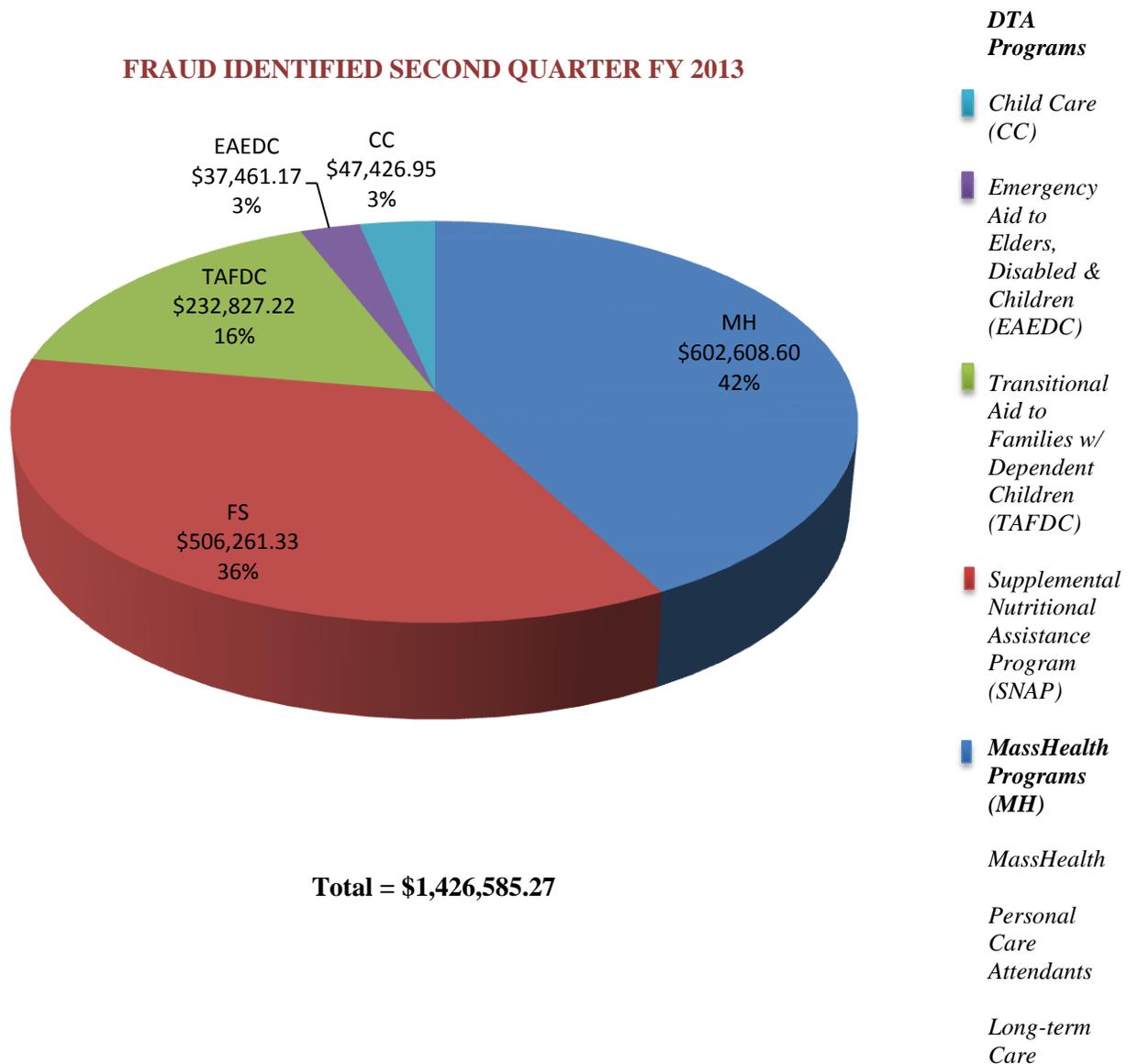
Working under the provisions of M.G.L. Chapter 11, Section 17, BSI examiners operate from five offices across the state, investigating referrals from the Department of Transitional Assistance (DTA), MassHealth, law enforcement agencies, and the general public. BSI works closely with other agencies at the federal, state, and local levels. BSI examiners participate in joint investigations and serve on task forces focused on preventing and combating fraudulent activities. BSI interacts with numerous agencies including the Federal Bureau of Investigation, the U.S. Food and Drug Administration, the U.S. Health and Human Services, the U.S. Attorney's Office, Office of the Attorney General, the State Police, District Attorneys' Offices, local police, and administering agencies.

BSI's case tracking application and its business intelligence software continue to be a valuable investigation management tool for examiners and other staff. Using this technology, which electronically collects investigative data, performs analytical tasks, and helps to prioritize casework, examiners are able to expedite fraud investigations, accelerate cases for recoveries, and gather information to enhance prevention activities. In the past year, the case tracking system and business intelligence software have become a necessary tool for effective and well-organized case management, while helping to improve compliance rates established by the United States Department of Agriculture Food and Nutrition Service.

## SECOND QUARTER ACTIVITIES AND ACCOMPLISHMENTS

During the second quarter of FY 2013, BSI received 1,936 complaints of suspected fraud in public assistance programs. Of the investigations BSI examiners completed, they identified over \$1.4 million in fraudulent claims which are subject to civil recovery or prosecution by the Commonwealth.

**FRAUD IDENTIFIED SECOND QUARTER FY 2013**



## CASELOAD

Investigations where examiners document fraudulent receipt of benefits are reviewed for potential prosecution, or sent to the appropriate administering agency responsible for recoupment of fraudulently obtained funds, establishing restitution payments, and the collection of settlement amounts.

### CASE SUMMARY SECOND QUARTER FY 2013

	<b>Child Care</b>	<b>MH</b>	<b>DTA</b>	<b>Hotline</b>	<b>Other</b>	<b>Total Case Counts</b>
<b>Beginning Balance</b>	7	434	1,442	34	1	<b>1,918</b>
<b>New Investigations</b>	0	286	1,648	2	0	<b>1,936</b>
<b>Completed w/o Fraud</b>	(2)	(268)	(1,271)	(10)	(1)	<b>(1,552)</b>
<b>Completed w/ Fraud</b>	(1)	(19)	(180)	(5)	(0)	<b>(205)</b>
<b>Ending Balance</b>	4	433	1,639	21	0	<b>2,097</b>

At the end of the first quarter of FY 2013, BSI's caseload included 1,918 cases in various stages of investigation. BSI received 1,936 new allegations of fraudulently obtained public assistance benefits and services between October 1, 2012 and December 31, 2012. BSI ended the second quarter of FY 2013 with a case load of 2,097. During this quarter, BSI examiners completed a total of 1,757 cases. Of those cases completed, 205 were associated with fraudulent claims, which equates to an average of \$6,959 of identified fraud per case. This is up over 32% from last quarter where the average amount of identified fraud per case was \$5,249.

Proper case management is essential to early detection and prevention of public assistance benefits issued to those not eligible or trying to cheat the system. The sooner an investigation is initiated, the likelihood of uncovering stronger evidence increases as does recouping the maximum amount of fraudulently obtained funds, and successful prosecution. BSI has recognized this and is focused on reducing the backlog of cases. Several initiatives have been implemented to ensure proper case management and continued reduction of backlogged cases are taking place to include:

- Initial Case Review – Cases are analyzed for potential fraud. Those cases with identified potential fraud are classified as field or desk assignments, with priority given to those cases requiring a more lengthy investigation.
- “Fast-Track” Cases – Cases which are particularly egregious, with ongoing fraud, involving multiple offenders or jurisdictions, are brought to the top of the list and the appropriate level of resources is applied to ensure a complete and thorough investigation is finalized in an expeditious manner.
- Civil Recovery through BSI – In an effort to recoup money from cases where a significant amount of time has passed from the period of fraud to when the complaint is made, civil recovery is pursued through BSI. During this fiscal year two examiners assigned to this initiative successfully recovered \$64,480.46.

To gain a better understanding of the fiscal impact of BSI’s investigations, DTA submits monthly reports on the payments received through court order and civil recovery as the result of BSI investigations.

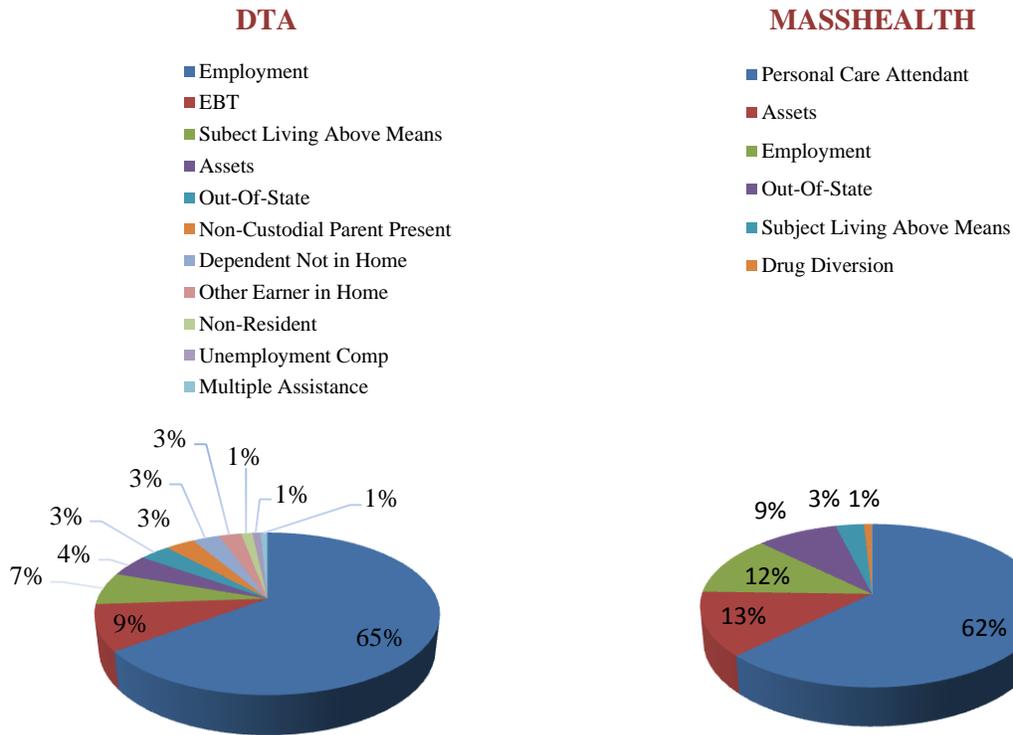
<b>MONTH</b>	<b>TOTAL COLLECTED AMOUNT</b>	<b>NUMBER OF PAYMENTS MADE</b>
October 2012	\$62,141.00	989
November 2012	\$59,124.84	979
December 2012	\$41,277.48	971
FY2013 Second Quarter Totals	\$162,543.32	2939

## **MASSHEALTH AND DEPARTMENT OF TRANSITIONAL ASSISTANCE PROGRAM SUMMARY**

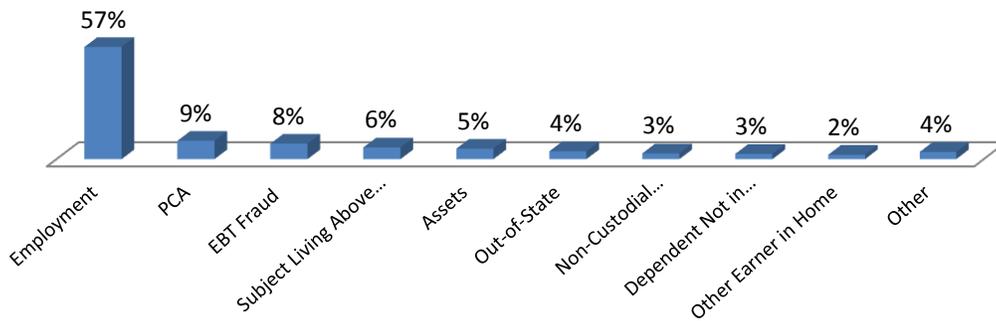
- Examiners identified fraud in 25 MassHealth cases totaling \$602,608 in public assistance overpayments.
- The majority of referrals involve eligibility issues, such as unreported assets and income, and false identities.
- BSI examiners identified fraud in 168 Supplemental Nutritional Assistance Program (SNAP) cases totaling \$506,261 in SNAP benefits.

- BSI examiners identified fraud in 50 Transitional Aid to Families with Dependent Children (TAFDC) cases totaling \$232,827 in TAFDC benefits.
- BSI examiners identified fraud in 17 Emergency Aid to Elders, Disabled and Children (EAEDC) cases totaling \$37,461 in EAEDC .
- BSI examiners identified fraud in 1 Child Care (CC) case totaling \$47,426 in child care benefits.

### CASES REFERRED BY ALLEGATION TYPE



### MASSHEALTH AND DTA REFERRED CASES SECOND QUARTER FY 2013



## CASE HIGHLIGHTS

BSI continues to ensure that those more egregious or repeat offenses are identified as potential court cases at the beginning stages of the investigation. BSI examiners sought criminal complaints in six cases with a total amount of \$193,054 of identified fraud in the following areas:

- Two SNAP cases
- One child care case
- One MassHealth case
- Two cases involving TAFDC, SNAP and MassHealth.

### COMMONWEALTH V. BRIAN CHRISOM

Brian Chrisom of Milton was charged with one count of larceny over \$250 and five counts of false representations to procure welfare.

Mr. Chrisom fraudulently collected \$25,051.00 in Supplemental Nutritional Assistance Program (SNAP) benefits and \$32,430.80 in Transitional Assistance for Families with Dependent Children (TAFDC) benefits between September 6, 2006 and January 28, 2012 by intentionally withholding the fact he did not have custody of his children. Mr. Chrisom continued his scheme by making false representations on five DTA Re-Determination Forms, continuing to claim his children lived in his household and he exercised care and control of them when they were actually residing with their mother.

Mr. Chrisom also fraudulently collected \$28,387.78 in Division of Medical Assistance (DMA) MassHealth benefits between October 29, 2007 and December 31, 2011 by intentionally withholding the facts that he was gainfully employed, he re-married, and his wife was also gainfully employed.

As a result of fraudulently reporting he had custody of his children and his household was without income, Mr. Chrisom defrauded the Commonwealth of \$85,869.58. This case is pending in Boston Municipal Court.

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 Auditor's Office has an [online form to report public assistance fraud](#). Citizens can also utilize our fraud reporting hotline: (617)727-6771. All complaints are kept confidential.

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