



STATE OF MAINE
OFFICE OF THE STATE AUDITOR

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July 14, 2016

Honorable Paul R. LePage
Governor of the State of Maine

Honorable Michael D. Thibodeau
President of the Senate

Honorable Mark W. Eves
Speaker of the House

I am pleased to submit the State Auditor's Fraud Hotline Semiannual Report for the period January 1, 2016 to June 30, 2016.

A summary of the complaints is attached.

Sincerely,

Pola A. Buckley, CPA, CISA
State Auditor

STATE AUDITOR'S FRAUD HOTLINE

<http://www.maine.gov/audit/fraud/index.html>

June 2016 Semiannual Report

For the Period 1/1/2016 to 6/30/2016

Total number of complaints received	11
Complaint sequence: Complaints No. 338 through No. 348	
Number of referrals made to the Office of the Attorney General	3
Number of complaints investigated by Office of the State Auditor personnel	2
Number of referrals to the Office of Program Evaluation and Government Accountability	None
Complaints about individuals referred to (some to more than one agency):	
Department of Labor (DOL)	2
Fraud Investigation and Recovery Unit of DHHS (FIRU)	3
Maine State Housing Authority (MSHA)	1
Maine Revenue Service (MRS)	3

A listing of the complaints received from January 1, 2016 to June 30, 2016 begins on page four of this report.

A legend for the abbreviations used in this report appears on page two.

Types of complaints Office of the State Auditor personnel investigate:

- illegal acts affecting State government such as theft, fraud, and financial conflict of interest,
- financial fraud depleting resources or increasing expenditures of the State,
- significant abuse of State equipment or property,
- clear misuse of State property, programs, or work time for personal gain,
- gross misconduct with significant financial effects,
- consistent, wasteful conduct with significant financial implications, and
- kickbacks or similar acts involving return payments to State workers or vendors.

Types of complaints Office of the State Auditor personnel do not investigate, but the Office does generally refer these complaints to other State agencies or other government authorities:

- personal conflicts between individuals or domestic or other threats of violence,
- alleged improper acts by federal officials,
- personal gripes against State employees about personal matters,
- mistakes made by State personnel,
- insignificant matters or complaints without sufficient factual basis, and
- matters handled by other specific State investigation units.

The Office of the State Auditor does not have enforcement power. However, we work with governmental entities that do have enforcement power. This includes the Attorney General's Office and the District Attorneys' Offices.

Agency acronyms used in the report:

AG - Office of the Attorney General

DAFS - Department of Administrative and Financial Services

DOL - Department of Labor

DHHS - Department of Health and Human Services

FIRU - Fraud Investigation Recovery Unit (a division of DHHS)

MRS - Maine Revenue Services (a division of DAFS)

MSHA - Maine State Housing Authority

Complaint No.	Nature of Complaint	State Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
338	Complaint alleges fraudulent management of a non-profit organization	None; private fraud alleged	none	Investigation being conducted	To be determined after conclusion of ongoing investigation
339	Complaint alleges benefit fraud	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU	To be addressed by FIRU
340	Complaint alleges fraudulent use of State resources	Maine DOT	Potential discontinuation of any fraudulent usage	Referred to AG	To be addressed by AG
341	Complaint alleges private employer fraudulently withheld income taxes	None; private fraud alleged	Potential collection of withheld tax funds	Referred to MRS, DOL	To be addressed by MRS, DOL
342	Complaint alleges benefit fraud	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU	To be addressed by FIRU
343	Complaint alleges a mail fraud scam	None; private fraud alleged	none	Referred to AG	To be addressed by AG
344	Complaint alleges a phone scam	None; private fraud alleged	none	Referred to AG	To be addressed by AG
345	Complaint alleges fraudulent town management	none; town management fraud alleged	none	Being reviewed	To be determined after conclusion of ongoing review

Complaint No.	Nature of Complaint	State Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
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346	Complaint alleges tax fraud; housing code problems	None; private fraud alleged	Potential collection of tax funds	Referred to MRS, MSHA	To be determined by MRS, MSHA
347	Complaint alleges tax fraud	None; private fraud alleged	none	Referred to MRS, DOL	To be determined by MRS, DOL
348	Complaint alleges benefit Fraud	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU	To be addressed by FIRU