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STATE AUDITOR

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Office of the State Auditor

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January 8, 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

STATE AUDITOR’S FRAUD HOTLINE

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

December 2015 Semiannual Report
For the Period 7/1/2015 to 12/31/2015

Total number of complaints received	28
Complaint sequence: Complaints No. 310 through No. 337	
Number of referrals made to the Office of the Attorney General	14
Number of complaints investigated by Office of the State Auditor personnel	1
Number of referrals to the Office of Program Evaluation and Government Accountability	None
Complaints about individuals referred to (some to more than one agency):	
Adult Protective Services (APS)	1
Department of Labor (DOL)	2
Division of Support Enforcement and Recovery (DSER)	2
Fraud Investigation and Recovery Unit of DHHS (FIRU)	4
Maine Revenue Service (MRS)	9
Maine State Housing Authority (MSHA)	1

A listing of the complaints received from July 1, 2015 to December 31, 2015 begins on page 4 of this report.

A legend for the abbreviations used in this report appears on page 3.

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

APS – Adult Protective Services (a division of DHHS)

DAFS – Department of Administrative and Financial Services

DFPS – Division of Financial and Personnel Services (a division of DAFS)

DHHS – Department of Health and Human Services

DOC – Department of Corrections

DOL – Department of Labor

DSER – Division of Support Enforcement and Recovery (a division of DHHS)

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	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
310	Complaint alleged that a spouse was using children's SSNs for tax refunds	none; private fraud alleged	none	referred to MRS	to be addressed by MRS
311	Complaint alleged fraudulent actions by and for a State contractor	Office of Information Technology	potentially improved processes and performance; recovery of any misappropriated funds	Investigation being conducted	To be determined after conclusion of ongoing investigation
312	Complaint alleged an individual not paying appropriate business taxes	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS	to be addressed by MRS
313	Complaint alleged fraudulent receipt of benefits	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU
314	Complaint alleged an online scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
315	Complaint alleged fraudulent receipt of benefits	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, MSHA	to be addressed by FIRU, MSHA
316	Complaint alleged a phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
317	Complaint alleged a phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
318	Complaint alleged fraudulent business practices in labor and taxes	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS, DOL	to be addressed by MRS, DOL
319	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG

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Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
320	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
321	Complaint alleged email/phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
322	Complaint alleged elder financial abuse by a relative, tax fraud	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS, APS	to be addressed by MRS, APS
323	Complaint alleged tax fraud	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS	to be addressed by MRS
324	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
325	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
326	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
327	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
328	Complaint alleged tax fraud	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS	to be addressed by MRS
329	Complaint alleged tax fraud	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS	to be addressed by MRS
330	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
331	Complaint alleged benefit fraud, Child Support concerns	none; private fraud alleged	none	referred to FIRU, DSER	to be addressed by FIRU, DSER
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Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
332	Complaint alleged privacy and confidentiality violations	none; private fraud alleged	none	referred to AG	to be addressed by AG
333	Complaint alleged tax and Child Support avoidance	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS, DSER	to be addressed by MRS, DSER
334	Complaint alleged fraudulent employment, tax evasion	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS, DOL	to be addressed by MRS, DOL
335	Complaint alleged tax fraud	none; private fraud alleged	potentially unpaid taxes may be recovered	referred to MRS	to be addressed by MRS
336	Complaint alleged fraudulent business practices	none; private fraud alleged	none	referred to AG	to be addressed by AG
337	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG