

July 30, 2015

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/fraud.htm>
June 2015 Semiannual Report
For the Period 1/1/2015 to 6/30/2015

Total number of complaints received	36
Complaint sequence: Complaints No. 274 through No. 309	
Number of referrals made to the Office of the Attorney General	11
Complaints addressed by Office of the State Auditor staff:	
Number of complaints investigated by Office of the State Auditor personnel	3
Number of complainants referred to another agency or private entity for direct reporting	1
Number of complaints with insufficient information to process further	3
Number of referrals to the Office of Program Evaluation and Government Accountability	None
Complaints about individuals referred to (some to more than one agency):	
Fraud Investigation and Recovery Unit of DHHS (FIRU)	6
Division of Support Enforcement and Recovery (DSER)	1
Maine State Housing Authority (MSHA)	1
Maine Revenue Service (MRS)	12
Office of Securities	1

A listing of the complaints received from January 1, 2015 to June 30, 2015 begins on page 4 of this report.

A legend for the agency 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.

Agencies used in the report:

AG - Office of the Attorney General

DHHS - Department of Health and Human Services

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

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

MRS - Maine Revenue Services (a division of DAFS)

MSHA - Maine State Housing Authority

Office of Securities – An office within the Department of Professional and Financial Regulation

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
274	Complaint alleges a local school board failed to fulfill a building contract properly	Portland School Board	None	Reviewed with AG	Complainant had already exhausted legal remedies available
275	Complaint alleges a "U.S. government" grant scam	None; private fraud alleged	None	Referred to AG	To be addressed by AG
276	Complaint alleges a national bank fraudulently handled a release of lien	None; private fraud alleged	None	Reviewed and researched with AG and internet resources	Complaint previously addressed by AG, as well as litigated in court
277	Complainant had concerns over alleged benefit fraud and as a result, his child support obligation	DHHS	Potential inappropriate benefits may be recovered	Referred to FIRU, DSER	To be addressed by FIRU, DSER
278	Complaint alleges fraudulent sales tactics by a private wholesale company	None; private fraud alleged	None	Referred to AG	To be addressed by AG
279	Complaint alleges fraudulent business contracting practices	None; private fraud alleged	None	Referred to AG	To be addressed by AG
280	Complaint alleges tax evasion by the owner of rental properties	None; private fraud alleged	Unpaid taxes may be recovered	Referred to MRS	To be addressed by MRS
281	Complaint alleges fraudulent tax refunds and inappropriate DHHS benefits received	None; private fraud alleged	Unpaid taxes may be recovered	Referred to MRS, FIRU	To be addressed by MRS, FIRU
282	Complaint alleges someone else had fraudulently filed tax returns using his identification	None; private fraud alleged	None	Referred to MRS, AG	To be addressed by MRS, 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:
283	Complaint alleges person is fraudulently claiming dependents for tax benefit	None; private fraud alleged	Unpaid taxes may be recovered	Referred to MRS	To be addressed by MRS
284	Complaint alleges a local investment firm is using fraudulent practices	None; private fraud alleged	None	Referred to the Office of Securities	To be addressed by the Office of Securities
285	Complaint alleges person is fraudulently claiming dependents for tax benefit	None; private fraud alleged	Unpaid taxes may be recovered	Referred to MRS	To be addressed by MRS
286	Complaint alleges persons fraudulently using Mainecare benefits	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU	To be addressed by FIRU
287	Complaint alleges tax evasion	None; private fraud alleged	Unpaid taxes may be recovered	Referred to MRS	To be addressed by MRS
288	Complaint alleges a phone scam reportedly from the District Attorney's office	None; private fraud alleged	None	Referred to AG	To be addressed by AG
289	Complaint alleges persons using false information to fraudulently obtain benefits	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU	To be addressed by FIRU
290	Complaint alleges tax fraud	None; private fraud alleged	None	Referred to MRS	To be addressed by MRS
291	Complaint alleges phone scam	None; private fraud alleged	None	Referred to AG	To be addressed by AG
292	Withdrawn by complainant	None; private fraud alleged	None	Closed at request of complainant	Closed at request of complainant

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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:
293	Complaint alleges possible misuse of funds by a quasi-governmental organization	No state agency involved	None	Reviewed and researched	Closed; No fraud indicators found
294	Complaint alleges possible tax fraud	None; private fraud alleged	None	Referred to MRS	To be determined by MRS
295	Complaint alleges phone scam	None; private fraud alleged	None	Referred to AG	To be addressed by AG
296	Complaint discusses work atmosphere	No fraud alleged	None	Reviewed	Closed; No fraud alleged
297	Complaint alleges phone scam	None; private fraud alleged	None	Referred to AG	To be addressed by AG
298	Complaint alleges tax fraud	None; private fraud alleged	None	Referred to MRS	To be addressed by MRS
299	Complaint alleges tax fraud	None; private fraud alleged	Unpaid taxes may be recovered	Referred to MRS	To be addressed by MRS
300	Complaint alleges fraudulent DHHS, MSHA benefits	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU, MSHA	To be determined by FIRU, MSHA
301	Complaint alleges fraudulent receipt of public benefits	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU	To be determined by FIRU
302	Complaint did not have sufficient information to process				
303	Complaint alleges phone scam	None; private fraud alleged	None	Referred to AG	To be addressed by AG
304	Complaint alleges 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:
305	Complaint alleges tax evasion	None; private fraud alleged	Unpaid taxes may be recovered	Referred to MRS	To be determined by MRS
306	Complaint alleges phone scam	None; private fraud alleged	None	Referred to AG	To be addressed by AG
307	Complaint alleges a restaurant charging excessive taxes	None; private fraud alleged	None	Referred to MRS	To be determined by MRS
308	Complaint alleges manager of private organization embezzles company resources	None; private fraud alleged	None	Reviewed and referred complainant to corporate personnel	Private corporation concern; not appropriate for OSA review
309	Complaint alleges fraudulent receipt of public benefits	None; private fraud alleged	Potential inappropriate benefits may be recovered	Referred to FIRU	To be determined by FIRU