



STATE OF MAINE
OFFICE OF THE STATE AUDITOR

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AUGUSTA, ME 04333-0066

TEL: (207) 624-6250

Matthew Dunlap, CIA
State Auditor

B. Melissa Perkins, CPA
Deputy State Auditor

June 27, 2024

Honorable Members of the Legislative Council for the 131st Legislature;

Honorable Janet T. Mills
Governor of the State of Maine

I am pleased to submit the State Auditor's Fraud Hotline Semiannual Report for the period July 1, 2023, to December 31, 2023.

A summary of the complaints is attached.

Sincerely,



Matthew Dunlap, CIA
State Auditor



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STATE AUDITOR'S FRAUD HOTLINE

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

Semiannual Report for the Period 7/1/2023 to 12/31/2023

In accordance with 5 MRSA §244-E, the Office of the State Auditor (OSA) administers a Fraud Hotline and referral service for the confidential reporting of fraud, waste, inefficiency and abuse in State Government. OSA either investigates complaints internally or refers complaints to the appropriate State agency for further review and/or investigation. The types of complaints investigated by OSA include:

- 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.

A table detailing complaints investigated by OSA is presented on the following page.

The types of complaints not investigated by the Office of the State Auditor; and generally referred to other State agencies or other government authorities include:

- personal conflicts between individuals or threats of violence;
- alleged improper acts by Federal officials;
- complaints 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.

Information on referrals made by OSA is presented on page 3 of this report.

OSA does not have enforcement power; however, we work with governmental entities that do have enforcement power. This includes, but is not limited to, the Attorney General's Office and the District Attorneys' Offices.

OSA is statutorily required to publish a semiannual report to the Governor and Legislature detailing the complaints received by the Fraud Hotline. The report must include the following information for the reporting period from 7/1/2023 to 12/31/2023, in accordance with 5 MRSA §244-E, Subsections 4(A) through 4(D):

- Total number of complaints received: **45** (#1046 through #1090)
- Total referrals of fraud or other criminal conduct to the Attorney General: **9** (#1047, 1056, 1058, 1066, 1070, 1076, 1083, 1084*, 1085*)
- Total referrals of agency performance issues to the Office of Program Evaluation and Government Accountability: **None**
- Total investigations by the State Auditor, with current status (pending, completed, or closed):
 - **2** pending investigation (#1061, 1062)
 - **5** with completed investigations (#1074, 1075, 1077, 1084*, 1085*)
 - **10** complaints closed for not meeting requirements for investigation (#1048, 1049, 1067, 1067, 1071, 1072, 1078, 1080, 1082, 1086)

The asterisk () above indicates that the complaint was investigated and/or referred to multiple agencies.*

A listing of the complaints investigated by OSA personnel received from July 1, 2023, to December 31, 2023, is displayed in the table below:

ID	Type or Name of Potential Fraud	State Agency:	Potential Impact on Government:	Action taken by OSA:	Substantiation of Complaint:
1061	State Government Fraud	Legislative Branch	Potential Misuse of State Funds	In Progress	Pending
1062	State Government Fraud	Legislative Branch	Potential Misuse of State Funds	In Progress	Pending
1074	State Government Fraud	Center for Disease Control and Prevention	Potential Misuse of State Funds	Closed – Reviewed During Single Audit	Closed – No Additional Action Needed
1075	Municipal Complaint	None	N/A	Closed – Spoke with Town Auditor	Closed – No Fraudulent Activity
1077	Municipal Complaint	None	N/A	Closed – Spoke with Town Auditor	Closed – No Fraudulent Activity
1084	Municipal Complaint	None	N/A	Closed – State Auditor Referred to AG	Closed – To be Determined by AG
1085	Municipal Complaint	None	N/A	Closed – State Auditor Referred to AG	Closed – To be Determined by AG

OSA made referrals to Federal agencies and other applicable State Agencies, as follows:

- 3 to Federal Agencies (#1050, 1063, 1088)
- 25 to other State Agencies:
 - 10 to Department of Health & Human Services' Fraud Investigation & Recovery Unit (#1046, 1052*, 1053*, 1057*, 1060, 1068*, 1079, 1073*, 1087*, 1089)
 - 3 to Department of Labor (#1055, 1065, 1069*)
 - 4 to Maine Revenue Services (#1051, 1052*, 1069*, 1081)
 - 8 to Maine State Housing Authority (#1053*, 1054, 1057*, 1059, 1068*, 1073*, 1087*, 1090)

The asterisk () above indicates that the complaint was investigated and/or referred to multiple agencies.*