



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

October 1, 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 January 1, 2024, to June 30, 2024.

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 1/1/2024 to 06/30/2024

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 1/1/2024 to 06/30/2024, in accordance with 5 MRSA §244-E, Subsections 4(A) through 4(D):

- Total number of complaints received: **58** (#1091 through #1148)
- Total referrals of fraud or other criminal conduct to the Attorney General (AG): **15** (#1094, 1095, 1104, 1108, 1109, 1111, 1119, 1121, 1125, 1131, 1136, 1139*, 1140, 1141, 1146*)
- 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):
 - **6** pending investigations (#1109, 1123, 1124, 1138, 1142, 1148)
 - **3** with completed investigations (#1097, 1107, 1116)
 - **8** complaints closed for not meeting requirements for investigation (#1092, 1100, 1101, 1115, 1118, 1120, 1126, 1133)
 - **1** complaint closed due to being concurrently reported to the appropriate three agencies (Attorney General, Maine Revenue Services, and Department of Health and Human Services); therefore, no referral was necessary. (#1114)

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 January 1, 2024, to June 30, 2024, is displayed in the table below:

ID	Type or Name of <u>Potential</u> Fraud	State Agency:	Potential Impact on State Government:	Action taken by OSA:	Substantiation of Complaint:
1097	Municipal Complaint	None	N/A	Closed – Spoke with town auditor	Closed
1107	Municipal Complaint	None	N/A	Closed – Spoke with complainant	Closed
1109, 1123, 1124	Municipal Complaint	None	N/A	In process – communications ongoing with town auditor, AG, and State Auditor	Pending
1116	Municipal Complaint	None	N/A	Closed – Spoke with town auditor and selectman	Closed
1138	State Government Fraud	Legislative Branch	Potential misuse of State funds	In process	Pending
1142	Municipal Complaint	None	N/A	In process	Pending
1148	Municipal Complaint	None	N/A	In process	Pending

OSA made 31 referrals to State Agencies from January 1, 2024, to June 30, 2024, as follows:

- 12 to Department of Health & Human Services' Fraud Investigation & Recovery Unit (#1091, 1096, 1102, 1103, 1106, 1110*, 1137, 1139*, 1143*, 1145, 1146*, 1147)
- 7 to Maine State Housing Authority (#1105, 1110*, 1112, 1117, 1127, 1128, 1130)
- 5 to Maine Revenue Services (#1093, 1110*, 1113, 1132, 1143*)
- 3 to Department of Labor (#1098, 1099, 1144)
- 2 to Secretary of State (#1134, 1135)
- 1 to Department of Agriculture, Conservation and Forestry (#1129)
- 1 to Maine Human Rights Commission (#1122)

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