



STATE OF MAINE
OFFICE OF THE STATE AUDITOR

66 STATE HOUSE STATION
AUGUSTA, ME 04333-0066

TEL: (207) 624-6250

Pola A. Buckley, CPA, CISA
State Auditor

B. Melissa Perkins, CPA
Deputy State Auditor

January 23, 2018

Honorable Paul R. LePage
Governor of the State of Maine

Honorable Michael D. Thibodeau
President of the Senate

Honorable Sara Gideon
Speaker of the House

I am pleased to submit the State Auditor's Fraud Hotline Semiannual Report for the period July 1, 2017 to December 31, 2017.

A summary of the complaints is attached.

Sincerely,

Pola A. Buckley, CPA, CISA
State Auditor



STATE OF MAINE OFFICE OF THE STATE AUDITOR

66 STATE HOUSE STATION
AUGUSTA, ME 04333-0066
TEL: (207) 624-6250

Pola A. Buckley, CPA, CISA
State Auditor

B. Melissa Perkins, CPA
Deputy State Auditor

January 23, 2018

Honorable Paul R. LePage
Governor of the State of Maine

Honorable Michael D. Thibodeau
President of the Senate

Honorable Sara Gideon
Speaker of the House

STATE AUDITOR'S FRAUD HOTLINE
<http://www.maine.gov/audit/fraud/index.html>
December 2017 Semiannual Report
For the Period 7/1/2017 to 12/31/2017

Total number of complaints received	19
Complaint sequence: Complaints No. 388 through No. 406	
Number of referrals made to the Office of the Attorney General	3
Number of complaints investigated by Office of the State Auditor personnel	4
Number of referrals to the Office of Program Evaluation and Government Accountability	None
Complaints about individuals referred to (some to more than one agency):	
Division of Support Enforcement and Recovery (DSER)	3
Fraud Investigation and Recovery Unit of DHHS (FIRU)	7
Maine Revenue Service (MRS)	5
Department of Labor	1
Maine State Housing Authority	1
Office of the State Controller	1
Secretary of State's office	1
Division of Child Protective Services	1

A listing of the complaints received from July 1, 2017 to December 31, 2017 begins on page four of this report.

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

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

BMV – Bureau of Motor Vehicles (a bureau of the Secretary of State’s offices)

CPS – Child Protective Services (a division of DHHS)

DAFS - Department of Administrative and Financial Services

DHHS - Department of Health and Human Services

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

DOL – Department of Labor

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

MRS - Maine Revenue Services (a division of DAFS)

MSHA - Maine State Housing Authority

OSC – Office of the State Controller (a division of DAFS)

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
388	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, MSHS	to be addressed by FIRU, MSHS
389	Complaint alleged improper acts by a local school board	none; private fraud alleged	none	referred to MRS, DOL	to be addressed by MRS, DOL
390	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
391	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
392	Complaint alleged tax and benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, MRS	to be addressed by FIRU, MRS
393	Complaint alleged tax fraud	none; private fraud alleged	potential unpaid taxes may be recovered	attempted to obtain further necessary information from complainant	unable to obtain further information; complaint closed
394	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU
395	Complaint alleged tax fraud	none; private fraud alleged	potential unpaid taxes may be recovered	referred to MRS	to be addressed by MRS
396	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU
397	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU
398	Complaint alleged benefit fraud, child support avoidance	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, DSER	to be addressed by FIRU, DSER

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
399	Complaint alleged illegal vehicle sales	none; private fraud alleged	potential unpaid fees may be recovered	referred to BMV	to be addressed by BMV
400	Complaint alleged improper State Statutes, failure to provide information, and local impropriety	none; private fraud alleged	none	responded directly to complainant referring him to legal counsel, Public Access Ombudsman, State Senator and Representative	Closed complaint based on direct response to complainant
401	Complaint alleged wire fraud against local town government	none; private fraud alleged	none	Notified OSC, AG; complainant had notified appropriate Federal agencies	Closed after notifications
402	Complaint alleged benefit fraud, improper child support; not following child protective court orders	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, CPS, DSER	to be addressed by FIRU, CPS, DSER
403	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
404	Complaint alleged tax fraud, child support avoidance	none; private fraud alleged	potential unpaid taxes may be recovered	referred to MRS, DSER	to be addressed by MRS, DSER
405	Complaint alleged concerns with a local Housing Authority	none; private fraud alleged	none	additional information being gathered	To be determined once sufficient information is obtained
406	Complaint alleged individual collecting but not remitting sales tax	none; private fraud alleged	potential unpaid taxes may be recovered	referred to MRS	to be addressed by MRS