



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

July 29, 2019

The Honorable Janet T. Mills
Governor, State of Maine

The Honorable Troy Jackson
President of the Senate

The Honorable Sara Gideon
Speaker, House of Representatives

I am pleased to submit the State Auditor's Fraud Hotline Semiannual Report for the period January 1, 2019 to June 30, 2019.

A summary of the complaints is attached.

Sincerely,

Pola A. Buckley, CPA, CISA
State Auditor



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STATE AUDITOR'S FRAUD HOTLINE

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

Semiannual Report

For the Period 1/1/2019 to 6/30/2019

Total number of complaints received	37
Complaint sequence: Complaints No. 453 through No. 489	
Number of complaints closed for not meeting requirements, or not allegations of fraud	8
Number of referrals made to the Office of the Attorney General	6
Number of complaints investigated by Office of the State Auditor personnel	12
Number of referrals to the Office of Program Evaluation and Government Accountability	1
Complaints about individuals referred to (some to more than one agency):	
Fraud Investigation and Recovery Unit of DHHS	4
Maine Revenue Service	5
Efficiency Maine	1
Bureau of Securities	1
University of Maine Police Department	1

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.

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

A listing of the complaints received from January 1, 2019 to June 30, 2019 begins on page four of this report.

Agency acronyms used in the report:

AG - Office of the Attorney General

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)

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

MRS - Maine Revenue Services (a division of DAFS)

OSA - Office of the State Auditor

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
453	Benefit fraud alleged	None; private fraud alleged	Potential reimbursement of any inappropriate benefits	Referred to DHHS	To be determined by DHHS
454	Abuse of authority alleged	Several Law Enforcement agencies	Potential loss of citizen confidence	Referred to AG, OPEGA	AG determined that complainant had previously exhausted all potential remedies
455	Mail tampering; employment harassment alleged	None; private fraud alleged	N/A	Responded to complainant; referred to Postal Inspector General and Maine Human Rights Commission	Closed; Complainant to contact other agencies if appropriate
456	Phone scam alleged	None; private fraud alleged	N/A	Referred to AG	To be determined by AG
457	Phone scam alleged	None; private fraud alleged	N/A	Referred to AG	To be determined by AG
458	Tax fraud alleged	None; private fraud alleged	Potential unpaid taxes to be reimbursed	Closed	OSA does not accept anonymous complaints
459	Benefit fraud alleged	None; private fraud alleged	Potential reimbursement of any inappropriate benefits	Requested clarifying information from complainant	Closed; complainant failed to respond to information requests

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
460	Tax fraud alleged	None; private fraud alleged	N/A	Referred to MRS	To be determined by MRS
461	Tax fraud alleged	None; private fraud alleged	N/A	Referred to MRS	To be determined by MRS
462	Enforcement inequity alleged	DSER	N/A	Attempted to contact complainant to release identity	Closed; no response from complainant. The complaint would be impossible to look into without identification. Will reopen and refer to DSER when/if complainant contacts OSA.
463	Theft of cafeteria food alleged	None; private fraud alleged	Potential reduction of expenses	Referred to University of Maine Police Department	To be determined by the University of Maine Police Department
464	Phone scam alleged	None; private fraud alleged	N/A	Referred to AG	To be determined by AG
465	Employment tax fraud alleged	None; private fraud alleged	Potential recovery of unpaid taxes	Referred to MRS	To be determined by MRS
466	Tax evasion alleged	None; private fraud alleged	Potential recovery of unpaid taxes	Referred to MRS	To be determined by MRS
467	Municipal fraud alleged	Town of Freedom	N/A	Discussed with complainant	Local matter; referred to an Atty for legal concerns

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
468	Benefit fraud alleged	None; private fraud alleged	Potential reimbursement of any inappropriate benefits	Referred to DHHS	To be determined by DHHS
469	Municipal fraud alleged	Cities of Bangor, Brewer	N/A	Closed	Complaint had no actionable allegation; all information provided was stated to be second hand
470	Business fraud alleged	None; private fraud alleged	Potential recovery of inappropriate funds paid by Efficiency Maine	Referred to Efficiency Maine	To be determined by Efficiency Maine
471	Tax fraud alleged	None; private fraud alleged	N/D	Closed	The complaint was incomplete; from another state; appears to be sent in error.
472	Municipal fraud alleged	Town of Alna	N/A	Discussed with complainant	Local matter; referred complainant to contact an Atty for legal concerns, Secretary of State's office for election concerns
473	Municipal fraud alleged	Town of Garland	N/A	Responded to complainant	Local matter; referred complainant to contact an Atty for legal concerns

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
474	Contract fraud alleged	Maine Maritime Academy	Potential recovery of any inappropriate expenses	Reviewed documents provided by MMA	Additional costs to contract were anticipated within the RFP and contracting process; newly found damage was approved for repair by MMA and Coast Guard officials; additional repairs were required for vessel to remain seaworthy
475	Complaint alleged a citizen had a low rent amount	None; private fraud alleged	N/A	Closed	No fraud was alleged in complaint; allegations did not include whether benefits, subsidies or programs were involved
476	Phone scam alleged	None; private fraud alleged	N/A	Closed	Complaint primarily consisted of an embedded hyperlink. The form of the hyperlink caused concern, and was not opened
477	Vehicle registration fraud alleged	None; private fraud alleged	Potential revenue from unpaid vehicle registration	Attempting to get more useful information from complainant	To be determined

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
478	Business fraud alleged	None; private fraud alleged	N/A	Referred to AG	To be determined by AG
479	Phone scam alleged	None; private fraud alleged	N/A	Referred to AG	To be determined by AG
480	Employment tax fraud alleged	None; private fraud alleged	Potential recovery of unpaid taxes	Closed	Anonymous complaint
481	Municipal wants to terminate a contract with their auditor	None; private fraud alleged	N/A	Responded to complainant	Local, legal matter; referred complainant to contact an Atty for legal concerns
482	Quality of care concerns	None; private fraud alleged	N/D	Referred to DHHS	To be determined by DHHS
483	Municipal fraud alleged	Town of Orrington	N/A	Responded to complainant	Local matter; referred complainant to contact an Atty for legal concerns
484	Customer Service concerns	Forest Rangers	N/D	Closed complaint; referred to Chief Forest Ranger for customer service information	No fraud was alleged in complaint, complainant indicated he did what he was cited for; what actions to pursue is a management decision; the correctness of any fine is a legal matter to have a court adjudicate.

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
485	Benefit fraud alleged	None; private fraud alleged	Potential recovery of any inappropriate benefits	Referred to DHHS	To be determined by DHHS
486	Customer Service concerns	Bureau of Parks and Lands	N/D	Closed complaint; referred to State Parks Manager of Southern parks for customer service information	No fraud was alleged in complaint, complainant indicated she did not comply with requirements, but feels the situation should have been handled differently.
487	Unable to be determined	None; private fraud alleged	N/D	Requested clarifying information from complainant	To be determined
488	Tax and Securities fraud alleged	None; private fraud alleged	N/D	Referred to MRS, Office of Securities; Requested clarifying information from complainant	To be determined by MRS; Office of Securities
489	Benefit fraud alleged	None; private fraud alleged	Potential reimbursement of any inappropriate benefits	Requested permission to release identification of complainant	To be determined by DHHS upon release from complainant