

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)



NERIA R. DOUGLASS, JD, CIA
STATE AUDITOR

STATE OF MAINE DEPARTMENT OF AUDIT

66 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0066

TEL: (207) 624-6250
FAX: (207) 624-6273

RICHARD H. FOOTE, CPA
DEPUTY STATE AUDITOR
MICHAEL J. POULIN, CIA
DIRECTOR OF AUDIT and ADMINISTRATION

Honorable Paul R. LePage
Governor of the State of Maine

Honorable Kevin L. Raye
President of the Senate

Honorable Robert W. Nutting
Speaker of the House

MAINE STATE AUDITOR'S FRAUD HOTLINE

<http://www.maine.gov/audit/fraud/fraud.htm>

June 2011 Semiannual Report

Period 01/01/11 to 06/30/11

Total number of complaints received: 20

Complaint sequence: Complaints 60 to 79

Number of referrals of fraud or other criminal conduct to the Attorney General: 0

Number of referrals of agency performance issues to the Office of Program Evaluation and Government Accountability: 0

Number of investigations by the State Auditor: **Opened: 20
 Completed/Closed: 20**

Complaints about private individuals referred (some to more than one agency):
 Referred to Fraud Investigation and Recovery Unit of DHHS (FIRU): 5
 Referred to MaineHousing: 3
 Referred to Maine Revenue Services: 2
 Referred to Child Support Enforcement of DHHS: 2
 Referred to Department of Motor Vehicles of Secretary of State: 1



NERIA R. DOUGLASS, JD, CIA
STATE AUDITOR

STATE OF MAINE DEPARTMENT OF AUDIT

66 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0066

TEL: (207) 624-6250
FAX: (207) 624-6273

RICHARD H. FOOTE, CPA
DEPUTY STATE AUDITOR
MARY GINGROW-SHAW, CPA, CIA
SINGLE AUDIT COORDINATOR
MICHAEL J. POULIN, CIA
DIRECTOR OF AUDIT and ADMINISTRATION

Complaint #60

Nature of Complaint: Complaint alleged that step-son's former partner used false information to collect benefits from Maine for her children who live out of state with their father.

Office, bureau, or division that is subject of complaint: None: private matter.

Determination of potential cost savings: Not applicable to State government; improper benefits might be recovered.

Recommended action: Referred to Fraud Investigation and Recovery Unit of DHHS (FIRU). Case closed by Maine Department of Audit.

Statement as to degree complaint has been substantiated: To be determined by FIRU.

Complaint #61

Nature of Complaint: Complaint alleged that Bangor general assistance rules allow specific individual to get help but she could work more hours and her rent has been paid too long.

Office, bureau, or division that is subject of complaint: Not applicable to State government.

Determination of potential cost savings: Not applicable to State government.

Recommended action: Referred to City of Bangor. Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by Bangor.

Complaint #62

Nature of Complaint: Complaint alleged that agency used database collected over many years to inflate numbers of persons receiving services and continue inflated State funding.

Office, bureau, or division is subject of complaint: Maine Center for Deaf & Hard of Hearing

Determination of potential cost savings: None.

Recommended action: None. Case closed by Maine Department of Audit after investigation.

Statement of degree substantiated: None: no fraud found.

Complaint #63

Nature of Complaint: Complaint alleged tax fraud by individual doing business in Maine and other states.

Office, bureau, or division subject of complaint: None: private fraud alleged.

Determination of potential cost savings: None: additional taxes might be collected.

Recommended action: Referred to Maine Revenue Services (MRS). Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by MRS.

Complaint #64

Nature of Complaint: Complaint alleged individual owed child support, received social security, MaineCare, TANF and Low Income Heating Assistance (LIHEAP) but had income from towing, plowing and other work.

Office, bureau, or division that is subject of complaint: None; fraud by private person alleged.

Determination of potential cost savings: None; improper benefits might be recovered.

Recommended action: Referred to Fraud Investigation and Recovery Unit of DHHS (FIRU); to Maine Revenue Services (MRS); DHHS child support enforcement; MaineHousing and Social Security Administration Office of Inspector General (SSA OIG). Closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by agencies to which referred. MaineHousing found individual had not applied for LIHEAP in 2011 and is pursuing recoupment of funds for prior years.

Complaint #65

Nature of Complaint: Complainant telephoned reporting suspicion of fraud in grants administered by Department of Marine Resources.

Office, bureau, or division that is subject of complaint: Department of Marine Resources

Determination of potential cost savings: None. No fraud found.

Recommended action: Investigation by Maine Department of Audit. Transactions in question were reviewed and determined to be permissible. Case closed by Maine Department of Audit.

Statement of degree substantiated: No fraud found.

Complaint #66

Nature of Complaint: Complaint alleged disabled individual got food stamps, free oil and medical benefits while living with his mother in Maine and needing aid medicine without sufficient facts to investigate or indicate fraud.

Office, bureau, or division that is subject of complaint: None.

Determination of potential cost savings: None.

Recommended action: None. Closed by Maine Department of Audit.

Statement of degree substantiated: No fraud alleged.

Complaint #67

Nature of Complaint: Complaint alleged nonprofit club was missing money then it reappeared.

Office, bureau, or division that is subject of complaint: None: private matter.

Determination of potential cost savings: None.

Recommended action: None. Case closed by Maine Department of Audit.

Statement of degree substantiated: No fraud in State government alleged.

Complaint #68

Nature of Complaint: Complaint alleged individual received assistance by moving into her mother's subsidized housing and taking mother's public benefits, while allowing her grown daughter and boyfriend to live in subsidized housing assigned to the individual in question.

Office, bureau, or division that is subject of complaint: None; fraud by private person alleged.

Determination of potential cost savings: None; improper benefits could be recovered.

Recommended action: Referred to FIRU and MaineHousing. Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by FIRU and MaineHousing.

Complaint #69

Nature of Complaint: Complainant alleged he received a fake check and many emails asking him to cash it.

Office, bureau, or division that is subject of complaint: None: matter is private.

Determination of potential cost savings: None: matter is private.

Recommended action: None. Case closed by Maine Department of Audit.

Statement of degree substantiated: Not applicable.

Complaint #70

Nature of Complaint: Complaint alleged that out-of-state company telephoned asking for repayment of son's loan and took money from bank account, but the telephone numbers it gave were false and the internet identified the company as a fraud.

Office, bureau, or division that is subject of complaint: None: private fraud alleged.

Determination of potential cost savings: None: private matter.

Recommended action: Complainant advised to report matter to local police. Case closed by Maine Department of Audit.

Statement of degree substantiated: Not applicable.

Complaint #71

Nature of Complaint: Complaint alleged elderly neighbor received letter saying she was due an insurance award of \$1,500 and requesting that she pay over \$200 to get it.

Office, bureau, or division that is subject of complaint: None: matter is private.

Determination of potential cost savings: None: matter is private.

Recommended action: None. Complainant was informed the letter is a classic fraudulent enterprise and was given consumer information. Case closed by Maine Department of Audit.

Statement of degree substantiated: Not applicable.

Complaint #72

Nature of Complaint: Complaint alleged individual used Low Income Heating Assistance (LIHEAP) funds to purchase laptop, but does not have to pay for heat.

Office, bureau, or division that is subject of complaint: None; fraud by private person alleged.

Determination of potential cost savings: None; improper benefits might be recovered.

Recommended action: Referred to MaineHousing. Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by MaineHousing.

Complaint #73

Nature of Complaint: Complaint alleged that individual brags about receiving disability assistance for back pain but has none and sells food stamps at half their value.

Office, bureau, or division that is subject of complaint: None: matter is private.

Determination of potential cost savings: None; improper benefits might be recovered.

Recommended action: Referred to Fraud Investigation and Recovery Unit of DHHS (FIRU). Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by FIRU.

Complaint #74

Nature of Complaint: Complaint alleged car dealer sold car to another after taking a deposit from Complainant.

Office, bureau, or division that is subject of complaint: None. Matter is private

Determination of potential cost savings: None: not applicable

Recommended action: None. Case closed by Maine Department of Audit.

Statement of degree substantiated: Not applicable.

Complaint #75

Nature of Complaint: Complaint alleged that couple moved to Maine to care for parent and sold property in New Hampshire but continue to license their cars in NH.

Office, bureau, or division that is subject of complaint: None: matter is private.

Determination of potential cost savings: None: additional revenues could be collected.

Recommended action: Referred to Division of Motor Vehicles, Secretary of State (DMV). Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by DMV.

Complaint #76

Nature of Complaint: Complainant alleged husband discovered theft of over \$10,000 from fraternal organization in small checks written to another member.

Office, bureau, or division that is subject of complaint: None: matter is private.

Determination of potential cost savings: None: matter is private.

Recommended action: None. Complainant advised to report matter to local police. Case closed by Maine Department of Audit.

Statement of degree substantiated: Not applicable.

Complaint #77

Nature of Complaint: Complaint alleged ex-husband has not been paying child support but is working as a lobsterman.

Office, bureau, or division that is subject of complaint: None: matter is private.

Determination of potential cost savings: None. Benefits paid might be recouped.

Recommended action: Referred to DHHS child support enforcement. Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by DHHS child support enforcement.

Complaint #78

Nature of Complaint: Complaint alleged business owners are committing welfare fraud and workers are not reporting income.

Office, bureau, or division that is subject of complaint: None. Matter is private.

Determination of potential cost savings: None. Improper benefits could be recouped.

Recommended action: Referred to Fraud Investigation and Recovery Unit of DHHS (FIRU). Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by FIRU.

Complaint #79

Nature of Complaint: Complaint alleged that ex-husband and his lawyer violated laws, committed child abuse, denied visitation and lied to police.

Office, bureau, or division that is subject of complaint: None. Matter is private.

Determination of potential cost savings: None. Matter is private.

Recommended action: Referred to Governor and Commissioner of Department of Health and Human Services who were copied on complaint. Case closed by Maine Department of Audit.

Statement of degree substantiated: To be determined by DHHS.