

MAINE STATE LEGISLATURE

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STATE OF MAINE
OFFICE OF THE STATE AUDITOR

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Pola A. Buckley, CPA, CISA
State Auditor

Francis M. Wiltuck, CPA
Chief of Staff

August 2, 2017

The Honorable Paul R. LePage
Governor, State of Maine

The Honorable Michael D. Thibodeau
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, 2017 to June 30, 2017.

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>

June 2017 Semiannual Report

For the Period 1/1/2017 to 6/30/2017

Total number of complaints received	21
Complaint sequence: Complaints No. 367 through No. 387	
Number of referrals made to the Office of the Attorney General	6
Number of complaints investigated by Office of the State Auditor personnel	5
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)	2
Fraud Investigation and Recovery Unit of DHHS (FIRU)	3
Human Resources	1
Licensing and Regulatory Services (DLRS)	1
Maine Revenue Service (MRS)	4
Maine State Housing Authority (MSHA)	1

A listing of the complaints received from January 1, 2017 to June 30, 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

DAFS - Department of Administrative and Financial Services

DLRS – Division of Licensing and Regulatory Services (a division of DHHS)

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)

MSHA - Maine State Housing Authority

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
367	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
368	Complaint alleged fraudulent financial dealings	none; private fraud alleged	none	referred to MRS	to be addressed by MRS
369	Complaint alleged improper State personnel decision	Bureau of Parks and Lands	possible improper salary and benefits being paid	Investigated	no indications of Fraud, Waste, or Abuse found
370	Complaint alleged unusual payroll incidents	none; private fraud alleged	none	discussed with complainant	complaint withdrawn by complainant
371	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, DSER	to be addressed by FIRU, DSER
372	Complaint alleged a phone scam	Secretary of State	none	reviewed	determined to be unfounded
373	Complaint alleged inability to contact a business	none; no fraud alleged	none	reviewed	determined to be unfounded
374	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
375	Complaint alleged fraudulent income	none; private fraud alleged	potential unpaid taxes collected	referred to MRS	to be addressed by MRS
376	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, MSHA	to be addressed by FIRU, MSHA
377	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
378	Complaint complained of child support obligation	none, complaint of legal process	none	referred to DSER as informational	no fraud alleged
379	Complaint alleged failure to pay income taxes	none; private fraud alleged	none	referred to MRS	to be addressed by MRS

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
380	Complaint alleged systemic personnel issues	MRS	potentially more productivity of staff	referred to State Human Resources	to be addressed by Human Resources
381	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
382	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU, MSHS	to be addressed by FIRU, MSHS
383	Complaint alleged internet sales scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
384	Complaint alleged concerns with an assisted living facility	none; private fraud alleged	none	referred to DLRS	to be addressed by DLRS
385	Complaint alleged fraudulent residency to avoid taxes	none; private fraud alleged	none	referred to MRS	to be addressed by MRS
386	Complaint alleged improper care for facilities provided by the Federal government	Loring Development Authority	the value of public facilities are alleged to have been diminished	reviewed and discussed with Commissioner Gervais of Economic and Community Development	handling of the Complaint is being followed
387	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG