

MAINE STATE LEGISLATURE

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STATE OF MAINE
OFFICE OF THE STATE AUDITOR

66 STATE HOUSE STATION
AUGUSTA, ME 04333-0066

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Pola A. Buckley, CPA, CISA
State Auditor

B. Melissa Perkins, CPA
Deputy State Auditor

February 6, 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 July 1, 2018 to December 31, 2018.

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 7/1/2018 to 12/31/2018

Total number of complaints received 22
Complaint sequence: Complaints No. 431 through No. 452

Number of referrals made to the Office of the Attorney General 9

Number of complaints investigated by Office of the State Auditor personnel 3

Number of referrals to the Office of Program Evaluation and Government
Accountability None

Complaints about individuals referred to (some to more than one agency):

Fraud Investigation and Recovery Unit of DHHS	7
Maine Revenue Services	3
Division of Support Enforcement and Recovery	1
Bureau of Motor Vehicles	1
Bureau of Consumer Credit Protection	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 July 1, 2018 to December 31, 2018 begins on page four of this report.

Agency acronyms used in the report:

AG - Office of the Attorney General

BCCP – Bureau of Consumer Credit Protection (a bureau of Professional & Financial Regulation)

BHR – Bureau of Human Resources

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

CDC – Center for Disease Control (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)

LUPC – Land Use Planning Commission

MRS - Maine Revenue Services (a division of DAFS)

MSHA - Maine State Housing Authority

OSA - Office of the State Auditor

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

SPHA – South Portland 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:
431	Complaint alleged vehicle registration fraud	none; private fraud alleged	potentially avoided taxes may be recovered	referred to BMV, MRS	to be addressed by BMV, MRS
432	Complainant had concerns over town policies	none; no fraud alleged	none	Closed, no fraud alleged	Closed, no fraud alleged
433	Complaint alleged benefit, child support fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to DSER, FIRU	to be addressed by DSER, FIRU
434	Complainant had concerns over town policies	none; no fraud alleged	none	Closed, no fraud alleged	Closed, no fraud alleged
435	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
436	Complaint alleged town stealing value from complainant	Town complaint	none	reviewed with Complainant	Complaint previously addressed by AG; no further action available
437	Complaint alleged fraudulent Town hiring practice	Town complaint	none	referred to AG	to be addressed by AG
438	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
439	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
440	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU
441	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
442	Complaint alleged an employment scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
443	Complaint Alleged fraudulent banking practices	none; private fraud alleged	none	Referred to BCCP	to be addressed by BCCP
444	Complaint alleged benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU
445	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
446	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
447	Complaint alleged phone scam	none; private fraud alleged	none	referred to AG	to be addressed by AG
448	Complaint alleges benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU
449	Complaint alleges benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU

Complaint No.	Nature of Complaint	Agency Complained of:	Potential Impact on Government:	Action taken by the Office of the State Auditor:	Substantiation of Complaint:
450	Complaint alleges sales tax fraud	none; private fraud alleged	potential unpaid taxes may be recovered	referred to AG, MRS	to be addressed by AG, MRS
451	Complaint alleges tax fraud	none; private fraud alleged	potential unpaid taxes may be recovered	referred to MRS	to be addressed by MRS
452	Complaint alleges benefit fraud	none; private fraud alleged	potential inappropriate benefits may be recovered	referred to FIRU	to be addressed by FIRU