

# MAINE STATE LEGISLATURE

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**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

March 30, 2020

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, 2019 to December 31, 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 7/1/2019 to 12/31/2019

Total number of complaints received	27
Complaint sequence: Complaints No. 490 through No. 516	
Number of complaints closed for not meeting requirements, or not allegations of fraud	5
Number of referrals made to the Office of the Attorney General	11
Number of complaints investigated by Office of the State Auditor personnel	2
Number of referrals to the Office of Program Evaluation and Government Accountability	0
Complaints about individuals referred to (some to more than one agency):	
Fraud Investigation and Recovery Unit of DHHS	2
Maine Revenue Service	7
Department of Labor	3
Bureau of Motor Vehicles	1
Federal Bureau of Investigation	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, but is not limited to, 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, 2019 to December 31, 2019 begins on page four of this report.

**Agency acronyms that may be used in the report:**

AG - Office of the Attorney General

BMV – Bureau of Motor Vehicles (a division of the Secretary of State’s office)

DAFS - Department of Administrative and Financial Services

DHHS - Department of Health and Human Services

DOL – Maine Department of Labor

FBI – Federal Bureau of Investigation

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

MRS - Maine Revenue Services (a division of DAFS)

OPEGA – Office of Program Evaluation and Government Accountability

OSA - Office of the State Auditor

<b>Complaint No.</b>	<b>Nature of Complaint</b>	<b>Agency Complained of:</b>	<b>Potential Impact on Government:</b>	<b>Action taken by the Office of the State Auditor:</b>	<b>Substantiation of Complaint:</b>
490	Phone scam alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
491	Complaint alleged payroll tax fraud	None, Private Fraud alleged	potential collection of unpaid taxes	Referred to MRS, DOL	To be determined by MRS, DOL
492	Complaint alleged payroll tax fraud	None, Private Fraud alleged	potential collection of unpaid taxes	Referred to MRS, DOL	To be determined by MRS, DOL
493	Complaint alleged housing discrimination and fraud	Agency in another jurisdiction in another State	N/A	Closed	Complaint not applicable to Maine
494	Benefit, tax fraud alleged	None, Private Fraud alleged	Potential recovery of any inappropriate benefits, unpaid taxes	referred to DHHS, MRS	To be determined by DHHS, MRS
495	Municipal fraud alleged	None, Municipal Fraud alleged	N/A	Closed	Responded to complainant
496	Retail fraud alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
497	Income tax return fraud alleged	None, Private Fraud alleged	potentially unpaid income taxes collected	referred to MRS	To be determined by MRS
498	Embezzlement from Municipality alleged	None, Private Fraud alleged	N/A	Closed	Discussed with Complainant
499	Payroll tax fraud alleged	None, Private Fraud alleged	potential collection of unpaid taxes	referred to MRS	To be determined by MRS
500	Political candidate fraud alleged	None, Private Fraud alleged	N/A	Closed	Reviewed provided support, did not match allegations

<b>Complaint No.</b>	<b>Nature of Complaint</b>	<b>Agency Complained of:</b>	<b>Potential Impact on Government:</b>	<b>Action taken by the Office of the State Auditor:</b>	<b>Substantiation of Complaint:</b>
<b>501</b>	Payroll tax fraud alleged	None, Private Fraud alleged	potential collection of unpaid taxes	referred to MRS	To be determined by MRS
<b>502</b>	Consumer credit fraud alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>503</b>	Telephonic fraud alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>504</b>	Business fraud alleged	None, Private Fraud alleged	N/A	Referred to AG, BMV	To be determined by AG, BMV
<b>505</b>	Business fraud alleged	None, Private Fraud alleged	N/A	Referred to FBI	To be determined by FBI
<b>506</b>	Business fraud alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>507</b>	Identity fraud alleged	None, Private Fraud alleged	N/A	Closed	non-response from complainant, out of State complaint
<b>508</b>	Business fraud alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>509</b>	Benefit fraud alleged	None, Private Fraud alleged	Potential recovery of any inappropriate benefits	referred to MRS	To be determined by MRS
<b>510</b>	Business fraud alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>511</b>	Employee alleges fraudulent acts within management	_____	Ensuring business transactions occur as appropriate	being reviewed	To be determined



<b>Complaint No.</b>	<b>Nature of Complaint</b>	<b>Agency Complained of:</b>	<b>Potential Impact on Government:</b>	<b>Action taken by the Office of the State Auditor:</b>	<b>Substantiation of Complaint:</b>
<b>512</b>	Complaint alleges abuse by Federal, State, and local health, services, legal, and judicial agencies	several of all levels	N/A	Closed	Concerns either were not within jurisdiction, or previously adjudicated
<b>513</b>	Phone scam alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>514</b>	Phone scam alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>515</b>	Business fraud alleged	None, Private Fraud alleged	N/A	Referred to AG	To be determined by AG
<b>516</b>	Payroll tax fraud alleged	None, Private Fraud alleged	potential collection of unpaid taxes	referred to DOL, MRS	To be determined by DOL, MRS