

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

B. Melissa Perkins, CPA
Acting State Auditor

September 1, 2022

Honorable Janet T. Mills
Governor of the State of Maine

Honorable Troy D. Jackson
President of the Senate

Honorable Ryan M. Fecteau
Speaker of the House

I am pleased to submit the State Auditor's Fraud Hotline Semiannual Reports for the periods January 1, 2021 to June 30, 2021 and July 1, 2021 to December 31, 2021.

Sincerely,

B. Melissa Perkins, CPA
Acting State Auditor



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STATE AUDITOR'S FRAUD HOTLINE
<http://www.maine.gov/audit/fraud/index.html>
Semiannual Report
For the Period 1/1/2021 to 6/30/2021

| | |
|---|----|
| Total number of complaints received | 75 |
| Complaint sequence: Complaints No. 698 through No. 772 | |
| Number of complaints closed for not meeting requirements, or not allegations of fraud | 16 |
| Number of referrals made to the Office of the Attorney General | 29 |
| Number of complaints investigated by Office of the State Auditor personnel | 7 |
| Number of referrals to the Office of Program Evaluation and Government Accountability | 0 |
| Number of complaints still open | 1 |
| Complaints about individuals referred to (some to more than one agency): | |
| Fraud Investigation and Recovery Unit – DHHS | 3 |
| Division of Support Enforcement and Recovery – DHHS | 0 |
| Maine Revenue Service | 6 |
| Department of Labor | 13 |

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 January 1, 2021 to June 30, 2021 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 - Department of Labor

IRS – Internal Revenue Service

MRS - Maine Revenue Services (a division of DAFS)

OPEGA - Office of Program Evaluation and Government Accountability

OSA - Office of the State Auditor

| ID | Type or Name of Potential Fraud | Agency Complained of: | Potential Impact on Government: | Action taken by the Office of the State Auditor: | Substantiation of Complaint: |
|-----------|--|------------------------------|---|---|---|
| 698 | Phishing email | None: Private fraud alleged | N/A | Referred to AG | To be determined by AG |
| 699 | Benefit fraud | None: Private fraud alleged | Possible recovery of any inappropriate benefits | Referred to DHHS fraud | To be determined by DHHS |
| 700 | Phishing email | None: Private fraud alleged | N/A | Referred to AG | To be determined by AG |
| 701 | Email scam | None: Private fraud alleged | N/A | Referred to AG | To be determined by AG |
| 702 | Unreported income | None: Private fraud alleged | Possible recovery of unpaid taxes | Closed - Referred to MRS | To be determined by MRS |
| 703 | Unreported income | None: Private fraud alleged | N/A | Closed - Anonymous tip | Attempts to identify complainant went unanswered. |
| 704 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Complainant working with DOL | To be determined by DOL |
| 705 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Complainant working with DOL | To be determined by DOL |
| 706 | Benefit fraud | None: Private fraud alleged | N/A | Closed - Permission to refer not received | Closed - Permission to refer not received |
| 707 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Case referred to DOL | To be determined by DOL |

| ID | Type or Name of Potential Fraud | Agency Complained of: | Potential Impact on Government: | Action taken by the Office of the State Auditor: | Substantiation of Complaint: |
|-----------|--|-------------------------------|---|---|---|
| 708 | Unreported income | None: Private fraud alleged | Possible recovery of unpaid taxes | Closed - Referred to MRS | To be determined by MRS |
| 709 | Phone scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 710 | Business complaint | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 711 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Referred to DOL | To be determined by DOL |
| 712 | Municipal fraud | None: Municipal fraud alleged | N/A | Closed - No aspect to refer | OSA resolved with complainant |
| 713 | Email scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 714 | Fraudulent charge | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 715 | Benefit fraud | None: Private fraud alleged | Possible recovery of any inappropriate benefits | Closed - Referred to DHHS | To be determined by DHHS |
| 716 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Referred to DOL | To be determined by DOL |
| 717 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Referred to DOL | To be determined by DOL |
| 718 | Police corruption | None: Private fraud alleged | N/A | Closed - No aspect to refer | State Auditor resolved with complainant |

| ID | Type or Name of Potential Fraud | Agency Complained of: | Potential Impact on Government: | Action taken by the Office of the State Auditor: | Substantiation of Complaint: |
|-----------|--|-------------------------------|--|---|-------------------------------------|
| 719 | Internet scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 720 | Police corruption | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 721 | Phone scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 722 | Phone scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 723 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Case with DOL | To be determined by DOL |
| 724 | Private employer fraud | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 725 | Unemployment fraud | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 726 | Rent issues | None: Private fraud alleged | N/A | Closed - No aspect to refer | No fraud alleged |
| 727 | Town fraud | None: Municipal fraud alleged | N/A | Closed - No aspect to refer | OSA resolved with complainant |
| 728 | Town fraud | None: Municipal fraud alleged | N/A | Closed - No aspect to refer | OSA resolved with complainant |
| 729 | Internet scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 730 | Municipal fraud | None: Municipal fraud alleged | N/A | Closed - No aspect to refer | No action warranted |

| ID | Type or Name of Potential Fraud | Agency Complained of: | Potential Impact on Government: | Action taken by the Office of the State Auditor: | Substantiation of Complaint: |
|-----------|--|-------------------------------|--|---|---|
| 731 | Municipal fraud | None: Municipal fraud alleged | N/A | Closed - No aspect to refer | No action warranted |
| 732 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Referred to DOL | To be determined by DOL |
| 733 | Email scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 734 | Internet scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 735 | Internet scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 736 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Case with DOL | To be determined by DOL |
| 737 | Landlord fraud | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 738 | Town fraud | None: Municipal fraud alleged | N/A | Closed - No aspect to refer | State Auditor resolved with complainant |
| 739 | Benefit fraud | None: Private fraud alleged | N/A | Closed - Referred to MRS | To be determined by MRS |
| 740 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Referred to DOL | To be determined by DOL |
| 741 | Benefit fraud | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 742 | Municipal complaints | None: Municipal fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |

| ID | Type or Name of Potential Fraud | Agency Complained of: | Potential Impact on Government: | Action taken by the Office of the State Auditor: | Substantiation of Complaint: |
|-----------|--|------------------------------|--|---|--|
| 743 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Case with DOL | To be determined by DOL |
| 744 | Unemployment fraud | None: Private fraud alleged | N/A | Closed - Referred to DOL | To be determined by DOL |
| 745 | Email scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 746 | Fraudulent invoice | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 747 | Fraudulent email | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 748 | Non-profit fraud | None: Private fraud alleged | N/A | Closed - No aspect to refer | Complainant already in touch with the IRS |
| 749 | Cemetery complaint | None: Private fraud alleged | N/A | Closed - No aspect to refer | Complainant resolved with the town |
| 750 | Multiple complaints | None: Private fraud alleged | N/A | Closed - No aspect to refer | State Auditor resolved with complainant |
| 751 | Municipal tax lien | None: Private fraud alleged | N/A | Closed - No aspect to refer | Complainant did not respond to follow up inquiry |
| 752 | Unreported income | None: Private fraud alleged | N/A | Closed - Referred to MRS | To be determined by MRS |
| 753 | Business fraud | None: Private fraud alleged | N/A | Open | Waiting for complainant to respond |

| ID | Type or Name of Potential Fraud | Agency Complained of: | Potential Impact on Government: | Action taken by the Office of the State Auditor: | Substantiation of Complaint: |
|-----------|--|------------------------------|---|---|-------------------------------------|
| 754 | Fraudulent invoices | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 755 | Phishing email scheme | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 756 | Housing fraud | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 757 | Unreported income | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 758 | Social media scam | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 759 | Business fraud | None: Private fraud alleged | N/A | Closed- Referred to AG | To be determined by AG |
| 760 | Business fraud | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 761 | Fraudulent telephone call | None: Private fraud alleged | N/A | Closed - Referred to AG | To be determined by AG |
| 762 | Fraudulent email | None: Private fraud alleged | N/A | Closed- Referred to AG | To be determined by AG |
| 763 | Tax fraud | None: Private fraud alleged | N/A | Closed - Referred to MRS | To be determined by MRS |
| 764 | Fraudulent telephone call | None: Private fraud alleged | N/A | Closed- Referred to AG | To be determined by AG |
| 765 | Housing fraud | None: Private fraud alleged | Possible recovery of any inappropriate benefits | Closed - Referred to DHHS | To be determined by DHHS |

| ID | Type or Name of Potential Fraud | Agency Complained of: | Potential Impact on Government: | Action taken by the Office of the State Auditor: | Substantiation of Complaint: |
|-----------|--|-------------------------------|--|---|-------------------------------------|
| 766 | Tax fraud | None: Private fraud alleged | N/A | Closed - Referred to MRS | To be determined by MRS |
| 767 | Email/phone scam | None: Private fraud alleged | N/A | Closed | Permission to refer not obtained |
| 768 | American Resource Plan Letter | Federal Benefit Fraud Alleged | N/A | Closed | Letter was legitimate |
| 769 | Email scam | None: Private fraud alleged | N/A | Closed- Referred to AG | To be determined by AG |
| 770 | Email scam | None: Private fraud alleged | N/A | Closed- Referred to AG | To be determined by AG |
| 771 | Email scam | None: Private fraud alleged | N/A | Closed- Referred to AG | To be determined by AG |
| 772 | Unemployment scam | None: Private fraud alleged | N/A | Closed | Case already with DOL |