DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201

August 13, 2026

Chief State's Attorney Patrick Griffin
Office of the Chief State's Attorney
300 Corporate Place
Rocky Hill, CT 06067

Director Marjorie Sozanski
Medicaid Fraud Control Unit
Division of Criminal Justice
300 Corporate Place
Rocky Hill, CT 06067

Dear Chief State's Attorney Griffin and Director Sozanski:

American taxpayers provide nearly half a billion dollars every year to State governments to fund State Medicaid Fraud Control Units (MFCUs or Units), which are obligated by Federal law to use that money to effectively fight Medicaid fraud and protect patients from abuse or neglect. Connecticut receives approximately $2.9 million per year from American taxpayers for these purposes. Given this substantial investment in the Connecticut MFCU, American taxpayers and the Federal Government expect the Unit and the Connecticut Chief State's Attorney to use the millions of Federal dollars to effectively fight Medicaid fraud and protect Medicaid patients from abuse or neglect.

The Department of Health and Human Services, Office of Inspector General (OIG) is conditionally recertifying the Connecticut MFCU, subject to special conditions. This action reflects OIG's recognition of the Unit's potential and its obligation to ensure that every MFCU operates effectively, uses Federal funds appropriately, and consistently delivers results that protect the integrity of the Medicaid program. Although the Connecticut MFCU has taken steps to address challenges that may impede its effectiveness, the Unit must take additional action to improve its performance across key operational and investigative areas. Additional improvement is necessary to ensure compliance with Federal requirements and to ensure that the Unit operates at the standard taxpayers expect. Certain weaknesses persist, particularly in areas essential to the Unit's statutory responsibilities, such as staffing levels and convictions related to patient abuse or neglect.

OIG conducted an onsite inspection of the Connecticut MFCU in November 2021 (*Connecticut Medicaid Fraud Control Unit: 2021 Inspection*, OEI-06-21-00360) (hereafter referred to as the "2021 onsite inspection report"). OIG's inspection covered the 3-year period of fiscal years (FYs) 2019–2021. In that review, OIG identified certain weaknesses involving referrals of patient abuse or neglect, an adequate case management system, documentation of supervisory reviews, and the timely reporting of convictions and adverse actions to Federal partners. All recommendations from the 2021 onsite inspection report have been implemented, except for the

recommendation that the Unit seek approval from the Office of the Chief State's Attorney to implement a new case management system, which remains unimplemented.

OIG takes seriously its responsibility to ensure that Units receiving these Federal funds are fulfilling the MFCU mission effectively. As part of that responsibility, OIG evaluates each Unit's performance, operational capacity, investigative outcomes, and overall adherence to statutory and regulatory requirements. This oversight is essential to maintaining public trust and ensuring that every MFCU contributes meaningfully to the broader fight against fraud, waste, and abuse within the Medicaid program.

OIG is conditionally recertifying the Connecticut MFCU beginning on August 15, 2026, subject to special conditions. This letter serves as written notice and explanation of OIG's determination to conditionally recertify the Unit with special conditions (42 CFR § 1007.17(d)(1); 2 CFR § 200.208(d)).

Statutory and Regulatory Background

The Social Security Act (SSA) requires each State to demonstrate that it operates a MFCU that effectively carries out its statutory functions and responsibilities (SSA §§ 1902(a)(61) and 1903(q)). OIG, through delegations from the Secretary of Health and Human Services, is responsible for annually recertifying and funding each Unit (SSA §§ 1903(a)(6), (b)(3), and (q); 44 Fed. Reg. 47809, 47811 (Aug. 15, 1979)). To continue receiving Federal funding, a Unit must be certified. Under SSA §§ 1903(a)(6) and (q) and 42 CFR § 1007.19(d)(1), Federal funding is allowable only if a Unit has been certified and recertified annually by OIG.

OIG may approve or deny a Unit's annual recertification application and must provide written explanation for denials (42 CFR § 1007.17(d)(2)). When making recertification determinations, OIG evaluates whether the Unit has demonstrated that it effectively carries out the functions and requirements described in SSA § 1903(q), as implemented by 42 CFR part 1007. In making these determinations, OIG reviews the information described in 42 CFR §§ 1007.17(a) and (b) and considers the factors in 42 CFR § 1007.17(c).

OIG may impose special conditions or restrictions and may require corrective action, as provided in 2 CFR § 200.208, before approving a reapplication for recertification (42 CFR § 1007.17(d)(1)).

Basis for Conditionally Recertifying With Special Conditions

OIG conditionally recertifies the Unit subject to special conditions. OIG evaluated whether the Unit demonstrated that it effectively carries out its statutory functions and responsibilities as required by SSA §§ 1902(a)(61) and 1903(q) and implemented in 42 CFR part 1007. OIG considered the following factors and information and determined that the Unit is not effectively carrying out its statutory functions and requirements.

Findings Under Each of the Five Certification Factors in 1007.17(c)(1)-(5)

1. Compliance With Regulations (42 CFR § 1007.17(c)(1)): The Connecticut MFCU generally complied with applicable laws and regulations.

2. Compliance With Policy Transmittals (42 CFR § 1007.17(c)(2)): The Connecticut MFCU generally complied with OIG policy transmittals.

3. Adherence to Performance Standards (42 CFR § 1007.17(c)(3)): OIG has determined that the Connecticut MFCU is not always adhering to the MFCU Performance Standards as published in the *Federal Register* (89 Fed. Reg. 76431, September 2024). OIG assesses a Unit's adherence to all performance standards when assessing recertification of MFCUs. To explain the results of that assessment, OIG provides the following information as examples of the Unit's adherence under four of those performance standards.

- Performance Standard 2—Staffing:

The Connecticut MFCU does not employ a total number of professional staff commensurate with the State's total Medicaid program expenditures. In the FY 2025 annual statistical report, the Unit reported that it had 14 approved staff positions and that 13 of them were filled as of the end of FY 2025. OIG's analysis predicts a staff of 27 based on Connecticut Medicaid expenditures of $11.7 billion annually.

In the 2021 onsite inspection report, OIG noted that the MFCU consider increasing its staffing levels if the MFCU increased its referrals and cases of patient abuse or neglect. As shown in the next section, the MFCU increased its referrals of patient abuse or neglect.

- Performance Standard 4—Referrals:

In FY 2025, the Connecticut MFCU received 38 fraud referrals from the State Medicaid Program Integrity Unit and other fraud referral sources. Between FYs 2018 and 2021, the Unit received 0 referrals of patient abuse or neglect. However, the Unit has seen an increase in referrals of patient abuse or neglect since FY 2021: 9 referrals in FY 2022, 12 referrals in FY 2023, 6 referrals in FY 2024, and 13 referrals in FY 2025.

Since the 2021 onsite inspection report, the Connecticut MFCU has strengthened its working relationship with its main referral sources of patient abuse or neglect and continues to reach out to and coordinate with the Connecticut Long Term Care Ombudsman Program.

- Performance Standard 5—Case Progression:

The Connecticut MFCU is effectively managing its case progression. Approximately 24 percent (23 of 95) of the Unit's cases have been open for more than 3 years. The Unit's chief investigator conducts quarterly case reviews.

- Performance Standard 8—Cooperation:

The Connecticut MFCU has a positive working relationship with OIG's Office of Investigations (OI) and meet with OI staff on a quarterly basis. Both law enforcement agencies simultaneously receive referrals from the State Medicaid agency, so the Connecticut MFCU does not need to send referrals to OI. In FY 2025, the Unit worked 10 cases jointly with OI.

4. Effectiveness Investigating and Prosecuting Fraud (42 CFR § 1007.17(c)(4)): The Connecticut MFCU is using its resources effectively to investigate cases of possible fraud in the administration of the Medicaid program, the provision of medical assistance, or the activities of providers of medical assistance under the State Medicaid plan, as well as to prosecute cases or cooperate with the prosecuting authorities. Among the factors that OIG has considered in assessing the Unit's effectiveness in investigating and prosecuting fraud are the Unit's case outcomes as reported in the annual statistical report and how the Unit compares with similar-sized peers.

The Connecticut MFCU reported 29 fraud convictions for FYs 2023–2025, which ranks Connecticut's MFCU second out of 11 similarly situated Units. However, 14 of those convictions occurred in FY 2024 and 6 occurred in FY 2025. For FY 2025, the Connecticut MFCU reported 159 fraud investigations, 10 fraud indictments, 10 civil settlements and judgments, and total monetary recoveries of more than $6.8 million.

5. Effectiveness Investigating and Prosecuting Patient Abuse or Neglect (42 CFR § 1007.17(c)(5)): The Connecticut MFCU is not using its resources effectively to review and investigate, refer for investigation or prosecution, or criminally prosecute complaints alleging abuse or neglect of patients or residents in health care facilities receiving payments under the State Medicaid plan and, at the Unit's option, in board and care facilities. Among the factors that OIG has considered in assessing the Unit's effectiveness in investigating and prosecuting patient abuse or neglect are the Unit's case outcomes as reported in the annual statistical report and how the Unit compares with similar-sized MFCUs.

For FYs 2023–2025, the Connecticut MFCU reported one conviction (in FY 2024) related to patient abuse or neglect and ranked ninth out of 11 similarly situated Units. There were no convictions related to patient abuse or neglect in FY 2025. Additionally, in FY 2025, the Connecticut MFCU reported seven investigations and zero indictments related to patient abuse or neglect.

Effect of Conditional Recertification With Special Conditions

OIG is granting conditional recertification subject to special conditions. To remove these special conditions and be recertified, the Unit must take the corrective actions detailed in the Enclosure.

Upon successful completion of the corrective actions, OIG will remove the special conditions. If the Connecticut MFCU fails to take the required action, OIG may pursue additional certification actions or financial remedies, as necessary (see 42 CFR § 1007.17 and 2 CFR § 200.339).

If you have any questions regarding your Unit's conditional recertification, please call me at (202) 619-3148.

Sincerely,

T. March Bell
Inspector General

Enclosure

Enclosure: Special Conditions for Corrective Action

OIG imposes the following special conditions on the Connecticut MFCU Federal grant. The Connecticut MFCU must take corrective actions to come into compliance with the MFCU performance standards (42 CFR § 1007.17(c)(3)). The Connecticut MFCU must also demonstrate effectiveness in using its resources to investigate and prosecute Medicaid patient abuse or neglect cases (42 CFR § 1007.17(c)(5)). Upon OIG's determination that the Unit has taken the actions necessary to comply with its regulatory requirements and made sufficient progress for the corrective actions listed below, OIG will remove the special conditions and recertify the Unit.

1. Staffing:

The Unit must take the following steps to address the staffing deficiencies described in this letter. Specifically, within 30 days of the date of this letter, the Unit must provide to OIG a staffing plan that details how the Unit will rebalance its staff to effectively carry out its statutory responsibilities to fight fraud and patient abuse or neglect. The staffing plan must specify the staff positions the Unit will add or fill, the targeted timeframe for onboarding each staff position, and the actions the Unit will take to meet its targeted timeframes. In addition, within 6 months of the date of this letter, the Unit must provide to OIG a progress report that details the steps the Unit has taken in accordance with its staffing plan. OIG may provide feedback to the Unit on the staffing plan and progress report, as necessary. To obtain recertification, the Unit has to do more than merely submit a plan for improvement and a progress report; it must also demonstrate significant progress toward addressing the staffing deficiencies described in this letter.

2. Implement Recommendation:

Implement the unimplemented recommendation in the *Connecticut Medicaid Fraud Control Unit: 2021 Inspection*, OEI-06-21-00360, which is:

- Seek approval from the Office of the Chief State's Attorney to implement a new case management system.

By 6 months from the date of this letter, the Unit should provide OIG with additional information to demonstrate progress toward implementing this recommendation or documentation to demonstrate the recommendation has been implemented.