



State of North Carolina

Department of Justice

ROY COOPER
ATTORNEY GENERAL

Reply To:
Charles Hobgood
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October 1, 2014

The Honorable Phil Berger
President Pro Tempore
North Carolina Senate
Legislative Building, Room 2008
Raleigh, NC 27601-2808

The Honorable Thom Tillis
Speaker of the House
North Carolina House of Representatives
Legislative Building, Room 2304
Raleigh, NC 27601-1096

Dear President Pro Tem Berger, Speaker Tillis, and Members of the Joint Legislative Commission on Governmental Operations:

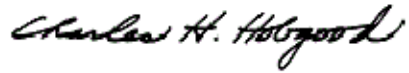
As you may know, the North Carolina Attorney General's Office, Medicaid Investigations Division (MID), participates in the Equitable Sharing of Federally Forfeited Property Program with the U.S. Department of Justice and the U.S. Department of Treasury. The MID is grateful for the availability of federal forfeiture funds to enhance our Medicaid provider fraud and patient abuse enforcement capabilities. For the state fiscal year of July 1, 2013 to June 30, 2014 the MID recovered over \$55 million in restitution, penalties and interest. Your support of these important efforts is greatly appreciated.

As of August 7, 2014, the MID Federal Forfeiture Fund had an unencumbered balance of \$159,969.65. The MID reports its intent to use \$159,000 leaving a balance of \$969.65 in our asset forfeiture account.

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Pursuant to applicable law, the MID reports its intent to use federal forfeiture funds as listed on the following page.

Sincerely,

A handwritten signature in black ink, reading "Charles H. Hobgood". The signature is written in a cursive style with a large, stylized initial "C".

Charles H. Hobgood, Director
Special Deputy Attorney General
Medicaid Investigations Division

ITEM REQUESTED	AMOUNT
<u>Scanners and related equipment:</u> Current scanner equipment is outdated and failing due to over utilization and the inability to obtain parts and software upgrades. Upgraded equipment will ensure the continued seamless operation of electronic document production and the continued efficient and cost effective investigation of Medicaid provider fraud.	\$ 30,000
<u>Title III Upgrades:</u> Surveillance and monitoring equipment is required in an effort to advance investigative work in an efficient and cost effective manner as well as providing visual evidence of criminal conduct.	\$ 22,000
<u>Investigative/specialized field supplies & technology:</u> These funds will be used for specialized field work, personal protective items, training for professional development required by MID employees, and a SMART board for training and investigative requirements.	\$ 16,000
<u>Litigation software:</u> Electronic discovery management software will be used to decrease the complexity of managing discovery and will provide the capability to search, review, organize, produce and share litigation documents—scanned paper, email and other e-discovery—generated during discovery.	\$ 18,500
<u>Moveable & replaceable equipment:</u> Moveable and replaceable equipment items are needed to replace aging and deteriorating items that support both MID offices in Raleigh and Charlotte.	\$ 72,500
TOTAL	\$159,000