



INSPECTOR GENERAL REPORT

2011-01-0017

August 20, 2012

SPD AUDIT

Inspector General Staff Attorney Kristi Shute, after an investigation by Special Agent Charles Coffin, reports as follows:

On January 20, 2011, the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that an employee possibly carried an ineligible spouse on her state provided health insurance. The SPD requested the OIG’s assistance in determining the spouse’s eligibility.

Every year the SPD requires state employees to select benefits, including medical, dental and vision insurance, in what is known as open enrollment. Aside from open enrollment, employees are only permitted to change their benefit packages and insurance coverage upon the occurrence of a qualifying event, such as marriage, divorce or the birth of a child. These changes must be made within thirty (30) days of the qualifying event. During open enrollment, employees also identify spouses and dependent children who will be covered under the employee’s insurance.

In the summer of 2010, the SPD conducted a dependent eligibility verification audit using third party administrator Aon Consulting. On August 24, 2010, Aon Consulting received an Affidavit form from the employee in which the employee marked her spouse as no longer eligible for coverage. Subsequently, a SPD Benefits Specialist contacted the employee to determine why the spouse was on longer eligible. The employee stated that her spouse had the marriage certificate and was currently in Congo. She further stated that she marked her spouse as ineligible because he was out of the county and she did not need to pay for his insurance. When the Benefits Specialist informed the employee that she needed to submit a copy of her marriage certificate, the employee stated that she was not married in Indiana and was not able to talk with her husband very often due to his location, indicating that she would not be able to produce the needed document.

On September 22, 2010, the employee sent the SPD a copy of her 2009 federal tax return which showed the employee filing as single. After receiving the tax return, the Benefits Specialist again contacted the employee who then stated that she was no longer married and that if she enrolled her former spouse as an eligible dependent, she did it in error. At that point, a copy of the divorce decree was requested but never received. The employee was terminated on December 5, 2010.

During the investigation, Special Agent Coffin determined that the employee married her spouse in Texas on September 3, 1991. She became a state

employee on July 6, 1999 and continued to enroll her spouse as a dependent on an annual basis even after the divorce was finalized on October 25, 2005. He also learned that no claims were filed for the ineligible spouse.

Since no claims were paid for the ineligible dependent, and the employee was terminated, this investigation is closed for lack of merit.

Dated this 20th day of August, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General