



## INSPECTOR GENERAL REPORT

2011-02-0034

September 17, 2012

### SPD BENEFITS INVESTIGATIONS

*Inspector General Staff Attorney Jennifer Cooper, after an investigation by Special Agent Darrell D. Boehmer, reports as follows:*

On February 3, 2011, the Office of the Inspector General (OIG) received information from the State Personnel Department (SPD) stating that a state employee (Employee) with the Indiana Department of Transportation (INDOT) possibly carried an ineligible student dependent (Student) on his state provided health insurance. The SPD requested the OIG's assistance in determining the dependent's eligibility.

During the 2009 and 2010 state provided health insurance plan years, unmarried, dependent children were eligible for coverage through the end of the calendar year of their nineteenth birthday, or until the end of the calendar year of their twenty-third birthday if the dependent child was a full-time student enrolled in an educational institution per the Benefit Handbook. Full time status requires enrollment in twelve (12) hours of course credits for the semester. The SPD conducted a Dependent Eligibility Verification Audit (Audit) using third party administrator Aon Consulting (Aon). On June 29, 2010, Aon sent Employee a

letter requesting that he complete and return the enclosed Affidavit Signature Form and provide documentation for his dependents to verify their eligibility. Employee did not respond to the request within the deadline of July 30, 2010. Aon sent a second letter to Employee extending the deadline to respond to September 10, 2010. Employee did not respond to this request and Aon issued a final extension of September 30, 2010. Employee retired on October 24, 2010, having never completed the audit before his state employment was terminated.

In February of 2011, Special Agent Boehmer contacted Employee. Employee advised Special Agent Boehmer that he did not complete the Audit because he did not think it necessary to do so in light of his retirement. Special Agent Boehmer obtained school records for the Employee's dependent student which revealed that Student was not enrolled in an educational institution as a full-time student until the 2008 fall semester. Student was under the age of nineteen through 2007 and only became ineligible during the 2008 spring semester. Student was enrolled in classes during the 2008 spring semester, but was not enrolled in enough course credits to qualify as a full-time student under SPD policies. From January 1, 2008 until August 25, 2008, when he became a full-time student, a total of \$1,406.87 in medical benefits was paid on Student's behalf.

Dated this 17<sup>th</sup> day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General