INSPECTOR GENERAL REPORT

2011-03-0122

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 March 23, 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 Corrections (DOC) possibly carried ineligible dependents on her state provided health insurance. The SPD requested the OIG's assistance in determining the dependents' 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. The SPD conducted a Dependent Eligibility Verification Audit (Audit) using third party administrator AON Consulting. The Audit revealed that Employee had enrolled a twenty year-old, student dependent (Student) in her health plans. SPD determined that Student

was married and not a full-time student in 2010 or during the 2009 spring
semester.

On June 29, 2010, Aon sent Employee a letter requesting that she
complete and return the enclosed Affidavit Signature Form and provide
documentation for her dependents to verify their eligibility. On July 21, 2010,
Aon received Employee's Affidavit on which she marked Student as being
ineligible. Student had been covered as a student dependent in calendar years
2009 and 2010. On July 26, 2010 Employee also provided a copy of Student's
marriage license which stated that Student was married on April 1, 2010. Upon
receiving this documentation, a SPD Benefits Specialist asked Employee why she
did not notify SPD regarding Student's marriage. Employee responded that she
was not aware that Student had been married until approximately one month after
the marriage had occurred. On September 10, 2010 Employee submitted a copy
of Student's Social Security card. On February 10, 2010 another SPD Benefits
Specialist received Student's college transcript and determined that Student was
not a full-time student in the spring of 2009 and did not attend school in 2010.

According to SPD records, Student was covered as an ineligible dependent
under Employee's medical, dental, vision and dependent life insurance plans from
January 1, 2009 through August 24, 2009 and from January 1, 2010 through
December 31, 2010. Claims paid by the State on behalf of Student when she was
an ineligible dependent totaled $12, 253.98. On March 18, 2011 SPD sent a

collection letter to Employee requesting the payment of $12, 253.98 for claims incurred and paid for Student.

Special Agent Boehmer interviewed Employee on April 18, 2011. Employee stated that she had informed Student that she had to maintain her full-time student status and enroll in classes in order to be covered under Employee's state-provided health insurance. According to Employee, Student had informed her that she was enrolled in college as a full-time student and Employee did not find out that Student was not enrolled full-time until one month following Student's marriage. Employee did not remove Student from her insurance coverage upon learning of the marriage or upon learning that Student was not enrolled in college full-time; rather Employee declared Student ineligible during the Audit.

As a result of the Audit, DOC issued Employee a Letter of Reprimand for falsifying documents. SPD sent a letter to the Office of the Indiana Attorney General on May 12, 2011, requesting assistance in the collection of the $12, 253.98 owed to the State.

This case was part of a group of cases presented to the Marion County Prosecuting attorney's office, but criminal prosecution was declined. Accordingly, this investigation is closed.

Dated this 17th day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General