



INSPECTOR GENERAL REPORT

2011-03-0125

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 22, 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 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. The Audit revealed that Student was covered as an ineligible dependent under Employee's state insurance plans, because Student was enrolled as a part-time student from the 2009 spring semester through the 2010 fall semester.

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. On August 3, 2010 Aon received Employee's Affidavit on which she marked Student as being eligible along with all documentation required to verify his dependents' eligibility with the exception of full-time student documentation for Student. On September 10, 2010 Employee submitted a second Affidavit on which he marked Student as no longer eligible. As a result of the Audit, DOC issued Employee a Letter of Reprimand for falsifying documents.

According to SPD records, Student was covered as an ineligible dependent under Employee's medical, dental, vision insurance plans from January 1, 2009 through December 31, 2010. Claims paid by the State on behalf of Student when she was an ineligible dependent totaled \$1, 868.00.

When interviewed by Special Agent Boehmer, Employee disclosed that Student had started as a full-time student but her counselor recommended she reduce the number of hours in which she was enrolled because of difficulties she was having with a full course load. Employee advised that he believed that since Student was following her counselor's directions she would still be considered a

full time student for state insurance purposes. Employee attempted to get a letter from the counselor but could not. Employee did provide Special Agent Boehmer with Student's high school Individual Education Plan (IEP) which demonstrated her special needs as a high school student.

Dated this 17th day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General