



INSPECTOR GENERAL REPORT

2011-04-0140

September 6, 2012

SPD DEPENDENT AUDIT INVESTIGATION

Inspector General Staff Attorney Todd Shumaker, after an investigation by Special Agent Mike Mischler, reports as follows:

Throughout 2011, the State Personnel Department (SPD) forwarded to the Office of Inspector General (OIG) a series of complaints alleging possible insurance fraud that arose out of a Dependent Eligibility Verification Audit (Audit) by SPD. Among those complaints was one against a Family & Social Services Administration employee (Employee), whose son was found to be ineligible based on his status as a student.¹

The OIG is charged by the Indiana Legislature to address fraud, waste and abuse in state agencies. IC 4-2-7-2(b). In so doing, the OIG is instructed to supervise and coordinate investigations. IC 4-2-7-3(1).

OIG Special Agent Mike Mischler was assigned to investigate. Special Agent Mischler learned from Employee that he was unaware his son had dropped

¹ At the time of the Audit, SPD policy allowed unmarried dependent children to remain eligible dependents on the State's benefits plans until the end of the calendar year in which they turned 23, provided they were full-time students enrolled in an educational institution. Unmarried dependent children who did not maintain full-time student status became ineligible at the end of the calendar year in which they turned 19.

a class in 2009 which put him under 12 course hours for the semester, thereby reducing his status to part-time pursuant to SPD policy. SPD determined Employee's son was ineligible as of January 1, 2009 during which time \$10,032.68 in medical, prescription, and dental claims of \$9,370.61, \$187.07 and \$481.00, respectively, were paid on his son's behalf after his eligibility had expired. SPD sent a collection letter to Employee on March 1, 2011 requesting repayment in this amount. Employee entered into a repayment arrangement with the State.

Finding no basis for criminal charges, Special Agent Mischler advises the investigation be closed at this time. Should additional evidence be brought forward, this case may be evaluated for further action. At this time and for these reasons, this case is closed.

Dated this 6th day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General