



INSPECTOR GENERAL REPORT

2011-06-0207

March 7, 2013

SPD DEPENDENT AUDIT INVESTIGATION

Inspector General Staff Attorney Todd Shumaker, after an investigation by Special Agent Chris Read, 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 an Indiana Department of Child Services (DCS) employee (Employee) who enrolled his common law wife and her son on his state-sponsored medical, dental, and vision plans from 2008 through the time of the Audit.

The OIG is charged by the Indiana General Assembly 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 Chris Read was assigned to investigate. In reviewing documents provided by SPD and conducting interviews, Special Agent Read discovered that the Employee had indicated as part of the Audit that his spouse

and step-son were no longer eligible for coverage. SPD followed up with the Employee and learned that he and his spouse had never been legally married; however, the Employee believed their relationship constituted a common law marriage under the laws of Oklahoma at the time they resided in the state.

Since Indiana common law marriages entered into after January 1, 1958 are void in Indiana,¹ SPD determined the Employee's spouse and her son were never eligible dependents on his State-sponsored benefits plans. During the period of time the Employee carried these two individuals on his insurance plans, the State paid a total of \$18,551.05 in medical, prescription, dental, and vision claims on their behalf. SPD sent a collection letter to the Employee on April 20, 2011 requesting repayment in this amount by May 4, 2011. When payment was not timely received, SPD referred the matter to the Indiana Attorney General for collections assistance.

On May 2, 2011 DCS personnel conducted a pre-deprivation meeting with the Employee for alleged severe misconduct in violating SPD and DCS policies for enrolling two (2) ineligible claimants to the State of Indiana employee benefit plans. The Employee reiterated in the meeting that his common law marriage began in Oklahoma in 2000, and he was unaware that Indiana did not recognize the common law marriages of other states when he moved to Indiana in 2003. As a result of this meeting, the Employee received from DCS a *Notice of Employment Termination/Thirty (30) Day Unpaid Suspension, Pending Dismissal* to begin on May 3, 2011.

¹ IC 31-11-8-5.

Special Agent Read mailed correspondence to two separate addresses listed for the Employee on May 22, 2012 and again on June 5, 2012 requesting an interview but has received no response to date.

Special Agent Read presented the findings of his investigation to the Marion County Prosecutor's Office for consideration of criminal charges of Insurance fraud. Criminal prosecution was declined. The OIG agrees with this disposition, especially with the unusual circumstance of the common law marriage issue. With no further action to be taken at this time, this case is closed.

APPROVED BY:

/s/ David O. Thomas, Inspector General