



INSPECTOR GENERAL REPORT

2011-06-0208

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 an Indiana Department of Correction (IDOC) employee (Employee) whose daughter was ineligible based on her 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 that Employee's daughter had not attended college full-

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.

time in the spring of 2009 or any part of 2010. SPD determined Employee's daughter was an ineligible dependent from January 1, 2009 through August 24, 2009 and again from January 1, 2010 through December 31, 2010. SPD sent Employee a collection letter on May 26, 2011 to request she repay the State in the amount of \$2,780.61 for medical claims of \$575.45 paid on her daughter's behalf as well as overpayments by the State for her family plan premium and contributions to her Health Savings Account of \$1,797.24 and \$515.46, respectively.² Employee received a letter of reprimand from IDOC and 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

² Employee was eligible only for a single plan although she maintained a family plan during the period of her daughter's ineligibility. She was also credited with \$104.54 for premiums she overpaid as part of the family plan.