



INSPECTOR GENERAL REPORT

2011-06-0210

August 8, 2012

SPD DEPENDENT AUDIT INVESTIGATION

Inspector General Staff Attorney Todd Shumaker, after an investigation by Special Agent Darrell Boehmer, 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 employee (Employee) who failed to remove her daughter as a dependent on her insurance policies following her daughter's marriage.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).

¹ According to documents provided by Employee, her daughter was married on December 16, 2009. Pursuant to SPD policies, she should have reported this qualifying event to SPD no later than January 15, 2010 to ensure her daughter was timely removed from coverage under her State-sponsored insurance plans. Employee did not report her daughter's marriage until August 2, 2010 when she marked her daughter as "no longer eligible for coverage" on the affidavit she submitted as part of the Audit.

OIG Special Agent Darrell Boehmer was assigned to investigate and learned the State had paid out claims on behalf of the daughter in the amount of \$9257.85 during the time she remained an ineligible dependent on Employee's insurance plans. However, all but \$566.46 of these claims were paid after Employee informed SPD of her daughter's ineligibility but before SPD removed her daughter from the State insurance plans.

SPD contacted Anthem about this error and recovered \$9,114.37 in claims paid to the providers, leaving only \$143.48 in remaining claims. SPD notified Employee of these changes and sought repayment in the amount of \$143.48.

Finding no merit to continue with criminal charges, Special Agent Boehmer 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 8th day of August, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General