



INSPECTOR GENERAL REPORT

2011-06-0213

March 7, 2013

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 Family & Social Services (FSSA) employee (Employee) who left his ex-wife on his state-sponsored benefits plans following the finalization of his divorce.

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 Mike Mischler was assigned to investigate. In reviewing documents provided by SPD and conducting interviews, Special Agent Mischler discovered the Employee and his ex-wife were divorced on July 1, 2010. Consistent with SPD policy, the Employee was obligated to report this divorce to

SPD within 30 days in order to have his ex-wife removed from coverage under his state benefits. The Employee failed to comply with this policy and reported through the Audit that his ex-wife was still eligible for benefits.

When the Employee was found to have enrolled ineligible dependents for coverage on the state plans, FSSA conducted a pre-deprivation meeting and issued the Employee a Letter of Reprimand in lieu of a 10 day suspension for not notifying the proper people in a timely manner. Special Agent Mischler interviewed the Employee and learned further that the Employee's ex-wife maintained a state benefits insurance card exclusively for use by their daughter. The Employee stated that he remembered responding to the Audit and providing the requested documentation but could not recall why he marked that his ex-wife was still eligible for coverage.

As of May 23, 2011 SPD had received payment in full from the Employee of \$616.67 for the claims the state paid on behalf of his ex-wife.

After reviewing the documentation and interviewing the Employee, Special Agent Mischler believes the Employee's failure to remove his ex-wife from his state benefits coverage was an accidental oversight as opposed to a fraudulent misrepresentation. 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 investigation is closed.

APPROVED BY:

/s/ David O. Thomas, Inspector General