



INSPECTOR GENERAL REPORT

2011-01-0004

September 28, 2011

HOOSIER START

Inspector General Staff Attorney Kristi Shute, after an investigation by Special Agent Darrell Boehmer, reports as follows:

In December of 2010, the Office of the Inspector General (“OIG”) received information from an agency which advised that a state retiree was concerned about some issues within the Hoosier Start deferred compensation program. Specifically, the retiree stated that when she checked her account, she discovered that her benefits were designated to go to charity, instead of her family. The retiree disclosed that Hoosier Start told her that, during a transition from one vendor to another, some accounts were marked incorrectly. The mistake was attributed to a data entry error.

In addition, the retiree explained that she contacted several other state employees from her former agency and learned that their account beneficiaries were also incorrectly marked as being designated to charity. The retiree’s concern was that if a member died before the problem was noticed and fixed, the

estate may need to engage in the legal process to ensure benefits were distributed correctly.

Special Agent Boehmer was assigned to investigate. He contacted the State Auditor's Office and inquired whether the Auditor's Office was aware of the problem. The Auditor's Office was aware of the situation and had already instituted a correction. They confirmed that the error took place during a conversion of data in 2005, and that the system defaulted to "charity" if the beneficiaries' relationship to the member was incorrect or missing. The Auditor's Office advised that notification had been sent to participants in multiple mailings, so members can update and review all account information within the system.

The OIG has held this report since first investigated earlier this year to determine if other complaints would be made. With none, and since corrective actions by the Auditor's Office had been made prior to our inquiry, no action is needed by the OIG, and this case is closed.

Dated this 28th day of September, 2011.

/s/

David O. Thomas, Inspector General