



## INSPECTOR GENERAL REPORT

2011-02-0074

March 1, 2011

### SPD AUDIT INVESTIGATION #36

*Inspector General Staff Attorney Kristi Shute, after an investigation by Special Agent Mark Mitchell, reports as follows:*

On February 11, 2011, the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that an Indiana Department of Administration (“IDOA”) employee possibly carried ineligible dependents on his state provided health insurance. The SPD requested the OIG’s assistance in determining the dependents’ eligibility.

The SPD conducted a dependent eligibility verification audit using third party administrator AON Consulting. On June 29, 2010, AON Consulting sent the IDOA employee a letter requesting that he complete and return the enclosed Affidavit Signature Form and provide documentation for his four children to verify their eligibility. Copies of the children’s birth certificates were required to complete the audit.

On July 27, 2010 the employee submitted his 2009 federal tax form and W-2, a copy of his birth certificate and a copy of his daughter’s birth certificate.

It was determined that his daughter was an eligible dependent. The employee, however, did not submit copies of the other children's birth certificates to verify their eligibility. He was given two additional extensions. Before the final deadline expired, he submitted his signed Affidavit. The form marked the remaining three children as no longer eligible for coverage.

Subsequently, an SPD Benefit Specialist contacted the employee to inquire as to why he marked three of his children as no longer eligible. He stated that he did not enroll them, but he would provide the Benefit Specialist with a copy of their birth certificates as requested. In December, SPD received copies of the children's birth certificates. The employee was listed as the father of one son, but there was no father listed for the other two sons. It was determined that the son who had the employee listed as his father was an eligible dependent.

On January 21, 2011, SPD received copies of paternity tests that had been done on the two remaining sons. The findings stated that the employee could not be excluded as the biological father of both children. The SPD deemed the paternity test did not conclusively confirm that the employee was the father. Since eligibility had not been determined, the SPD sent a collection letter to the employee requesting payment for claims incurred and paid for the two sons. The employee was given until February 1, 2011 to make payment. As of February 11, 2011 no payment had been received. The SPD began the process of seeking assistance from the Office of the Attorney General to facilitate collection of the funds.

As a result, Special Agent Mitchell contacted the company that performed the paternity tests and spoke to a representative about the results shown on the analysis report submitted by the employee. They also discussed the meaning of the terminology the company uses for their result statements and on their website. The representative told Special Agent Mitchell that with the results in both cases, it is conclusive that the employee is the biological father of both children.

Consequently, Special Agent Mitchell sent a memorandum outlining his findings to an SPD representative for her consideration. The SPD representative responded stating that she received birth certificates for the two sons which now list the employee as their father. She noted that discipline concerning this audit was being removed from the employee's record and that the SPD was no longer pursuing any claims. She advised that a letter stating the same was on its way to the OIG.

Since it has been determined that the claimed dependents were eligible to be on the employee's state provided health insurance and no fraud was discovered, this investigation is closed.

Dated this 1st day of March, 2011.

APPROVED BY:

/s/ David O. Thomas, Inspector General