



INSPECTOR GENERAL REPORT

2011-05-0199

August 8, 2012

SPD DEPENDENT AUDIT INVESTIGATION

Inspector General Staff Attorney Todd Shumaker, after an investigation by Special Agent Chuck Coffin, 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 a Family & Social Services Administration employee (Employee) who failed to remove her ex-husband as a dependent on her insurance policies following their divorce.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 Chuck Coffin was assigned to investigate and learned

¹ According to documents provided by Employee, her divorce was finalized on June 23, 2010. Pursuant to SPD policies, she should have reported this qualifying event to SPD no later than July 23, 2010 to ensure her ex-husband was timely removed from coverage under her State-sponsored insurance plans. Employee did not report her divorce until September 21, 2010 when she marked her ex-husband as "no longer eligible for coverage" on the affidavit she submitted as part of the Audit.

the State had not paid out any claims on behalf of the ex-husband during the time he remained an ineligible dependent on Employee's insurance plans. However, the State contributed \$610.56 more to Employee's health savings account—at the rate for a family plan—than she would have been entitled to at the rate of a single plan for which she was otherwise eligible following her divorce.

SPD sent a letter to Employee requesting repayment by June 8, 2011.

When Employee failed to repay the amount by the deadline, SPD referred the case to the Office of Attorney General (AG) for collections proceedings.

Finding no merit to continue with criminal charges, Special Agent Coffin 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