

**DEPARTMENT OF HUMAN SERVICES
FALSIFICATION OF DEPENDENT INFORMATION
ON STATE INSURANCE FORMS**

SEPTEMBER 1995

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September 21, 1995

The Honorable Don Sundquist, Governor
and
Members of the General Assembly
and
The Honorable Bob Corker, Commissioner
Department of Finance and Administration
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is a special report on our review of a former state employee's falsification of dependent information on state insurance forms. As a result, the State of Tennessee Comprehensive Medical and Hospitalization Program (hereinafter referred to as the State Plan) paid \$10,136.28 in medical benefits for ineligible recipients.

The review disclosed that Mr. Jerry W. Crownover, a former Department of Human Services' social counselor, had knowingly listed his friend, Ms. Frances A. Bennett, as his legal spouse and her son as his legal dependent on state insurance forms he signed. As a result of this falsification, the State Plan paid \$10,095.08 in medical benefits for Ms. Bennett and \$41.20 in medical benefits for her son, both of whom were ineligible recipients.

The information developed during this review was provided to the Office of the State Attorney General and the Office of the District Attorney General, 14th Judicial District, Coffee County, on June 30, 1995.

Very truly yours,

W. R. Snodgrass
Comptroller of the Treasury

WRS/jm

State of Tennessee

Audit Highlights

Comptroller of the Treasury

Division of State Audit

Special Report
Department of Human Services
Falsification of Dependent Information on
State Insurance Forms
September 1995

REVIEW OBJECTIVES

The objectives of the review were to determine whether Mr. Jerry W. Crownover, a former Department of Human Services' social counselor, had listed his girl friend, Ms. Frances A. Bennett, as his dependent spouse and her son as his dependent child on his state insurance forms to allow them to receive medical benefits for which they were not entitled; to determine the amount the State of Tennessee Comprehensive Medical and Hospitalization Program (hereinafter referred to as the State Plan) paid in medical benefits for Ms. Frances Bennett and her son; and to refer our findings to the Department of Human Services and to the Office of the State Attorney General and the Office of the District Attorney General.

RESULTS OF THE REVIEW

Our review established that Mr. Jerry Crownover apparently had knowingly listed his girl friend, Ms. Frances Bennett, as his legal spouse and her son as his legal dependent on state insurance forms he signed. As a result of this misrepresentation, the State Plan paid \$10,136.28 in medical benefits for Ms. Frances Bennett and her son, who were both ineligible recipients. The information developed during this investigation was provided to the Office of the State Attorney General and the Office of the District Attorney General, 14th Judicial District, Coffee County, on June 30, 1995.

"Audit Highlights" is a summary of the special report. To obtain the complete special report, please contact

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SEPTEMBER 1995

INTRODUCTION

On November 7, 1994, the Division of State Audit received a memorandum from Ms. Judith Spickard Mallory, Director of Audit and Investigation for the Department of Human Services, regarding an employee of the Department of Human Services who allegedly falsified his state insurance forms. Our review established that Mr. Jerry W. Crownover, a Social Counselor II with the Department of Human Services for Grundy County, apparently had knowingly listed his friend, Ms. Frances A. Bennett, as his legal spouse and her son as his legal dependent on state insurance forms he signed on December 18, 1989, September 26, 1990, and October 4, 1991. As a result of this misrepresentation, the State of Tennessee Comprehensive Medical and Hospitalization Program (hereinafter referred to as the State Plan) paid \$10,136.28 in medical benefits for Ms. Frances Bennett and her son, who were both ineligible recipients.

OBJECTIVES OF THE REVIEW

The objectives of the review were

1. to determine if Mr. Jerry Crownover listed his friend, Ms. Frances Bennett, as his dependent spouse and her son as his dependent child on his state insurance forms to allow them to receive medical benefits for which they were not entitled;
2. to determine the amount the State Plan paid in medical benefits for Ms. Bennett and her son;
3. to refer our findings to the Department of Human Services; and
4. to refer our findings to the Office of the State Attorney General and the Office of the District Attorney General.

SCOPE OF THE REVIEW

Our review included an examination of state insurance forms signed by Mr. Crownover on December 18, 1989, September 26, 1990, and October 4, 1991; a printout of medical claims paid by the State of Tennessee for Ms. Frances Bennett and her son for the period January 1, 1990,

through September 1, 1992; a copy of a Department of Human Services' internal investigative report; copies of registration and insurance forms from various health care providers signed by Ms. Bennett when she received treatment; copies of Mr. Crownover's state insurance card from various health care providers that Ms. Bennett presented when she received treatment; and a copy of Mr. Crownover's signed affidavit taken by Mr. Paul Davis, Department of Human Services Investigator, on September 6, 1994. Our review also included discussions with Ms. Gail Cantrell, Manager, Plan Integrity, Division of Insurance Administration, and Mr. Larry Evitts, Director of Investigation, Department of Human Services.

DETAILS OF THE REVIEW

Notification That Mr. Crownover Had Apparently Falsified His State Insurance Forms

Mr. Crownover began working for the Department of Human Services on December 4, 1989, as a social counselor in Grundy County, Tennessee. In August 1994, internal investigators from the Department of Human Services examined allegations of improper conduct by Mr. Crownover. During the course of their review, the investigators learned that Mr. Crownover had apparently listed his friend, Ms. Frances Bennett, and her son as his legal dependents on his state insurance forms.

Results of an Internal Investigation by the Department of Human Services

Mr. Crownover was interviewed by Mr. Paul Davis, Department of Human Services internal investigator, on September 6, 1994. Mr. Crownover admitted during the interview that he was never legally married to Ms. Frances Bennett and that her son was not his legal dependent. Mr. Crownover stated in a signed affidavit that he had falsely listed Ms. Bennett and her son as his legal dependents on state insurance forms he had filled out when he began working for the Department of Human Services.

Mr. Crownover further admitted to Mr. Ed Lake, Deputy Commissioner, Department of Human Services, in a phone conversation on September 6, 1994, that he had listed his friend Ms. Frances Bennett as his spouse on his state insurance forms. Mr. Crownover indicated that he knew what he had done was wrong, but that he had been in a long-term relationship with Ms. Bennett and he considered her family. Mr. Crownover stated that he was willing to pay back any amount he owed because of misrepresenting Ms. Bennett as his legal spouse.

Action Taken by the Department of Human Services

Mr. Bob Grunow, Commissioner, Department of Human Services, notified Mr. Crownover by a memorandum dated December 7, 1994, that Mr. Crownover would be terminated from the department. Mr. Grunow advised Mr. Crownover that the decision to dismiss him was made for the good of the service, pursuant to *Tennessee Code Annotated*, Section 8-30-326. The commissioner also advised Mr. Crownover that he was being terminated for misappropriation of state funds, conduct unbecoming a state employee, and falsification of an official state document. Mr. Grunow stated that he had based his decision on information presented at a due process hearing held for Mr. Crownover on November 23, 1994. Mr. Crownover appealed his separation from state service and was provided an April 12, 1995, hearing to contest his termination. Ms. Linda Rudolph, current Commissioner, Department of Human Services, advised Mr. Crownover in a letter dated April 27, 1995, that she had upheld the department's decision to dismiss him based on a review of his personnel file and information provided at the April 12, 1995, appeal hearing. Mr. Crownover did not exercise his right to appeal the commissioner's decision regarding his termination.

Action Taken by the Division of State Audit

On August 7, 1995, Mr. Robert Kennedy, Senior Investigator for Blue Cross and Blue Shield, provided the Division of State Audit with a printout of the payments of medical benefits made by Blue Cross and Blue Shield under the State Plan on behalf of Frances Bennett and her son. This printout showed that the State Plan paid \$10,095.08 in medical benefits for Ms. Bennett and \$41.20 in medical benefits for her son for the period February 20, 1990, through December 27, 1991. The Division of State Audit also obtained copies of registration and insurance forms from various health care providers signed by Ms. Bennett when she received treatment. Ms. Bennett indicated on these forms that she was the legal spouse of Mr. Crownover and also presented Mr. Crownover's state health insurance identification card to the health care providers as proof that she was insured.

Referral to State Attorney General and District Attorney General

The information developed during this investigation was provided to the Office of the State Attorney General and the Office of the District Attorney General, 14th Judicial District, Coffee County, on June 30, 1995.