



## INSPECTOR GENERAL REPORT

2011-02-0068

August 14, 2012

### SPD AUDIT

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

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

The SPD conducted a dependent eligibility verification audit using third party administrator AON Consulting. During the audit, it was discovered that, while the former employee enrolled his daughter as a dependent based on her full-time student status, his daughter actually did not attend school full-time in 2010 or during the spring semester of 2009.

Records show that the daughter was covered as an ineligible dependent under her father’s medical, dental and vision insurance plans. She had thirty three (33) overall claims totaling four thousand eight hundred nineteen dollars and eight

cents (\$4,819.08) during the ineligible period. The employee reimbursed the State for the full amount.

It is important to note that, during his interview with Special Agent Mischler, the employee explained why he thought he was correct in allowing his daughter to continue on his insurance. The employee showed SA Mischler a copy of an Internal Revenue Service definition of a full-time student which stated that if the student goes to school five (5) months in one year, the student is considered full-time. This demonstrates one reason why employees were confused on how to determine a dependent's eligibility as a student.

Since the amount owed to the State was reimbursed in full and for the above reasons, this investigation is closed.

Dated this 14th day of August, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General