



## INSPECTOR GENERAL REPORT

2011-06-0212

August 23, 2012

### SPD AUDIT

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

On June 14, 2011, the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that an employee possibly carried an ineligible dependent on her state provided health insurance. The SPD requested the OIG’s assistance in determining the dependent’s eligibility.

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

Records show that the daughter was covered as an ineligible dependent under her mother’s medical, dental and vision insurance plans. She had three (3) medical claims, eight (8) prescription claims and one (1) vision claim totaling

three hundred sixty three dollars and sixty cents (\$363.60) during the ineligible period. In addition, the State overpaid into the employee's Health Savings Account in the amount of one thousand five hundred eighty five dollars and eighty cents (\$1,585.80) and paid a total of four hundred thirty four dollars and forty four cents (\$434.44) in extra administrative fees for family coverage instead of single coverage. The employee reimbursed the State for the full amount.

Since there was no intent to defraud, the amount owed to the State was reimbursed in full, and the employee received a letter of reprimand, this investigation is closed for lack of merit.

Dated this 23rd day of August, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General