



INSPECTOR GENERAL REPORT

2011-02-0072

December 18, 2012

SPD AUDIT

Inspector General Staff Attorney Kristi Shute, after an investigation by Special Agent Darrell Boehmer, reports as follows:

On February 11, 2011, the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that a former Department of Veterans’ Affairs (“DVA”) employee possibly carried a former spouse and ineligible dependents on her state provided health insurance. The SPD requested the OIG’s assistance in determining the spouse’s and dependents’ eligibility.

The SPD conducted a dependent eligibility verification audit using third party administrator AON Consulting. On June 29, 2010, AON Consulting sent the former DVA employee a letter requesting that she complete and return the enclosed Affidavit Signature Form and provide documentation for her spouse and two children to verify their eligibility. A copy of each child’s birth certificate, her marriage license and a copy of the front page of her 2009 federal tax return

showing her marital status as married were required to complete the audit. She did not respond to this request.

Due to the lack of response, the former DVA employee was given two additional extensions. Before the final deadline expired, she submitted her signed Affidavit, her marriage and birth certificates, her 2009 federal tax return showing her filing as the head of household and copies of her children's birth certificates. Based on the documentation provided, the children were verified as eligible dependents. Since, however, the tax form did not show her marital status, verification could not be made for her spouse. As of February 11, 2011, she had not completed the audit.

Special Agent Boehmer contacted several State agencies to determine whether the former DVA employee and her husband were still married. While he was unable to find a divorce decree, other documents indicate that the parties are no longer married. Because of this, he contacted an SPD Benefits Specialist and requested insurance payouts for the former DVA employee's ex-husband during the ineligible period. The SPD Benefits Specialist determined there were no claims paid on the ex-husband during the ineligible period. Given that the former DVA employee carried other eligible dependents on her insurance and was properly qualified for the family plan, the state did not incur any additional cost.

Since it has been determined that the claimed children were eligible to be on the former employee's state provided health insurance, there were no claims paid for the ex-husband during the ineligible period, the state did not incur any

additional cost and no fraud was discovered, this investigation is closed for lack of merit.

Dated this 18th day of December, 2012.

APPROVED BY:

\s\ David O. Thomas, Inspector General