



INSPECTOR GENERAL REPORT

2011-02-0033

February 21, 2011

SPD AUDIT INVESTIGATION #7

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

On February 3, 2011, the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that a former Department of Workforce Development (“DWD”) 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 dependent’s eligibility.

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

return that showed her marital status as married were required to complete the audit. The former DWD employee did not respond to this request.

The former employee was given two additional extensions, but, as of February 3, 2011, the former employee had not responded or complied with the audit. Special Agent Boehmer contacted the former employee by telephone and conducted an interview. The former employee advised that she was on disability leave during the audit and that she left state employment before the audit ended. She explained that she had contacted her DWD supervisor to inform her about the divorce. At the beginning of November 2010, she told an SPD Human Resources Director that the divorce was final and provided him copies of the birth certificates and the divorce decree.

Special Agent determined that the divorce was final on July 23, 2010. He contacted an SPD Benefits Director and requested insurance payouts for the former DWD employee's ex-husband from the date of the divorce. There were no claims paid on the ex-husband during the ineligible period. Special Agent Boehmer also determined that the children were eligible dependents. Given that the former DWD 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.

Dated this 21st day of February, 2011.

APPROVED BY:

/s/ David O. Thomas, Inspector General