



## **DARREN M. BAILEY**

Office of the Treasurer & Ex-Officio Collector

County of Union, Illinois

309 W Market Street, Room 123

Jonesboro, Illinois 62952

[dbailey@unioncountyl.gov](mailto:dbailey@unioncountyl.gov) (p) 618.833.5621 (f) 618.833.5496 @unioncountyr 

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For immediate release

### **Union County Treasurer's Office uncovers multi-year insurance mismanagement**

Union County Treasurer Darren Bailey announces that the Treasurer's Office has uncovered gross mismanagement of a County insurance program. This decade-long mismanagement has cost the taxpayers of Union County thousands of dollars.

The majority of the problems centered around an unsanctioned program involving the continued enrollment of former employees in the County's group dental insurance plan long past the end of their employment. Some of the individuals appear to have not known that they still had the coverage. The insurance included both individual plans, currently valued at \$19.78/month, and family plans, valued at \$64.71/month. This program was maintained without the knowledge or support of the Treasurer's Office or the current Union County Board of Commissioners.

The office that managed payroll and benefits for the County and administered this program maintained no record of which individuals paid for the coverage, or how much was paid. The inquiry by the Treasurer's Office has uncovered that the majority of individuals included in the program have not paid for the continued coverage, while the others continued to pay the rate in-place at the time they left the employment of the County, regardless of any rate increases over time. When asked about this, most have claimed to have never been informed by the managing office how much to pay.

One recent situation involved an employee who continued to be enrolled in the County's dental insurance plan after leaving the employment of the County. Upon the employee returning to the County in a part-time position, a payroll deduction was executed to pay the monthly dental insurance premium. This deduction was set-up erroneously, resulting in the employee paying double the monthly premium each month. This double payment occurred from October 2015 until it was corrected in September 2016 by the County Administrator upon gaining access to the system and information. The surplus was then applied to the outstanding balance owed by this employee for eight previous months of non-payment. This same employee is also enrolled in a County-sponsored life insurance program, which is only offered to current, full-time employees.

The Treasurer's Office was required to contact the dental insurance provider, Delta Dental of Illinois, to access current and historical payment and billing information, including scans of each check that was submitted for payment dating back to December 2014. Enough data was gathered to determine that this program has cost the taxpayers roughly \$5000 since that date. Extrapolating the data for each employee to the best-known last date of employment suggests that these former employees have received benefits paid for by the Union County General Fund totaling between \$15,000-20,000. It is unknown if the program ever included more than the twelve individuals still on the roll (the most longstanding dating back to late 2006 or early 2007).

Other dental insurance-related errors were uncovered during this reconciliation and internal audit process.

In one instance, an employee requested to add family coverage effective on the open enrollment date of August 1, 2015. No payroll deductions were established or any other payments received for this coverage. When questioned, the employee claimed to have

never requested the coverage, and that no information was communicated that the coverage began. Since then, a form has been identified, dated January 1, 2015, and signed by the employee, requesting the family plan coverage. The Union County General Fund paid the balance for this error.

Four non-General Fund-funded departments have been paying an outdated and insufficient amount for dental insurance. This error placed undue burden on the General Fund, which was forced to pay the difference, while these proprietary funds were allowed to grow. It is unknown when the discrepancy began, though it dates back to before December 2014. This practice was stopped by the Treasurer's Office in May 2016 during the inquiry process, with corrections enforced back to the beginning of this fiscal year. Representatives of the respective departments advise that they were not informed of any rate changes.

Though the County had received insufficient funds with respect to each of these errors, bills were generally paid in-full because the Union County General Fund was required to pay the balance for every insufficient or missing payment from an entity or ineligible individual on the roll.

It is unlikely that any money can be recovered for those individuals who did not know they were still enrolled in the dental insurance plan. However, despite now being aware of this issue, no further efforts have been made to remove individuals receiving these inappropriate benefits from the dental insurance rolls, including those who continue to not pay the monthly premium. As a result of this unfortunate situation, the Treasurer's Office has been compelled to accept additional duties, including ongoing dental insurance bill payment and reconciliation.

At this time, the Treasurer implores those with control to correct this problem, and the multitude of others like it. It is important to remember that this situation is not the fault of the individuals receiving the benefits, but rather another example of mismanagement of taxpayer funds and dereliction of duty. This program was not sanctioned by the current Board of Commissioners, and requires no action by that body.

*“Union County should no longer accept negligence and gross mismanagement. The officials and employees of Union County have a responsibility to serve their people to the highest possible level. The creation of this unsanctioned program and the overall mismanagement of benefits have fallen far short of that charge.*

*Over the past several years, some in this county have worked tirelessly to improve services and operations, and have had great success despite sometimes intense internal struggle against positive change. During this time, cancers in specific areas continue to plague the organization. Though these problem points have been identified and communicated internally, and at times symptoms alleviated, the core organizational and culture issues remain. This is a new step in publicly identifying these weaknesses.*

*The public certainly deserves to know what happens with its money, its services, and its government. Together with them, I am confident that we can again turn an area of concern into a great strength for Union County. Many of the problems identified through this inquiry were common practice in the past, but Union County has implemented systems to move beyond this level of competence. Special recognition is deserved by the talent and hard work of accountant Angie Coke, and I would also like to thank the Union County Board of Commissioners for their support as we continue to make Union County an industry leader in fiscal operations and reporting.”*

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