



OFFICE OF THE INSPECTOR GENERAL

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NEWS RELEASE

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OIG Finds MCPS Retained An Estimated \$3 to \$13.5 Million in Employee Prepaid Insurance Premiums

Rockville, Maryland – Montgomery County Maryland Inspector General Megan Davey Limarzi announced today the release of a new Office of the Inspector General (OIG) memorandum of investigation, *Retention of Employee Prepaid Health Insurance Premiums by MCPS*, OIG Publication # 22-015, detailing the results of an OIG investigation into the Montgomery County Public Schools' (MCPS) retention of employee prepaid health insurance premiums. The investigation was initiated as a result of a complaint filed with the OIG hotline, <https://www.montgomerycountymd.gov/oig/hotline.html>.

The investigation uncovered that over the last 22 years MCPS retained the prorated health insurance premiums of employees on 10-month pay cycles when they retired or separated from employment. MCPS estimated that refunds due to individual former employees would likely range between \$200 to \$900 depending on the insurance plan they selected. MCPS provided that an average of 683 employees who were on 10-month employment cycles terminated their employment with MCPS, either through retirement or resignation, in each of the last three years. As a result, the OIG estimated that MCPS collected between \$3 million and \$13.5 million in overpayments that were not refunded or credited to eligible employees.

MCPS took steps to either credit or refund prepaid insurance premiums to those who retire or terminate their employment at the end of their work year. However, MCPS has not addressed the compensation for employees who previously retired or left, nor those who separate prior to the end of their 10-month term of employment.

The OIG made two recommendations focused on discovering the extent of the problem and developing an equitable and effective policy to compensate those affected. The MCPS Superintendent concurred with the OIG's findings and agreed to implement corrective actions.

The full report can be found at the following location, <https://www.montgomerycountymd.gov/OIG>.

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