



**State of Oklahoma**  
**Office of Management and Enterprise Services**  
**Policies and Procedures**  
**Fiducial Management of Employees Group Insurance Department's Trust Funds**

<b>Effective Date of Policy: 01/04/2016</b>	<b>Next Scheduled Review: 11/01/2017</b>
<b>Effective Date of Original Policy: 10/11/2012</b>	<b>Policy Number: OMES-008</b>
<b>Last Reviewed: 11/19/2015</b>	<b>Replaces Policy Number: Not numbered</b>
<b>Date Policy Last Revised: 11/19/2015</b>	
<b>Approved: Lucinda Meltabarger, as designee of OMES Director Preston Doerflinger</b>	<b>Approval Date: 01/04/2016</b>

## **INTRODUCTION**

**Office of Management Enterprises and Services:** The Office of Management and Enterprise Services (OMES) is an agency of the state of Oklahoma created pursuant to 62 O.S.(2012) § 34.3. OMES is a single legal entity comprised of separate divisions and departments. Unlike the other departments within OMES, the Employees Group Insurance Department (EGID) does not receive appropriated funds from the State of Oklahoma. Rather, EGID is a self-funded government-sponsored employee benefit plan which operates from premium revenues. The premiums received by EGID are collected from its members, including active and retired governmental and education employees and their dependents. EGID must maintain reserves sufficient to keep the benefit plan(s) viable and solvent. The funds received by EGID do not belong to the State of Oklahoma and must be held in trust for the use of its employee benefit plan. *Moran v. Derryberry*, 1975 OK 69, 534 P.2d 1282.

## **POLICY STATEMENT**

The failure of any OMES department to comply with federal statutes and regulations can result in the imposition of severe monetary damages and/or expensive corrective actions. In the event that any department of OMES fails to comply with applicable federal statutes and regulations, that department shall be responsible for all monetary damages and/or corrective actions imposed as a result of said failure. As a non-appropriated department funded solely through member premiums, EGID shall only be responsible for the payment of monetary damages and/or corrective actions imposed as a result of its own failure to comply with federal statutes and regulations.

## **IMPLEMENTATION**

Whenever any OMES employee becomes aware of possible violations of federal statutes and/or regulations, which could result in the imposition of monetary damages and/or corrective actions that would involve EGID, the employee shall immediately notify the EGID Compliance Officer. The EGID Compliance Officer shall contact the Director of OMES who may assign an investigator, external to EGID, who shall partner with the EGID Compliance Officer to conduct an investigation. All OMES employees shall preserve relevant information and documentation, and shall cooperate in the investigation.

The external investigator and EGID Compliance Officer shall provide a written report of their findings, along with management responses from the division / department(s) involved, to the Director of OMES, the State Comptroller and the OMES General Counsel for evaluation. The Director of OMES shall cause the appropriate division / department(s) to satisfy monetary damages and/or take financial responsibility for corrective actions as required by regulatory agencies, and to ensure that no future violations reoccur.