

Indiana Office of Inspector General



Annual Report 2022

Indiana Office of Inspector General

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Message from the Indiana Inspector General

The Office of Inspector General (OIG) is an oversight agency tasked with enforcing the Indiana Code of Ethics (Code) and to investigate and prosecute fraud, waste, abuse, and criminal behavior in state government. OIG jurisdiction extends to all executive branch agencies, including former and present state employees, special state appointees, and selected state officials. Although most state employees are dedicated and good public servants, a few violate the public trust by committing crimes or other acts of wrongdoing.

The OIG processed nearly 400 requests for investigations in 2022. Many resulted in Code violations prosecuted in front of the State Ethics Commission (SEC), criminal cases certified to county prosecutors, or efficiency reports directed to Agency Heads. To build public confidence in state government, it is important that the State hold bad actors accountable. By exposing and holding accountable those who commit fraud, waste, abuse, and criminal actions, the integrity, public trust, and confidence in state government is enhanced.

Although the OIG's mission to investigate alone is daunting, the OIG does much more than just expose and prosecute wrongdoers. Our education mission reaches thousands of state employees, special state appointees, and state officers every year. We resumed the biennial ethics training for all state workers with an online presentation rolled out in November 2022. Annually, the OIG offers two major conferences: a Legal and Ethics Conference offering Continuing Legal Education credit in ethics to state attorneys, and an Auditors and Investigators Conference designed to educate and train auditors and investigators from all state agencies. We were pleased to have the first post-pandemic live conferences this year. The high attendance figures demonstrated that people were anxious to "get out" and meet again in person.

Along with the OIG's prosecution and education missions is our service to state employees, special state appointees, and state officers by providing timely and accurate OIG Informal Advisory Opinions (IAOs) and Formal Advisory Opinions (FAOs) through the SEC. The OIG issues hundreds of IAOs each year, timely turning ethics questions into reliable and confidential informal ethical advice.

Outreach is a high priority in 2023. We will be meeting personally with Agency Heads to discuss how we can assist in creating a culture of ethics in their respective agencies. In addition, we have scheduled four Ethics Officer Roundtable meetings inviting Ethics Officers to meet, share, and learn from each other effective ways to prioritize and establish ethical behavior in their agencies.



The experienced and talented OIG staff of attorneys, law enforcement officers, and administrative personnel remain committed to maintaining the highest principles of ethical behavior in state government. We thank you for the continued opportunity to serve the citizens of Indiana.

Respectfully,
David Cook
 Indiana Inspector General

Mission of the OIG:

To **reduce fraud, waste, abuse, mismanagement, and wrongdoing** in state executive branch agencies. Through **education, advice, investigations, prosecutions, & legislative recommendations**, the Inspector General fosters a **culture of integrity** that contributes to **public confidence** in state government.

OIG Creed

I am a member of the Indiana Office of Inspector General.

I serve the people of Indiana.

I review and give advice.

I inspect and make recommendations.

I offer opinions to improve practices and procedures.

I report that which is not right in order to make it right.

I help to make our State a better place to live.

I am an expert, and I am a professional.

Ethics are my top priority.

I serve no special interest group.

I have no agenda.

I am committed to the people I serve.

I perform my duties with professionalism and civility.

I am a member of the Indiana Office of Inspector General.

To Public Servants of the Office of Inspector General,
Work Hard. Do Good. Be Proud.
Justice Steven David November 2011.

OIG Overview

Pursuant to Ind. Code § 4-2-7-2, the Inspector General is “responsible for addressing fraud, waste, abuse, and wrongdoing” in state executive branch agencies. To carry out this mandate, the Inspector General and OIG staff perform a variety of duties including receiving complaints, conducting investigations, presenting evidence of criminal wrongdoing to county prosecutors and Code violations to the SEC, and making recommendations to state agencies. The OIG also provides advice and training on the Code to state officers, state employees, and special state appointees.

The OIG consists of attorneys, special agents, and administrative staff. All staff work cooperatively and collaboratively to advance the mission of the agency. OIG special agents are sworn law enforcement officers that conduct investigations, interview witnesses, examine records, serve warrants, and perform other law enforcement duties as needed. They also coordinate and assist other agencies with investigations. The OIG attorneys provide legal advice, prepare legal documents, and help present cases to state and federal prosecutors for criminal prosecution. They also file and prosecute cases before the SEC. OIG attorneys also provide informal, written advice on application of the Code to state officers, employees, and special state appointees. The OIG administrative staff provides support to all team members and ensures the OIG operates smoothly.



2022 OIG Staff. Front row: Mark Mader, Staff Attorney; David Cook, Inspector General; Cindy Scruggs, Director of Administration; Second row: Sam Stearley, Special Agent; Doreen Clark, Staff Attorney; Tiffany Mulligan, Chief of Staff/Chief Legal Counsel; Third Row: Jan Kruse, Special Agent; Chuck Coffin, Special Agent; Mark Mitchell, Director of Investigations; Back Row: Mike Lepper, Special Agent; Sean Gorman, State Ethics Director; Nathan Baker, Legal Assistant.

OIG Budget & Return on Investment:

2022 OIG Accomplishments:

234
Informal Advisory Opinions
(IAOs) Issued

390
Hotlines Screened

38
New Investigations Opened

37
Investigations Closed

29,590
State Employees Trained on
the Code

2
Conferences Hosted

The OIG serves a State that is home to nearly 6.8 million residents and with a state workforce of more than 30,000 employees. The OIG's fiscal-year budget for 2022-2023 is \$1,185,157. Most of the OIG's budget is dedicated to staff salaries and training. The OIG's responsibilities require competent investigators, attorneys, and administrative staff. All OIG investigators must qualify as Tier 1 law enforcement officers, and all attorneys must be licensed and in good standing to practice law in the State of Indiana.

The OIG currently has a staff of twelve, including the Inspector General, five Special Agents, four attorneys, and two administrative support staff. With nearly 400 hotline complaints received each year and between 35 and 50 open investigations at any given time, the challenge of addressing all investigations in a timely manner remains. OIG attorneys also regularly advise state officers, employees, and special state appointees on the Code and draft over 200 IAOs to state workers each year. The OIG also regularly provides training to state workers.

The remaining portion of the OIG's budget is dedicated to operating costs, including computer hardware and maintenance of vehicles. In an ongoing effort to act as good financial stewards of citizens' hard-earned tax dollars, we designed our 2022 Annual Report in-house.

Indiana State Ethics Commission

The SEC is governed by Ind. Code 4-2-6. The Commission consists of five commissioners, who are appointed by the Governor. The Commissioners serve four-year, staggered terms. Commissioners may not be elected officials, state employees, or lobbyists. No more than three commissioners may be from the same political party.

The Commission holds monthly public meetings. During these meetings, the Commission issues Formal Advisory Opinions (FAOs), which provide advice to members of the executive branch of state government, and they adjudicate complaints filed by the OIG. The Commission has the ultimate authority to interpret the Code. The Commission has its own budget of \$4,011 per year, which pays per diem and travel if necessary for the commission members.



The SEC– September 2022 – (from left to right) Corrine Finnerty; John Krauss; Katherine Noel (Chair); Sue Anne Gilroy; and Rafael Sanchez.



Indiana State Ethics Commission (Con't)

The SEC serves as the ultimate authority on interpreting the Code. The SEC members issue their interpretations in the form of FAOs upon request at their monthly public meetings. Unlike the Informal Advisory Opinions (IAOs), which are intended to provide quick, confidential advice, the FAO process is public – the Commission receives evidence under oath at a public meeting and issues a detailed opinion that serves as the final determination on the matter. The final, written FAOs and related requests and documentation are public and are posted on the [OIG website](#). FAOs are searchable by keyword, date of issue, or applicable rule.

The SEC also reviews post-employment waivers, which agency appointing authorities issue pursuant to Ind. Code § 4-2-6-11(g). The agency appointing authority must present the waiver to the Commission for approval at one of its public meetings. The Commission can approve the waiver if it finds that the waiver meets the statutory requirements. The OIG posts all post-employment waivers on its [website](#).

2022 SEC Accomplishments:

13

**Formal Advisory Opinions
(FAOs) Issued**

3

**Post-Employment Waivers
Approved**

4

Findings of Probable Cause

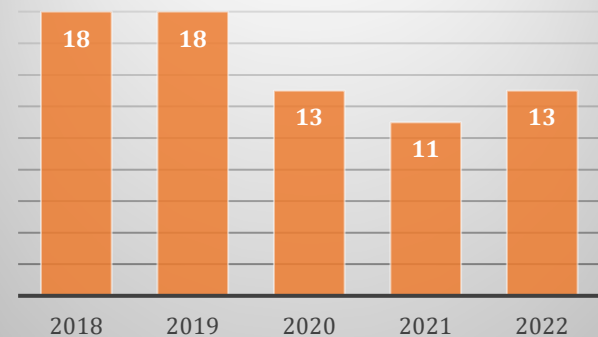
3

**Agreed Settlements
Approved**

Code rules addressed in 2022 FAOs:

Conflicts of Interests: Decisions
and Votes (8)
Gifts (2)
Outside Employment/Professional
Activity (4)
Post-Employment (6)

FAOs Issued 2018 - 2022



Indiana Code of Ethics (Code)

<i>Gifts; travel expenses; waivers</i>	42 IAC 1-5-1
<i>Donor restrictions</i>	42 IAC 1-5-2
<i>Honoraria</i>	42 IAC 1-5-3
<i>Political Activity</i>	42 IAC 1-5-4
<i>Moonlighting</i>	42 IAC 1-5-5
<i>Conflicts of interest; decisions and voting</i>	42 IAC 1-5-6
<i>Conflicts of interest; contracts</i>	42 IAC 1-5-7
<i>Additional compensation</i>	42 IAC 1-5-8
<i>Bribery</i>	42 IAC 1-5-9
<i>Benefiting from confidential information</i>	42 IAC 1-5-10
<i>Divulging confidential information</i>	42 IAC 1-5-11
<i>Use of state property</i>	42 IAC 1-5-12
<i>Ghost employment</i>	42 IAC 1-5-13
<i>Post-employment restrictions</i>	42 IAC 1-5-14
<i>Nepotism</i>	42 IAC 1-5-15
<i>Ethics Training</i>	42 IAC 1-4-1



OIG Outreach & Education

The OIG provides outreach and training to state workers and to the public on a regular basis. In November of 2022, the OIG implemented its biennial, online ethics training for all state executive branch officers, employees, and special state appointees. The online ethics training covered the importance of the Code; specific Code



rules, such as rules addressing gifts, political activity, conflict of interests, nepotism, outside employment, and post-employment; and the OIG's role in enforcing the Code. Over 29,000 state officers, employees, and special state appointees completed the online ethics training in 2022.

The OIG also conducted in-person trainings to several groups within the executive branch of state government, including senior staff at the Indiana State Department of Agriculture, new recruits with the Indiana State Police, contractors with the Indiana Department of Education, and auditors and investigators with the Indiana Department of Transportation.



OIG staff provided in-person training to the Indiana State Department of Agriculture's senior staff.

OIG Outreach & Education (Con't)

OIG staff also participated in presentations and outreach events to outside groups, including the Shared Ethics Advisory Commission, the Indiana Chapter of the Association of Government Accountants, and the IndyBar's Government Practice Section.



OIG State Ethics Director Sean Gorman presented at the 2022 Association of Government Accountants Professional Development Conference.

Inspector General Cook participated in a panel, along with Porter County Commissioner Laura Shurr Blaney, at the Shared Ethics Advisory Commission's 2022 Ethics Summit.



OIG staff met with visitors as part of the International Center's International Visitors Leadership Program. These visitors came from Albania, Austria, Kosovo, Latvia, Lithuania, North Macedonia, and Ukraine.

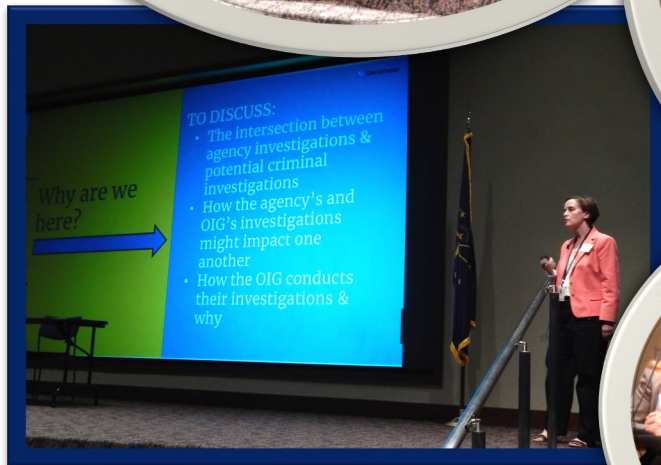
OIG Auditors & Investigators Conference

On June 22, 2022, the OIG hosted its annual Auditors and Investigators Conference in Indianapolis. The Conference provided in-person training to state auditors and investigators. Nearly 200 state employees registered for the Conference.



Presentations included a case study involving COVID-19 Unemployment Insurance Fraud, a panel discussion on

internal controls, and an interactive refresher course on two important Supreme Court cases: *Miranda v. Arizona* and *Garrity v. New Jersey*.



Presenters at the 2022 OIG Auditors and Investigators Conference: from top to bottom: U.S. Secret Service Senior Special Agent Michel Moore presented a case study on COVID-19 Unemployment Insurance Fraud with Assistant U.S. Attorney Todd Shellenbarger; OIG Chief of Staff/Chief Legal Counsel, Tiffany Mulligan, along with OIG Director of Investigations, Mark Mitchell (not pictured), presented on *Miranda v. Arizona* and *Garrity v. New Jersey*; Directors of Audit Advisory Services, Susan Gordon and Debbie Gibson, with the Indiana State Board of Accounts (SBOA) and Deputy Auditor of Accounting with the Auditor of State's Office, Courtney Everett, participated in a panel discussion on internal controls, along with Deputy Director of the Indiana State Budget Agency, Lisa Acobert (not pictured).

OIG Auditors & Investigators Conference (Con't)

During the Conference Inspector General Cook awarded the Inspector General's Award for Excellence to the Indiana Department of Workforce Development (DWD) and its employees for their efforts to identify and investigate fraudulent activities stemming out of the pandemic relief

funds. Executive staff of the OIG voted to recognize the entire DWD team with the award because of the enormous demands placed on DWD during the pandemic. "It was hard to single out any one individual as so many of [DWD's] staff worked diligently to be good stewards of public monies during an extremely difficult time," said Inspector General Cook.



Inspector General Cook presents the award to members of DWD's Unemployment Insurance Compliance Division, from left to right: Inspector General Cook, Nick Blesch-Clark, Gina Ashley, and Noah Shelton.

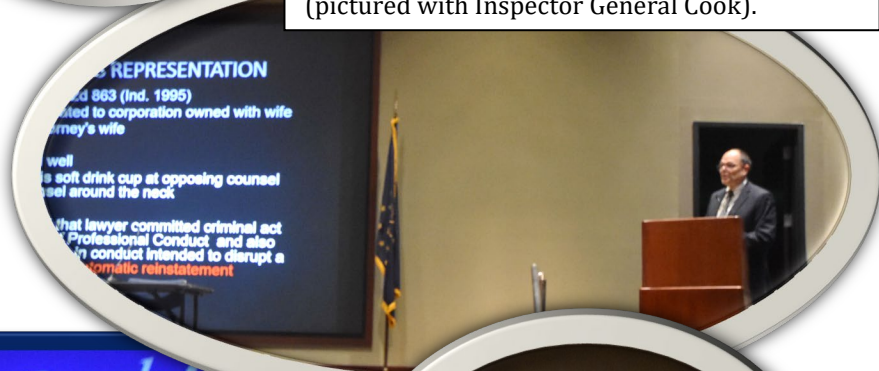
OIG Legal & Ethics Conference

On November 15, 2022, the OIG hosted its annual Legal and Ethics Conference in Indianapolis. The Conference provided in-person training to state attorneys and agency ethics officers. Over 150 state employees registered for the Conference.

Presentations covered several topics, including ethics and social media, the importance of ethics in state government, the Indiana Rules of Professional Conduct and Supreme Court Disciplinary Commission, and frequently asked questions regarding the Code.



Cari Sheehan, Assistant Clinical Professor of Business Law and Ethics at I.U. School of Business, presented on Ethics and Social Media (pictured with Inspector General Cook).



Presenters at the 2022 OIG Legal and Ethics Conference, from top to bottom: Cari Sheehan presented on Ethics and Social Media; Greg Anderson, Deputy Director of Administration for the Indiana Supreme Court Disciplinary Commission spoke on the Indiana Rules of Professional Conduct; former Indiana Governor and Purdue University President Mitch Daniels reflected on the importance of ethics in state government; OIG attorneys addressed frequently asked questions about the Code, from left to right: Tiffany Mulligan, Mark Mader, Doreen Clark, and Sean Gorman; also, pictured Jessica Keyes, who moderated the discussion.

OIG Legal & Ethics Conference (Con't)



Inspector General Cook presents the award to Jessica Keyes.

During the Conference, Inspector General Cook awarded Jessica Keyes the Inspector General’s Award for Excellence based on her outstanding service as an agency ethics officer. Ms. Keyes serves as ethics officer and general counsel for the Indiana Family and Social Services Administration (FSSA). Executive staff of the OIG voted to recognize Ms. Keyes with the award because of her proactive efforts to seek advice on behalf of FSSA employees and her cooperation with OIG investigations.

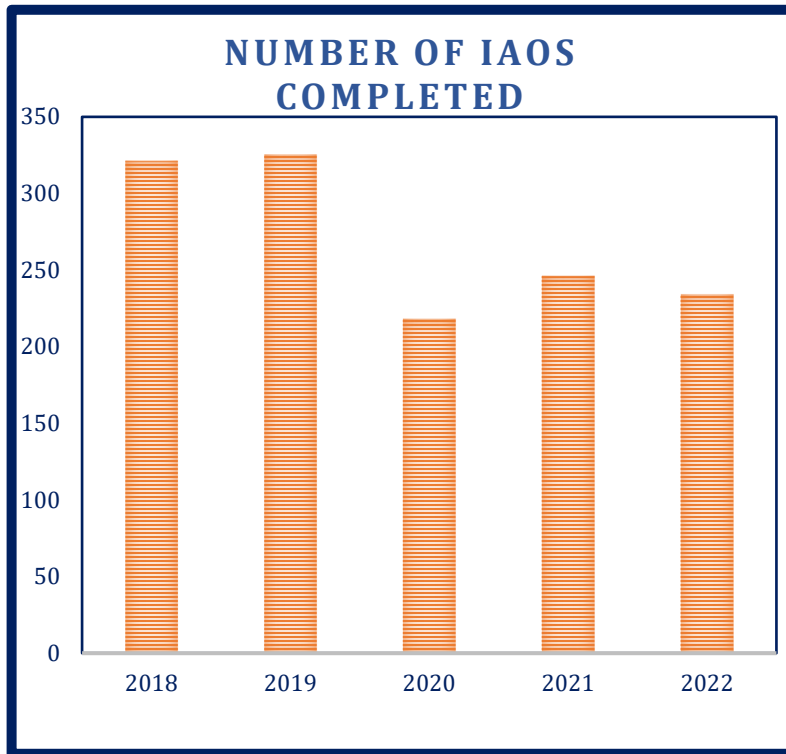


OIG staff at the 2022 Legal and Ethics Conference.

Informal Advisory Opinions (IAOs)

The OIG issues IAOs to state executive branch officers, employees, and special state appointees who seek advice on the application of the Code on their specific set of circumstances. IAOs are confidential, written legal opinions that the OIG issues within an average of one to two business days from receipt of the request and all required information. This process is designed to improve state officials' compliance with the State's ethical standards by providing proactive legal advice on

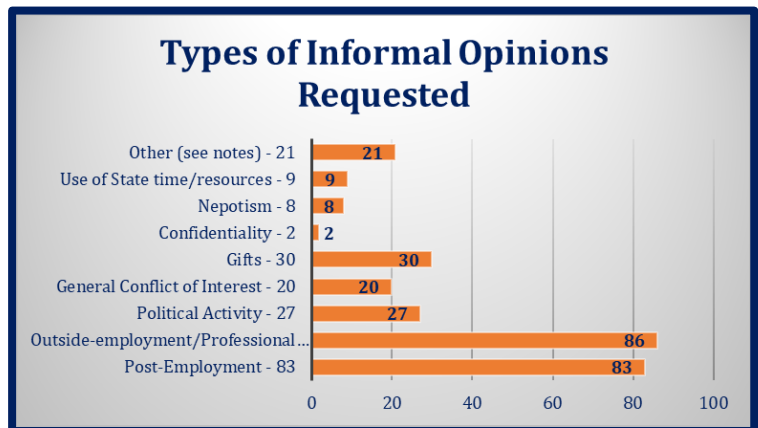
the application of the ethics rules before they act.



In 2022, the OIG received 241 requests for IAOs and issued 234. The OIG received some requests for advice from parties over whom the OIG has no jurisdiction or authority; therefore, the OIG did not issue IAOs in response to all the requests made. In 2022, the OIG provided advice on many Code rules, with the most frequent questions involving outside employment and post-employment.

2022 – Average time for OIG to issue IAOs – **1.78 days**

Several IAOs covered multiple Code rules.



OIG attorneys prioritize the issuance of IAOs as part of the OIG's commitment to

customers as well as good government service. In 2022, the average number of business days in which OIG attorneys provided an IAO after receiving a request was 1.78.

Disclosures & Waivers

Financial Disclosure Statements

Under Ind. Code § 4-2-6-8, all agency heads, state-elected officers, employees with final purchasing authority, and various other state employees must file an annual Financial Disclosure Statement

2022 - the OIG processed over **1,800** Financial Disclosure Statements

by February 1st of each year. These statements are public documents and available to the public upon request. The OIG has posted the disclosure statements of all statewide elected officers on the OIG [website](#). In 2022, the OIG received over 1,800 Financial Disclosure Statements filed for calendar year 2021 from state employees and elected officials across 79 agencies.

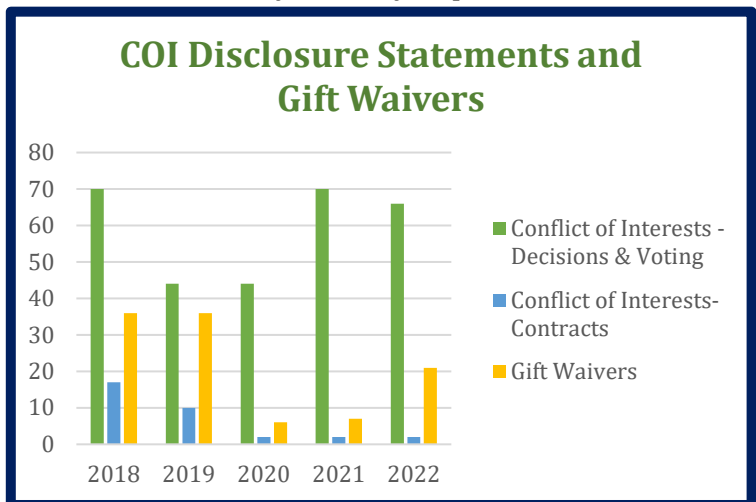
Gift Waivers

Under 42 IAC 1-5-1, agency appointing authorities and ethics officers may waive application of the gifts rule. State agencies executed and filed 21 gift waivers with the OIG in 2022, which the OIG posted on its [website](#).

Conflict of Interests Disclosure Statements

Under Ind. Code §§ 4-2-6-9 and 4-2-6-10.5, state employees and special state appointees must file conflict of interests disclosure statements with the OIG if they identify a potential conflict of interests between their official state duties and their own personal interests.

In total, the OIG received 66 conflict of interests disclosure statements related to decisions and votes and two conflict of interests disclosure statements related to contracts in 2022. The OIG has posted these disclosure statements on its website.



Enforcement

Requests for Investigations

The OIG receives requests for investigations through various sources. The vast majority of the OIG’s requests for investigations originate from the online hotline reporting page on the OIG’s [website](#). Through the online hotline page, the reporting parties can choose to identify themselves or remain anonymous. The OIG also receives complaints via mail, walk-ins, or agency referrals.

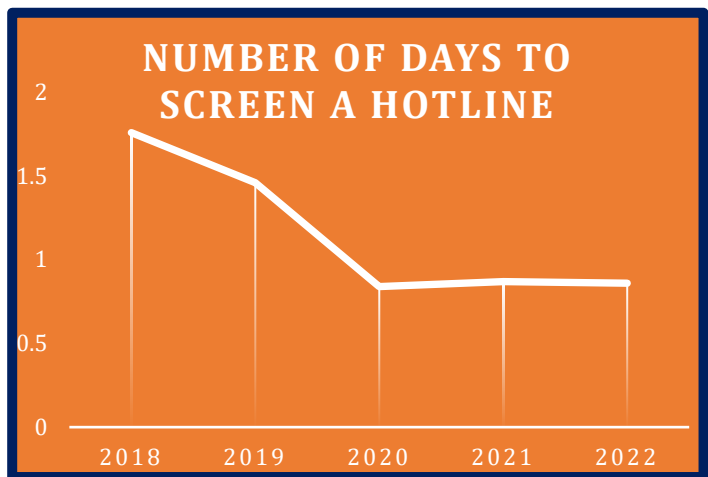
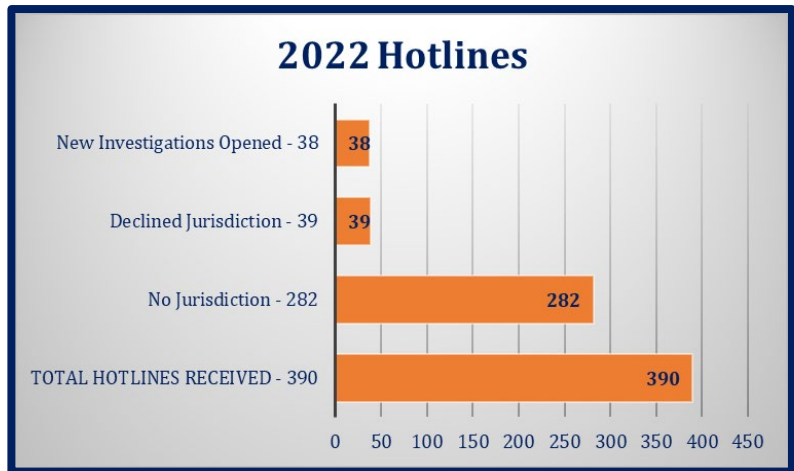
The OIG’s jurisdiction is limited to alleged violations of the Code, criminal activity, waste, mismanagement, and abuse within the executive branch of state government. It also extends, to a limited extent, to those entities who have or are seeking a business relationship with an agency.

In 2022, the OIG received a total of 390 requests for investigations. The subjects of the requests varied greatly. The OIG carefully screened each hotline and either opened a case

for investigation, declined to investigate the hotline because it did not fall within the OIG’s mission, closed the hotline for insufficient cause, or referred the reporting

party to another entity if the report

involved a matter that is outside of the OIG’s jurisdiction. The OIG attorneys prioritize the hotline screening process, and the average number of days to screen a hotline in 2022 was 0.86 days.



2022 –
Average time
for OIG to
screen hotlines
– **.86 days**

Enforcement (Con't)

Investigations



The OIG opened 38 new cases for investigation in 2022. The OIG completed investigations for and closed 37 cases in 2022. The OIG published 8 of its Investigative Reports for closed cases on the OIG’s [website](#) for public review. The OIG also published quarterly reports showing how many cases the OIG closed for each quarter on its [website](#).

When the OIG finds evidence of a crime, the OIG submits the case to the appropriate county prosecutor for review and possible criminal charges. In 2022, the OIG presented three cases to prosecutors, who filed multiple felony criminal charges, including charges of theft, perjury, obstruction of justice, and official misconduct, as a result of OIG investigations.

When the OIG finds evidence of violations of the Code, the OIG has the discretion to submit the case to the Commission and ask that the Commission find probable cause for the OIG to file an ethics complaint. In 2022, the OIG presented four cases to the Commission. The Commission found probable cause in each of these cases. The OIG reached an agreed settlement in each of these cases. The Commission approved three of the agreed settlements in 2022, and approved one agreed settlement in early 2023. The Investigative Reports for these cases can be found on the OIG [website](#).



Investigative Records

The OIG may keep its investigative records confidential in whole or in part at the discretion of the IG. During 2022, the IG made its Investigative Reports public when a prosecutor filed charges or when the Commission found probable cause for an ethics complaint. These reports can be found on the OIG’s [website](#). For cases in which the OIG found insufficient evidence to support the allegations, the OIG did not publish a report. The OIG also published reports on its review of state contingency fee contracts.

Enforcement (Con't)

Recommendations

The OIG's work also impacts how the State conducts business. Those impacts can include recommendations that result in improved policies, improved compliance with existing policies, or termination of employees or vendors that do not adhere to state statutes or policies. These actions can deliver monetary results through better compliance and efficiencies and reduced fraud and loss of taxpayer dollars.

In 2022, the OIG issued 38 recommendations across 19 different reports. In these reports, the OIG made recommendations to 16 different state agencies. The recommendations ranged from implementing and updating agency policies, maintaining documentation of employees' outside employment and professional activity, and reminding agency employees and special state appointees of Code rules.



Collections

The OIG collects and tracks payments of fines for state ethics violations and restitution orders resulting from OIG criminal investigations. The OIG collected **\$8,112.83** in criminal restitution payments and **\$850.00** in civil penalties in 2022. Total recovered penalties and restitution was **\$8,962.83**. Criminal restitution is not dischargeable in bankruptcy; as such, the OIG continues collection efforts on older, unpaid judgments.



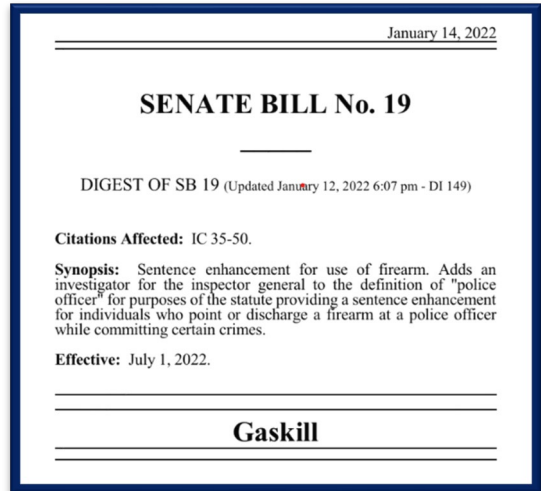
Legislation & Public Records Requests

Legislation

In 2022, the Indiana General Assembly passed Senate Bill (SB) 19, authored by Senator Mike Gaskill. SB 19 added an investigator with the OIG to the list “police officers” in Ind. Code § 35-50-2-11, the sentencing enhancement law that exists when a person points or discharges a firearm at a police officer during the commission of a crime

This important bill recognized that OIG Special Agents are designated as law enforcement officers under Ind.

Code § 35-31.5-2-185 for purposes of the Criminal Code. It also recognized that the duties of an OIG Special Agent; such as interviewing witnesses and subjects of criminal investigations, making arrests, executing search warrants, and conducting joint investigations with other law



enforcement partners; puts OIG Special Agents at risk.

Both chambers of the Indiana General Assembly passed the bill, and the Governor signed the bill into law. The OIG appreciates Senator Gaskill’s sponsorship and the Indiana General Assembly’s passage of this bill.



2022 OIG Special Agents

Public Records Requests

In 2022, the OIG received 17 requests for records pursuant to the Access to Public Records Act (APRA). The OIG fulfilled the APRA requests in 2022 in an average of .23 days.



Awards

Governor's Long Term Employee Service Award

In 2022, Governor Eric Holcomb recognized three OIG Special Agents for their long-term service to the State of Indiana. OIG Special Agent Charles Coffin completed 50 years of state service, Director of Investigations Mark Mitchell completed 46 years of state service and Special Agent Samuel Stearley completed 36 years of state service.



Governor Eric Holcomb, OIG Special Agent Chuck Coffin, and OIG Chief of Staff Tiffany Mulligan at the Governor's Long Term Employee Reception.



Special Agent Sam Stearley, Inspector General Cook, and OIG Director of Investigations Mark Mitchell.

public, business, and other branches of government." He continued, "Another type of most rewarding memories has been guiding fellow employees with personal development that helped the person grow personally and professionally."

Inspector General Cook cited the extensive experience and dedication of the OIG Special Agents an integral part of the OIG's success.

When reflecting on his fondest memories in the last fifty years of state service, Special Agent Coffin cited relationships with his teammates: "Collectively, the fondest memories from a half a century are based on relationships with coworkers as well as experiences with the

"The OIG investigative team is comprised of ILEA certified Tier 1 law enforcement officers, who are trained and highly skilled in investigative techniques, document retrieval, witness interrogation, and evidence recovery and preservation. Years of law enforcement experience and dedication to a high quality work product makes this investigation team among the best in state government."

Inspector General Cook

Thank you!

We would like to thank the many state agencies and offices that have assisted us with our efforts throughout 2022. We appreciate the opportunity to present these results.

Contact Information

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