

OFFICE OF THE  
INDIANA INSPECTOR GENERAL



2005 ANNUAL REPORT

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Dear Indiana,

It is an honor for me to make the first annual report for the newly established Office of Inspector General (“OIG”). In our first year, we have submitted 31 suspects to county prosecutors for public corruption prosecutions. These suspects were identified in 14 separate investigations. So far, eight persons have been arrested and charged with 28 felony counts. The remaining cases are still under review. This is in addition to our ethics investigations, two of which resulted in the Ethics Commission approving complaints against two former state agency leaders. The financial impact from our investigations has also exceeded our annual expenditures.



We also report that many veteran state agency investigators and auditors have expressed their support. Before the OIG, many had nowhere to turn when their findings were rejected in a criminal or ethics forum, or worse, when their agency managers impeded their investigations. The OIG now fills this gap. This new benefit is reflected in the 925% increase in the reporting of wrongdoing to us in our first year as compared to the previous model. We believe this single impact exceeds the value of the criminal arrests and financial benefits we additionally attempt to measure in this report.

We further report on the condition and general morale of persons working for the Executive Branch of Indiana Government. We are constantly impressed with how the great majority of our fellow 38,000 employees are hard-working and dedicated to the common good of Indiana. In contrast, we were bound to come across the small minority who purposely took the wrong path. Deterrence is difficult to measure, but we are confident that our new and enhanced presence is stopping crimes and ethical violations before they occur.

Having experienced only six months of our first state fiscal year, we are proud of the results we are able to report at the end of 2005. There is also no doubt that we are just getting started. On behalf of the entire OIG staff, thank you for supporting this exciting project. We hope this annual report meets your expectations, and until we meet again, we remain,

Yours,

A handwritten signature in black ink that reads "David O. Thomas". The signature is written in a cursive, flowing style.

David O. Thomas

Indiana Inspector General

# RESULTS

The OIG submitted to county prosecutors 31 suspects from 14 separate investigations. These results were accomplished with only five Special Agents.

ACTION	RESULTS	EXPLANATION
Criminal Investigations to Prosecuting Attorneys	14	Investigations complete, submitted to PA for criminal prosecution (31 individuals submitted to prosecutors for charging) (28 felony counts already charged)
Ethics Adjudications	4	Investigations complete, submitted to Ethics Comm. for adjudication
Efficiency Reports	15	Investigations complete, resolved by written efficiency report
Merged	54	Duplicated complaints, merged with another investigation
No Jurisdiction	136	Screened and no jurisdiction to proceed
Referred to Other Entities	97	Screened and referred to other state entity for better solution
Insufficient Cause	158	Screened and determined no merit to investigate or refer
<b>TOTAL</b>	<b>478</b>	Cases resolved through screening and investigations in 2005
Currently being investigated	64	Screened cases in active investigations
Waiting for further screening	63	Received but further information being sought
<b>TOTAL</b>	<b>605</b>	Requests for investigation in 2005

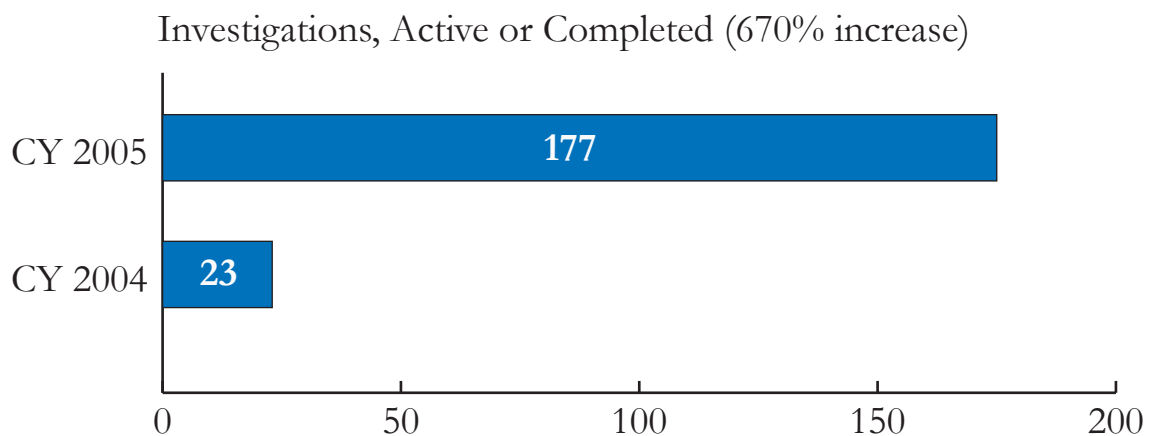
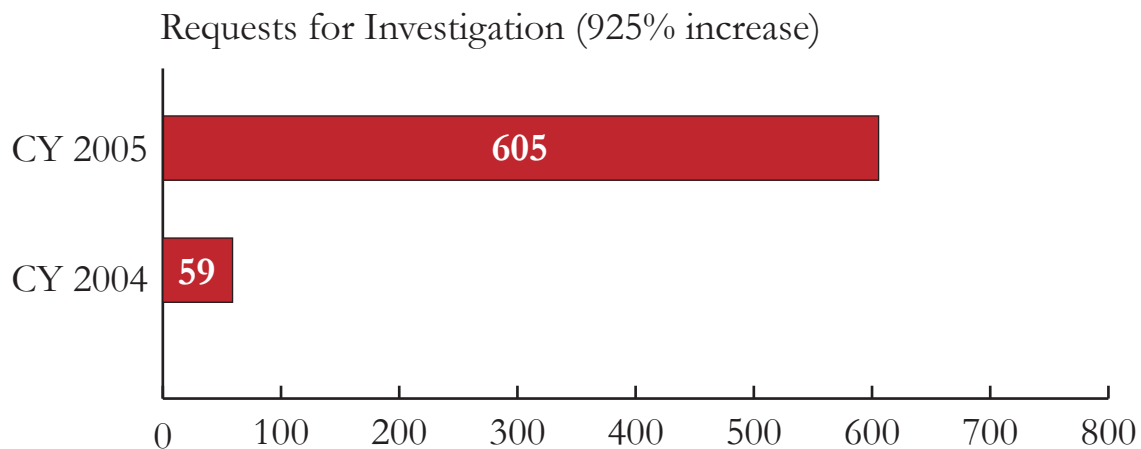




# RESULTS

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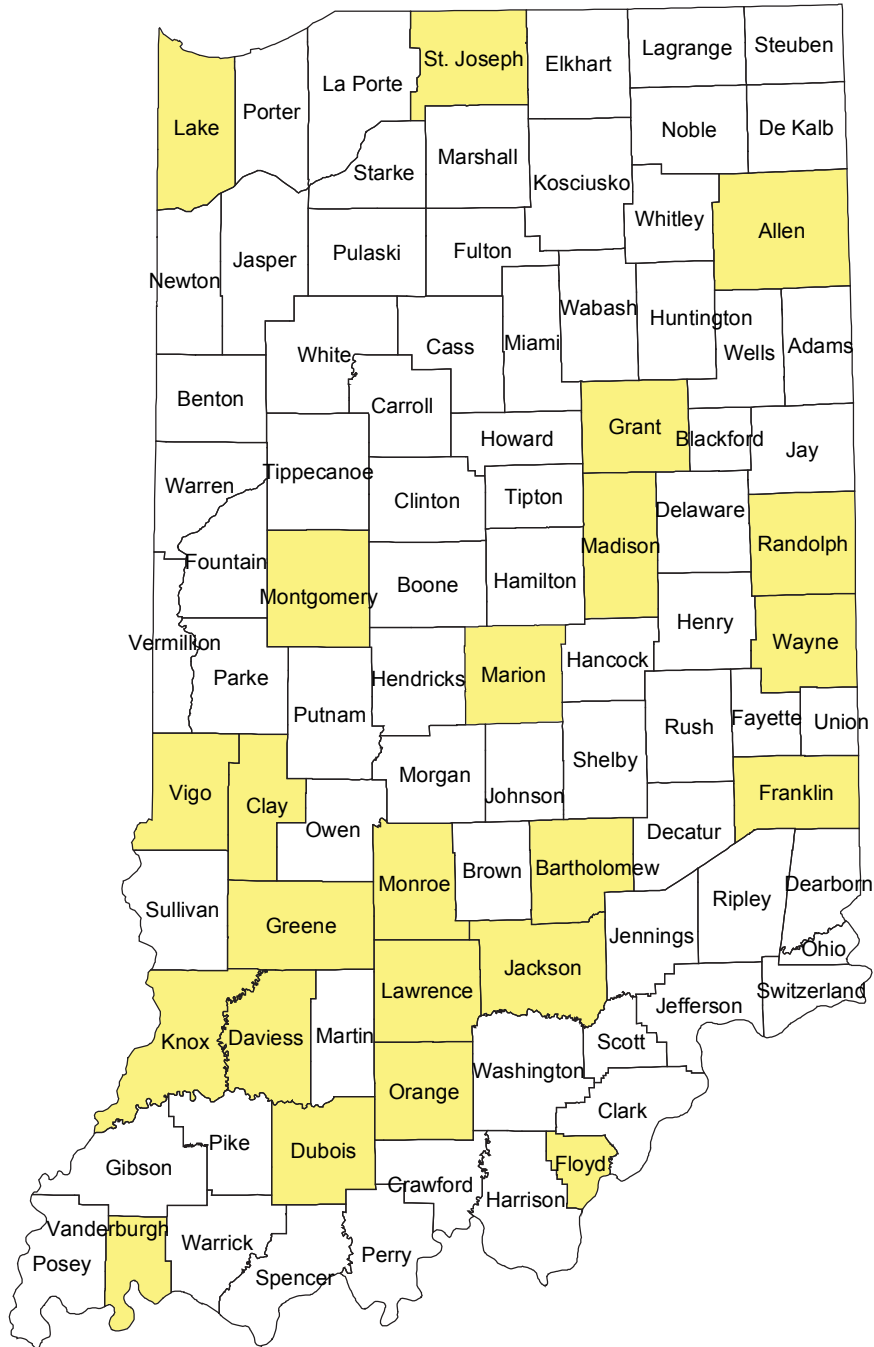
These graphs compare the number of investigations received by the Ethics Commission in the 2004 calendar year with those received by the Office of Inspector General in the 2005 calendar year. The creation of the OIG provided a new method for the reporting of wrongdoing that had not previously existed, which resulted in more than ten times the number of requests for investigation than the previous calendar year.



# RESULTS

*Continued*

The Office of Inspector General has conducted interviews and investigations in the following counties in 2005:



# RESULTS

*Continued*

More accomplishments include:

- ✓ A new Code of Ethics (42 IAC 1), which for the first time compiles a user-friendly list of the ethics rules from the various statutes, executive orders and administrative rules.
- ✓ A new relationship with the existing investigators and auditors within the many state agencies and other law enforcement agencies.
- ✓ A working relationship with Indiana's Prosecuting Attorneys, with criminal charges filed in multiple counties.
- ✓ An expansion of the Informal Advisory Opinion procedure. This is one of the most beneficial methods to educate state employees on state ethics rules. State employees may seek and receive advice through a written Informal Advisory Opinion addressing the state ethics rules. The Inspector General has made four persons available to fulfill this service.
- ✓ Two websites at [www.in.gov/ig](http://www.in.gov/ig) and [www.in.gov/ethics](http://www.in.gov/ethics) provide information and resources for those seeking ethics advice. Informal Advisory Opinion requests and the reporting of wrongful activity may be made here as well.
- ✓ A desk-top Executive Summary of the ethics rules is available on our website, and allows a convenient, printable reference to the Indiana Code of Ethics.
- ✓ Information Director Mary Hill and Ethics Director Mary Lee Comer have given over 30 training sessions to state employees.
- ✓ Inspector General David Thomas and Ethics Director Mary Lee Comer have also made themselves available to the agency leaders to discuss agency-wide ethics issues and the procedures involved in their investigations.



# SAVINGS

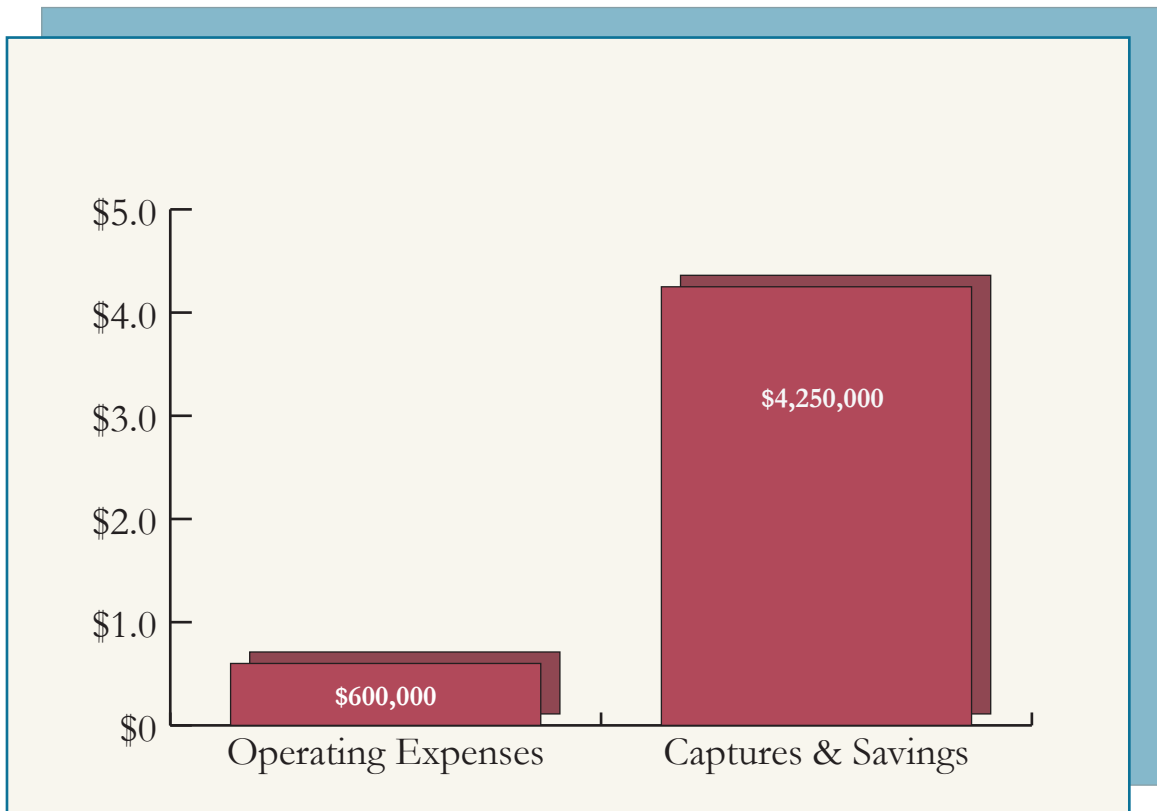
Indiana's Inspector General is saving Hoosier tax dollars. The IG has identified more than \$4 million in savings to the state from government efficiency investigations and over \$350,000 in taxpayer money that was stolen or defrauded. Highlights include:

CASE	CAPTURE	AGGREGATE FRAUD ACTIVITY	ANNUAL SAVINGS	SYNOPSIS
<b>Criminal Cases:</b>				
2005-03-0209 (DNR Bribe)	N/A	\$1,500	N/A	Bribe of \$1,500 offered to Department of Natural Resources employee.
2005-06-0303 (EBT Fraud)	Forfeiture Pending	\$268,000	\$50,000	Continuation of these fraudulent accounts would have resulted in illegitimate benefit payments.
2005-07-0353 (First Steps Overbilling)	Forfeiture Pending	\$35,071	N/A	Speech therapy services to children was billed but not provided.
<b>Efficiency Cases:</b>				
2005-01-0008 (Community Corrections)	\$2,200,000	N/A	N/A	Deputy Director Julie Von Arx obtained this capture during the investigation.
2005-01-0034 (Port Commission)	Forfeiture Pending	\$7,029	N/A	Former Port Commission Director provided loans from operating funds to employees.
2005-01-0041 (IGC Utility Expenditures)	N/A	N/A	\$200,000	Lighting procedure was in effect for many previous years.
2005-01-0043 (INDOT Change-Orders)	N/A	\$47,221	Measure in 2006	Unnecessary purchases through change-order process.
2005-02-0069 (ICJI Victims' Assistance)	N/A	N/A	Measure in 2006	Health care providers double-billed for Indiana Criminal Justice Institute Victims' Assistance medical bills.
2005-03-0162 (BMV Branch Accounts)	\$1,800,000	N/A	N/A	Funds recovered from non-interest bearing private bank accounts.
<b>TOTALS</b>	<b>\$4,000,000</b>	<b>\$358,821</b>	<b>\$250,000</b>	

# SAVINGS

*Continued*

A summary of 2005 OIG expenditures versus the money captured and saved through OIG investigations, excluding the \$358,506 expenditures incurred by the Indiana Ethics Commission, which existed prior to the creation of the OIG.





## PUBLIC INTEGRITY SUMMIT

We also planned and implemented the inaugural Public Integrity Summit. Held December 2, 2005, Governor Daniels opened the summit, which for the first time brought together all investigators and auditors in Indiana State Government to develop new methods to eradicate fraud, waste and criminal activity in state government. Plans have already been made for future meetings to discuss future investigative strategies.

The newly promulgated Indiana Code of Ethics was also presented by Mary Lee Comer, Executive Director of the Indiana State Ethics Commission, and then officially signed by Governor Daniels. The rules became effective in January 2006.





# PUBLIC INTEGRITY SUMMIT

*Continued*

The Office of Inspector General appreciates the assistance given by all state agency investigators and auditors. These include the State Board of Accounts and its State Agency Unit led by Mike Hoose, the FSSA Compliance Division led by Harry Gurnell, the FSSA Internal Investigative Unit led by Wendell Hoskins, and the FSSA Auditing Division led by Debra Currey.



We also thank the Secretary of State, the State Budget Agency, the Department of Insurance, and the Department of Revenue, among many others.

# REPORT SUMMARIES

## Department of Natural Resources Bribe

In May of 2005, a private contractor was attempting to bribe a DNR employee in order to receive state contracts. An investigation commenced. The bribe was videotaped under controlled circumstances. The suspect was then confronted with the investigation and confessed to the bribe. Criminal charges were filed.

## First Steps

Ten different parents complained that their children were not receiving speech therapy sessions as promised under the FSSA First Steps program. An investigation showed that a single service provider was billing for these services but not providing the services. Forgeries on the supporting documentation were also uncovered, leading to criminal felony charges.

## Electronic Benefits Transfer Fraud Case 1

This case was initiated by FSSA Investigator Wendell Hoskins. The first Marion County FSSA caseworker was charged criminally for welfare fraud and other felony counts. She along with others set up over 20 public assistance accounts and drew money from them. It is estimated that over \$200,000 in Food Stamps and Temporary Assistance for Needy Families cash awards was stolen. EBT card technology is similar to that of ATM cards, which allowed investigators to easily track transactions in this case.



An EBT Card

## Electronic Benefits Transfer Fraud Case 2

The second FSSA caseworker was also charged criminally for class C felony welfare fraud. She participated in stealing money from the false public assistance accounts and sold the Food Stamps on the street.

## Electronic Benefits Transfer Fraud Case 3

This person received the public assistance money from the second FSSA caseworker, and helped sell the EBT cards on the street, as well as personally keeping some of the money for herself. She also has been charged criminally with felony counts.

## Forgery of SBDC Director's Signature

The Director of the Small Business Development Center contacted the Office of Inspector General to report that her name had been forged on a letter under a false letterhead. An investigation commenced, where it was found that an individual had forged both the Director's signature and letterhead in the pursuit of a bank loan to commence a business. The reports were submitted to the Prosecuting Attorney of Grant County, who filed criminal charges of forgery.

## Indiana Department of Transportation Change-Orders

An investigation revealed that 1,750 change-orders for Indiana highway projects were requested during 2004, resulting in an additional \$68 million of taxpayer money being spent on construction projects. This was in addition to the original construction contracts. The investigation then focused on multiple change-orders at an INDOT field office, revealing that landscaping and other abuses within the INDOT field office were occurring due to lack of controls.

# REPORT SUMMARIES

*Continued*

## **Bureau of Motor Vehicles**

### **Disability Plates and Placards**

The issuance of disability license plates and placards was examined at the request of BMV. Findings include that the issuance of these disability privileges reserved for truly disabled Hoosiers is being abused as reflected by the large increase in applications compared to the relatively lower issuance of vehicle registrations. It is estimated that approximately 16% of all registered drivers in Indiana possess either disability plates or placards. Remedies include more specific audits and a referral to the General Assembly for the consideration of documentation or physician verification of disabilities.

## **Indiana Criminal Justice Institute**

### **Victim Compensation**

Double payment to health care providers for victim medical bills was examined at the request of ICJI. Findings include that certain health care facilities are receiving both Medicaid payment and ICJI grant money for the same services. Remedies include FSSA's volunteered cooperation in making available the Medicaid database to ICJI to determine prior payment and also allow payment at the Medicaid rate plan at a lower rate to generate state savings.

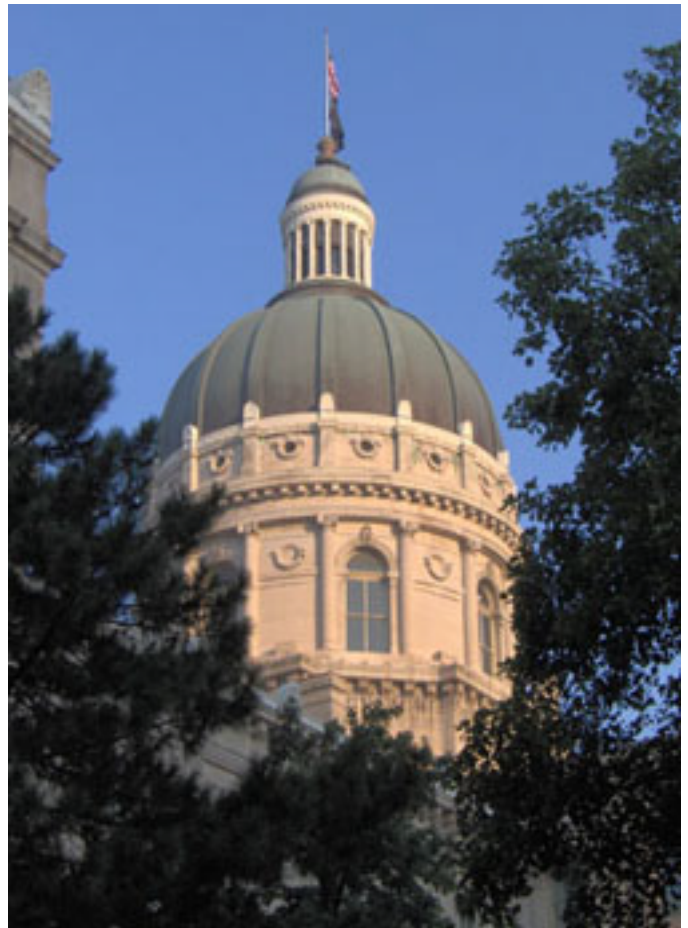
## **Indiana State Police Laboratory**

Procedures for notifying ISP laboratories on dispositions of pending criminal cases in order to prevent unnecessary laboratory examinations in DNA and drug-testing was examined. A more efficient process was developed to notify the ISP labs when a criminal case is closed. Remedies include Indiana Prosecuting Attorneys making available their "Pros-link, Inc." database to ISP laboratory officials for immediate notification of closure of cases to prevent unnecessary testing.

## **Port Commission**

### **Worker's Compensation Abuse**

Port Commission practices of loaning money to employees pursuing Worker's Compensation cases were examined. It was determined that agency money was previously loaned to employees and still remains unpaid according to Port Commission records. Several remedies were determined after an investigation. These include prohibiting loans to employees in the future and requiring these employees to report in writing regarding the status of their benefit recoveries for a recapture of the outstanding loans and subrogation to Worker's Compensation benefits.





# REPORT SUMMARIES

*Continued*

## **Family Medical Leave Act (FMLA)**

The Department of Revenue experienced high absenteeism in 2004 due to employees exercising their rights under the federal Family Medical Leave Act (FMLA). An investigation revealed that in 2004 as many as 25% of the workforce had been absent because Indiana was applying the FMLA more broadly than required by the federal act. During the investigation, a solution occurred when the current State Personnel Department changed the Indiana policy to mirror the federal act. The report concluded by recommending that all agencies become familiar with the terms of the FMLA and implement it according to the new policy.

## **Utility Expenses at the Indiana Government Centers (IGC)**

An investigation revealed that it was standard practice to keep all office lights on around-the-clock at the IGC North and South buildings. A new policy of turning off the lights at night, except for those areas needing lighting for maintenance purposes, will save the state an estimated \$200,000 in annual utility expenses.

## **Agency List**

All Executive Branch agencies and quasi-agencies are within the jurisdiction of the Office of Inspector General. Likewise, these same agencies are now under the jurisdiction of the Ethics Commission. Ethics Commission Executive Director Mary Lee Comer determined that no comprehensive list of these agencies was available. These same entities are required to receive ethics training. For these purposes, an investigation was launched to compile a comprehensive list of these agencies, identifying the statutory authority and leaders of each.

## **Community Corrections**

An examination of the Community Corrections program at the Department of Corrections revealed that \$12 million in project income revenue was accumulated by the various local Community Correction Boards. Audit controls were implemented and an additional \$2 million in grant money was returned to the Community Corrections program.



# NEW ETHICS CODE

Led by Mary Lee Comer, Executive Director of the State Ethics Commission, these new rules became effective in January of 2006.

## NEW ETHICS RULES (from the Indiana Code of Ethics)

### 42 IAC 1-5-1 Gifts; travel expenses; waivers

#### THE GIFT RULE:

(a) A state employee or special state appointee, or the spouse or unemancipated child of a state employee or special state appointee, shall not knowingly solicit, accept, or receive any:

- (1) gift;
- (2) favor;
- (3) service;
- (4) entertainment;
- (5) food;
- (6) drink;
- (7) travel expenses; or
- (8) registration fees

from a person who has a business relationship with the employee's or special state appointee's agency or is seeking to influence an action by the employee or special state appointee in his or her official capacity.

#### EXCEPTIONS

(b) The following shall not be subject to this rule:

- (1) Gifts, favors, services, entertainment, food, drink, travel expenses or registration fees from public agencies or public institutions.
- (2) Food or drink consumed at a public meeting to which at least twenty-five (25) individuals are invited. A meeting will be considered public if:

(A) the event is a reception or other gathering for public officials that is not arranged to solicit government procurement of goods or services;

(B) the employee is giving a speech or participating in a presentation in the employee's official capacity; or

(C) the meeting has a formal educational program that the employee is attending to assist him or her in performing official duties.

(3) Mementos or souvenirs of nominal value.

(4) Food or drink consumed by an employee during negotiations or other activities related to an Indiana economic development corporation economic development project.

(5) Gifts, favors, services, entertainment, food, or drinks from relatives, or a person with whom the employee or special state appointee has an ongoing social relationship, so long as:

(A) the gifts or other items of value are not deducted as a business expense; and

(B) the gift giver is not seeking to influence an action by an employee or special state appointee in that person's official capacity.

(6) Political contributions subject to IC 3-9-2 that are reported in accordance with applicable law.

(7) Nominal refreshments offered to a state employee or a special state appointee conducting official state business while the employee or special state appointee is at a workplace of a person who:

(A) has a business relationship; or

(B) seeks to influence official action with the employee's or special state appointee's agency.

(8) Discount and other promotional programs approved and made available to state employees and special state appointees through the state personnel department or the Indiana department of administration.

#### WAIVERS

(c) An employee's or special state appointee's state officer or appointing authority may waive application of subsection (a) of this rule in individual cases when consistent with the public interest. The waiver shall:

(1) be in writing; and

(2) identify the following:

(A) The employee or special state appointee

(B) The nature and value of the gift

(C) The donor of the gift

(D) Why acceptance of the gift is in consistent with the public interest.

(d) Written waivers must be filed with the commission within thirty (30) days of receipt of the gift. The commission may review the written waivers. An appointing authority or state officer may designate authority to the agency's ethics officer to waive application of this rule on behalf of the appointing authority or state officer. The designation shall be in writing and filed with the commission.

(e) If a person wishes to reimburse the state for any part or all of the expenses incurred by the state for appearances of a state officer, employee or special state appointee or their official representatives on behalf of the state, the person shall remit to the treasurer of state any such amounts. The treasurer of the state shall quietus the funds into the general fund.



### 42 IAC 1-5-2 Donor Restrictions

A person who has a business relationship with an employee's or a special state appointee's agency shall not provide any:

- (1) gifts;
- (2) favors;
- (3) services;
- (4) entertainment;
- (5) food;
- (6) drink;
- (7) travel expenses; or
- (8) registration fees

to such employee or special state appointee if the employee or special state appointee would not be permitted to accept the gift, favor, service, entertainment, food, drink, travel expenses or registration fees under this rule.

### 42 IAC 1-5-3 Honoraria

An employee shall not personally accept an honorarium for any activity that may be considered part of the state employee's official duties. However, a state employee may accept an honorarium on behalf of the state. The employee accepting the honorarium shall remit to the treasurer of state any amount received. The treasurer of state shall quietus such funds into the general fund. An employee may personally accept an honorarium for activities not done in connection with the employee's official duties and that are prepared on the employee's own time and without the use of state resources. However, in no case may an employee accept an honorarium from a person who has a business relationship or seeks to influence an official action with the employee's agency.

### 42 IAC 1-5-4 Political activity

(a) A state employee or special state appointee shall not engage in political activity including solicitation of political contributions from:

- (1) another employee or special state appointee; or
- (2) any other person

when on duty or acting in an official capacity.

(b) This section does not prohibit a state employee or special state appointee from engaging in such activity when not on duty.

(c) A state employee or special state appointee shall not solicit political contributions at any time from:

- (1) persons whom the employee or special state appointee knows to have a business relationship with the employee's or the special state appointee's agency; or
- (2) state employees or special state appointees directly supervised by the employee or the special state appointee.

# NEW ETHICS CODE

*Continued*

(d) The appointing authority of an agency and all employees or special state appointees with purchasing or procurement authority on behalf of the state shall not solicit political contributions on behalf of any candidate for public office, unless that individual is a candidate for public office himself or herself.



## 42 IAC 1-5-5 Moonlighting

(a) A current state officer, employee, or special state appointee shall not knowingly:

(1) accept other employment involving compensation of substantial value if the responsibilities of that employment are inherently incompatible with the responsibilities of public office or require the individual's recusal from matters so central or critical to the performance of the individual's official duties that the individual's ability to perform those duties would be materially impaired;

(2) accept employment or engage in business or professional activity that would require the individual to disclose confidential information that was gained in the course of state employment; or

(3) use or attempt to use the individual's official position to secure unwarranted privileges or exemptions that are:

(A) of substantial value; and

(B) not properly available to similarly situated individuals.

(b) A written advisory opinion issued by the inspector general or the individual's supervisor granting approval of outside employment is conclusive proof that an individual is not in violation of subsection (a)(1) or (a)(2).

## 42 IAC 1-5-6 Conflicts of interest; decisions and voting

(a) A state officer, an employee, or a special state appointee may not participate in any decision or vote if the state officer, employee, or special state appointee has knowledge that any of the following has a financial interest in the outcome of the matter:

(1) The state officer, employee, or special state appointee.

(2) A member of the immediate family of the state officer, employee, or special state appointee.

(3) A business organization in which the state officer, employee, or special state appointee is serving as an officer, a director, a trustee, a partner, or an employee.

(4) Any person or organization with whom the

state officer, employee, or special state appointee is negotiating or has an arrangement concerning prospective employment.

(b) A state officer, an employee, or a special state appointee who identifies a potential conflict of interest shall notify the person's appointing authority and seek an advisory opinion from the commission by filing a written description detailing the nature and circumstances of the particular matter and making full disclosure of any related financial interest in the matter. The commission shall:

(1) with the approval of the appointing authority, assign the particular matter to another person and implement all necessary procedures to screen the state officer, employee, or special state appointee seeking an advisory opinion from involvement in the matter; or

(2) make a written determination that the interest is not so substantial that the commission considers it likely to affect the integrity of the services that the state expects from the state officer, employee, or special state appointee.

(c) A written determination under subsection (b)(2) constitutes conclusive proof that it is not a violation for the state officer, employee, or special state appointee who sought an advisory opinion under this section to participate in the particular matter. A written determination under subsection (b)(2) shall be filed with the appointing authority.

## 42 IAC 1-5-7 Conflicts of interest; contracts

(a) Subject to subsection (b), a state officer, an employee, or a special state appointee may not knowingly have a financial interest in a contract made by an agency.

(b) The prohibition in subsection (a) does not apply to:

(1) a state officer, an employee, or a special state appointee who does not participate in or have official responsibility for any of the activities of the contracting agency, if:

(A) the contract is made after public notice or, where applicable, through competitive bidding;

(B) the state officer, employee, or special state appointee files with the commission a statement making full disclosure of all related financial interests in the contract;

(C) the contract can be performed without compromising the performance of the official duties and responsibilities of the state officer, employee, or special state appointee; and

(D) in the case of a contract for professional services, the appointing authority of the contracting agency makes and files a written certification with the commission that no other state officer, employee, or special state appointee of that agency is available to perform those services as part of the regular duties of the state officer, employee, or special state appointee; or

(2) a state officer, an employee, or a special state appointee who, acting in good faith, learns of an actual or prospective violation of the prohibition in subsection (a), if, not later than thirty (30) days

after learning of the actual or prospective violation, the state officer, employee, or special state appointee:

(A) makes a full written disclosure of any financial interests to the contracting agency and the commission; and

(B) terminates or disposes of the financial interest.

## 42 IAC 1-5-8 Additional Compensation

A state officer, employee, or special state appointee shall not solicit or accept compensation for the performance of official duties other than provided for by law.

## 42 IAC 1-5-9 Bribery

A state officer, employee or special state appointee shall not pay or offer to pay any compensation for the performance of a state officer's, employee's or special state appointee's official duties except as permitted by law.

## 42 IAC 1-5-10 Benefiting from confidential information

A state officer, employee, or special state appointee shall not benefit from, or permit any other person to benefit from, information of a confidential nature except as permitted or required by law.

## 42 IAC 1-5-11 Divulging confidential information

A state officer, employee or special state appointee shall not divulge information of a confidential nature except as permitted by law.

## 42 IAC 1-5-12 Use of state property

A state officer, employee or special state appointee shall not make use of state materials, funds, property, personnel, facilities or equipment for any purpose other than for official state business unless the use is expressly permitted by a general written agency, departmental or institutional policy or regulation.

## 42 IAC 1-5-13 Ghost Employment

A state officer, employee or special state appointee shall not engage in, or direct others to engage in, work other than the performance of official duties during working hours, except as permitted by general written agency, departmental or institutional policy or regulation.





# NEW ETHICS CODE

*Continued*

## 42 IAC 1-5-14 Post-employment restrictions

(a) As used in this section, "particular matter" means:

- (1) an application;
- (2) a business transaction;
- (3) a claim;
- (4) a contract;
- (5) a determination;
- (6) an enforcement proceeding;
- (7) an investigation;
- (8) a judicial proceeding;
- (9) a lawsuit;
- (10) a license;
- (11) an economic development project; or
- (12) a public works project.

The term does not include the proposal or consideration of a legislative matter or the proposal, consideration, adoption, or implementation of a rule or an administrative policy or practice of general application.

(b) This subsection applies only to a person who served as a state officer, employee, or special state employee after January 10, 2005. A former state officer, employee, or special state appointee may not accept employment or receive compensation:

- (1) as a lobbyist (as defined in IC 4-2-7-1);
- (2) from an employer if the former state officer, employee, or special state appointee was:

(A) engaged in the negotiation or the administration of one (1) or more contracts with that employer on behalf of the state or an agency; and

(B) in a position to make a discretionary decision affecting the:

- (i) outcome of the negotiation; or
- (ii) nature of the administration; or

(3) from an employer if the former state officer, employee, or special state appointee made a regulatory or licensing decision that directly applied to the employer or to a parent or subsidiary of the employer; before the elapse of at least three hundred sixty-five (365) days after the date on which the former state officer, employee, or special state appointee ceases to be a state officer, employee, or special state appointee.

(c) A former state officer, employee, or special state appointee may not represent or assist a person in a particular matter involving the state if the former state officer, employee, or special state appointee personally and substantially participated in the matter as a state officer, employee, or special state appointee, even if the former state officer, employee, or special state appointee receives no compensation for the representation or assistance.

(d) A former state officer, employee, or special state appointee may not accept employment or compensation from an employer if the circumstances surrounding the employment or compensation would lead a reasonable person to believe that:

- (1) employment; or
- (2) compensation;

is given or had been offered for the purpose of influencing the former state officer, employee, or special state appointee in the performance of his or her duties or responsibilities while a state officer, an employee, or a special state appointee.

(e) A written advisory opinion issued by the inspector general certifying that:

- (1) employment of;
- (2) representation by; or
- (3) assistance from;

the former state officer, employee, or special state appointee does not violate this section is conclusive proof that a former state officer, employee, or special state appointee is not in violation of this section.

## 42 IAC 1-5-15 Nepotism

(a) No person being related to any member of any state board or commission, or to the head of any state office or department or institution, as father, mother, brother, sister, uncle, aunt, a husband or wife, son or daughter, son-in-law or daughter-in-law, niece or nephew, shall be eligible to any position in any such state board, commission, office, or department or institution, as the case may be, nor shall any such relative be entitled to receive any compensation for his or her services out of any appropriation provided by law.

(b) This section shall not apply if such person has been employed in the same position in such office or department or institution for at least twelve (12) consecutive months immediately preceding the appointment of his relative as a board member or head of such office, department, or institution.

(c) This section does not apply to the authority of the board of trustees of a state educational institution (as defined in IC 20-12-0.5-1) to employ any person the board considers necessary under IC 20-12-1-4.

(d) No persons related as father, mother, brother, sister, uncle, aunt, husband, wife, son, daughter, son-in-law, daughter-in-law, niece, or nephew may be placed in a direct supervisory-subordinate relationship.

## 42 IAC 1-6-2 and 42 IAC 1-4-1 Training requirements



(a) All state officers, employees, and special state appointees, shall be properly trained in the code of ethics as described in this article. All persons who have a business relationship with a state agency are obligated to abide by the code of ethics.

(b) Each agency's appointing authority shall do the following:

- (1) Require all new employees and special state appointees to participate in ethics training within six (6) weeks of the employee's starting employment and the special state appointee's appointment date with the agency.
- (2) Require all employees and special state appointees to participate in ethics training at least every two (2) years during an employee's and special state appointee's tenure with the agency.
- (3) Maintain documentation to demonstrate an employee's and special state appointee's compliance with subdivisions (1) and (2).

End.



# STAFF

Our results have been accomplished due to the diligence of our staff. As a new agency, one of the major challenges of the OIG was to build a group of experienced individuals to address a new area of law enforcement for the first time in Indiana history. This project has been successful due to the following people.

Our OIG staff in alphabetical order:



**Bud Allcron, Director of Central Investigations**

Bud joined the OIG in July. He previously served as an MP in Vietnam with the United States Army before joining the Indiana State Police where he served as a homicide and major case investigator for 33 years. As an ISP Detective Sergeant and part of the Cold Case Homicide Team, he participated in the Orville Lynn Majors investigation (the Vermillion County nurse convicted of murdering multiple hospital patients) and the 1968 Martinsville murder of Carol Jenkins.



**Darrell Boehmer, Director of Field Investigations**

Darrell joined the OIG in July, having previously served the Indiana State Police for 31 years. As an ISP Sergeant in charge of all detectives in the Terre Haute District, he earned the distinction of leading his detectives in solving a higher number of homicides than those that occurred during his tenure period. He is valuable to the OIG also because of his prior experience in the ISP divisions of auto theft and undercover narcotics operations.



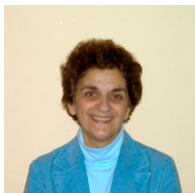
**Dave Clark, Special Agent**

The sole investigator for the Ethics Commission for nine years until the creation of the OIG, Dave brought to the new office years of experience and talent. Prior to serving the Ethics Commission, he was with the Indiana State Police for 25 years, serving as Sergeant and supervising other State Police officers. His insight and talents have been invaluable in training the new Special Agents.



**Mary Lee Comer, Executive Director of the State Ethics Commission**

Mary Lee was appointed by Governor Daniels as the Executive Director of the Indiana Ethics Commission. She served as Judge of Hendricks County Superior Court One for 18 years and was further honored in 1999 when the Indiana Judiciary collectively elected her as President of the Indiana Judges Association. A recipient of two Sagamore of the Wabash awards, she brings a judicial perspective to the daily activities of the Indiana Ethics Commission, including authoring Informal Advisory Opinions and the new Indiana Code of Ethics.



**Joann Flynn, Program Coordinator**

Joann brings over 17 years of state government experience to the OIG. Formerly an employee of the Ethics Commission, she continues to act as the liaison for the Ethics Commission members. She reports all minutes of the Ethics Commission meetings and also receives the financial disclosure forms from thousands of state employees. As Program Coordinator for the Special Agents, she also maintains computer databases on a variety of OIG functions.

# STAFF

*Continued*



## **Jeff Gill, Deputy Inspector General**

A graduate of the Indiana University School of Law, Jeff brings prosecutorial experience from the Marion County Prosecutor's Office where he served as a major felony jury trial litigant. As a Deputy Inspector General, he assists in the writing of Informal Advisory Opinions and acts as general legal counsel. In addition, he has litigation assignments for both the Ethics Commission and the Inspector General's criminal investigations.



## **Mary Hill, Information Director**

Mary creates and implements an ethics training program for over 38,000 state employees. Mary also accepts speaking engagements for governmental and nongovernmental entities. Mary produces training videos, designs and maintains the Commission's website, and works closely with contacts from all state offices and agencies. Mary is a graduate of Indiana University with 15 years of experience in state government.



## **Dhiann Kinsworthy, Controller**

Dhiann joined the OIG in July as the Controller, responsible for all agency fiscal matters and assisting in finance-related investigations. Holding a Master of Public Affairs degree from SPEA at Indiana University, she previously served as a Budget Analyst at the State Budget Agency. Dhiann is a nine-year state employee with experience as an FSSA caseworker in Marion County, providing the OIG another valuable perspective in the Special Agent investigations.



## **Albert Marshall, Auditor**

Albert was assigned to the OIG from the State Board of Accounts in February. A graduate of Ball State, he also brings to the OIG 29 years of experience in auditing for the State Examiner. Al provides daily advice and auditing efforts as a complement to the Special Agent investigations. His advice and knowledge impact nearly every investigation, and he has lead the investigations reported on the BMV Disability Plates, Port Commission and Family Medical Leave Act, among several others.



## **Gina McDermott, Legal Clerk**

Gina is a third-year law student at the Indiana University School of Law in Indianapolis. She assists Ethics Executive Director Mary Lee Comer in research and legal memorandums regarding the Code of Ethics.



## **Alan McElroy, Special Agent**

Alan was the first Special Agent to join the OIG, and serves as Assistant Director of Central Investigations. He has led multiple successful investigations in our first year, including the DNR Bribe case in April, the EBT fraud cases this summer and the INDOT change-order investigation reported this fall. Alan is a 31-year veteran of the Indiana State Police and was a vital team member of the ISP Cold Case Homicide team that successfully prosecuted the Orville Lynn Majors murder trial and the 1968 Martinsville murder of Carol Jenkins, among many others.

# STAFF

*Continued*



**Mike Mischler, Special Agent**

A veteran of the United States Army and a graduate of Indiana State University, Mike joined the OIG in August. He also is a 26-year veteran of the Indiana State Police where he most recently served as Detective First Sergeant, supervising all detectives in the multi-county Jasper District. Mike also brings superb detective skills, having investigated hundreds of major felony cases. Mike is currently assigned to conduct investigations in Southern Indiana.



**Melissa Nees, Executive Assistant**

Melissa was the first employee hired within the new agency. A graduate of Purdue University, she serves as Executive Assistant to the Inspector General and has lead all administrative projects in the creation of the OIG. She currently monitors all aspects of the Inspector General's duties, oversees computer administration and maintains the OIG website. Her diverse talents also include the design and creation of this annual report.



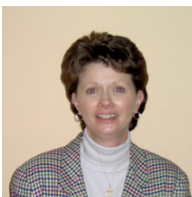
**Marilyn Smith, Business Administrator**

Marilyn Smith joined the OIG in August. Formerly the Accountant for the State Budget Agency, she brings a wealth of financial experience to the new agency. Employed with the State of Indiana for 32 years and bringing a variety of experience from other state agencies, Marilyn is in charge of payroll, procurement and assists in the monitoring of financial matters.



**David Thomas, Inspector General**

A graduate of the Indiana University School of Law, David practiced general law in the Wabash Valley and was elected to three terms as Prosecuting Attorney for the 13th Judicial Circuit in Clay County before being appointed Inspector General by Governor Daniels.



**Cindy Wilcoxon, Receptionist**

Cindy joined the OIG in August. In addition to receiving the public, she provides technical and legal assistance to all Special Agents. In addition, she is the office scheduler. Cindy has over 15 years of experience in law office settings and is the initial voice and face to all persons approaching the office.



**Denise Young, Executive Assistant**

Denise joined us in May. A graduate of Indiana State University, she currently serves as Executive Assistant to Ethics Director Mary Lee Comer. Denise played a vital role in the drafting of the new Code of Ethics, conducts research and assists Ethics Executive Director Mary Lee Comer in all matters.



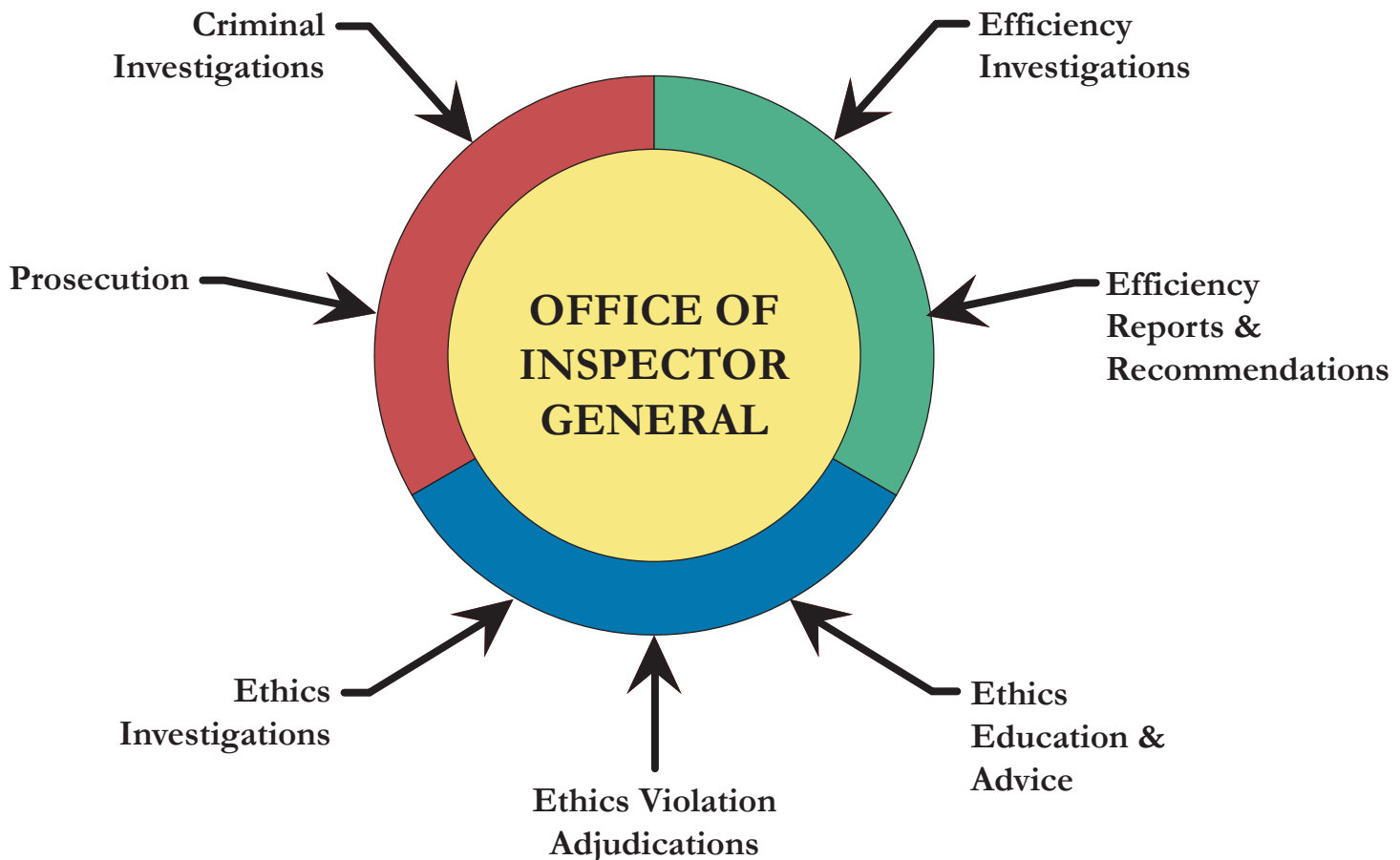
## WHAT WE DO

The Office of Inspector General was created by Executive Order 05-03 by Governor Mitchell E. Daniels, Jr. on January 10, 2005.

The Indiana Legislature on May 11, 2005, passed Public Law 222, which statutorily defined the office and its responsibilities. These duties include investigating public corruption criminal offenses, investigating violations of the Indiana Code of Ethics, and coordinating investigations among the various state agencies. The Inspector General may also recommend legislation to the Governor and General Assembly to strengthen public integrity laws. The new office also encompasses the Ethics Commission, and the Inspector General is charged to provide staff members and office space for the Commission.

To accomplish these goals, the Inspector General is granted law enforcement status and the ability to issue subpoenas and take sworn statements. Under strict scrutiny, the Inspector General may also prosecute limited criminal actions through the Grand Jury process if a County Prosecuting Attorney declines prosecution and permission is granted by both the Governor and the Court of Appeals.

The investigative jurisdiction of the Inspector General is limited to the Executive Branch of Indiana Government. The Judicial and Legislative branches, as well as local government units, are specifically excluded.



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