

The background of the cover is a solid blue color. It is decorated with large, light blue, semi-transparent graphic elements that resemble stylized, overlapping loops or swirls, creating a sense of movement and depth. The text is centered and rendered in a dark blue, serif font.

ANNUAL REPORT

OIG

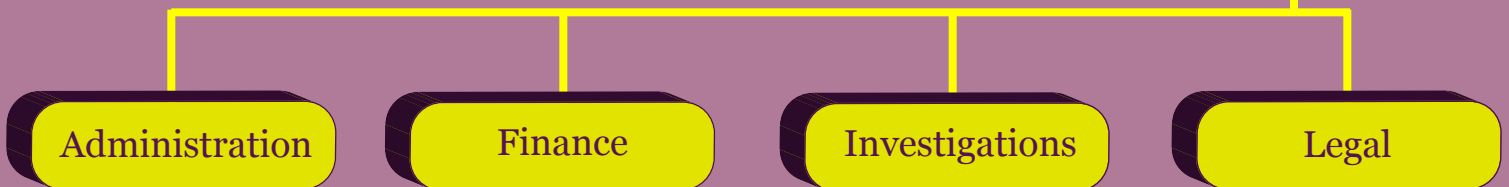
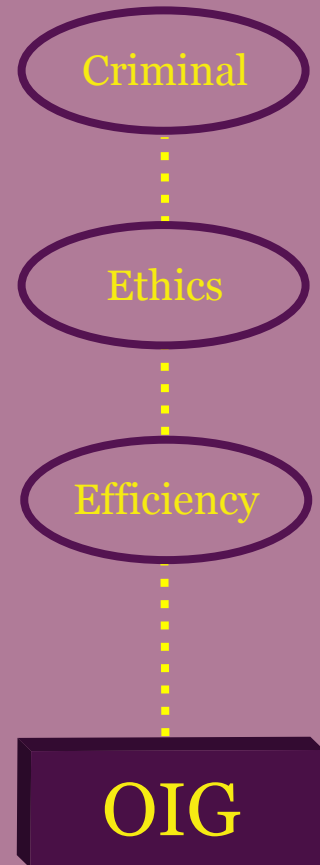
# What We Do



The Indiana Office of Inspector General (OIG) has many duties. First, it (1) sets the standard of ethical conduct for all Executive Branch state employees by writing the Indiana Code of Ethics, a body of law that became effective in early 2006. The OIG staff (2) assists the Ethics Commission to enforce and interpret the Code of Ethics. The OIG is then given the ability to go beyond the typical law enforcement agency model and (3) deter wrongdoing through education. If state employees don't meet this standard through this education, then the OIG (4) investigates the wrongdoing. The OIG is also required to (5) report its investigations and recommend policies to the Governor, Legislature and state agencies to prevent future waste and wrongdoing.

This Indiana model has two immediate benefits. First, there is uniformity from a single entity setting the standard, educating the workforce and then applying the rules through its investigations. A second benefit of this new model is the flexibility of an OIG investigation which analyzes wrongdoing in three ways, namely through (A) state and federal criminal codes, (B) the state ethics rules in the Indiana Code of Ethics and (C) waste and fraud not otherwise addressed in the criminal or ethics codes.

The OIG was created on January 10, 2005 by Governor Mitchell E. Daniels, Jr. in Executive Order 2005-03. On May 11, 2005, the Indiana Legislature passed Public Law 222 and statutorily defined the office and its responsibilities.



# 1

## Indiana Code of Ethics



# Code of Ethics

## code of ethics

The Office of Inspector General (OIG) creates and maintains a Code of Ethics for Executive Branch state employees. This new Code of Ethics was adopted in January of 2006. For the first time, all ethics rules applicable to the Executive Branch of Indiana Government were codified by the OIG into a uniform set of rules in 42 IAC 1-5. Previously, these ethics rules were scattered in various statutes and administrative rules. This new Indiana Code of Ethics addresses the following rules:

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

These rules and interpretations are available on the OIG website at [www.in.gov/ig](http://www.in.gov/ig).

# 2

## Indiana Ethics Commission

# Ethics Commission

The State Ethics Commission is the ultimate authority on interpreting the Indiana Code of Ethics through written Advisory Opinions. The Commission also controls the adjudication of ethics complaints by determining whether complaints meet probable cause standards and the disposition of the complaints.

The Office of Inspector General (OIG) provides staff for the Commission. This staff consisted of four persons previous to the OIG, and now has grown to 17 persons. This staffing assistance comes from all four divisions of the OIG, namely (1) administration, (2) finance and governmental affairs, (3) investigations, and (4) legal.

The Commission is bi-partisan and the members are appointed by the Governor in four-year staggered terms. The current Commissioners are:

**Edward E. Charbonneau**, former General Counsel for U.S. Steel and currently Executive Director of the Northwest Indiana Local Government Academy.

**James Clevenger**, a partner with Kizer & Neu in Plymouth and the Marshall County Attorney.

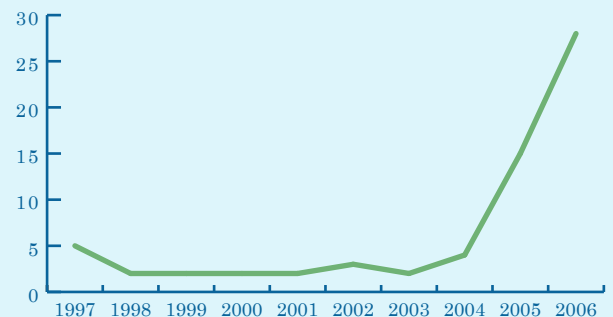
**Priscilla D. Keith**, General Counsel of Health and Hospital Corporation in Indianapolis.

**Clare Kraegel Nuechterlein**, Chair, professor at Valparaiso University School of Law.

**James Williams**, attorney with Middleton & Reutlinger in Jeffersonville and Louisville.

The Commission was busy in 2006. In addition to adjudicating ethics complaints, the Commission issued twenty-eight (28) Advisory Opinions. For each Advisory Opinion, the Commission receives evidence and issues a detailed legal opinion interpreting the Code of Ethics. Since the creation of the OIG, this activity by the Ethics Commission has increased dramatically.

Commission Advisory Opinions are accessible with the specific ethics rules at [www.in.gov/ig](http://www.in.gov/ig).



Formal Advisory Opinions, 1997-2006

# 3

## Education



# Education

The Office of Inspector General (OIG) advises and educates Executive Branch employees on ethics matters. Three new developments in 2006 included: the new OIG website, the Indiana Auditor and Investigator project, and an increasing number of OIG Informal Advisory Opinions.

## **The New OIG Website**

- The new OIG website ([www.in.gov/ig](http://www.in.gov/ig)) was developed in 2006. New website features include:
- The Code of Ethics is now displayed in a codified manner.
- The Code of Ethics is also displayed in a down-loadable one-page document for user-friendly reference if later computer access is unavailable.
- Summaries of the rules are provided in addition to the rule.
- Examples on the application of each ethics rule are also displayed.

- Commission Advisory Opinions are positioned with each ethics rule.
- A new Resource Center page has been created, providing to state employees a centralized location to access state government authority beyond the ethics rules. These include rules on purchasing and procurement, contracting, bidding, financial regulations, promulgation, open door and open records, and executive lobbying.

## **Indiana Auditors and Investigators: *Indiana Investigates***

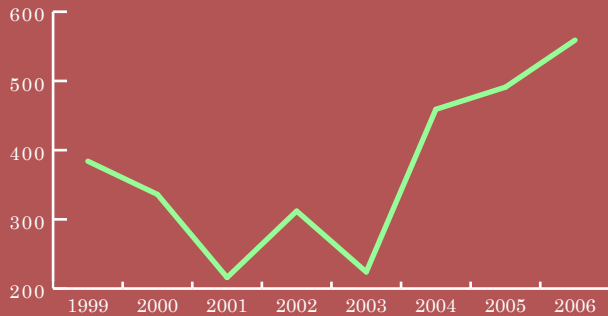
The OIG also has developed the Indiana Auditor and Investigator project. State agency auditors and investigators now meet quarterly and share ideas on how to address fraud and waste. These meetings have led to the quarterly publication of *Indiana Investigates*, available on the OIG website at [www.in.gov/ig](http://www.in.gov/ig). Additionally, the second annual Summit was held in December, where Governor Daniels attended and addressed the various accomplishments of the members.

“Action indeed is the sole  
medium of expression for ethics.”

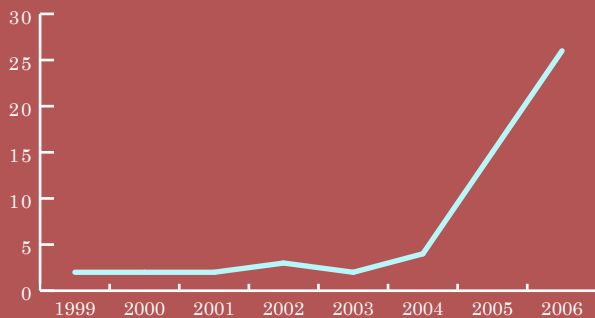
- Jane Addams



# education



Informal Advisory Opinions, 1999-2006



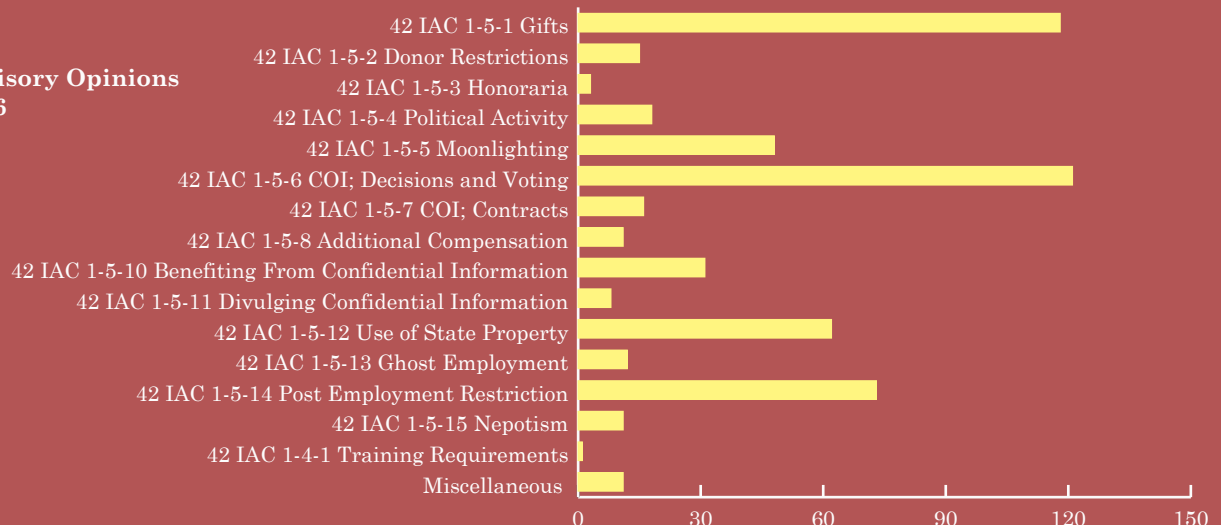
Formal Advisory Opinions, 1999-2006

## Informal Advisory Opinions

Informal Advisory Opinions are issued by the OIG to state employees seeking advice on the Indiana Code of Ethics. This is a preventative process designed to provide advice to the requesting state employee before he or she acts. These are written opinions by OIG staff attorneys, free of charge, confidential, usually issued within 48 hours of the request, and also may be relied upon by the state employee should a later investigation be requested. Although Commission Advisory Opinions are the ultimate ethics advice, many state employees choose the OIG Informal Advisory Opinion due to the confidential nature of the process or when advice must be obtained prior to the upcoming monthly Commission meeting.

The OIG issued 559 Informal Advisory Opinions in 2006. Further details are unavailable due to the confidentiality of the opinions, but a breakdown of the opinions by general topic is shown below.

## Informal Advisory Opinions by Topic, 2006



# 4

## Investigations & Litigation

# 2006

## INVESTIGATIVE RESULTS

Seven OIG Special Agents made 23 criminal arrests, filed four ethics complaints with the Ethics Commission, and completed four additional efficiency reports with recommendations.

### Criminal Charges Filed by Indiana Prosecutors

PERSONS CHARGED	FELONY COUNTS	CASE
1	2	Lake County FSSA IMPACT Fraud
11	22	Marion County Food Stamp Fraud
1	2	Lake County FSSA Mileage Fraud
1	2	FSSA Fraud
1	1	Driving While Intoxicated
1	2	Welfare Fraud
3	30	FSSA Larue Carter Nurse Fraud
1	1	Dental Fraud
2	2	Jobworks First Steps
1	1	Official Misconduct and Identity Theft
23	65	TOTALS

ACTION	RESULTS	EXPLANATION
Criminal Investigations to Prosecuting Attorneys	10	Investigations complete; submitted to PA for criminal prosecution
Ethics Adjudication	4	Investigations complete; submitted to Ethics Commission for adjudication
Efficiency Reports	4	Investigations complete; resolved by written efficiency report
Cases of insufficient cause	121	No merit to investigate or refer
Cases of no jurisdiction	98	No jurisdiction to proceed
Cases merged or referred	64	Investigations with duplicated complaints or referred to other state entity
In investigation status as of Dec. 31, 2006	63	Screened cases in active investigations
Total cases received in 2006	352	Requests for investigation in 2006

# 2006

## S A V I N G S

CASE	SAVINGS & CAPTURES	AGGREGATE FRAUD ACTIVITY	SYNOPSIS
2005-02-0072 (ISP Harddrives)	\$5,000		Ethics disposition
2005-02-0085 (PLA Bribe)	\$200		Ethics disposition
2005-04-0231 (ISP Memorial Trust)	\$93,000		Capture with Attorney General
2005-05-0271 (Kumar Political Activity)	\$6,100		Ethics disposition
2005-05-0271 (Nicol Political Activity)	\$5,000		Ethics disposition
2005-06-0303 (FSSA EBT Fraud)	\$130,000	\$300,000	Combined state pension benefit forfeiture and restitution
2005-06-0303 (FSSA EBT Fraud, second cases)	Pending	\$100,000	Combined Food Stamp and TANF fraud
2005-07-0353 (Looper First Steps)	\$35,380		Restitution for fraudulent payments to First Steps provider
2005-12-0580 (FSSA Conversion)	\$50		Money collected in donation conversion
2006-02-0056 (ICJI)	\$346,000	\$417,000	Savings on termination of inappropriate grant approvals
2006-02-0097 (Jobworks, IMPACT)	Pending	\$186,000	Payment for services not rendered
2006-03-0097 (Delta Dental)	\$3,692		Recovered funds from inappropriate benefits
2006-03-0098 (Postage)	\$200		Ethics disposition
2006-03-0124 (Capital Plus Credit Union)	\$1,568,425		Capture of SEMA funds from private bank accounts
2006-05-0160 (LaRue Carter Nurses)	Pending	\$40,000	Aggregate overtime payments
<b>TOTALS</b>	<b>\$2,193,047</b>	<b>\$1,043,000</b>	



2006 OIG Savings vs. Expenditures





# Litigation

The OIG was also put to the test in 2006 in litigation challenges.

The OIG was successful in its first criminal trial in the Marion County Criminal Court system. Although many persons have plead guilty to criminal charges from OIG cases, in State versus Sherry Long the OIG investigation was challenged in a criminal trial which was held in Superior Court IV in the Marion County Court system in September. After a full trial was held, the defendant was convicted of welfare fraud, a class C felony. OIG Special Agent Alan McElroy, as the designated officer, testified as the main witness.

The OIG also successfully proved in a full trial setting an ethics complaint against a former INDOT Deputy Director who challenged an OIG ethics complaint, which alleged that she had violated the political activity rule in the Indiana Code of Ethics. The Ethics Commission deliberated after the trial and found in favor of the OIG that the ethics complaint was proved and fined the Deputy Director \$6,100.

The OIG seeks to resolve its controversies without litigation and has submitted to the Indiana Ethics Commission six agreed settlements on ethics complaints in 2006.

“Litigation is the pursuit of practical ends, not a game of chess.”

-Felix Frankfurter

# Partnerships



New partnerships were formed with investigative and auditing units in 2006.

A team from the State Board of Accounts was assembled and assigned by the State Examiner to OIG investigations. Led by State Agency Unit Supervisor Mike Hoose and Auditors Patti Serbus and John Rihm, a new auditing component was added to the OIG. This auditing team led the way on critical investigations, including the following three highlights:

- Criminal Justice Institute investigation where over \$400,000 in unauthorized grants were stopped and retained for proper distribution.
- Bureau of Motor Vehicles investigation where \$1.8 million dollars was recovered in accounts outside the state treasury.
- SEMA investigation where \$1.2 million was recovered from private bank accounts.

A new alliance with the Cyber Forensics unit at the Department of Technology at Purdue University was also formed in 2006. Purdue Professor Marc Rogers led a team of forensic technicians to analyze mass computer seizures and also train OIG Special Agents in basic computer data retrieval procedures. Their work was vital in the Criminal Justice Institute investigation where multiple computers were analyzed and critical emails were recovered to enhance the investigation.

The Indiana Auditors and Investigators was a third new partnership that developed in 2006. Generated from the Inaugural Summit in December of 2005, various agency auditing and investigative units combined and met four times throughout 2006, sharing ideas and technologies. The OIG has already scheduled and planned meetings for 2007.

A fourth partnership is with the many federal law enforcement and supporting agencies. The OIG has investigated in partnership with the following federal entities:

- Inspector General, Department of Agriculture
- Inspector General, Health and Human Resources
- Inspector General, Department of Justice
- Inspector General, Department of Transportation
- Inspector General, Social Security Administration
- Inspector General, Department of Labor
- Inspector General, Department of the Treasury
- Inspector General, Environmental Protection Agency
- Inspector General, United States Postal Service
- Federal Bureau of Investigation
- United States Attorney's Office, Indiana Southern District
- United States Attorney's Office, Western Kentucky District





*photos*  
2006 Auditors & Investigators  
Winter Summit





# 5

## Reports



# Report Summaries

## investigato

For full versions of these reports, see the Inspector General website at [www.in.gov/ig](http://www.in.gov/ig).

### **2005-07-0343: Tannette Kinnon of FSSA**

Lake County FSSA employee Tannette Kinnon's suspicious mileage billing was discovered by Adam Horst of the GEFP Office of Management and Budget when examining her travel submissions. Kinnon was claiming reimbursement for mileage in excess of 95,000 miles per year, ten times the next highest annual claim in the state. She often claimed that she was driving from Gary to Indianapolis twice in the same day. She claimed and received approximately \$30,000 from July of 2004 through September of 2005 in mileage claims in addition to her salary. An Office of Inspector General (OIG) and FSSA investigation resulted in her being charged with theft and official misconduct in Lake County, both class D felonies.

### **2006-03-0124: Capitol Plus Credit Union Recovery**

This investigation led by Auditor John Rihm involved missing funds from the Firefighter and Emergency Equipment Revolving Loan Fund within the State Emergency Management Agency (SEMA). In 1998, this fund was appropriated \$2 million to provide loans for the purchase of new or used firefighting equipment by local fire and emergency departments. As these loans were repaid to Capitol Plus Credit Union, the money was not transferred back to the State Treasury. The net result of this investigation returned \$1,554,641 to the State Treasurer and an additional \$13,784 in interest earnings lost to the State, resulting in a total recovery to the State of Indiana in the amount of \$1,568,425.

### **2006-10-0287: Identity Theft**

Chief Information Officer Tadd Stahl reported to the OIG that victim Jane Doe was being harassed by someone using a State of Indiana computer. Someone was falsely using her identity and subscribing her to magazines and other subscriptions that were now demanding payment. Harassing telephone calls, false mailings and emails from

a false email account were also coming to victim Jane Doe's home. The false emails being used in the scam identified the source as coming from the computer of a Department of Natural Resources employee. Further physical evidence was collected and this employee was confronted with the allegations. The employee confessed, stating that she was angry with victim Jane Doe. The case was submitted to the county prosecutor who filed criminal charges of identity theft, a class D felony.

### **2005-08-0424: Jobworks**

Jobworks is a private corporation that has a contract with FSSA to provide job training for individuals receiving public assistance. Jobworks billed hours to FSSA and was paid for the amount of hours they spent training. An audit revealed that Jobworks was over-billing FSSA for more hours than they had actually spent in training. The OIG referred its investigation to the Marion County Prosecutor's Office and multiple felony counts were filed.

### **2005-05-0436: MECCA**

FSSA and OIG investigators discovered that between October of 2002 and December of 2003, in Gary, Indiana, a person named Yahya Rasheed was doing business as MECCA Community Development Corporation and had a contract with the State of Indiana to be a service provider for the Indiana Manpower Placement and Comprehensive Training (IMPACT) program. The purpose of the IMPACT program is to reduce the welfare rolls by providing welfare recipients with job skills and employment opportunities. Interviews were conducted with 16 of the 19 welfare recipients who had been referred by FSSA to MECCA for training. The remaining three individuals were deceased or unavailable. None of the welfare recipients interviewed attended classroom instruction as described in the FSSA contract. Two stated the documents submitted as theirs were not in their handwriting. One student stated she had never heard of the program and had only been to the MECCA building once to obtain a fan for the summer heat wave and at that time had to provide her name and social

## Report Summaries, Continued

security number. Between the years 2002 and 2003, Rasheed submitted 13 claims covering 19 students at \$2,000 per student. Double billings were also submitted for one student. Over the period of the FSSA contract, Rasheed was paid \$40,000 in FSSA IMPACT funds for services he claimed to have provided but did not. Multiple felony criminal charges were filed by the Lake County Prosecutor's Office.

### **2005-12-0594: Nurse Overbilling**

FSSA internal auditors reported to OIG investigators three temporary nurses with LaRue Carter Hospital who were submitting suspicious billing requests. These nurses were allegedly forging time sheets and also turning in double billings. Physical evidence was collected and it was determined that the nurses were submitting double billings for the time they claimed to work, often claiming to be at two different hospitals during the same shifts. The nurses were interviewed and could give no defensible information. The Inspector General referred these cases to the Marion County Prosecutor's Office. A total of 30 felony counts were filed for the offenses of forgery and theft.

### **2005-12-0580: Ripley County FSSA Employee**

A Ripley County FSSA employee asked an acquaintance to donate money to their program to help needy families, saying she knew of a child who needed the money. Pickett did not turn over the money to DCS and instead deposited the money into her personal checking account. Pickett was charged with criminal conversion in Ripley County.

### **2005-12-0601: Lake County Welfare Fraud**

This case involves an individual who falsified income information to FSSA to qualify for public assistance. FSSA investigator Sharon Kahoe led the investigation and was assisted by OIG investigators and found that the welfare recipient, a resident of Gary, Indiana, submitted false pay stubs to FSSA in order to receive food stamps and child care benefits. The amount of income reported on the pay stubs submitted by the recipient did not match income reported to the Indiana Department of Workforce Development. Investigator Sharon Kahoe also interviewed the recipient's former employer and observed the recipient's original unaltered pay stubs. These income records revealed significantly more pay than the recipient reported to FSSA, verifying that the recipient submitted false

income information to FSSA to make her income appear less in order to qualify for public assistance. This recipient obtained a total of \$25,412 in state services and benefits to which she would not have been entitled had she reported and verified her true income. This case was referred to the Lake County Prosecutor's Office, resulting in criminal charges of felony welfare fraud.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Shedrick Footman was interviewed by OIG Special Agent Alan McElroy and stated he is a friend of Geraldine Harper, an FSSA caseworker who was convicted of setting up fraudulent EBT card accounts for her friends. He is an associate pastor at the church where Harper is a member. He also owns and operates a small construction business. Footman is also acquainted with Stephanie Russell, who was once his part-time secretary. Russell was previously convicted of selling EBT cards. Footman stated that he has driven Russell to the ATM to withdraw funds from various public assistance EBT card accounts. Footman actually placed the card into the machine for Russell, as the machine was on the driver's side of the car and he was driving. Footman also received his own card from Russell, with his name on it, and admitted to using the card. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Larry Hart is a brother to FSSA caseworker Geraldine Harper, who was convicted of setting up fraudulent EBT card accounts for her friends. Harper was interviewed at her home by OIG Special Agent Alan McElroy. Harper stated that she had allowed her brother, Hart, to use fraudulent EBT cards. FSSA records indicate that four fraudulent EBT cards were mailed to Hart's residence. The cards bore fictitious names and the name of Hart's roommate. Hart's home was searched pursuant to a search warrant on June 15, 2005, and officers found these corroborating documents mailed from FSSA to Hart's residence in fictitious clients' names. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Jennie Collins is the landlord of Stephanie Russell who was convicted of selling fraudulent EBT cards. Russell

## Report Summaries, Continued

was interviewed by OIG Special Agent Alan McElroy. In this interview, Russell stated that she was selling food stamps to her landlord, Jennie Collins, on a regular basis. Russell also stated that she was selling Collins three or four EBT cards a month, and Collins in turn sold these cards for cash. A search warrant was executed at the home of Stephanie Russell and investigators found a notebook among Russell's possessions in which she maintained a record of the fraudulent EBT cards that she sold. Jennie Collins was identified on the list by her phone number. Russell placed the initials "JC" on the cards that she sold to Collins. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Rochell and Denise Johnson received unauthorized EBT cards from Geraldine Harper, an FSSA caseworker convicted of setting up fraudulent EBT card accounts for her friends. Rochell is the head pastor at Harper's church. The Johnsons are both employed as bus drivers for the Metropolitan School District of Lawrence Township. Rochell Johnson also earns a salary as head pastor of the church. The Johnsons receive social security disability for Rochell and for their son. In aggregate, the Johnsons annual income is around \$100,000. In June of 2003, their case was opened at the FSSA by Harper and they received an EBT card. Denise Johnson states that they were told by Harper that they were entitled to food stamps because of Rochell's disability. The Johnsons claim that they provided their income information to Harper and that Harper told them they were entitled to food stamps. However, the OIG obtained correspondence from FSSA to the Johnsons that showed the report of zero income earned. The FSSA letters also informed the Johnsons that they needed to report any changes in income or family status. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Nikol R. (Hughes) Wallace is a friend of Stephanie Russell who was convicted of selling fraudulent EBT cards. Nikol Wallace bought one of these fraudulent EBT cards. Wallace is also Russell's neighbor. FSSA records indicate that a fraudulent EBT card was mailed to the Wallace residence. Wallace was interviewed by OIG Special Agent Alan McElroy and Wallace admitted that she paid Russell

\$80 for a \$200 EBT food stamp card. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Beatrice Collins received public assistance from July of 1999 through July of 2005, reporting to FSSA during this time that she earned zero income. However, Collins was employed by the Lawrence Township School Corporation as a bus driver since August of 2001, earning \$25,000 a year. On various occasions, Collins also received an "auxiliary" payment in addition to her regular monthly payment. Auxiliary payments are given only when there is a change in circumstances, such as the birth of a child. The investigation revealed no change of circumstance that would warrant an auxiliary payment. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Sharan Collins received \$11,159 in public assistance from November of 2001 through September of 2005. She was single with no dependents until her daughter was born in April of 2005. Collins was on ABAWD status, meaning that she was required to work. However, Harper never coded Collins in the system as being ABAWD. Furthermore, Collins was employed at MSD Lawrence Township from the third quarter of 2001 through the second quarter of 2002. This income was never budgeted into Collins' food stamp case and Collins never reported this income, despite receiving mailings from FSSA informing her that she needed to report any changes in income or family status. Calculations indicate that Collins owes approximately \$8,644 back to the state. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-06-0303: Marion County EBT Welfare Fraud**

Darryl "Dion" received from an unauthorized EBT card from his friend, FSSA caseworker Geraldine Harper, who was convicted of setting up fraudulent EBT accounts for her friends. Davis lives at the same address as Harper's brother in Indianapolis. Davis received food stamp assistance from November of 2000 through February of 2001. In September of 2004, he reapplied for assistance. He was denied due to a prior drug felony conviction, and FSSA sent a notice to Davis giving him this information.

## Report Summaries, Continued

However, on May 2, 2005, Harper attempted to re-open Davis's food stamp case, and again it was denied with a notice sent to Davis. On May 3, 2005, Harper initiated another application for food stamps in the name of "Dion Davis". The birth-date and social security numbers used by Harper for this account, however, were false. The address given in the application is also Darryl Davis's address. Charges of felony welfare fraud were filed by the Marion County Prosecutor's Office.

### **2005-03-0194: Indiana State Police DROP Program**

This case involved the deferred option retirement plan (DROP) program at ISP. The former superintendent and assistant superintendent did not follow proper procedures in qualifying for this pension program. The OIG made specific findings and recommendations which included stricter measures be put in place when enrolling for the DROP program to prevent future abuse.

### **2005-04-0231: Indiana State Police Memorial Foundation**

This case dealt with the ISP Memorial Foundation, a private non-profit corporation created to maintain the ISP Police Memorial. Funds exceeding \$90,000 were improperly transferred from the ISP Pension Fund to the ISP Memorial Foundation. The OIG recommended that the funds in the Memorial Trust private accounts be transferred back to the state treasury, and the Indiana Attorney General recovered these funds.

### **2005-02-0058: Former INDOT Commissioner**

This investigation involved the report that the design selection process for construction projects had been thwarted by backdating the approval of the INDOT Commissioner in 2004. The OIG recommended stricter procedures be in writing when making design selections, and written policies were implemented by INDOT.

### **2005-05-0271: Vaneeta Kumar of INDOT**

Vaneeta Kumar was a deputy commissioner at INDOT when she held a political fundraiser at her home for a mayor candidate. Contractors who did business with INDOT were invited by Kumar and present at this party and made political contributions in violation of the state ethics rule on political activity. A trial was held and the Ethics Commission ruled that a violation of the political

activity had occurred and issued a fine to Kumar in the amount of \$6,100.

### **2006-02-0062: DWI**

While on duty, OIG Special Agent Mike Mischler observed an individual driving erratically on SR 257. He called local police and the individual was pulled over and arrested with a BAC of approximately .25%. The individual plead guilty to drunk driving charges in Daviess County.

### **2005-05-0286: Fleetmax**

Fleetmax is a corporation that contracted with BMV to serve as a limited service contract license branch. An investigation of Fleetmax by the OIG revealed that state statutes and rules were not being followed by Fleetmax when titling imported vehicles. The OIG recommended that the contractual relationship with Fleetmax be terminated.

### **2005-02-0149: Worker's Compensation Board**

The OIG received a complaint alleging that members of the Worker's Compensation Board were not devoting their full time to their duties as mandated by statute. As a result of the investigation, the statute was subsequently amended by the Indiana Legislature to remove the language that required a full-time devotion of time to the Board.

### **2005-03-0162: BMV Wrecker Issues**

This report dealt with the handling of abandoned vehicles that are either towed or put up for sale by the BMV. Over \$1 million from abandoned vehicle proceeds were found to be in private, non-interest bearing bank accounts, contrary to state policy. The State Board of Accounts released a report highlighting other flaws in the abandoned vehicle procedure. The OIG recommended that the BMV transfer the money to the State Treasury so that it could earn interest for the state. Over \$1 million dollars was transferred back to the State of Indiana.

### **2005-04-0253: Construction Training**

This case was reported by INDOT and involved two state agencies, INDOT and the Department of Workforce Development (DWD), who were contracting with the same contractor to provide duplicate services. INDOT's contract with the contractor was subsequently terminated. The OIG recommended that a screening mechanism be put in place

## Report Summaries, Continued

in order to detect duplicate services being provided by two state agencies. The OIG also recommended that the service provider routinely report documented information to the agency to further enhance the agency's monitoring of the contractor's progress.

### **2005-08-0403: BMV License Testing**

The system used by the BMV to administer driver's licenses made it easy for individuals to obtain the multiple choice answers before the test. The investigation revealed that the BMV was aware of this problem and was implementing a newer system that would eliminate the predictability of test answers.

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