



## INSPECTOR GENERAL REPORT

2008-10-0267

March 11, 2011

### IGC USE OF STATE PROPERTY

*Inspector General Staff Attorney Todd Shumaker, after an investigation by Special Darrell Boehmer, reports as follows:*

On October 9, 2008, the Office of Inspector General (OIG) was notified by the Indiana Gaming Commission (IGC) that it had terminated one of its employees (Defendant) as a result of an internal investigation into alleged criminal conduct. The IGC also informed the Indiana State Police (ISP) of the allegations against Defendant, and ISP opened a criminal investigation into the matter. The OIG opened its own case to monitor ISP's investigation and assist in any potential ethics issues arising from ISP's findings.

In addition to reporting this conduct, the IGC cooperated with and assisted in the investigation.

The OIG is charged by the Indiana Legislature to address fraud, waste and abuse in state agencies. IC 4-2-7-2(b). In so doing, the OIG is instructed to

supervise and coordinate investigations. IC 4-2-7-3(1).

The investigation revealed that Defendant served as a Gaming Enforcement Criminal Investigator with IGC and was responsible for handling and storing evidence for three of the State's casinos. In August 2008, Defendant completed a series of reports indicating he had destroyed twelve (12) of sixteen (16) counterfeit bills recovered in a December 2007 IGC investigation, but he had retained four (4) of the counterfeit bills for training purposes. In September 2008, Defendant was confronted by an officer with the Greensburg Police Department for attempting to pass a counterfeit bill at a local business. After consulting with the United States Secret Service, ISP discovered that several more counterfeit bills had been passed around central and southern Indiana in September 2008 bearing serial numbers of the bills seized by IGC in its December 2007 investigation. In addition, ISP found Defendant's cell phone records placed him nearby the locations where the counterfeit bills were passed on the corresponding dates.

On August 7, 2009, Defendant was criminally charged in Switzerland County for this conduct.

An ethics complaint against Defendant was filed with the State Ethics Commission (SEC) on July 8, 2010, based on a violation of 42 IAC 1-5-12 (Use of State Property) for his misappropriation of state evidence.

On January 3, 2011, Defendant pled guilty to a single count of official misconduct, a D felony, in Switzerland County.

Defendant then entered into a settlement agreement with the OIG on

February 7, 2011, in which he admitted to the allegations in the complaint filed with the SEC and agreed to a sanction of a bar from future state employment as an employee. The SEC accepted the settlement on March 10, 2011.

At this time and for these reasons, this case is closed.

Dated this 11<sup>th</sup> day of March, 2011.

APPROVED BY

A handwritten signature in cursive script, appearing to read "David O. Thomas".

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David O. Thomas, Inspector General