



INSPECTOR GENERAL REPORT

2011-06-0215

May 29, 2012

ISFC USE OF STATE PROPERTY 1

Inspector General Staff Attorney Jennifer Cooper, after an investigation by Special Agent Alan McElroy, reports as follows:

In June of 2011, the Indiana State Fair Commission (ISFC) requested the Office of the Inspector General (OIG) to investigate the alleged misconduct of an ISFC employee in the operation of a private business on state property.

The OIG is responsible for addressing fraud, waste, abuse, and wrongdoing by state agencies. IC 4-2-7-2(b). The OIG initiates, supervises and coordinates investigations and has the authority to receive, investigate and file complaints with the State Ethics Commission (SEC) regarding Code of Ethics violations. IC 4-2-7-3.

The ISFC operates a variety of hockey programs through the Ice Rink in the Pepsi Coliseum on the Indiana State Fairgrounds. The Skate Shop, a retail operation that sells and rents skates and hockey equipment, manages hockey leagues and public ice skating events, and collects fees for ice rink rental time, is

owned and operated by the ISFC and is located in the Pepsi Coliseum.

In May of 2011, ISFC management became aware of the existence of a private business operating on Fairgrounds property and launched an internal investigation to gather details about the business venture and the possible involvement of ISFC employees.

OIG Special Agent McElroy reviewed the documents and records collected through this investigation and conducted interviews with ISFC management and other members of the ISFC as well as Respondent. The combined investigation revealed that Respondent and another ISFC employee had formed a partnership in or around January of 2009 for the purpose of training athletes to play hockey and had been operating this business on state property ever since. Specifically, Respondent and his business partner were using state facilities, including the ice rink in the Pepsi Coliseum, a room containing weight-training equipment in the South Pavilion, and the State Fair Grandstands, on the State Fairgrounds property to train hockey players and various other athletes for profit. Respondent trained the athletes using the Fairgrounds facilities and his business partner managed the business.

When interviewed by Special Agent McElroy, Respondent admitted to training athletes for the business at the Pepsi Coliseum and the other Fairgrounds facilities. Respondent also admitted that he had conducted the private business activities while also earning income through the ISFC payroll for his Skate Shop duties.

Respondent entered into an Agreed Settlement with the OIG in which he

admitted to Code of Ethics violations in 42 IAC 1-5-12 (Use of State Property) and 42 IAC 1-5-13 (Ghost Employment). Respondent was sanctioned to a suspension without pay for a period of one week or five working days. The Indiana State Ethics Commission approved the Agreed Settlement on April 12, 2012. Accordingly, this investigation is closed.

Dated this 29th day of May, 2012.

APPROVED BY ME:

/s/ David O. Thomas, Inspector General