



INVESTIGATIVE REPORT

David Cook, Inspector General

OFFICE: INDIANA CRIMINAL JUSTICE INSTITUTE (ICJI)
TITLE: ICJI GRANT RECIPIENT FRAUD
CASE ID: 2018-02-0055
DATE: April 30, 2024

Indiana Office of Inspector General Chief Legal Counsel, Tiffany Mulligan, after an investigation by Inspector General Special Agent Michael Lepper, reports as follows:

The Indiana General Assembly charged the Office of the Indiana Inspector General (OIG) with addressing fraud, waste, abuse and wrongdoing in the executive branch agencies of state government. Ind. Code §4-2-7-2(b). The OIG also investigates allegations of criminal activity and Code of Ethics (Code) violations within state government. Ind. Code §4-2-7-3. The OIG may recommend policies and carry out other activities designed to deter, detect and eradicate fraud, waste, abuse, mismanagement and misconduct in state government. Ind. Code §4-2-7-3(2).

I. Background

On February 28, 2018, the OIG received a complaint that the Young Women's Christian Association of Greater Lafayette (YWCA) failed to comply with certain grant requirements. The OIG investigated the complaint. The OIG closed its investigation and issued a confidential Inspector General Report on August 31, 2021, after the OIG sent a certification report to the Indiana Office of Attorney General (OAG) in accordance with Ind. Code §4-2-7-6. In March of 2024, the OAG entered into a Settlement Agreement and Mutual Release (Settlement Agreement).

As the Settlement Agreement is now public, the Inspector General is publishing this Investigative Report.

The OIG learned that the Indiana Criminal Justice Institute (ICJI) conducted a compliance monitoring visit of fifteen closed grants that ICJI awarded to YWCA between July of 2013 to June of 2017. The purpose of these grants was to serve victims of domestic violence. ICJI funded the grants on a reimbursement basis, and many of the grants required YWCA to provide a match, or a certain percentage of funds that come from sources other than the grants.

ICJI's analysis of the fifteen grants found that YWCA failed to comply with the grant requirements in several different areas. For example, ICJI found multiple instances in which YWCA had a match shortage for a grant. According to ICJI, a match shortage occurs when a subgrantee fails to document the match expenditure set forth in the approved budget, expense summary form and/or fiscal report. ICJI analyzed the salaries and benefits YWCA reported for several of its employees on its grants to show where YWCA had a match shortage. ICJI also found that YWCA failed to provide all the documentation that ICJI required to complete its review or submitted false or misrepresentative documentation to ICJI. Because these grants involved both federal and state funds, ICJI submitted the results of its review to the OIG and the U.S. Department of Justice Office of Inspector General (DOJ-OIG).

II. Investigation

The OIG investigated this matter in coordination with DOJ-OIG investigators. As part of the investigation, the OIG subpoenaed multiple documents from YWCA, including payroll, bank

and personnel records. The OIG reviewed these records, along with grant agreements and reimbursement requests obtained from ICJI.

Due to the need for an extensive audit of the documentation, the OIG requested an audit review from the Indiana State Board of Accounts (SBOA). In January of 2020, investigators delivered the subpoenaed documents to SBOA for their review. The OIG and DOJ-OIG investigators received regular updates from SBOA on the progress of their review and obtained additional documents from YWCA for SBOA as needed.

During the investigation, the OIG and DOJ-OIG investigators interviewed the current Executive Director of YWCA and former Fiscal Director of YWCA. The current Executive Director of YWCA, who became the Executive Director after the OIG began its investigation, fully cooperated with investigators. She provided background information, including descriptions of YWCA's process and procedures, as well as access to YWCA's records.

In November of 2020, SBOA completed its review of YWCA grant documentation, payroll records and credit card disbursements for the period of July 1, 2013, through June 30, 2017, and issued a confidential draft of its Special Investigation Report.

After reviewing the results of their investigation and a draft of SBOA's report, the OIG and DOJ-OIG investigators found insufficient evidence that YWCA engaged in any criminal wrongdoing. Instead, the investigation confirmed that YWCA had internal control deficiencies and submitted unallowable reimbursements to ICJI; therefore, the OIG certified the case to the OAG.

III. Conclusion

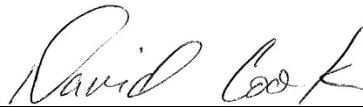
The OIG learned that the OAG entered into the Settlement Agreement with YWCA in March of 2024. The Settlement Agreement reads that SBOA charged YWCA \$89,834.01 for failure to comply with certain grant requirements and additional audit costs incurred to investigate

the matter in the amount of \$30,399.00. Under the terms of the Settlement Agreement, YWCA agrees to pay the State of Indiana a total of \$105,000. YWCA also agrees to require its employee or director who regularly applies for or administers grants to complete certain training for recipients of federal grants through the U.S. Department of Justice.

The OIG appreciates its collaboration with ICJI, the DOJ-OIG and SBOA on this case, and the OIG commends the OAG for their work to recover state funds as a result of this joint investigation.

Dated: April 30, 2024

APPROVED BY:

A handwritten signature in cursive script that reads "David Cook". The signature is written in black ink and is positioned above a horizontal line.

David Cook, Inspector General