



INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: OFFICE OF THE INDIANA ATTORNEY GENERAL
TITLE: CONTINGENCY FEE CONTRACT AMENDMENT
CASE ID: 2019-01-0014
DATE: January 24, 2019

After examination and review, Office of Inspector General Staff Attorney Kelly Elliott reports as follows:

The purpose of this Report is to fulfill the statutory requirements of Ind. Code § 4-6-3-2.5 regarding contingency fee contracts. This statute requires the Inspector General (IG) to review contingency fee contracts for possible conflicts of interests and potential Code of Ethics violations. Under this statute, an agency may not enter into a contingency fee contract unless the IG has made a written determination that entering into the contract would not violate the Indiana Code of Ethics set forth in Ind. Code 4-2-6 and 42 IAC 1-5 (Code of Ethics) or any statute or agency rule concerning conflicts of interests.

On January 22, 2019, the Office of the Indiana Attorney General (OAG) notified the IG that it wished to amend a contingency fee contract (EDS # A56-4-14-06) with Foote Mielke Chavez & O'Neil, LLC and Rynbrandt & Associates, PLLC (the Firms). As the litigation and legal services in which the Firms are engaged is still pending, the OAG would like to extend the term of the contract until February 8, 2021.

The OAG first entered into a contingency fee contract with the Firms on April 9, 2014. The purpose of the original contract, which the IG approved on February 10, 2014, was to pursue monetary recovery on behalf of the State and other Indiana governmental entities related to an

automotive parts multi-district antitrust litigation pending in Michigan federal court. The OAG explained in their initial request that this matter first arose in January 2013 when the U.S. Department of Justice revealed a criminal investigation into price-fixing and bid rigging in the auto parts industry between 2000 and 2001. In IG Report 2014-01-0020¹ dated February 10, 2014, the IG determined that the original contract would not violate the Code of Ethics or any statute or agency rule concerning conflicts of interests.

On March 28, 2017, the OAG amended the contingency fee contract. The purpose of the amended contract, which the IG approved on February 10, 2017, was to extend the term of the contract until February 9, 2019, due to ongoing litigation of the antitrust matter. In IG Report 2014-01-0020² dated February 10, 2017, the IG determined that the amended contract would not violate the Code of Ethics or any statute or agency rule concerning conflicts of interests.

The OAG represents that they have been satisfied with the Firms' services. In addition, it does not appear that the circumstances that the IG evaluated when making the original determination have changed or will be altered by this amendment, as this amendment only extends the term of the contract and updates the OAG's contact information for notices to the State.

According to the OAG, no employee of the OAG or immediate family member of an OAG employee has any financial interest in the Firm or the contract itself. Furthermore, neither Firm employs any state employees, including OAG personnel involved in any of the contracting decisions. Additionally, the OAG provides that no OAG employee is contracting with or will be supervising the work of a business entity in which a relative is a partner, executive officer, or sole proprietor.

Based on the information provided, we find that entering into this contingency fee contract

¹ See [IG Report 2014-01-0020](#), dated February 10, 2014.

² See [IG Report 2014-01-0020](#), dated February 10, 2017.

amendment will not violate the Code of Ethics or any statute or agency rule concerning conflicts of interests. This Report is issued in compliance with the above noted statutory requirements.

Dated: January 24, 2019

APPROVED BY:

A handwritten signature in black ink that reads "Lori Torres". The signature is written in a cursive style with a long horizontal stroke at the end.

Lori Torres, Inspector General