

ANNUAL REPORT 2020



Indiana Office of Inspector General

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WELCOME

A Message from the Inspector General

2020 may have looked very different in a lot of ways, but the work of the Indiana Office of Inspector General (OIG) in fostering public confidence in the State's workforce did not stop for the global pandemic.

OIG staff leveraged technology to carry out business as usual using virtual formats for interviews, meetings and educational events. The OIG was able to deliver its two primary education events virtually while increasing attendance at both events and cutting all costs associated with hosting an in-person event. The State Ethics Commission was able to conduct its meetings virtually, increasing accessibility to the meetings and decreasing costs associated with travel, while also complying with all public meeting (Open Door) laws. OIG investigators were able to conduct interviews using video conferencing, and OIG attorneys continued to provide advice and guidance via electronic communications.

Thank you for the opportunity to present this annual report for calendar year 2020. It is both my and our entire agency's honor to continue to carry out our mission for the benefit of all Hoosier citizens.

Respectfully,

David Cook

Indiana Inspector General

The mission of the Inspector General and staff is to reduce fraud, waste, abuse, mismanagement and wrongdoing in state executive branch agencies. Through education, advice, investigations, prosecutions and legislative recommendations, the Inspector General fosters a culture of integrity that contributes to public confidence in state government.

IN MEMORIAM



Darrell David Boehmer

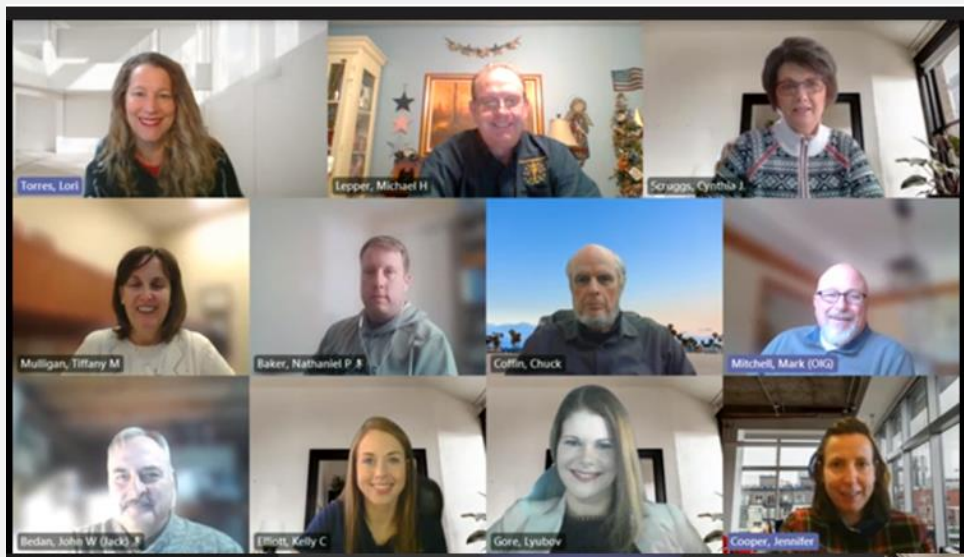
Indiana Office of Inspector General
Director of Investigations
2005 - 2020

In July of 2020, the OIG lost our dear friend and colleague, Special Agent Darrell Boehmer. Special Agent Boehmer served as the Director of Investigations for the OIG since its inception in 2005. He will have a lasting impact on the OIG and all of the OIG staff who had the privilege to work with him. He had a quick wit and a caring heart, and we all miss him deeply. We will continue “fighting crime and evil” as Special Agent Boehmer always encouraged.

OFFICE OF THE INSPECTOR GENERAL

The OIG is charged with the responsibility of recommending policies and carrying out activities that deter, detect and eradicate fraud, waste, abuse, mismanagement and misconduct in state government. Those activities include conducting investigations and properly training and advising state employees, special state appointees and state elected officials on how to comply with the Code of Ethics. The OIG also develops effective procedures to prevent or reduce the risk of fraudulent or wrongful acts within state government.

The OIG consists primarily of attorneys and special agents. Attorneys and law enforcement work cooperatively and collaboratively to advance the mission of the agency. Special agents are sworn law enforcement officers that conduct investigations, interview witnesses, serve warrants and examine records, contracts, reports and other documents. They also coordinate and assist other agencies with investigations when requested. The attorneys file and prosecute ethics complaints before the State Ethics Commission. They also assist the agents with legal advice, prepare legal documents and help present cases to state and federal prosecutors for criminal prosecution. The attorneys also spend countless hours each year advising individual state employees to ensure that they comply with the Code of Ethics.



The new “normal”: OIG staff met via Microsoft TEAMS, one of the newer technologies available to the State. The OIG leveraged this technology to carry out our responsibilities safely and cost effectively during 2020’s global pandemic.

State employees and state-elected officers file financial disclosure statements, when required by statute, with the Inspector General. These statements are public documents and available to the public upon request. The OIG also staffs the State Ethics Commission.

The investigative records and final reports of the OIG may be kept confidential in whole or in part at the discretion of the Inspector General. During 2020, the OIG made most of its final reports available to the public on the agency's website.

The OIG is a law enforcement agency, but the emphasis from its inception has also included advising and educating those under its jurisdiction. To that end, the OIG provides an on-line ethics training course that is updated every two years. The OIG also holds conferences to further train and educate state workers on the Code of Ethics (Legal & Ethics Conference) as well as how to deter and recognize fraud and other forms of misconduct (Auditor & Investigator Conference). The OIG's website is continuously updated to provide additional resources and guidance as needed. The OIG also works with ethics officers throughout the executive branch agencies. Per Executive Order 13-01, every executive branch agency is required to have a designated ethics officer to serve as an advisor to the agency's leader and advise employees on ethics matters. Ethics officers serve as the main point of contact for the OIG's educational efforts and are encouraged to bring ethics questions and requests for investigations to the OIG as needed.

In 2020, the OIG recognized two outstanding ethics officers with the IG's Award for Excellence. These ethics officers were Major Nila Miller-Cronk, the ethics officer for the Indiana State Police, and Gabrielle Owens, the ethics officer for the Indiana Department of Veterans Affairs.

The OIG's fiscal-year budget for 2020-2021 is \$1,185,157. The State Ethics Commission has its own budget of \$5,731 per year, which pays per diem and travel if necessary for the commission members. There are five commission members appointed by the Governor and 12 full-time employees at the OIG.



STATE ETHICS COMMISSION

The State Ethics Commission consists of five commissioners. Commissioners are appointed by the Governor of Indiana to serve four-year, staggered terms. Commissioners may not be elected officials, state employees or lobbyists. No more than three commissioners may be from the same political party. The Commission holds monthly public meetings during which it issues advisory opinions and reviews complaints filed by the OIG. The Commission has the ultimate authority to interpret the Indiana Code of Ethics.



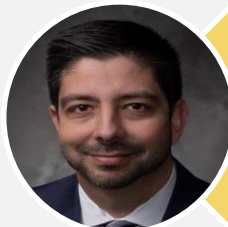
Corinne Finnerty was appointed to a four-year term by Governor Holcomb in 2018. Ms. Finnerty has practiced law since 1981 and owns her own law firm, McConnell Finnerty PC, in North Vernon, Indiana. She received her B.A. from Indiana University and her J.D. from the Indiana University Maurer School of Law. She previously served on the Indiana Supreme Court Disciplinary Commission for 10 years and has served as a director of First Financial Bancorp, a publicly traded regional bank headquartered in Cincinnati, Ohio, since 1998.



Sue Anne Gilroy was appointed to a four-year term by Governor Eric Holcomb in 2018. Ms. Gilroy served as Indiana Secretary of State from 1994 to 2002. She worked as St. Vincent Hospital's Vice President of Development and Executive Director of the St. Vincent Foundation until her retirement in 2018. Ms. Gilroy graduated Cum Laude from DePauw University with a Bachelor of Science Degree and holds a Master's Degree in Public Administration from Indiana University at Indianapolis.



Katherine Noel was appointed to a four-year term by Governor Holcomb in 2018 and appointed as Chair in 2019. Ms. Noel owns her own law firm, Noel Law, in Kokomo, Indiana. She received her B.A. from Franklin College and her J.D. from Indiana University Maurer School of Law. Prior to her appointment, she previously served on the State Employees Appeals Commission for six years.



Raphael Sanchez was appointed to a four-year term by Governor Holcomb in January of 2020. Mr. Sanchez serves on Old National Bank's executive management team as President of Private Banking throughout Old National's five-state footprint. Mr. Sanchez previously served as President and CEO of Indianapolis Power & Light Company, and prior to that, he practiced law for 14 years as a partner at the law firm Bingham Greenebaum Doll in Indianapolis. A resident of Fishers, Mr. Sanchez obtained his B.A. from University of Puerto Rico and his J.D. from the Indiana University Maurer School of Law.



Kenneth Todd was appointed to fulfill the remainder of an unexpired term by Governor Holcomb in March 2019. Mr. Todd served as the Judge of the Monroe Superior Court III from 1979 through 1990 and as Judge of the Monroe Circuit Court from 1990 until his retirement on October 15, 2018. Mr. Todd graduated from Indiana University with a B.A. in 1967, earned his J.D. from the Indiana University School of Law in 1970 and then served in the United States Air Force from 1970 to 1974. He now resides in Monticello.

EDUCATION

In 2020, the OIG offered two virtual conferences. The virtual conferences, while presenting their own challenges, also provided greater accessibility to these educational events as attendees could attend via their office or home and not have to physically be present in a state facility with limited capacity.

The 2020 Auditors & Investigators Conference took place on June 23-25, 2020, and was attended by over 400 state employees, the majority of whom serve in an auditing or investigative capacity within their state agencies. The conference included a panel on the progression of a fraud case through different state agencies from audit to prosecution, as well as presentations by the Indiana State Police - White Collar Crimes Unit and Dr. Kelly Richmond Pope, forensic accounting expert and director/producer of the documentary film on public corruption, *All the Queen's Horses*.



Legal & Ethics Conference: OIG staff members greet attendees at the 2019 Legal & Ethics Conference. The 2020 Legal & Ethics Conference was held virtually due to the COVID-19 pandemic.

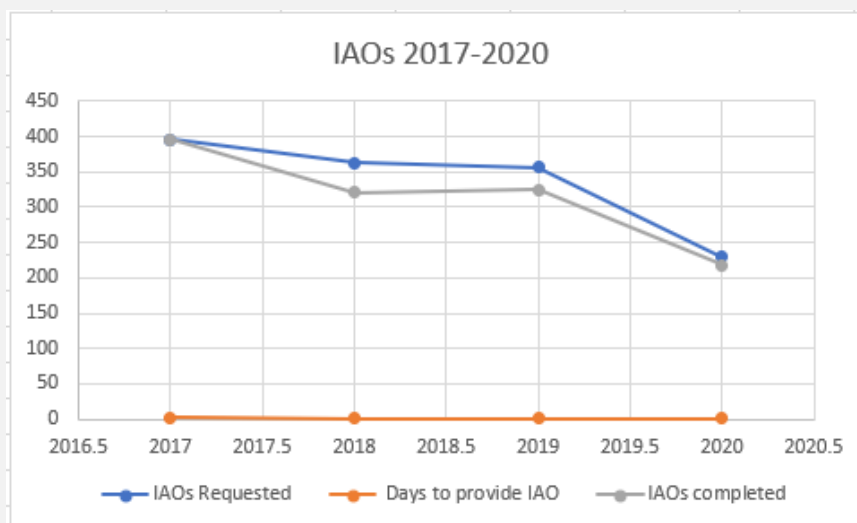
The OIG held the 2020 Legal & Ethics Conference on November 19, 2020. This conference was targeted towards agency ethics officers and other state government attorneys. Attendance exceeded past conferences¹ due to increased accessibility through the virtual platform. This conference offered three Continuing Legal Education credit hours and included a panel on the ethics of diversity, equity and inclusion (DEI) in government law practice; a panel of Ethics Officers discussing best practices for promoting and maintaining ethics and integrity within a state agency; and a presentation by the OIG on frequently asked legal ethics questions. OIG attorneys also provide in-person and virtual training sessions upon request—both within state government and at other local and national conferences.

¹ Approximately 250 state employees attended the 2019 LEC in person; Nearly 400 state employees attended the 2020 LEC in its virtual format. Likewise, the 2019 Auditor & Investigators Conference was attended by 280 state employees while the 2020 Auditor & Investigator Conference drew more than 400 state employees.

ADVISORY

Informal Advisory Opinions (IAOs)

- The OIG issues IAOs to all state officials under its jurisdiction² seeking advice on the application of the Code of Ethics to their intended action(s).
- IAOs are confidential³, written legal opinions that the OIG issues within an average of 1-2 business days from receipt of the request and all required information.
- This process is designed to improve state officials' compliance with the State's ethical standards by providing legal advice on the application of the ethics rules before they act.
- In 2020, the OIG received 230 requests for IAOs and issued 218⁴.
- OIG attorneys prioritize the issuance of IAOs as part of the OIG's commitment to customer as well as good government service. In 2020, the average number of business days in which OIG attorneys provided an IAO after receiving a request was 1.3.



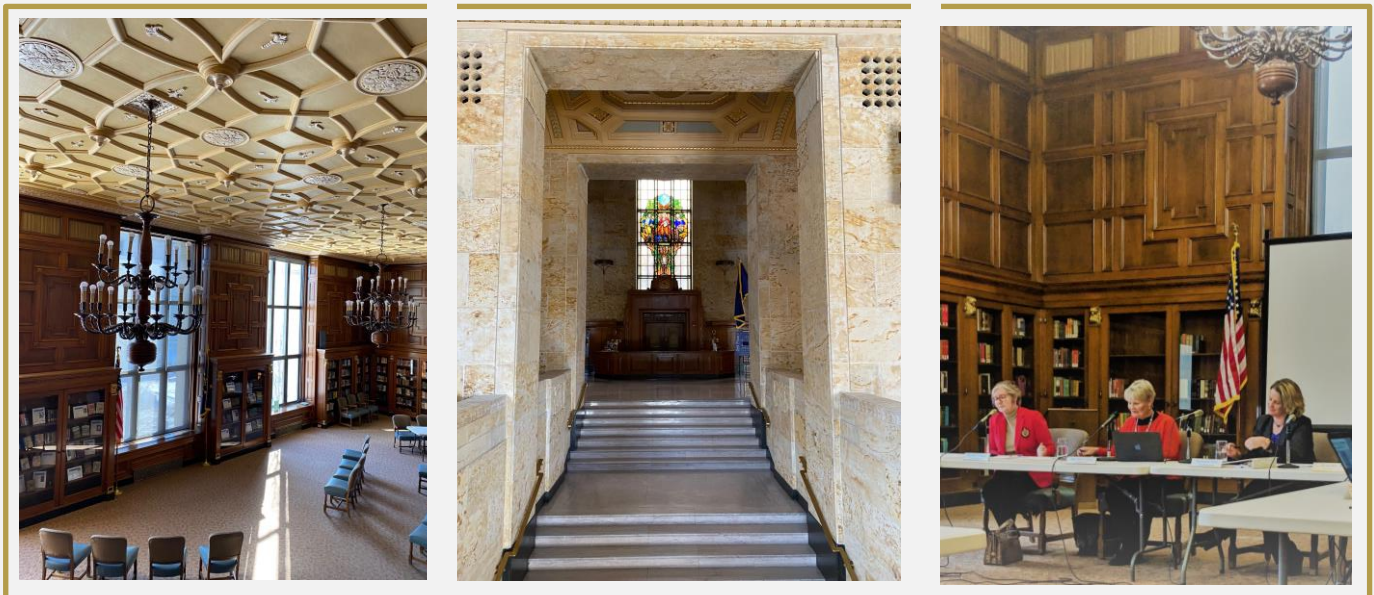
² State employees, special state appointees, and state officers within the executive branch all fall under the jurisdiction of the OIG. The OIG also has limited jurisdiction over persons with a business relationship with the State.

³ Pursuant to 42 IAC 1-8-1 (b), IAOs are exempt from the Access to Public Records Act as deliberative interagency communications.

⁴ The OIG often receives requests for advice from local governments or other parties over whom the OIG has no jurisdiction or authority.

Formal Advisory Opinions (FAOs)

- FAOs are issued by the State Ethics Commission (Commission), the ultimate authority in interpreting the Code of Ethics.
- The Commission members issue their interpretations in the form of FAOs upon request at their monthly public meetings.
- Unlike the IAOs, which are intended to provide quick, confidential advice, the FAO process is public - the Commission receives evidence under oath at a public meeting and issues a detailed opinion that serves as the final determination on the matter.



Indiana State Library building: When not meeting virtually, the State Ethics Commission holds its public meetings in the Indiana State Library, part of the Indiana state government campus and an architectural gem of a building built in 1934. The OIG offices are also located in this building.

- The final, written FAOs and related requests and documentation are public and are posted on the OIG [website](#). FAOs are searchable by keyword, date of issue or applicable rule.
- In 2020, the Commission issued 13 FAOs, the vast majority of which dealt with questions concerning moonlighting/outside employment and related conflicts of interests. The Commission addressed a variety of topics including outside employment questions related to seeing patients at a local health care facility to maintain license/credentials (2020-FAO-004; 2020-FAO-011; 2020-FAO-013); working as a political consultant (2020-FAO-005);

working as a training consultant (2020-FAO-009); working as a volunteer for a former employer whose functions were being transitioned to her state agency (2020-FAO-012); establishing an outside ambulance transport business (2020-FAO-015); and serving as a tax collector (2020-FAO-016).

- The sole FAO that did not concern outside employment involved acceptance of a contest prize awarded by an entity that had a contract with the state employee's agency (2020-FAO-003).

Disclosure Statements and Waivers

- The OIG promotes transparency through required disclosure statements and waivers. In 2020, the OIG received over 1600 Financial Disclosure Statements filed for calendar year 2019 from state employees and elected officials across 79 agencies. Indiana law requires all agency heads, state-elected officers, employees with final purchasing authority and various other state employees to file an annual Financial Disclosure Statement by February 1 each year. The disclosure statements of all seven elected officers are available on the OIG website.
- Indiana ethics laws require state employees and special state appointees to file conflict of interests disclosure forms with the State Ethics Commission through the OIG if they identify a potential conflict of interests between their official state responsibilities and their own personal interests. In 2020, the OIG processed 45 such disclosures. All filed conflict of interests disclosure statements are posted on the OIG website.
- State agencies also can waive application of the ethics rules pertaining to gifts and post-employment restrictions if doing so meets certain public interest requirements. State agencies executed and filed six gift waivers and seven post-employment waivers. These waivers are posted on the OIG website along with additional information on the waiver requirements.
- The Commission approved seven post-employment waivers in 2020. By statute, agency appointing authorities who choose to issue a waiver of the post-employment restrictions found in IC 4-2-6-11 must present the waiver to the Commission for approval at one of their public meetings. The Commission can approve the waiver if it finds that the waiver meets all of the requirements articulated in IC 4-2-6-11(g).



ENFORCEMENT

Investigations

The OIG receives investigation requests through various forms and sources. The online hotline provides a venue by which anyone can report alleged wrongdoing to the OIG. The reporting party can choose to identify themselves or remain anonymous. The OIG also receives complaints via mail, walk-ins or agency referrals.

The jurisdiction of the OIG is limited to violations of the Code of Ethics, criminal allegations, waste, mismanagement and abuse in executive branch agencies and offices. It also extends to a limited extent to those entities with or seeking a business relationship with an agency.

This year, the OIG received a total of 401 investigation requests. The subjects of the requests to investigate vary greatly. The OIG carefully screens each hotline and either opens a case for investigation, declines to investigate the hotline because it does not fall within the OIG's mission, closes the hotline for insufficient cause or refers the reporting party to another entity if the report involves a matter that is outside of the OIG's jurisdiction. The OIG attorneys prioritize the hotline screening process, and the average number of days to screen a hotline in 2020 was 0.84 days.

The OIG opened 42 new cases for investigation in 2020. The agency completed investigations for and closed 44 cases in 2020. The OIG published 41 of these final reports on its [website](#) for public review.

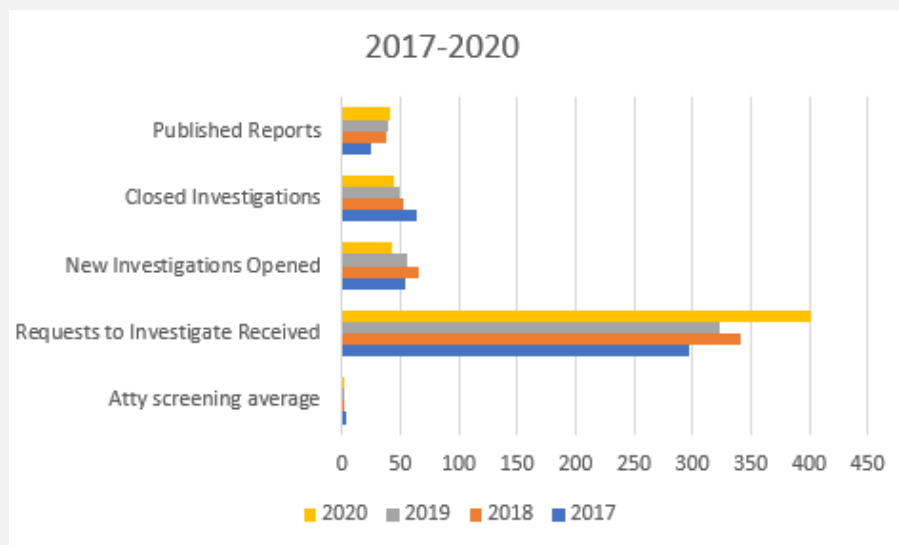
When the OIG finds evidence of criminal wrongdoing, the OIG submits the case to the appropriate county prosecutor for review and possible criminal charges. In 2020, seven OIG cases resulted in criminal charges in six different counties. Criminal charges filed included falsification of child abuse investigations, obstruction of justice, theft and official misconduct.

Collections

The OIG collects and tracks payments of fines for state ethics violations and restitution orders resulting from OIG criminal investigations. The OIG collected \$13,265 in criminal restitution payments and \$4,205 in civil penalties in 2020. Total recovered penalties and restitution was \$17,470. Criminal restitution is not dischargeable in bankruptcy; as such, the OIG continues collection efforts on older, unpaid judgements.

Recommendations

The work of the OIG also impacts how the State conducts business. Those impacts can include recommendations that result in improved policies, improved compliance with existing policies or termination of employees or vendors that do not adhere to state statutes or policies. These actions can deliver monetary results through better compliance and efficiencies and reduced fraud and loss of taxpayer dollars. In 2020, the OIG issued 33 recommendations across 13 different reports (12 public; 1 confidential). The recommendations were addressed to seven different state agencies, and two reports were addressed to all executive branch agencies. The recommendations ranged from implementing and updating agency policies, educating employees on agency policies, maintaining detailed records of expenditures and securing state equipment.



GOVERNOR



ERIC J. HOLCOMB

Eric Holcomb is the 51st Governor of Indiana. A lifelong Hoosier, Governor Holcomb is a veteran of the United States Navy, served as the state's 51st Lieutenant Governor, was a trusted advisor to both Governor Mitch Daniels and Senator Dan Coats and was a former state chairman of the Indiana Republican Party. He was elected governor in November 2016 and reelected in November 2020.

Governor Holcomb's fifth pillar of his Next Level Agenda - to deliver great government services at great taxpayer value - is advanced by the work of the Indiana Office of Inspector General.