



INVESTIGATIVE REPORT

David Cook, Inspector General

OFFICE: OFFICE OF THE INDIANA ATTORNEY GENERAL (OAG)
TITLE: CONTINGENCY FEE CONTRACT AMENDMENT
CASE ID: 2022-11-0353
DATE: November 23, 2022

After examination and review, Office of Inspector General Chief Legal Counsel Tiffany Mulligan 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 proposed 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 Code of Ethics, set forth in Ind. Code 4-2-6 and 42 IAC 1-5, or an agency rule concerning conflicts of interests.

On November 22, 2022, the Office of the Indiana Attorney General (OAG) notified the Indiana Office of Inspector General (OIG) that it wished to amend a contingency fee contract (Agreement) with United Collection Bureau, Inc. (UCB), a collections firm; and Scheer, Green, and Burke, L.P.A (Counsel), a law firm. The Agreement began on December 1, 2020, and it is effective through November 30, 2022. The Agreement included an option to renew the Agreement for a period not to exceed the original term of the Agreement and an option that the State could request a replacement of Counsel with a new law firm or individual attorney if the State becomes

dissatisfied with the services of Counsel.

The OAG notified the OIG that it still is in need of collection assistance from UCB. As such, the OAG would like to extend the term of the contract until November 30, 2024. The OAG also would like to exercise its right to replace and remove Counsel, pursuant to the terms of the Agreement.

The purpose of the original Agreement was to represent the State in actions against debtors for the collection of claims against various individual and business accounts for recovery of overpayments and assessments of accounts owed to state offices and agencies, as well as state universities and court systems. In Inspector General Report 2020-10-0327¹, dated October 28, 2020, the OIG determined that the original Agreement would not violate the Code of Ethics or any statute or agency rule concerning conflicts of interests.

Most of the circumstances that the OIG evaluated in making its original determination have not changed and will not be changed by this amendment. The amendment first extends the term of the Agreement for an additional two-years. It also removes Counsel and provides the State with the sole authority and discretion to choose a replacement counsel under the terms of the original Agreement.

The OAG asserts the following: UCB does not employ any state employees, no OAG employee or immediate family member of an OAG employee has a financial interest in UCB or the Agreement, and 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. The OAG also asserts that neither UCB nor any UCB member has a conflict of interests that would violate either the Code of Ethics or any ethics rule of the Indiana Supreme Court or any statute or agency rule

¹ The IG's Investigative Report regarding the original contract can be found at: [2020-10-0327-OAG-Contingency-Fee-Contract PUBLIC.pdf](#).

concerning conflict of interests.

The amendment to the Agreement specifies that “any replacement counsel appointed pursuant to the original Agreement shall be memorialized by executing a subsequent amendment to the original Agreement.” The OAG further asserts that if/when it chooses a replacement law firm or attorney for Counsel, the OAG will ensure that any replacement counsel meets the ethical criteria mentioned above that it notes UCB currently meets. So long as this is the case, the OIG determines that entering into this contingency fee contract 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: November 23, 2022

APPROVED BY:


David Cook, Inspector General