

INDIANA STATE ETHICS COMMISSION

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42 IAC 1-5-4 Political activity

IC 4-2-6-17 Use of state property

42 IAC 1-5-13 Ghost employment

42 IAC 1-5-5 Outside employment IC 4-2-6-5.5

42 IAC 1-5-6 Conflict of economic interest IC 4-2-6-9

Director, the director of Healthy Hoosiers Foundation, sought the Commission's advice as to whether she could campaign as the Washington Township Trustee and serve in the role if she is elected while simultaneously maintaining her position as Healthy Hoosiers Foundation director. The Commission finds Director may campaign for the Washington Township Trustee role and maintain her director position without running afoul of the Code of Ethics and declines to issue an opinion as to whether she may serve if elected and maintain her director position because not enough information is known about what her responsibilities would be as Trustee at this time.

October 7, 2026

2026-FAO-006

The Indiana State Ethics Commission (Commission) issues the following Formal Advisory Opinion (FAO) concerning the State Code of Ethics (Code) pursuant to IC 4-2-6-4(b)(1). The following opinion is based exclusively on sworn testimony and documents presented by the requestor, Director, director of Healthy Hoosiers Foundation, and Ethics Officer, the Ethics Officer with Indiana Department of Health (IDOH).

BACKGROUND

Director is the director of the Healthy Hoosiers Foundation, a non-profit established pursuant to IC 16-19-3-30, which grants IDOH the authority to establish a nonprofit subsidiary corporation that is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code, to solicit and accept private funding, gifts, donations, bequests, devises, and contributions. The Executive Director's current initiatives are focused on reducing infant and maternal mortality rates, obesity rates, and nicotine addiction rates. The Foundation is also partnering with IDOH to begin work on several food systems related projects. All major decision-making duties are the role of the board of directors, and Director has no personal decision-making authority. The signing of any contracts or grants is done at the direction of the board, not in her individual capacity.

Director was nominated to run for Washington Township Trustee (Trustee). The duties of Trustee include but are not limited to administering township assistance, submitting an annual budget, paying and recording all claims for township expenses, presenting an annual report, and maintaining abandoned cemeteries located in Washington Township. Director testified that the Trustee role is paid a salary of approximately \$79,000 and has a full-time office staff. The trustee's office is open 8 a.m. – 4 p.m. Monday-Friday. Director testified that there is also Trustee work that takes place after business hours, such as budget meetings.

Director testified that she currently works 37.5 hours a week in her role at IDOH. She also testified that there is precedent for the director of the Healthy Hoosiers Foundation to utilize a 30-hour work week.

ISSUES

Is Director prohibited under the Code of Ethics from serving both as director at the Healthy Hoosiers Foundation at IDOH and running for and serving as a Washington Township Trustee?

RELEVANT LAW

42 IAC 1-5-4 – Political Activity

IC 4-2-6-17 - Use of State Property

42 IAC 1-5-13 – Ghost Employment

IC 4-2-6-5.5 – Conflict of interest; outside employment

IC 4-2-6-9 - Conflict of interest; decisions and voting

ANALYSIS

Director's request for a Formal Advisory Opinion invokes consideration of the provisions of the Code pertaining to political activity, conflicts of interest, ghost employment, and use of state property. The application of each provision to Director's situation is analyzed below.

42 IAC 1-5-4 – Political Activity

The political activity rule prohibits state employees from engaging in political activity including soliciting contributions when on duty or acting in an official capacity. It also prohibits state employees from soliciting political contributions from employees they supervise or persons with a business relationship with the state employee's agency.

So long as Director does not engage in any of the above prohibited activities, the Commission finds her campaign and candidacy for Trustee is permissible under the political activity rule.

42 IAC 1-5-13 Ghost Employment

The ghost employment rule restricts state employees from engaging in work other than official duties, except as permitted by policy or regulation. This is a consideration for both Director's campaign and her potential future service as an elected Trustee. IDOH's ethics officer testified that Director has been advised as to ghost employment.

The Commission cautioned Director against ghost employment during the campaign but found that so long as Director does not engage in ghost employment, her campaign and candidacy for Trustee is permissible under this rule.

The Commission expressed concern about potential ghost employment after the campaign, should Director be elected Trustee. Both the IDOH and Trustee role are full-time positions. When asked

by the Commission how she would balance the responsibilities of both her IDOH and Trustee roles, Director testified she may go down to a 30-hr workweek at IDOH to accommodate her Trustee duties. She also stated that the incumbent, a lobbyist, maintained, until recently, a separate business in addition to his Trustee role. But she could not address concerns about potential ghost employment more specifically at this time.

IC 4-2-6-5.5 Outside Employment

The outside employment/professional activity rule prohibits state employees from:

1. Accepting other employment that would involve compensation of substantial value if the responsibilities of that employment are inherently incompatible with the responsibilities of public office or would require them to recuse themselves from matters so central or critical to the performance of their official duties that their ability to perform them would be materially impaired;
2. Accepting other employment or engaging in professional activity that would require them to disclose confidential information that was gained in the course of state employment; or
3. Using their official position to secure unwarranted privileges or exemptions that are of substantial value and not properly available to similarly situated individuals outside state government.

The Commission determined that not enough is known about Director's potential service if elected Trustee to make a determination regarding outside employment at this time. Director is basing much of her understanding of Trustee operations based on precedent established by the current Trustee, who is not a state employee and thus not subject to the Ethics Code.

IC 4-2-6-9 - Conflict of interest; decisions and voting

IC 4-2-6-10.5 – Conflicts of Interests Related to Contracts

IC 4-2-6-9 prohibits state employees from participating in any decision or vote, or matter related to that decision or vote, if the employee has knowledge that various persons may have a financial interest in the outcome of the matter, including any business organization in which they serve as an employee.

IC 4-2-6-10.5, a state employee may not knowingly have a financial interest in a contract made by any state agency. The Code defines "financial interest" to include an interest arising from employment. The Commission has interpreted this rule to apply when a state employee derives compensation from a contract between a state agency and a third party. In other words, if a State of Indiana contract or grant funds any compensation that Director would receive for IDOH role, the rule would prohibit her from accepting the compensation unless she meets the requirements of the rule's exception.

The Commission did express some concern that the constituencies for the Trustee role and for the Healthy Hoosiers may overlap significantly. However, the Commission determined that

not enough is known about Director's potential service if elected Trustee to make a determination regarding conflicts of interest at this time.

CONCLUSION

Director's candidacy for Washington Township Trustee is permissible under the political activity rule and does not appear to create any conflicts of interest. The Commission finds Director's request for a formal advisory opinion regarding potential outside employment as a Trustee to be premature and declines to issue an opinion regarding Director's as this time. Director is welcome to return after the election with a new request for a formal advisory opinion when more is known about her potential service and how it might impact her role with IDOH.

Respectfully Submitted,

Rachael C. Ehlich

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Office of Inspector General