





Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.





- Towns
- Cities
- County Governments
- Townships
- Not-For-Profits receiving government funds
- School Corporations



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Misfeasance – Not performing a lawful act in a proper manner.

Nonfeasance – An omission to perform a duty or a total neglect to perform a duty.

Malfeasance – Doing an act Wholly wrong.

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Special Investigations

- Separate from the audit teams
- Investigate allegations of malfeasance
- Northern Team/Southern Team 13 investigators
- Coordinate investigations with local/state/federal law enforcement
- Produce charge reports that are enforced by the Attorney General's Office
- Assist in criminal prosecutions

How we receive complaints

- Government unit referral
- Citizen complaints
- Law enforcement referral
- Audit ream referral

Why do we investigate allegations of malfeasance?



Because Indiana Code 5-11-1-27(j), which states:

...For all material variances, losses, shortages, or thefts, the state board of accounts shall:

(1) determine the amount of funds involved and report the amount to the appropriate government and law enforcement officials; . . .

Possible Outcomes of a Special Investigation

- Unfounded no charge, no report
- Compliance Report
- Charge Report
- Charge Report with Criminal Prosecution

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Special Investigation 84477I: Clark County Sheriff's Department



Over \$5.5 Million charged in two Special Investigation Reports

Special Investigation Report 84477I:

Clark County Sheriff's Department Jail Commissary Clark County, IN

\$918,416.53 Charged



Scan the QR Code to view the Report

Special Investigation Report 84474I:

Utica Township Volunteer Fire Fighter's Association D/B/A New Chapel EMS Clark County, IN

- □ \$4,055,210.33 Charged
- □ \$602,674.53 In Excess of Public Funds



Sheriff Noel tasked county employees to work on his personal barn and properties while they were being paid by the county.





Purchase and trade of a Sheriff's Department vehicle

- Noel as President of New Chapel EMS authorized the sale of a 2009 Dodge Ram 1500 to the Sheriff's Department in 2019, which was paid for with commissary funds.
- In 2021, as President of New Chapel EMS, Noel purchased a 2021 Ram Promaster City Cargo Van and received a \$10,000 trade in for the 2009 Dodge Ram 1500 that belonged to the sheriff's department.



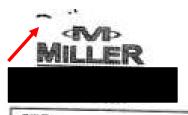


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Falsified Invoices

Invoice obtained from the Clark County Jail Commissary Records showed clear signs of alteration.





Bill To Clark County Sheriff's Office

Invoice

Date	Involce	
7/20/2022	238636	
Ter	TITIS	
Due on	receipt.	

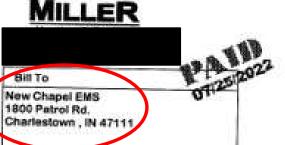
	Phone	502-773-7116	
Location	PO	Invoice Type	Rep
1800 PATROL RD	CLARK CO	HVAC	JR

To replace existing system and to install a 92% 100,000 btu gas furnace with a 4 Ton AC with all other material and labor

TOTAL DUE NOW \$6,539.12

Thank you for your business.





Invoice

Date	Invoice #
7/20/2022	238636
Te	rms
Due on	receipt.

	Phone #	502-773-7116	
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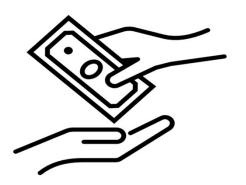
Thank you for your business.

Special Investigation 84474I: Utica Township Volunteer Fire Fighters Association dba New Chapel EMS

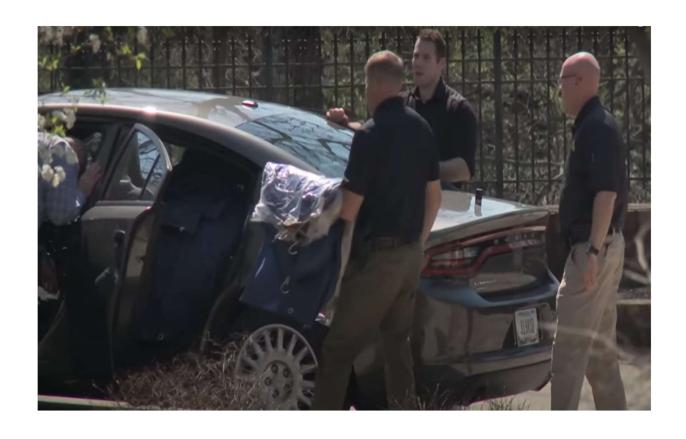
Noel paid child support expenses with unit funding



- Noel wrote 21 checks for child support from the New Chapel EMS bank account in 2020 and 2021 totaling \$50,968.00.
- Noel used the New Chapel AMEX card to make 22 child support payments in 2022 and 2023 totaling **\$52,815.07** and **\$1,188.44** in credit card fees.
- Total child support payments were \$104,971.51.



From 2019 to 2023 Noel purchased \$183,980.07 in custom suits and apparel.



On July 5, 2022, Noel purchased four firearms with the New Chapel AMX Card.





1 – Kimber Pistol

3 – CZ Scorpion Carbines

Total cost of firearms: \$4,516.40

Nole purchased car lifts for his personal barn with the New Chapel AMX credit card totaling \$16,939.00.





On December 8, 2020, Noel in his capacity as President of New Chapel EMS purchased a 2020 Corvette Stingray. On May 3, 2021, in his personal capacity, Noel traded the corvette for a 2020 Mercedes.

Owned by New Chapel EMS



Owned by Noel



Loss to New Chapel EMS was \$39,444.77

On August 18, 2017, Noel purchased a Kubota 4WD HST Cab Tractor for \$40,656 with New Chapel EMS funds. On August 31, 2022, Noel sold the tractor for \$31,000 and deposited the check into his personal account.



Fairfield Township Trustee

Malfeasance included:

- Personal expenditures
- Salary overpayment
- Selling personal property to the township without filing a conflict-of-interest statement

Fraudulent Receipt

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY RESULTS AND COMMENTS (Continued)



In looking at the invoice, we observed much of the information at the top was missing, such as the year and the make and model of the vehicle, so we contacted Tire Barn. Tire Barn provided us with their store copy of the invoice. The Tire Barn store copy of the invoice indicated it was for a 2016 Honda Civic as pictured below.

Real Receipt

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY RESULTS AND COMMENTS (Continued)



Per an interview with Coles on August 10, 2022, Coles stated that she wrote "Crown Vic" on the invoice she provided to us for the investigation. When presented with the invoice we obtained from Tire Barn, Coles confirmed that she had a Honda Civic. Coles stated that she could not explain the invoice discrepancies, but stated if the Tire Barn invoice was correct, she would repay the money to the Township.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

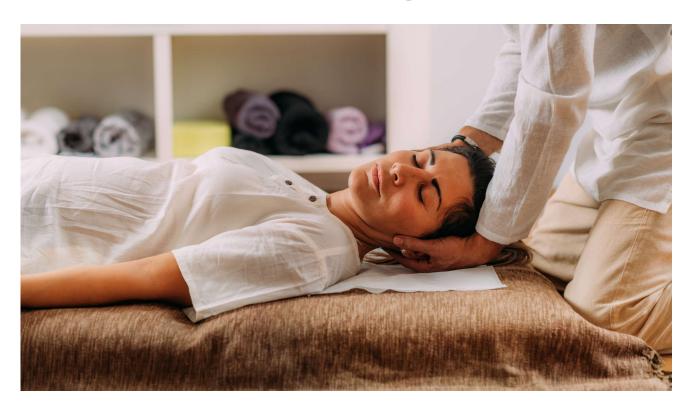
Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the Township for the altered invoice in the amount of \$120.36. Coles reimbursed \$121 to the Township on August 31, 2022. (See Summary of Charges, page 46)

\$17,787 of Self-Help Materials



Took her entire staff to a "team building event"



Total loss to the unit was \$53,827.51



Coles was sentenced to four years

Anderson School Corporation Bookkeeper



Carla Burke

- One of Burke's duties was to pay school vendors.
- Burke would submit vouchers for payment and once approved, she would send the payment to the vendor.
- Burke would receive a cashiers check to provide to the vendor via email.
- Burke would then print the check and provide it to the vendor.

Carla Burke

- Burke began submitting fraudulent voucher claims
- Once Burke received the check via email, she had the ability to change the vendor's name to her name, print the check and then change it back to the vendor's name.
- Burke did this 312 times over a five-year period and was successful in stealing \$976,773.29.
- Federally indicted on multiple counts of wire fraud and was sentenced to 28 months incarceration.

Reasons a good person may resort to theft

- 1. Expenses related to an accident or illness involving a family member
- 2. Spouse's loss of job
- 3. Debt
- 4. Passed up for a truly deserved raise
- 5. Just "borrowing" with intent to pay back the amount taken
- 6. Child college expenses



Darker Reasons often unknown to co-workers

- Drugs
- Gambling debts or Other uncontrollable habits
- ▶ Blackmail
- ▶ Greed
- ► Irrational desire to provide everything possible for grandchildren or family





What's the number one reason people steal?

Because they can!

Money Laundering

To conceal the source of money by channeling it through an intermediatory





Money Laundering Process

- Placement Depositing illegal profits into a financial system.
- Layering Once funds are deposited, the money is moved around to confuse an audit trail.
- Integration Moving the money back into the economy in a way that makes it appear to be a legitimate transaction.

Methods of concealment

- Cash Businesses Bars, laundry mats, flee markets, festivals, fireworks sales, landscaping, construction.
- Gambling Buying a large amount of chips and then cashing out after losing a small amount.
- Overseas transfers under the reporting threshold.
- Real estate/vehicle/jewelry/firearms purchases.

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THANK YOU

OFFICE



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