



INSPECTOR GENERAL REPORT

2006-03-0126

July 16, 2008

IURC PIPELINE SAFETY DIVISION REPORT

Inspector General Staff Attorney Todd Shumaker, after an investigation by Special Agent Mike Mischler, reports as follows:

In March of 2006, the Office of the Inspector General (OIG) received an email complaint raising safety and conflict of interest concerns with the Indiana Utility Regulatory Commission Pipeline Safety Division (Division). The complaint alleged: (A) inspections by the Division were not noting dangerous hazards such as the absence of a functioning alarm system at a liquid natural gas facility; (B) the Director of the Division (Director) encouraged Division inspectors to recommend only specific consulting companies to assist utility companies in complying with rules, regulations, and inspections; and (C) the Director was not qualified to hold her position within the Division since she did not have ten years of experience relating to pipeline inspections.

I.

The OIG is responsible for addressing fraud, waste, abuse, and wrongdoing in agencies. IC 4-2-7-2(b). The Legislature has also declared that

the OIG shall “recommend policies and carry out other activities designed to deter, detect, and eradicate fraud, waste, abuse, mismanagement, and misconduct in state government.” IC 4-2-7-3(2).

II.

Special Agent Mike Mischler was assigned to investigate. He conducted multiple interviews, reviewed the applicable statutes and examined various documents relating to the allegations.

His investigation revealed the following findings:

A.

The alarm system at the facility identified by the complainant has been installed as required by IC 8-1-22.5-4 and is operational.

B.

There was no inappropriate recommendation of services by the Director. Instead, the Director refers utility companies, at their request, to four companies for consulting services to maintain compliance with IC 8-1-22.5-6, but does not favor one company over any of the others.

C.

The Director meets the qualifications provided for in the job description for her position as established pursuant to IC 8-1-22.5-3 in that she possessed both

a Bachelor's of Science degree and eight years of experience as a pipeline inspector at the time of her appointment to the position.

III.

With no further evidence to substantiate the allegations made against the Division in the complaint, this case will be closed in order to pursue other pending investigations.

Dated this 16th day of July, 2008.

APPROVED BY:



David O. Thomas, Inspector General