



# INVESTIGATIVE REPORT

David Cook, Inspector General

OFFICE: INDIANA BUREAU OF MOTOR VEHICLES (BMV)  
TITLE: BMV OUTSIDE EMPLOYMENT & CONFLICT OF INTERESTS  
CASE ID: 2023-05-0181  
DATE: October 16, 2023

*Indiana Office of Inspector General Chief Legal Counsel, Tiffany Mulligan, after an investigation by Inspector General Special Agent Michael Lepper, reports as follows:*

The Indiana General Assembly charged the Office of the Indiana Inspector General (OIG) with addressing fraud, waste, abuse and wrongdoing in the executive branch agencies of state government. Ind. Code §4-2-7-2(b). The OIG also investigates allegations of criminal activity and Code of Ethics violations within state government. Ind. Code §4-2-7-3. The OIG may recommend policies and carry out other activities designed to deter, detect and eradicate fraud, waste, abuse, mismanagement and misconduct in state government. Ind. Code §4-2-7-3(2).

## **I. BACKGROUND**

On May 17, 2023, the OIG received a complaint alleging that Strange engaged in part-time employment for Everage Auto, a car dealership with locations in Angola and LaGrange, Indiana, while she was serving as the Assistant Branch Manager at the Indiana Bureau of Motor Vehicles' (BMV) LaGrange branch. The complaint alleged that Strange was processing titles for Everage Auto and that she also processed titles in her position with BMV.

A Field Investigator (Investigator) with BMV's Fraud and Security Enforcement Division (Division) conducted an initial investigation into the allegations. Investigator learned that on May 2, 2023, the Branch Manager for BMV LaGrange branch (LaGrange Manager) contacted the BMV Regional

Manager (Regional Manager) and told her that the owner (Owner) of Everage Auto came into the BMV Angola branch that same morning. During his visit to the BMV Angola branch, Owner stated that Strange was assisting Everage Auto with title work. He said that she received a salary of \$75 per week for her work. LaGrange Manager stated that Owner made these statements in front of herself and two other BMV employees. The Division obtained affidavits from the two other BMV employees that affirmed they heard Owner state that Strange was performing title work for Everage Auto and that Everage Auto was paying her \$75 per week for her work.

During an interview with Investigator, LaGrange Manager stated that she denied a request from Strange to work at Everage Auto on April 19, 2022. She stated that she was unaware that Strange accepted the position with Everage Auto after she denied Strange permission to work there. Investigator obtained an email string between LaGrange Manager and Regional Manager dated April 19, 2022. In the email, LaGrange Manager notified Regional Manager that Strange was offered a part-time job with Everage Auto doing titles. Regional Manager responded that the outside job with Everage Auto would present a conflict of interests and that Regional Manager would need to notify BMV's Ethics Officer. LaGrange Manager responded that Strange told her that "if it was going to cause a hassle she was not accepting it." Regional Manager again responded that the outside job would present a conflict of interests, and if she needed to reach out to legal staff, LaGrange Manager should let Regional Manager know.

Investigator asked the Division to run title applications for Everage Auto for April 2023. The Division found approximately twenty transactions for Everage Auto for the LaGrange BMV branch, where Strange worked. Based on his review of the documents, Investigator believed that Strange worked on two title packets for both Everage Auto and BMV during April of 2023: one for a 2011 Jeep from Ohio and the second for a 2011 Cadillac from Michigan. The Division also found Strange waived a fee for a duplicate speed title for Everage Auto on April 28, 2023.

Investigator interviewed Strange. She first told Investigator that she was “not really an employee” of Everage Auto, but she admitted that Everage Auto paid her \$75 per week. She also admitted that she processed the titles for two vehicles as both an employee of Everage Auto and for BMV. Strange told Investigator that she had “been helping out” Everage Auto for approximately six months.

BMV terminated Strange on May 16, 2023, for violating the BMV Commission’s Standards of Conduct and for not being truthful about her employment with Everage Auto during the Division’s investigation.

## **II. OIG INVESTIGATION**

The OIG opened an investigation. During the investigation, Special Agent Lepper interviewed multiple BMV employees, including Investigator, LaGrange Manager, Regional Manager and the two BMV employees who heard Owner’s statements. He also interviewed Owner and Strange. Special Agent Lepper also reviewed Strange’s personnel file, emails, BMV’s internal incident report and other documents.

Special Agent Lepper confirmed that Strange worked as an Assistant Branch Manager for the LaGrange BMV branch prior to her termination. According to Regional Manager, Strange’s duties included processing title work. Strange would provide an initial review of the title work and then scan the documents into Central Office in Indianapolis. If the title work had problems, Strange would contact Central Office and get permission to work on the title work herself. Regional Manager also explained that Strange could make determinations to waive title work fees in certain circumstances.

LaGrange Manager and the two other BMV employees who heard Owner’s statements each told Special Agent Lepper that they were at the Angola BMV branch on May 2, 2023, when Owner came into the branch. They each stated that they heard Owner say that Strange was helping Everage Auto with title work and that Everage Auto was paying her \$75 per week for the work.

During her interview with Special Agent Lepper, LaGrange Manager also stated that Strange came to her on April 19, 2022, and asked for permission to work part-time for Everage Auto. LaGrange Manager stated that she reached out to Regional Manager via email regarding the request. Special Agent Lepper reviewed an email chain dated April 19, 2022, between LaGrange Manager and Regional Manager in which Regional Manager wrote that it would be a conflict of interests for Strange to accept a part-time job with Everage Auto performing title work.

Owner told Special Agent Lepper that Strange had helped process title work for Everage Auto's LaGrange location in preparation for submission to BMV for approximately one year. He stated that after processing the title work, Strange would transport the title documents to BMV. He said that Everage Auto paid Strange between \$50 and \$75 per week during her work for Everage Auto.

Special Agent Lepper subpoenaed employment records for Strange from Everage Auto. He received documents showing that Strange worked for Everage Auto from April 25, 2022, through May 3, 2023. Copies of checks from Everage Auto to Strange, as well as payroll records, show that on most instances Everage Auto paid Strange \$75 per week for her work from Everage Auto. According to Strange's 1099 for 2022 and Everage Auto's payroll records, Everage Auto paid Strange a total of \$2,662.50 during 2022 and \$1,125.00 for 2023, for a total of \$3,787.50 during her time working for Everage Auto.

Special Agent Lepper interviewed Investigator, who showed him the documentation on the 2011 Jeep from Ohio on which Strange served as the purchaser and agent for Everage Auto and as the Customer Service Representative and Manager who waived the fees for BMV. Although Investigator believed her serving in multiple roles was a conflict of interests, he explained that any BMV branch manager would have waived the fees in this case because Everage Auto had already paid for the speed title once and did not get it.

Special Agent Lepper interviewed Strange. Strange said that as the Assistant Branch Manager for the LaGrange BMV branch, her duties included processing titles brought into the branch. She explained that she would check the title work for completeness and scan the information into Central Office in Indianapolis for further processing. Sometimes she would get permission from the Regional Manager to process the title work at the branch for speed titles.

Strange explained that BMV charged a \$15 fee for standard title work and an additional \$25 fee for a speed title. She said that a speed title allowed the title to go to the top of the queue and be processed more quickly than a standard title. She said she had the authority to waive fees on some occasions, such as when a person had already applied and paid for a speed title but had not yet received it.

Strange stated that she worked for Everage Auto from the spring of 2022 to March of 2023. She said Everage Auto paid her \$75 per week, and she received a 1099 at the end of the year. She said that she reviewed title work for Everage Auto to ensure all necessary paperwork was included, and she transported the paperwork to the LaGrange BMV branch.

Strange stated there were only three or four occasions on which she processed paperwork at BMV that she also processed for Everage Auto. She admitted that she signed some Everage Auto paperwork because it needed a signature and had not yet been signed when she received it. She also admitted that she waived a fee for Everage Auto on one occasion because Everage Auto had applied for a speed title a second time after not receiving it the first time.

Strange also admitted that she asked her supervisor, LaGrange Manager, for permission to work for Everage Auto in April of 2022. She stated that she was told it was probably not allowable as a possible conflict of interests, so she told LaGrange Manager that she would not take the outside employment if it would cause problems. She stated that she later took the job despite not receiving permission because she needed the money to support her son.

Special Agent Lepper contacted the State Ethics Director to determine if Strange had ever filed a

conflicts of interests disclosure statement with the State Ethics Commission or had requested a formal advisory opinion from the Commission. The State Ethics Director confirmed that Strange had not.

### **III. CODE VIOLATIONS**

#### **A. Outside Employment Violation**

The OIG investigation revealed that Strange violated Ind. Code § 4-2-6-5.5, the outside employment rule, by knowingly accepting employment with Everage Auto while employed at BMV. Ind. Code § 4-2-6-5.5 reads in relevant part:

- (a) A current state . . . employee . . . may not knowingly do any of the following:*
- (1) Accept other employment involving compensation of substantial value if the responsibilities of that employment are inherently incompatible with the responsibilities of public office or require the individual's recusal from matters so central or critical to the performance of the individual's official duties that the individual's ability to perform those duties would be materially impaired.*

Everage Auto is an auto dealership that submits title work to BMV. Strange served as an Assistant Branch Manager for BMV. As part of her job duties, Strange was responsible for processing title work from auto dealerships. On or about April 19, 2022, Strange's supervisor advised Strange that working for Everage Auto would present a conflict of interests. Strange told her supervisor that she would not pursue outside employment with Everage Auto if it was going to present a problem.

Less than one week after her supervisor told her working for Everage Auto would present a conflict of interests, Strange began to work for Everage Auto. From April 25, 2022, through May 3, 2023, Strange worked for Everage Auto and earned approximately \$75 per week. According to subpoenaed documents, Strange earned \$3,787.50 from Everage Auto during the course of her employment. Strange also admitted to processing two titles for Everage Auto as a BMV employee that she had worked on as an Everage Auto employee. She also waived the fee for Everage Auto on one of these titles.

In summary, Strange accepted outside employment with Everage Auto that resulted in substantial compensation. Her work with Everage Auto was inherently incompatible with her BMV position and

presented a conflict of interests that should have required Strange to recuse herself from matters central to her BMV job duties. As such, Strange violated Ind. Code § 4-2-6-5.5.

### **B. Conflicts of Interests; Decisions and Votes Violation**

The OIG investigation also revealed that Strange violated Ind. Code § 4-2-6-9, a rule regarding conflict of interests related to decisions and votes. Ind. Code § 4-2-6-9 reads in relevant part:

(a) A state . . . employee . . . may not participate in any decision or vote, or matter relating to that decision or vote, if the . . . employee . . . has knowledge that any of the following has a financial interest in the outcome of the matter:

(1) The state . . . employee . . . .

. . .

(3) A business organization in which the . . . employee, . . . is serving as . . . a member . . ., or an employee.

. . .

(b) A state . . . employee . . . who identifies a potential conflict of interest shall notify the person's appointing authority and ethics officer in writing and do either of the following:

(1) Seek an advisory opinion from the commission by filing a written description detailing the nature and circumstances of the particular matter and making full disclosure of any related financial interest in the matter. . . .

(2) File a written disclosure statement with the commission that:

(A) details the conflict of interest;

(B) describes and affirms the implementation of a screen established by the ethics officer;

(C) is signed by both:

(i) the state . . . employee . . . who identifies the potential conflict of interest; and

(ii) the agency ethics officer;

(D) includes a copy of the disclosure provided to the appointing authority; and

(E) is filed not later than seven (7) days after the conduct that gives rise to the conflict. . . .

In Ind. Code §4-2-6-1(a)(10), the Code of Ethics defines “employer” as “a person from whom . . . a state employee . . . receives compensation;” therefore, an employee of an outside entity is likely a person who receives compensation from the outside entity.

From April 25, 2022, through May 3, 2023, Strange worked for Everage Auto assisting with title work. Strange admitted to working for Everage Auto for approximately a year after her BMV supervisor

told her doing so would present a conflict of interests. She stated that Everage Auto paid her \$75 a week for her work. As such, Strange was an employee of Everage Auto for purposes of the Code.

Strange also admitted to processing two titles for Everage Auto as a BMV employee on which she had worked as an Everage Auto employee and waiving the fee for Everage Auto on one of these titles. The Commission has no record that Strange sought an advisory opinion from the Commission on her outside employment or that she filed a disclosure statement with the Commission.

In summary, as a BMV employee, Strange knowingly participated in matters in which her outside employer had a financial interest. She failed to follow the two options in Ind. Code § 4-2-6-9 for individuals who identify a potential conflict of interests. As such, Strange violated Ind. Code § 4-2-6-9.

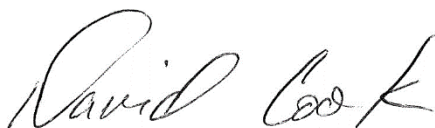
#### **IV. CONCLUSION**

On September 14, 2023, the OIG presented the case to the Indiana State Ethics Commission (SEC) in an executive session and sought probable cause from the SEC to file an ethics complaint. The SEC found probable cause to file an ethics complaint alleging Strange violated the Code's outside employment and conflict of interests related to decisions and votes rules. The Inspector General subsequently filed the ethics complaint with the SEC on September 18, 2023.

The Inspector General and Strange signed an Agreed Settlement in which Strange admitted to violating the Code's outside employment and conflict of interests related to decisions and votes rules. As part of the Agreed Settlement, Strange also agreed to pay a fine of two thousand four hundred (\$2,400). The SEC approved the Agreed Settlement on October 12, 2023. Accordingly, this investigation is closed.

Dated: October 16, 2023

APPROVED BY:



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David Cook, Inspector General