

OFFICE OF THE INSPECTOR GENERAL

OIG

ANNUAL REPORT

2016

CYNTHIA V. CARRASCO  
INSPECTOR GENERAL



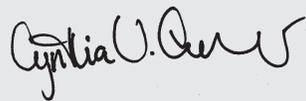
# MESSAGE FROM THE INSPECTOR GENERAL

On January 6, 2015, I was appointed by Governor Mike Pence to be Indiana's second ever Inspector General. It has been my privilege and honor to have served in this capacity for the past two years and to have been a part of this office for the past eleven years.

As I reflect upon my time with the office, I am incredibly impressed with the many successes and accomplishments that the office has achieved since it was created in 2005. The office is an established, integral part of Indiana state government. From setting a clear, concise Code of Ethics that governs the conduct of state workers, to developing various statewide education programs, the Office of the Indiana Inspector General (OIG) has made significant progress in preventing wrongdoing in the executive branch of state government. The initial education meetings held when the office was first established have since evolved and flourished to a full-day conference that over 700 state auditors, investigators, and attorneys attend. The OIG has also successfully established a widely utilized advisory system. Similarly, the State Ethics Commission (SEC) has issued record number of advisory opinions since it was first created in 1976. With regards to enforcement, the OIG has filed numerous ethics complaints with the SEC and the office has successfully established relationships with prosecutors throughout the State who continue to file charges in our cases.

I am proud of the accomplishments of this office and appreciate the opportunity to review our accomplishments for 2016 in this annual report.

Respectfully,



Cynthia V. Carrasco

# ABOUT

## INDIANA STATE ETHICS COMMISSION

**James Clevenger**, *Chairman* was appointed to a four year term by Governor Joseph Kernan in 2004 and reappointed to another four year term by Governor Mitch Daniels in 2008. In January of 2012 he was appointed as Chairman and reappointed as Chairman in November of 2013. Mr. Clevenger has practiced law since 1978 and is a partner with the law offices of Wyland, Humphrey, Wagner & Clevenger LLP in Plymouth, Indiana. He received his B.A. from Hanover College and his J.D. from Indiana University. He currently holds the position of County Attorney for Marshall County.

**Priscilla D. Keith** was appointed to a four year term by Governor Joseph Kernan in 2004, reappointed to another four year term by Governor Mitch Daniels in 2007 then again in September 2011 and reappointed by Governor Mike Pence in October 2015. Ms. Keith is an attorney at Community Health Network, Inc. in Indianapolis, Indiana.

**Bob Jamison** was appointed to four year term by Governor Daniels in March 2009 and reappointed by Governor Pence in November of 2013. He is a native of Western Pennsylvania and is a graduate of Indiana University of Pennsylvania. He is retired from the Indianapolis Office of the Federal Bureau of Investigation and served as a Special Agent and Senior Resident Agent in the New Albany Resident Agency from 1972-2000.

**Dr. Daryl Yost** was appointed to a four year term by Governor Mitch Daniels in June 2010 and reappointed by Governor Pence in November of 2013. Dr. Yost earned his undergraduate degree in 1958 from Manchester College where he graduated with a B.S. in Sociology and English. He taught in the Richmond, Kokomo, and Fort Wayne Community School systems while pursuing his M.A. in Education/Counseling from Ball State University. Dr. Yost received his Ed.D from Ball State University in 1966. Dr. Yost currently serves as the Director of the Certified Technology Park of the Northeast Indiana Innovation Center.

**Peter Nugent** was appointed to a four year term by Governor Mitch Daniels in January 2012 and reappointed by Governor Mike Pence in February 2016. He has practiced law since 1987. He is a native of Indianapolis, and received his B.S. in Accounting from Indiana University in 1984 and his J.D. from the John Marshall Law School in Chicago in 1987. He currently practices law with the law firm of Thomas & Nugent in Indianapolis.



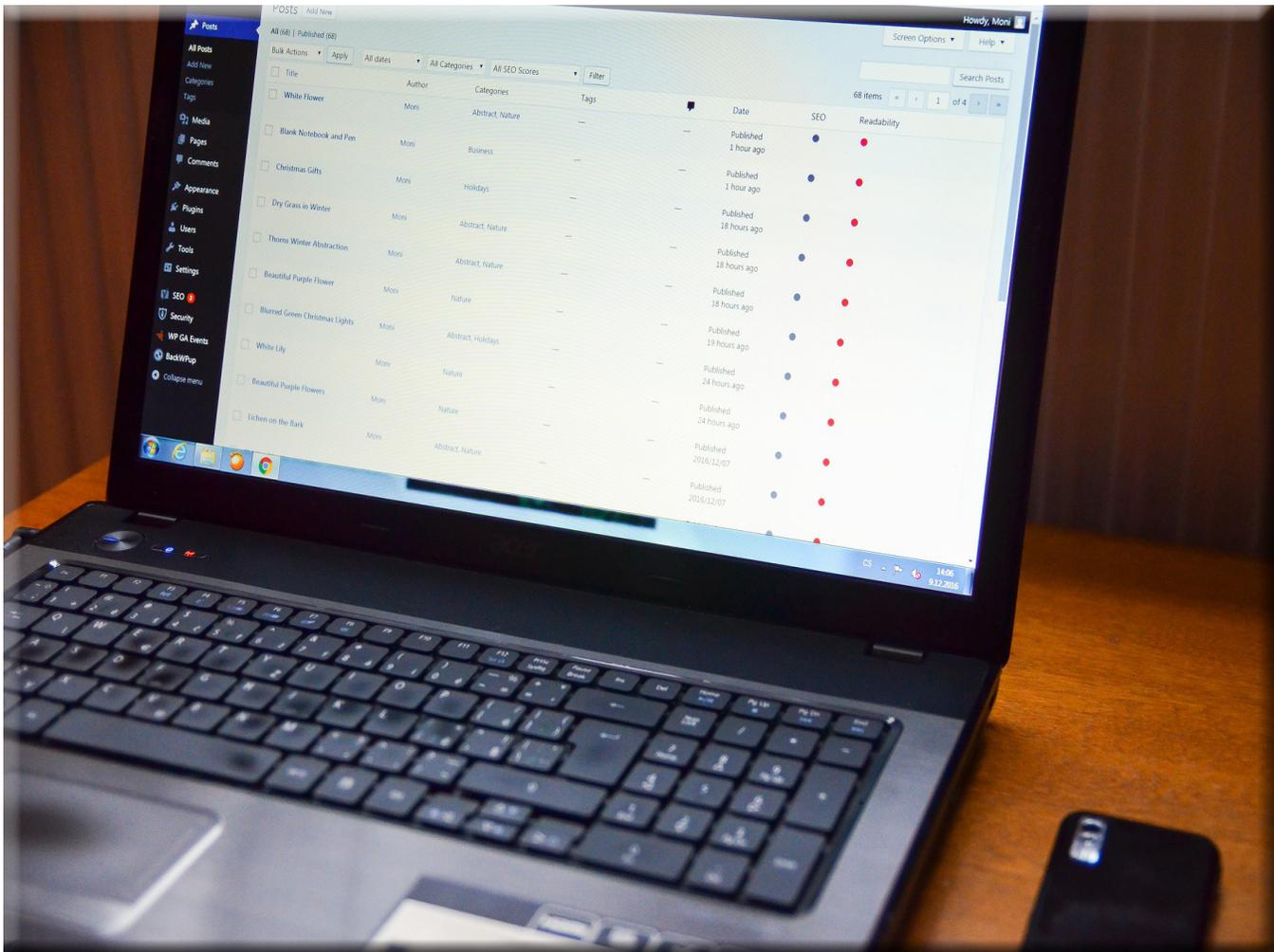
# EDUCATION

The OIG is charged with developing and delivering education and training programs to prevent wrongdoing to all members of the executive branch of state government.

## ONLINE ETHICS TRAINING

State workers are required to complete ethics training within the first six weeks of starting their service with the state and every two years after that. The OIG successfully administered the mandatory Code of Ethics biennial training to all members of the executive branch of state government in 2015. That year 34,166 state workers completed the training. In 2016, 9,881 employees completed the online ethics training program.

The OIG will begin administering the mandatory biennial ethics training statewide in 2017.



## LEGAL & ETHICS CONFERENCE

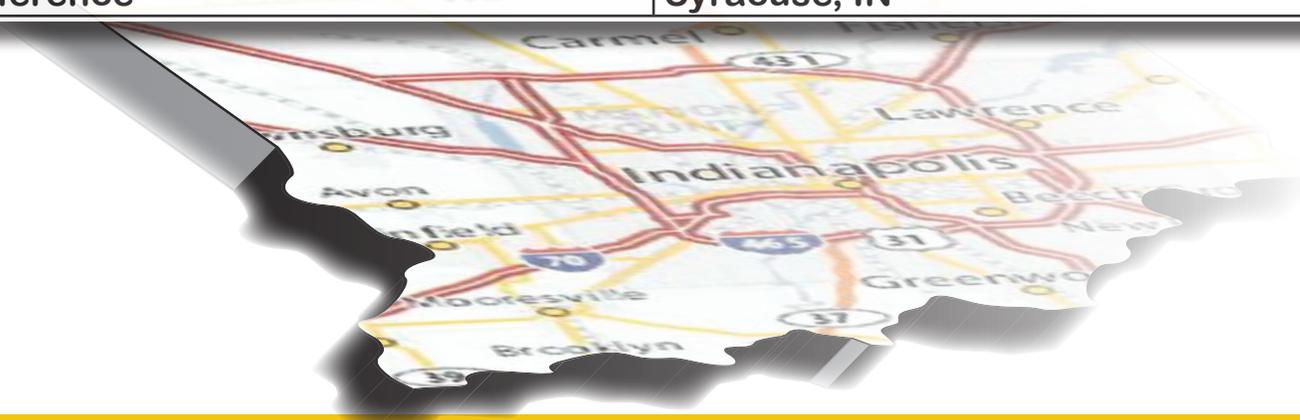
The OIG hosted the 9th annual Legal & Ethics Conference on December 1, 2016. The conference was held at the Indiana Convention Center. Over 750 auditors, investigators, and attorneys attended the conference. Speakers included Josh Minkler, U.S. Attorney for the Southern District of Indiana, Michael Witte, Secretary of the Indiana Disciplinary Commission, Gregory Massa, Assistant Special in Charge of the FBI Indianapolis Office, Barbara Trathon, Director of Training, Marion County Prosecutor's Office, and Mark Ahearn, General Counsel for Governor Mike Pence.



## PRESENTATIONS

In addition to the online ethics training program, the OIG provides in-person training sessions on a regular bases. In 2016, the OIG delivered 21 presentations to various groups throughout the State of Indiana. The audiences varied greatly and consisted of members of the executive branch of state government, local units of government, private entities and non-profits.

| <b>Recipient</b>                    | <b>Location</b>  |
|-------------------------------------|------------------|
| Town of Albion                      | Albion, IN       |
| AIG Presentation                    | Boston, MA       |
| Youth Villages Presentation         | Edinburgh, IN    |
| Ethics Officer Roundtable           | Indianapolis, IN |
| DCS Applied Professionalism Seminar | Indianapolis, IN |
| ALJ CLE                             | Indianapolis, IN |
| State Contract Seminar              | Indianapolis, IN |
| State Contract Seminar              | Indianapolis, IN |
| AGA Presentation                    | Indianapolis, IN |
| IDOI cle                            | Indianapolis, IN |
| IUPUI Speech                        | Indianapolis, IN |
| Legal & Ethics Conference           | Indianapolis, IN |
| BGD Conference                      | Indianapolis, IN |
| ISP Motor Carrier Division          | Indianapolis, IN |
| ISP Motor Carrier Division          | Indianapolis, IN |
| COGEL presentation                  | New Orleans, LA  |
| ISDA Ethics Training                | Plainfield, IN   |
| DNR                                 | Plainfield, IN   |
| ISP Presentation                    | Plainfield, IN   |
| ISP Presentation                    | Plainfield, IN   |
| IDEA conference                     | Syracuse, IN     |



# ADVICE

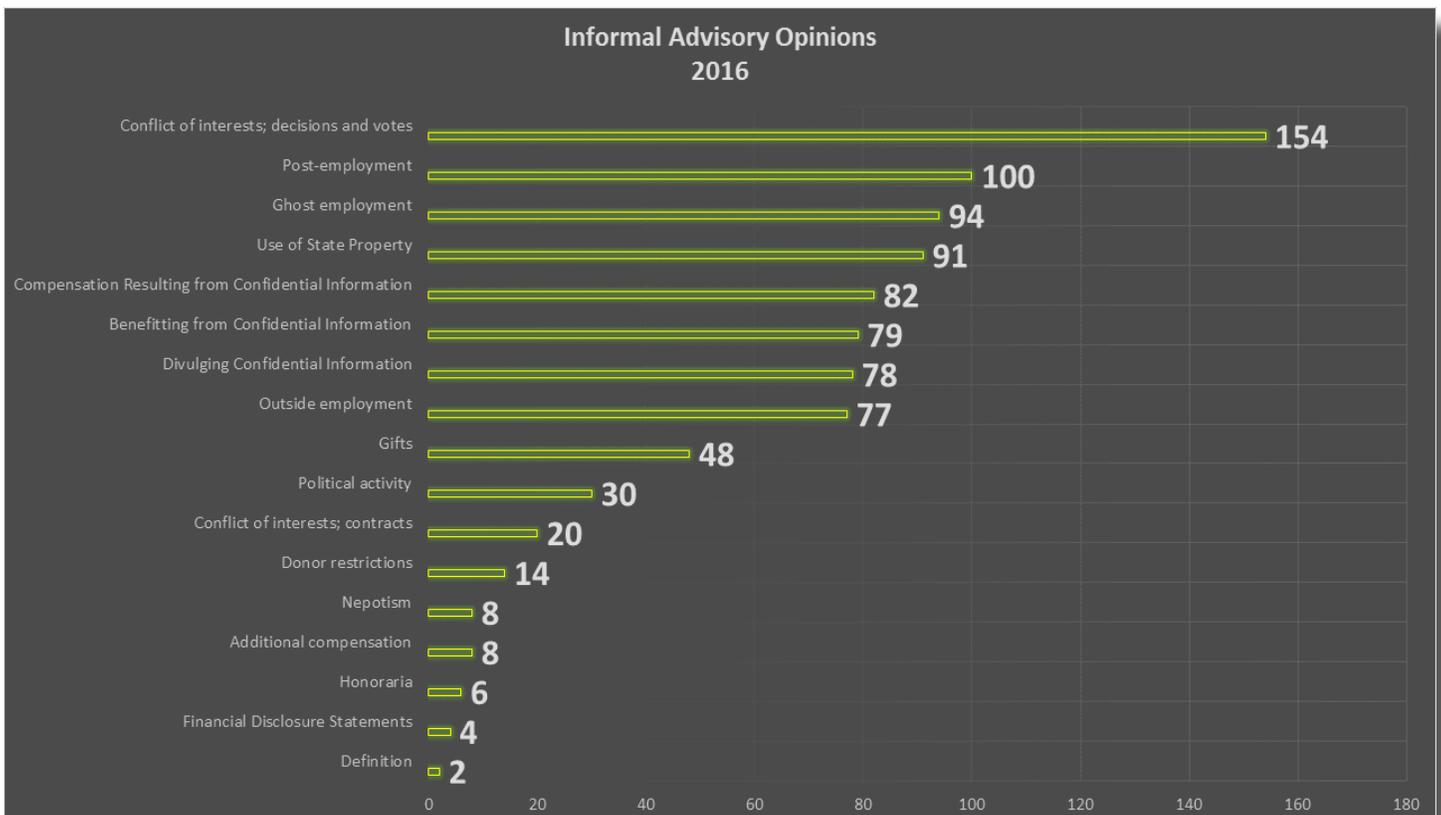
## INFORMAL ADVISORY OPINIONS

Informal advisory opinions are issued by the OIG to state employees seeking advice on the application of the Code of Ethics to their intended action(s). This process is designed to improve state employees' compliance with the ethical guidelines they are subject to by providing legal advice to state employees before they act.

Informal advisory opinions are confidential, written legal opinions issued by OIG staff attorneys. Informal advisory opinions are usually issued within 48 hours of receiving the request and may be relied upon by the state employee in any future possible OIG investigation.

The number of informal advisory opinion requests has consistently increased every year since 2005.

In 2016, the OIG issued 318 Informal Advisory Opinions, some addressing multiple issues. Further details are unavailable due to the confidentiality of the opinions, but a breakdown of the general topics covered by the opinions is shown below. One informal advisory opinion may include discussion of several rules.

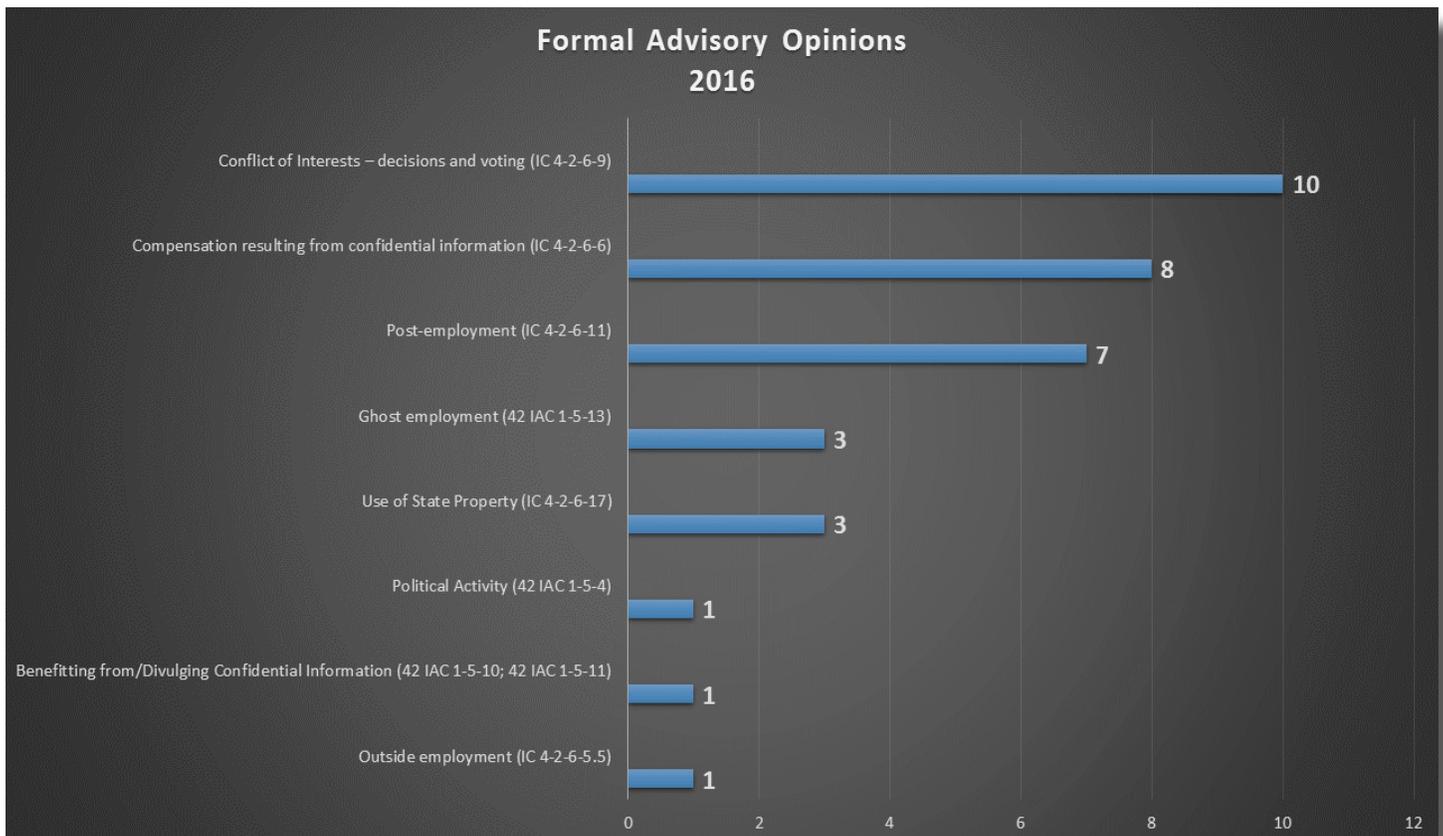


## FORMAL ADVISORY OPINIONS

The SEC is the ultimate authority in interpreting the Code of Ethics and does so by issuing formal advisory opinions at their monthly commission meetings. Unlike informal advisory opinions, formal advisory opinions are public and are posted on the OIG website.

The Commission receives evidence and issues a detailed legal opinion for each request that it receives. The number of requests submitted to the SEC for formal advisory opinions has continued to increase every year since the creation of the OIG.

In 2016, the SEC received and issued 13 opinions, some addressing multiple issues.



# ENFORCEMENT

The OIG receives requests to investigate through various forms from anyone alleging wrongdoing. The online hotline provides a venue by which anyone can report alleged wrongdoing to the OIG. The reporting party can choose to identify themselves or remain anonymous. The OIG also receives complaints via mail, walk-ins or agency referrals. This year, the OIG received a total of 224 requests to investigate.

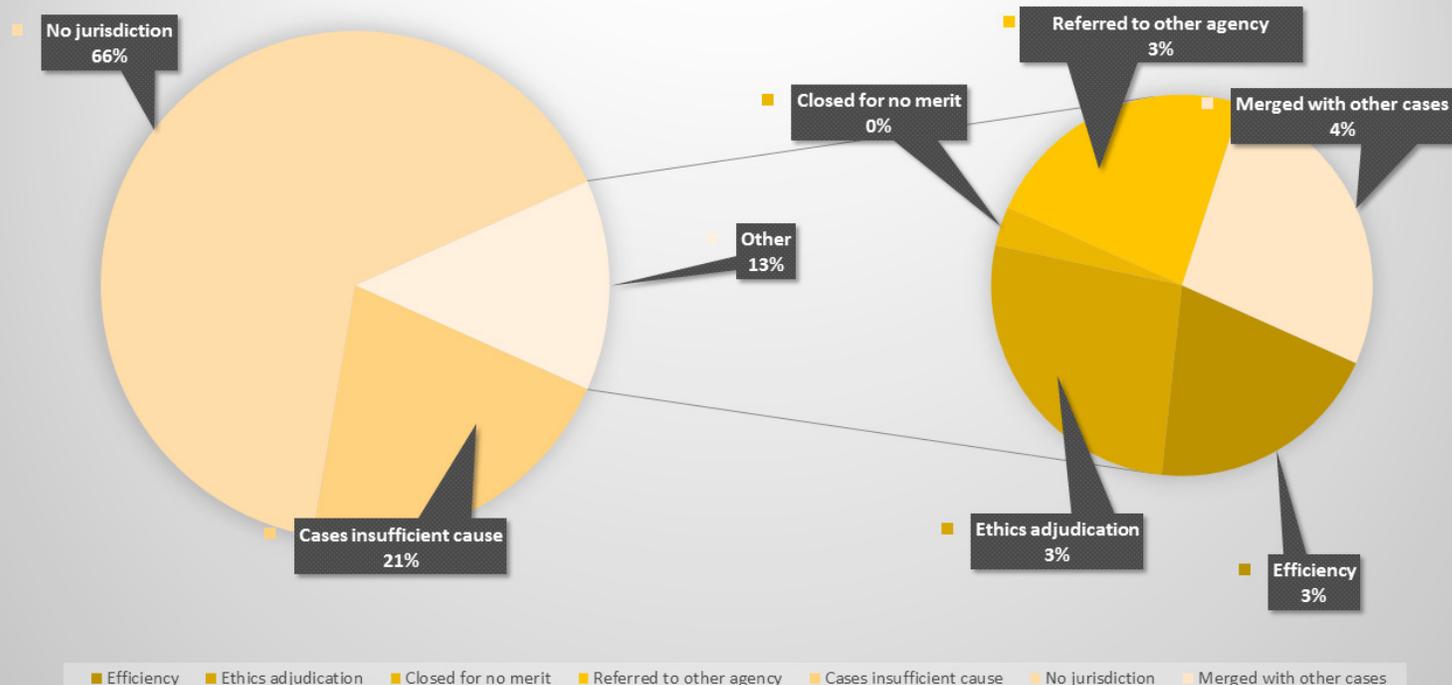
The subject of the requests to investigate vary greatly. Each hotline is screened carefully and can be assigned for investigation, closed for insufficient cause or referred to another entity if the report involves a matter that is outside of the jurisdiction of the OIG.

The OIG is a law enforcement agency with five special agents that conduct criminal, ethics, and efficiency investigations.

By law, OIG investigation remain confidential unless probable cause is found by the SEC in an ethics investigation or charges are filed by a prosecutor in a criminal case.

| Number of Requests to Investigate | Disposition              |
|-----------------------------------|--------------------------|
| 6                                 | Efficiency               |
| 8                                 | Ethics adjudication      |
| 1                                 | Closed for no merit      |
| 7                                 | Referred to other agency |
| 47                                | Cases insufficient cause |
| 147                               | No jurisdiction          |
| 8                                 | Merged with other cases  |

## Investigations

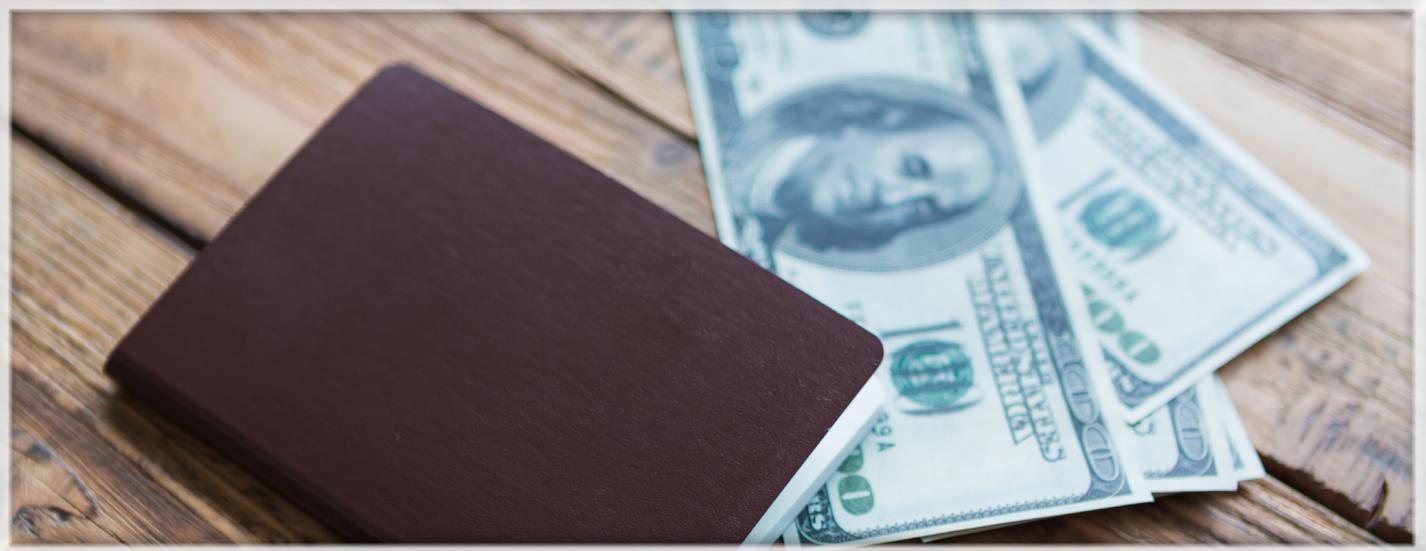


# SAVINGS

The OIG collects and tracks payments on restitution orders resulting from OIG criminal investigations and fines issued by the State Ethics Commission. The number of cases that the OIG collects and tracks payments for significantly increased in 2016. The chart below contains information related to cases that the OIG collected on during 2016.

*\*Please note that the restitution orders, in some cases, were issued before 2016.*

| Case     | Type               | Total Penalty Assessed | Amount Collected in 2016 |
|----------|--------------------|------------------------|--------------------------|
| Ethics   | SEC Civil Penalty  | \$1,270.74             | \$400.00                 |
| Ethics   | SEC Civil Penalty  | \$2,500.00             | --                       |
| Ethics   | SEC Civil Penalty  | \$500.00               | \$500.00                 |
| Ethics   | SEC Civil Penalty  | \$600.00               | \$600.00                 |
| Criminal | Restitution        | \$26,625.40            | \$6,000.00               |
| Criminal | Restitution        | \$15,910               | \$450.00                 |
| Criminal | Restitution        | \$20,160.00            | \$900.00                 |
| Criminal | Restitution        | \$79,489.00            | \$1,445.00               |
| Criminal | Restitution        | \$577.00               | \$577.00                 |
| Criminal | Restitution        | \$1,646.00             | --                       |
| Criminal | Restitution        | \$3,729.40             | \$3,729.40               |
|          | <b>Grand Total</b> | <b>\$110,472.14</b>    | <b>\$14,601.40</b>       |



*\*\*Some graphics and images provided or Designed by Freepik*

Office of Inspector General & State Ethics Commission

315 West Ohio Street, Room 104

Indianapolis, Indiana 46202

317.232.3850

[www.in.gov/ig](http://www.in.gov/ig)