

**Mark Mahon**

Director of Special Investigations  
Indiana State Board of Accounts

**Tammy Baker**

Special Investigations Coordinator Southern  
District

**Dean Gerlach**

Special Investigations Coordinator Northern  
District

**MARK'S BACKGROUND**

- U.S. Army veteran
- Retired from the FBI after 20 years of service (Violent Crimes, Terrorism, Cyber, Public Corruption and Fraud Cases)
- Joined the State Board of Accounts in 2016

## **TAMMY'S BACKGROUND**

- Joined the State Board of Accounts in 1992
- Served as Field Examiner
- Served as Supervisor over Not-For-Profits; License Branches; Schools and Townships; and Special Investigations Coordinator

## **DEAN'S BACKGROUND**

- Joined the State Board of Accounts in 1980
- Served as Field Examiner; Field Supervisor; and Special Investigations Coordinator

## DAVE'S BACKGROUND

- Joined the State Board of Accounts in 1987
- Served as Field Examiner; Auditor in Charge; and Special Investigations Examiner

### Map of Special Investigations Districts April 2018

#### Northern District:

- Dean Gerlach, Coordinator
- Stan Willmert
- Mary Jo Small
- Jeff Paul
- Steve Poor
- Kristin Campbell
- Bill Vinson

#### Southern District:

- Tammy Baker, Coordinator
- Gina Gambaiani
- Annette Ladson
- Sandy Gerlach
- David Bixler
- Lynne Spencer
- Jon Bennington
- Eugene West
- Sam Wilson



## **SBOA Special Investigations Role**

- Assess situations where there is an indication of fraud or other criminal activity involved (Situations may be complaints into the SBOA, issues that come up in routine audits, self referrals, law enforcement referrals)
- Where appropriate, conduct a focused audit/investigation on the activities related to the potential criminal activity
- Coordinate with law enforcement, prosecutors, and the Indiana Attorney General to resolve the matter through the judicial system
- Prevent the misuse of public resources through education and outreach

## **What to expect from Special Investigations**

### **Assessment Phase**

- In initial call, we will notate the who, what, when, where, and how much
- Obtain contact information
- Assess the situation to determine if it is within the SBOA's jurisdiction
- Talk to the "logical" people
- Perform an initial review of documents
- Determine the priority in relation to other engagements
- When appropriate, conduct focused audit/investigation

## What to expect from Special Investigations

### Audit/Investigation Phase

- After the initial call and assessment phase, the Director of Special Investigations would determine if an investigation is appropriate
- Basic steps during the investigation
  - Collect pertinent data
  - Review and analyze the data to identify the facts of the situation
  - This may involve on-site and off-site work
  - Identify the activity
  - Determine accountability
  - Determine intent
  - Report the results
- Coordinate with appropriate law enforcement or Prosecutor

## What to expect from Special Investigations

### Coordination with Law Enforcement/Prosecutor

- When appropriate, coordinate with law enforcement (generally ISP and FBI)
- We may also work with local law enforcement, IRS, IDOR, etc.
- Coordinate on who is doing what work
  - SBOA may do the accounting work and review of financial records
  - Law enforcement may do interviews and contact with Prosecutor regarding criminal charges
  - Issuance of subpoenas when necessary
- Determine the necessary documentation required to support criminal case
- Coordinate with the State Attorney General for collection of civil amounts
- Report results in a manner consistent with state law and to appropriately address any criminal and civil violations

## What to expect from Special Investigations

### Reporting/Prevention/Outreach

- How is this accomplished:
  - Reporting
    - Special Investigation Report
    - Special Compliance Report
    - Internal Control Management Letter
  - Potential solutions for compliance related items
  - Recommendations for strengthening internal controls
    - Discussions during the audit/investigation
    - Manuals, County Bulletins, SBOA website ([www.in.gov/sboa/](http://www.in.gov/sboa/)), Associations

## Prevention Equals Good Internal Controls

- Ensure no one person has control over all parts of a transaction.
- Restrict use of agency credit cards and verify all charges made
- Protect checks against fraudulent use.
- Protect cash and check collections.

## Issues To Look Out For

- Skimming schemes
- Use of position to waive fees/not charge/not collect for services
- Use of unit's credit card to pay for personal purchases
- Fraudulent reimbursement schemes
- Overpayment of Salary
- Kickbacks/Bribery/Pay to Play
- Changes in behavior of employees

## What to do if you suspect criminal activity

- IC 5-11-1-27: Requires all local units to report material losses, thefts, or shortages directly to SBOA (Also be aware of the various State Examiner Directives)
- Contact SBOA as soon as possible
  - SBOA Director for your unit (Counties are Lori Rogers and Stephanie Heath)
  - SBOA website ([www.in.gov/sboa/](http://www.in.gov/sboa/))
  - Mark Mahon, Tammy Baker or Dean Gerlach
  - Regular SBOA audit team if they are on-site
- Often officials will also contact ISP, local law enforcement, Prosecutor and/or FBI.

## CONSIDERATIONS

- The matter will take time to resolve
- Emotions can run high
- Investigations are conducted with the highest level of professionalism
- Mismanagement, sloppiness, political differences and ethical lapses are not criminal

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