



INSPECTOR GENERAL REPORT

2008-08-0210

July 6, 2010

SECRETARY OF STATE OUTSIDE EMPLOYMENT

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

This case was reported to the Office of the Inspector General (OIG) by leadership within the Secretary of State's Office (SOS), who also cooperated in the OIG investigation. The investigation involved the alleged conduct of one of its Field Examiners (Examiner). The complaint, which was filed by an attorney on behalf of his client (Company), alleged that the Examiner had used her official position with the State to enter into a private consulting contract with the Company in which the Examiner would lead training sessions to help the Company cure the loan broker violations she had identified during the course of her examination of the Company earlier in the year.

OIG Special Agent Mark Mitchell conducted interviews, reviewed documents, and found the following. The Examiner had already completed two of the three scheduled sessions with the Company at a cost of \$500 per session. In an interview with Special Agent Mitchell, the Examiner acknowledged

entering into the contract with the Company and receiving \$1000 for her services to that date. The Examiner stated that she had made the SOS aware of her consulting business by including it on her resume when she applied for the Field Examiner position but admitted that she had not disclosed the specific contract in question to anyone at the SOS. During the course of the investigation, the SOS informed the OIG that the Examiner's employment with the State had been terminated.

On April 8, 2010, the State Ethics Commission (Commission) entered into a Settlement Agreement with the Examiner in which the Examiner admitted to engaging in outside employment in violation of 42 IAC 1-5-5 and agreed to pay to the Commission a fine in the amount of \$1,000.00.

Dated this 6th day of July, 2010.

APPROVED BY:



David O. Thomas, Inspector General