



## INSPECTOR GENERAL REPORT

2009-07-0137

November 3, 2009

### IDEM CONTRACTOR PAYMENT

*Inspector General David O. Thomas, with assistance from John Rihm of the State Board of Accounts, reports as follows:*

This investigation addressed a complaint filed with the Office of the Inspector General (OIG) by a subcontractor alleging late payment by the Indiana Department of Environmental Management (IDEM) through its Excess Liability Trust Fund (ELTF) Section.

ELTF is an IDEM program which monitors and provides reimbursement to contractors for the removal of underground fuel tanks.

The subcontractor in this case provided excavation services for a particular ELTF project and made a complaint with the Inspector General that payment for these services was late.

The Indiana Legislature has set payment deadlines for the ELTF program in IC 13-23-9-1. *See also:* 328 IAC 1. In summary, an ELTF invoice must be

approved within 60 days of submission and then paid within 35 days of approval.  
IC 13-23-9-1, *supra*.

The Indiana State Board of Accounts (SBOA) assisted in this case. Documents were reviewed, the law was identified and diagrams were prepared identifying the time-line of events regarding payment on this project.

Based upon this review and resulting information, the OIG makes the following findings and recommendations.

## A

### Findings

#### 1

Payments by IDEM to contractor for ELTF work was made timely pursuant to IC 13-23-9-1 when considering the delay caused by the general contractor who requested payment by a different vendor name.

#### 2

Despite timely payment, IDEM may not have entered the correct invoice date into the database system.

## B

### Recommendations

IDEM should consider implementing a control which requires the entry of an accurate invoice date in order to initiate the timeliness of ELTF payments to

contractors.

Dated this 3<sup>rd</sup> day of November, 2009.

A handwritten signature in black ink, appearing to read "David O. Thomas". The signature is written in a cursive style with some loops and flourishes.

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David O. Thomas, Inspector General