



INVESTIGATIVE REPORT

Cynthia V. Carrasco, Inspector General

OFFICE: INSPECTOR GENERAL
TITLE: 2015 LEGISLATIVE RECOMMENDATIONS
CASE ID: 2014-07-0154 (1)
DATE: JUNE 2, 2015

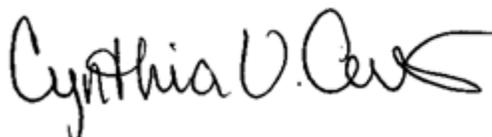
Inspector General Cynthia V. Carrasco reports as follows:

The Indiana Office of Inspector General (“OIG”) is statutorily charged to make recommendations to the Indiana General Assembly (“General Assembly”) to strengthen public integrity laws. I.C. 4-2-7-3(9). On November 19, 2014, the OIG issued a report making various recommendations for consideration by the General Assembly to further strengthen the existing public integrity laws that govern the ethical conduct of members of the executive branch of state government. The OIG made five recommendations, and the General Assembly adopted them all. This report addresses the first recommendation and how the General Assembly addressed it.

The OIG’s first recommendation involved the ethics law governing conflicts of interest set forth in I.C. 4-2-6-9. Specifically, the OIG recommended that the General Assembly amend this law to clarify that an individual is prohibited from participating in *any* activity related to a decision or vote that gives rise to a conflict of interest under this law. I.C. 4-2-6-9(a) prohibited state officers, employees and special state appointees from participating in a decision or vote in which the individual or various others have a financial interest in the matter. The concern that gave rise to this recommendation was that an individual could circumvent the rule by influencing or participating in matters related to a decision or vote and simply recuse him or herself from the

actual decision or vote. In several formal advisory opinions, the State Ethics Commission (“Commission”) interpreted the prohibition related to the term ‘participate’ to also prohibit the participation in any matters leading up to or related to the decision or vote. Accordingly, the OIG recommended that the Commission’s interpretation of the term ‘participate’ be statutorily codified to ensure that an individual who identifies a potential conflict of interest is prohibited from participating in any and all aspects of a decision(s) or vote(s) that give rise to the conflict.

In House Enrolled Act 1002, which goes into effect July 1, 2015, the General Assembly adopted the OIG’s recommendation and amended I.C. 4-2-6-9(a) to provide that a state officer, an employee, or a special state appointee may not participate in any decision or vote, **or matter relating to that decision or vote**, if that person has knowledge that various individuals might have a financial interest in the outcome of the matter.

A handwritten signature in black ink that reads "Cynthia V. Carrasco". The signature is written in a cursive style with a long horizontal stroke at the end.

Cynthia Carrasco, Inspector General