

NOV 18 2021

FILED

IC 4-2-6-11
Post-employment waiver

As the Appointing Authority of the Indiana Housing and Community Development Authority (IHCDA), I am filing this waiver of the application of the Code of Ethics' post-employment restriction as it applies to Justin Bruce in his post-employment discussions with Human Services, Inc. a designated Indiana Community Action Agency.

I understand the agency must file and present this waiver to the State Ethics Commission at their next available meeting. Our Ethics Officer, Kyleen Welling, is prepared to attend the next scheduled meeting to present this waiver. I further understand that this waiver is not final until approved by the State Ethics Commission.

- A. This waiver is provided pursuant to IC 4-2-6-11(g) and specifically waives the application of:

IC 4-2-6-11(b)(2): 365 day required "cooling off" period before receiving compensation from an employer for whom the state employee or special state appointee was engaged in the negotiation or administration of a contract and was in a position to make a discretionary decision affecting the outcome of such negotiation or administration.

IC 4-2-6-11(c): Particular matter restriction prohibiting the former state employee or special state appointee from representing or assisting a person in a particular matter involving the state if the former state officer, employee, or special state appointee personally and substantially participated in the matter as a state worker. (Please see B. 1(b) below).

- B. IC 4-2-6-11(g)(2) requires that an agency's appointing authority, when authorizing a waiver of the application of the post-employment restrictions in IC 4-2-6-11(b)-(c), also include specific information supporting such authorization. Please provide the requested information in the following five (5) sections to fulfill this requirement.

- (1) Please explain whether the employee's prior job duties involved substantial decision-making authority over policies, rules, or contracts:



- a. **Policies and Rules:** The employee serves as an IHCDCA Compliance Monitor, conducting monitoring reviews and onsite visits to determine if subrecipients for the Community Services Block Grant (CSBG) are in compliance with program rules and regulations. Justin reviews claims, contracts, budgets, ledgers, etc. to determine fiscal compliance and also conducts reviews to determine the fiscal health of subrecipients.

The CSBG program, which is a federal program through the United States Department of Health and Human Services (HHS) is administered by the IHCDCA. The program began in 1981 and has operated continuously since that time. IHCDCA began to oversee the program in 2007 after taking it over from the Family and Social Services Agency.

Community Action Agencies (sometimes called Community Action Programs or CAPs) are designated by federal law to be eligible to receive at least 90% of a state's annual allocation of CSBG. CAPs are local non profit agencies or local units of government that work to alleviate the conditions and causes of poverty. In Indiana, CAP agencies were originally authorized by the Governor's Office, and the criteria to be considered a CAP agency are found in I.C. 12-14-23. There are currently 22 Community Action Agencies in Indiana and each serves multiple counties in their region. Indiana's most recent annual CSBG award was for \$10,669,000 which was distributed amongst the 22 CAP agencies.

CAP agencies may use CSBG funds for a variety of activities, including staffing and administrative costs and to operate programming for low income clients. CAP agencies inform IHCDCA of their annual plans for using the allocation of funds, but IHCDCA does not have the authority to dictate what programming or expenses they may use the funds on, beyond setting a limit on administrative expenses. CAP agencies are monitored periodically to ensure CSBG funds are spent appropriately and that other requirements established by IHCDCA and HHS are complied with. This is the function that Justin and the team he is on perform.

Justin reports to our Community Services Monitoring Manager. That Monitoring team discusses and makes recommendations to setting policies and procedures for program administration and monitoring. When completing monitoring reviews, Justin will present his findings and recommendations to his supervisor and the Director of the Community Services Department, who will make the final determination on what is communicated to the subrecipient.

- b. **Contracts:** The IHCDCA is a public body corporate and politic established by IC 5-20-1-3. The Authority is governed by a Board of Directors which consists of seven members and is chaired by the Lieutenant Governor. The Board of Directors has delegated certain authority to IHCDCA's Executive Director to approve contracts and formula awards for grants.

IHCDCA's Board of Directors has approved a formula award matrix for use with the CSBG program. The matrix assigns point values to various socio-economic indicators such as unemployment and poverty rates within a county. This matrix

was approved by IHCDA's Board of Directors prior to Justin's employment with IHCDA and is used to determine award amount for the annual CSBG award to local Community Action Agencies. Those dollar amounts are sent to IHCDA's Executive Director who approves them. Individual grant agreements are then sent to each Community Action Agency for signature. As indicated these awards originated in 1981 and have pretty much continued since that time. Once a Community Action Agency is designated, it will be eligible for an annual allocation of CSBG funds unless it is de-designated by IHCDA and the HHS.

Human Services Inc. is an existing Community Action Agency and receives an annual CSBG allocation, and has since 2007 when this program moved to IHCDA. This grant award amount was determined by the award matrix approved by IHCDA's Board of Directors. The grant agreement is administered by a different department at IHCDA, then the department Justin is part of performs monitorings on those awards. Major decisions regarding the administration of the grant agreement with Human Services Inc would be decided on by the Director, often in consultation with IHCDA's General Counsel or Chief of Staff and Chief Operating Officer.

Human Services Inc. has three current CSBG grant agreements active, which would require a **particular matter** waiver to enable Justin to perform his new job duties successfully. Those awards are:

- a. 2020 Cares Act special award which expires 6/30/2022 in the amount of \$559,793.69.
- b. 2021 Regular program award which expires 9/30/2022 in the amount of \$408,818.63.
- c. 2021 Regular T/TA award which expires 12/31/2021 in the amount of \$10,000.

Justin last performed a review of Human Services Inc. in October 2020 as part of IHCDA's standard, 3-year cycle of monitoring CSBG subrecipients. A standard monitoring (called CAR Monitoring) consists of using a diagnostic tool to review and document a subrecipients:

- Prior audits
- Financial policies
- Schedule of inventory
- Internal controls
- Procurement procedures
- Claims reimbursement submissions
- A limited review of financial statements.

These items are given to the Monitoring Manager to compile into the complete CAR Review which also includes a programmatic narrative and analysis completed by the Manager.

- (2) Please describe the nature of the duties to be performed by the employee for the prospective employer:

The role Justin is pursuing is the Fiscal Director at Human Services Inc. The Fiscal Director is involved with managing the financial operations of the agency. This will include, but is not limited to, preparing financial statements, approving bank reconciliations, creating and gaining approval for yearly budgets, filing 990's & 941's, maintaining the fiscal policies, and managing the relationship between H.S.I. and their auditors. Other responsibilities will include purchasing approvals, fixed asset documentation, and managing the cost allocations. Day-to-day accounting will be primarily facilitated by two employees who are supervised by the Fiscal Director and general ledger postings will be reviewed and monitored regularly.

- (3) Please explain whether the prospective employment is likely to involve substantial contact with the employee's former agency and the extent to which any such contact is likely to involve matters where to agency has the discretion to make decisions based on the work product of the employee:

The prospective employment is likely to involve some contact with IHCDA. The Fiscal Director would interact with IHCDA staff on monitoring and compliance visits, audits, etc.

- (4) Please explain whether the prospective employment may be beneficial to the state or the public, specifically stating how the intended employment is consistent with the public interest:

The CSBG program can be very cumbersome and tedious for CAP agencies to administer, the amount of federal guidelines and rules is quite substantial in comparison to the award amounts for a typical CAP program. Justin's expertise in the program would aid Human Services Inc. in being more efficient and effective with their award and would thus result in more dollars being available for programming to serve low income families and individuals in the Human Services Inc. territory of Bartholomew, Decatur, Jackson, Johnson, and Shelby counties.

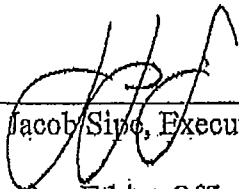
- (5) Please explain the extent of economic hardship to the employee if the request for a waiver is denied:

None

C. Signatures

1. Appointing Authority/state officer of agency

By signing below I authorize the waiver of the above-specified post-employment restrictions pursuant to IC 4-2-6-11(g)(1)(A). In addition, I acknowledge that this waiver is limited to an employee or special state appointee who obtains the waiver before engaging in the conduct that would give rise to a violation.



J. Jacob Sipe, Executive Director

11-8-2021

Date

2. Ethics Officer of agency

By signing below I attest to the form of this waiver of the above-specified post-employment restrictions pursuant to IC 4-2-6-11(g)(1)(B).

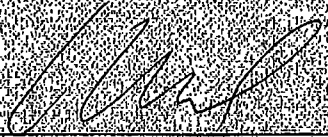


S. Kyleen Welling

11/8/2021

Date

D. Approval by State Ethics Commission

FOR OFFICE USE ONLY	
Approved by State Ethics Commission	
 _____ Katherine Noel, Chair, State Ethics Commission	<u>11-18-2021</u> _____ Date

Mail to:
Office of Inspector General
315 West Ohio Street, Room 104
Indianapolis, IN 46202
OR
Email scanned copy to: info@ig.in.gov
Upon receipt you will be contacted with

