

Mark Mahon
Director of Special Investigations
Indiana State Board of Accounts

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
- Notable fraud/corruption cases:
 - Tim Durham/Fair Finance (\$208 million/5000 investors defrauded)
 - Robert Long/Jason Edwards/James Davis (law enforcement corruption)
 - Lincoln Plowman (City Councilman and IMPD Officer)
 - Alan Mizen

Former Center Township official sentenced to prison for theft of \$343,000

Michael Anthony Adams, michael.adams@indystar.com Published 5:59 p.m. ET May 1, 2015 | Updated 5:59 p.m. ET May 1, 2015



(Photo: Provided photo.)

Center Township's former chief financial officer was sentenced to prison Friday for stealing hundreds of thousands of dollars of public funds.

Alan Mizen 59, Zionsville, will serve 18 months in prison, U.S. Attorney Josh Minkler said in a news release.

"The citizens of Marion County deserve better from their public officials," said Minkler. "I hope this sends a loud and strong message to anyone who abuses the public trust in Indiana. The U. S. Attorney's Office will you hold you strictly accountable."

Mizen was charged with federal public corruption, after he was caught siphoning the money from a Center Township government account, Minkler said.

In 2010, Mizen used the township's computer system to cut an invoice check for \$343,541.08, supposedly payable to the Treasurer of the State of Indiana. Six days later, he wrote a check for the same amount from the township's bank account to "Attorney's General Clearing Tr," signed it, and deposited it into a PNC account he had created.

According to court documents, Mizen used the stolen money to help purchase a house in Zionsville, a Toyota Tacoma pickup truck, a diamond necklace and diamond ring for \$8,900, to fund his child's college education, and to finance personal vacations, including a trip to the Cayman Islands.

"The public deserves to have public officials whom they can trust to do the right thing," Minkler said in a prepared statement. "When that trust is betrayed, be assured, the United States Attorney's Office will hold them accountable. The agreement and charges filed today accomplish that goal."

In his plea agreement, Mizen was ordered to pay the full amount of \$343,541 back to Center Township. He'll use proceeds from all seized assets to help make restitution, Minkler said.

SBOA Special Investigations Role

- Assess situations where there is an indication of fraud or other criminal activity involved (Situations = 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

Prevention = Good Internal Controls

- Ensure no one person has control over all parts of a financial/business transaction. (Help avoid salary overpayments, inappropriate reimbursements, fraudulent check maker schemes, conflict of interest issues)
- Restrict use of agency credit cards and verify all charges made (Help avoid personal charges)
- Protect petty cash funds and other cash funds (Help avoid theft)
- Protect checks against fraudulent use. (Help avoid unauthorized check maker scheme/forgery)
- Protect cash and check collections. (Help avoid skimming schemes)

Separation of Duties May Have Prevented Alan Mizen

- Alan Mizen logged onto the Township's computer system and created an invoice for a check in the amount of \$343,541.08.
- Accounting records were created indicating the check was payable to the Treasurer of the State of Indiana.
- The actual check from the Township's bank account was made payable to "Attorney's General Clearing Tr."
- Mizen endorsed the check and deposited it into an account held by "Alan S Mizen DBA Attorney's General Clearing Tr."
- Thereafter, Mizen transferred the funds to his various personal accounts and used the money to purchase a home in Zionsville, Indiana; purchase a Toyota Tacoma pickup truck; fund his child's college education; finance several personal vacations; purchase a diamond necklace and diamond ring; and make other purchases.

Issues To Look Out for

- Inappropriate Overpayment of Salary (also occur by not withholding taxes and causing the unit to pay for employee's share of withholding)
- Skimming schemes (theft of receipts using varied ways to try to cover it up or no attempt to cover it because controls lacked to catch it)
- Use of unit's credit account to pay for personal purchases
- Fraudulent reimbursement schemes
- Use of position to waive fees/not charge for services/not collect for services
- Kickbacks/Bribery/Pay to Play (Extortion)

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
- Contact SBoA ASAP. You can contact the SBoA director for your unit or contact me.
- Often officials will also contact ISP and/or FBI.

What to expect from Special Investigations

- In initial call, we will notate the who, what, when, where, and how much with contact info
- Assess the situation to determine if its with SBoA's jurisdiction
- When appropriate, conduct focused audit/investigation
- When appropriate, coordinate with law enforcement (generally ISP and FBI)

CONSIDERATIONS

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

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