



Welcome

- To a Discussion of -

The Role of the
Office of Inspector General (OIG)

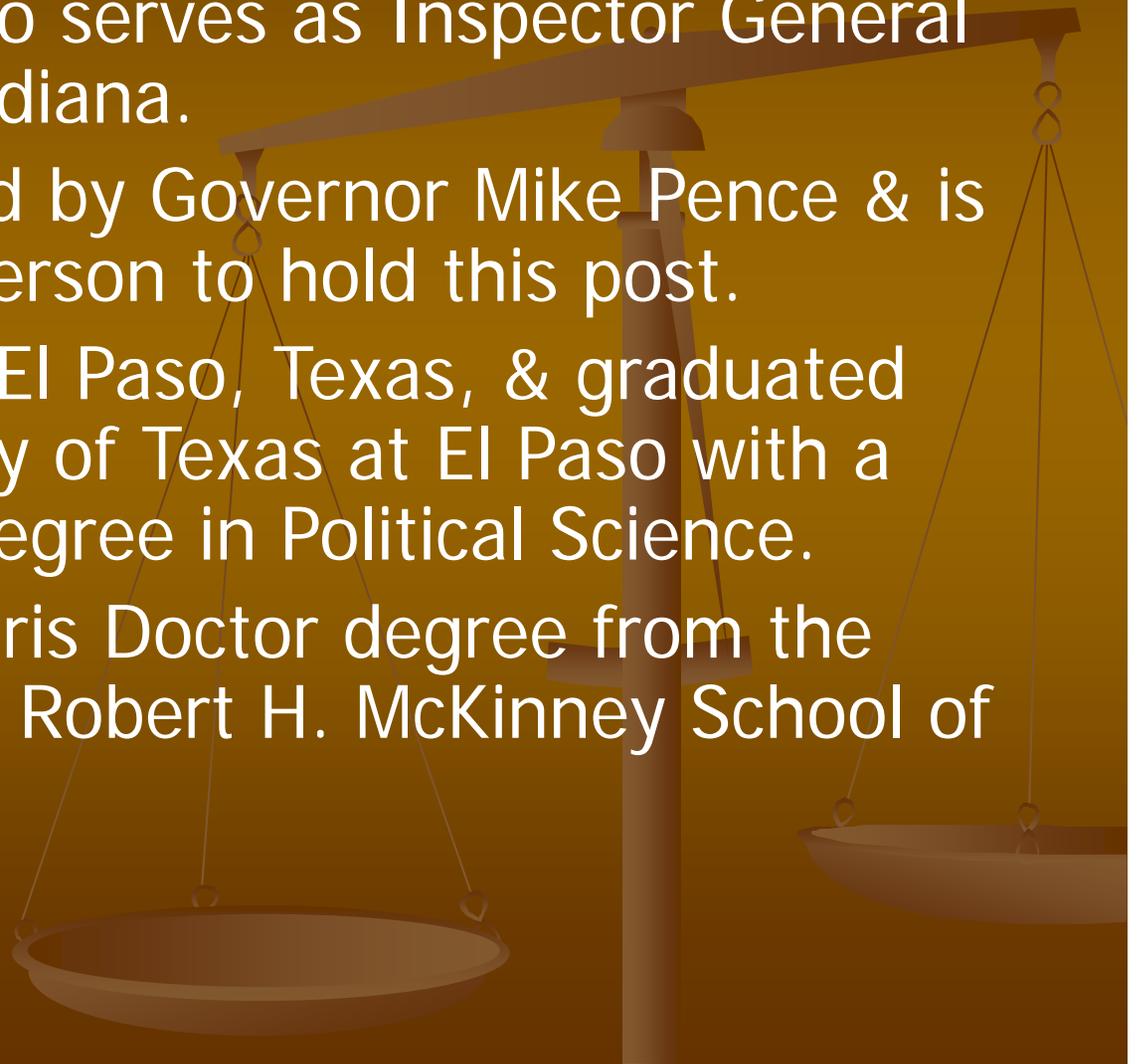
Introduction

- The OIG was created in 2005 & is statutorily charged with addressing fraud, waste, & wrongdoing in state government.



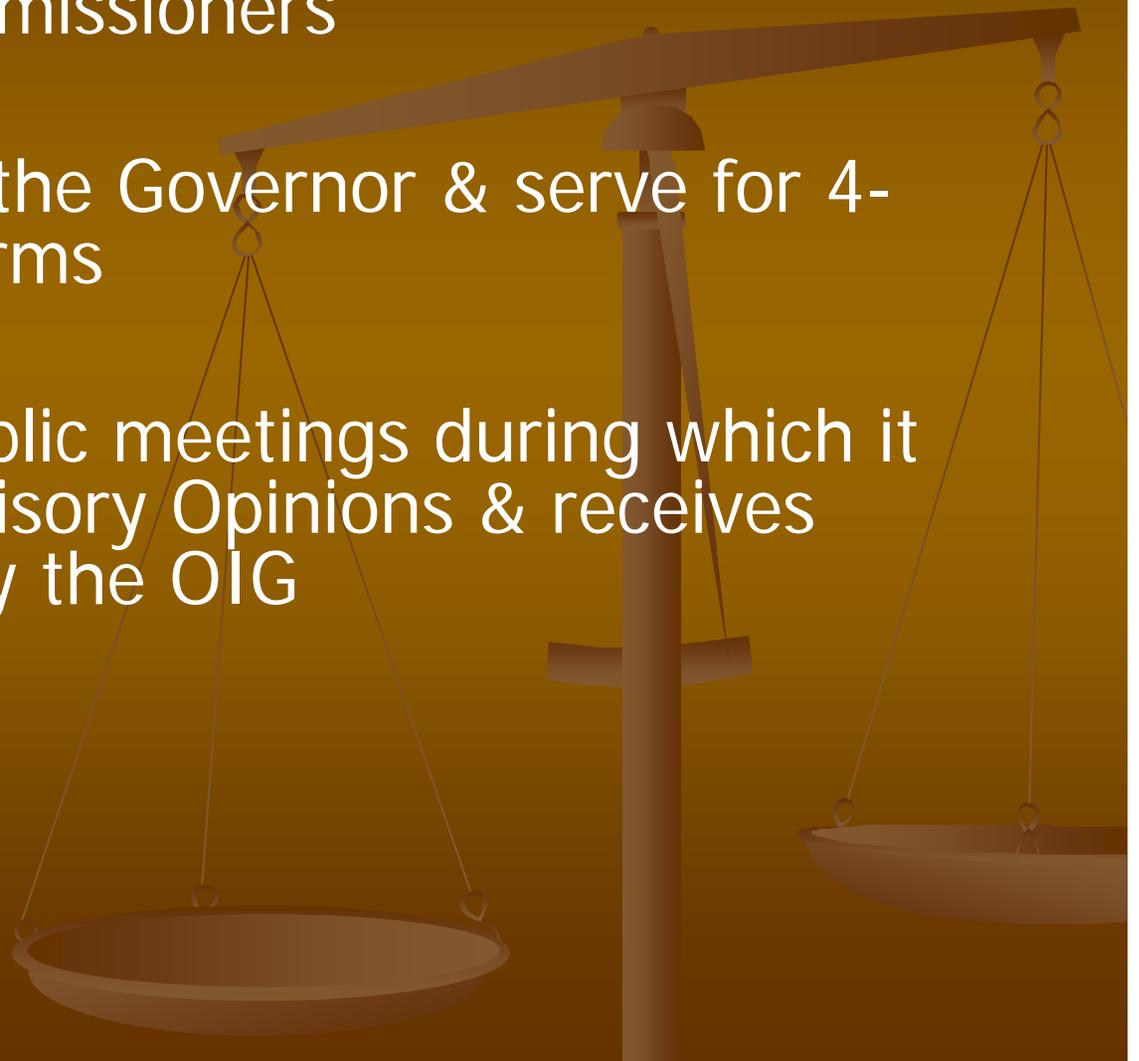
Inspector General

- Cynthia V. Carrasco serves as Inspector General for the State of Indiana.
- She was appointed by Governor Mike Pence & is only the second person to hold this post.
- She is a native of El Paso, Texas, & graduated from the University of Texas at El Paso with a Bachelor of Arts degree in Political Science.
- She earned her Juris Doctor degree from the Indiana University Robert H. McKinney School of Law.



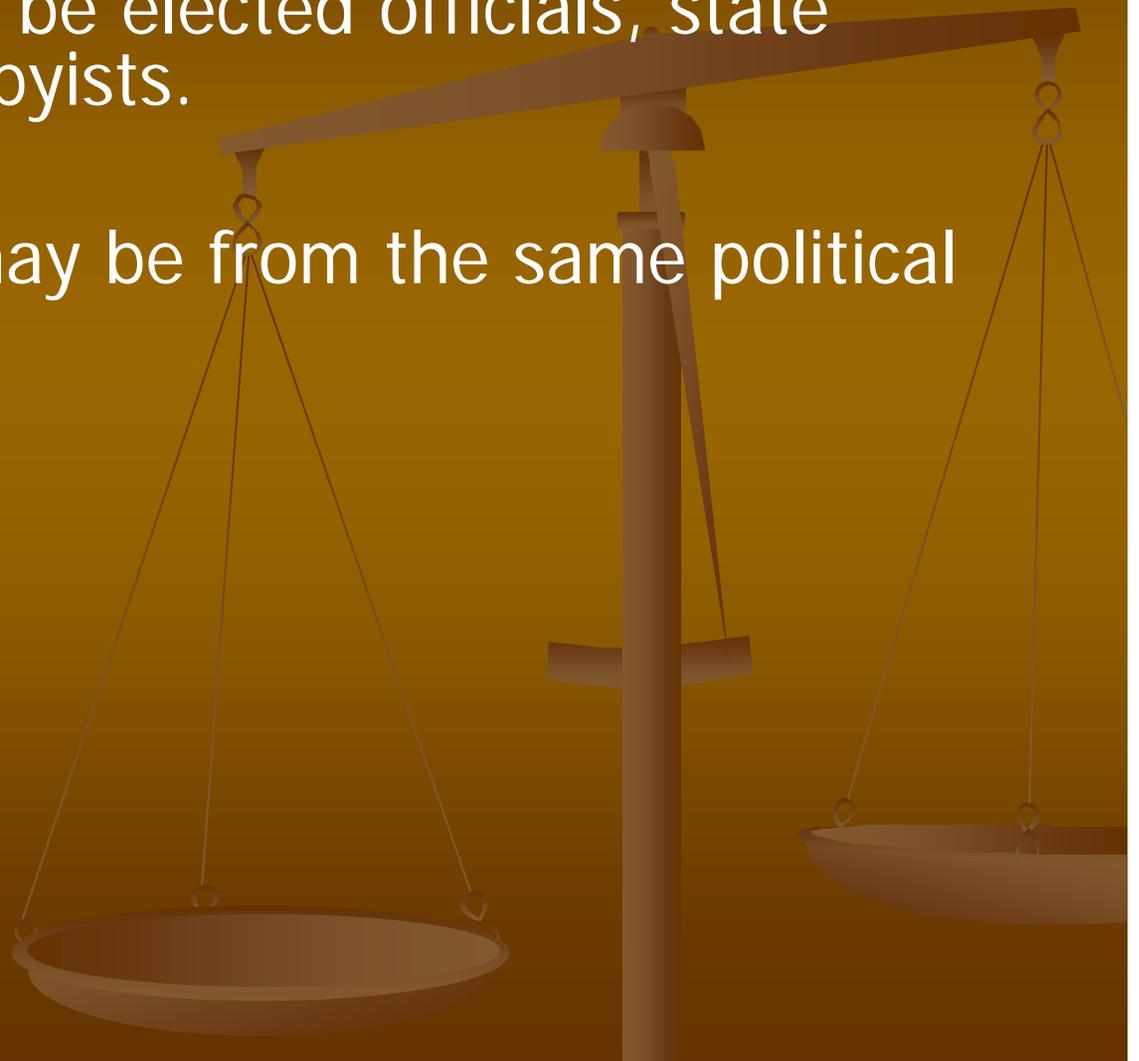
State Ethics Commission

- Consists of 5 Commissioners
- Are appointed by the Governor & serve for 4-year staggered terms
- Holds monthly public meetings during which it issues Formal Advisory Opinions & receives complaints filed by the OIG

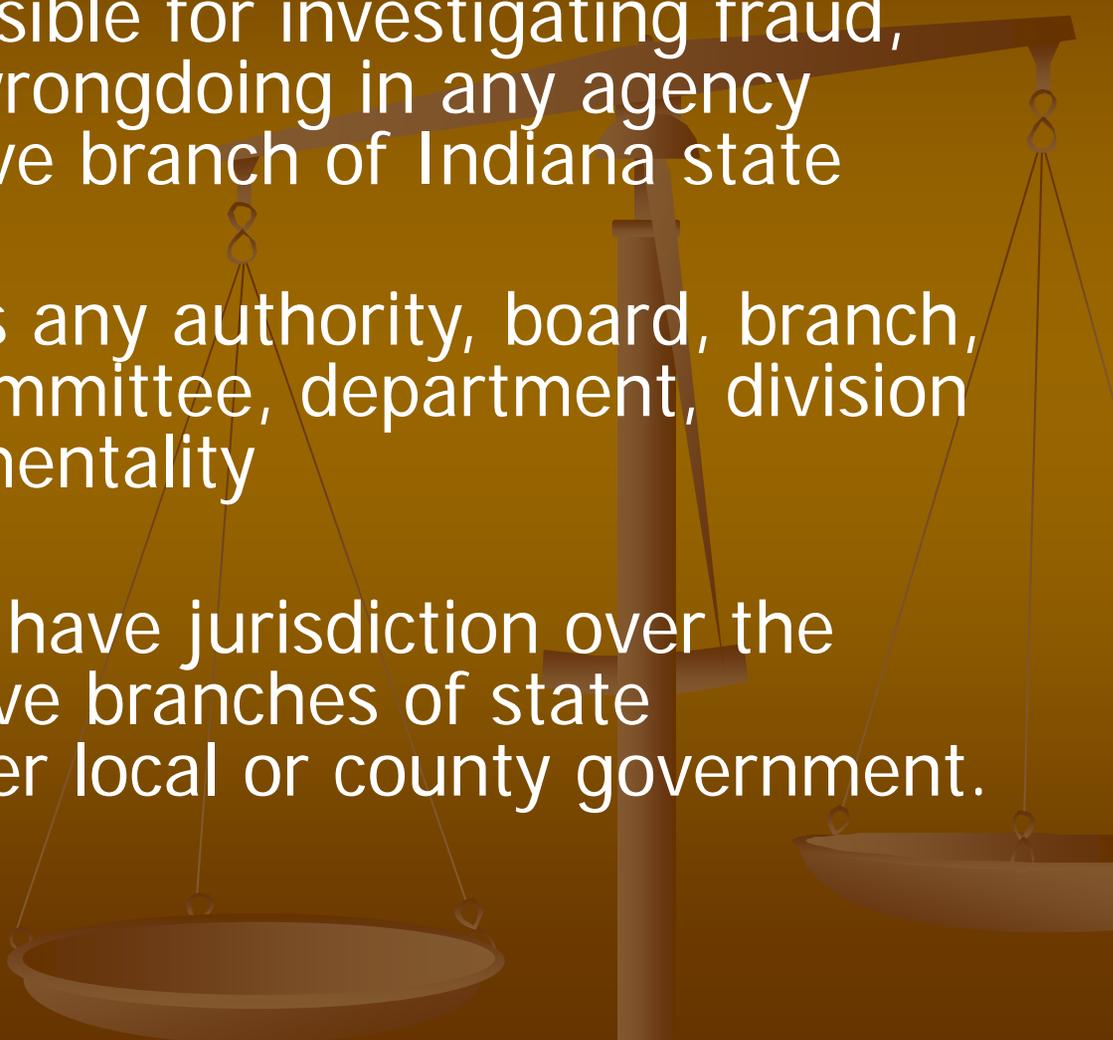


State Ethics Commission

- Members may not be elected officials, state employees, or lobbyists.
- No more than 3 may be from the same political party.

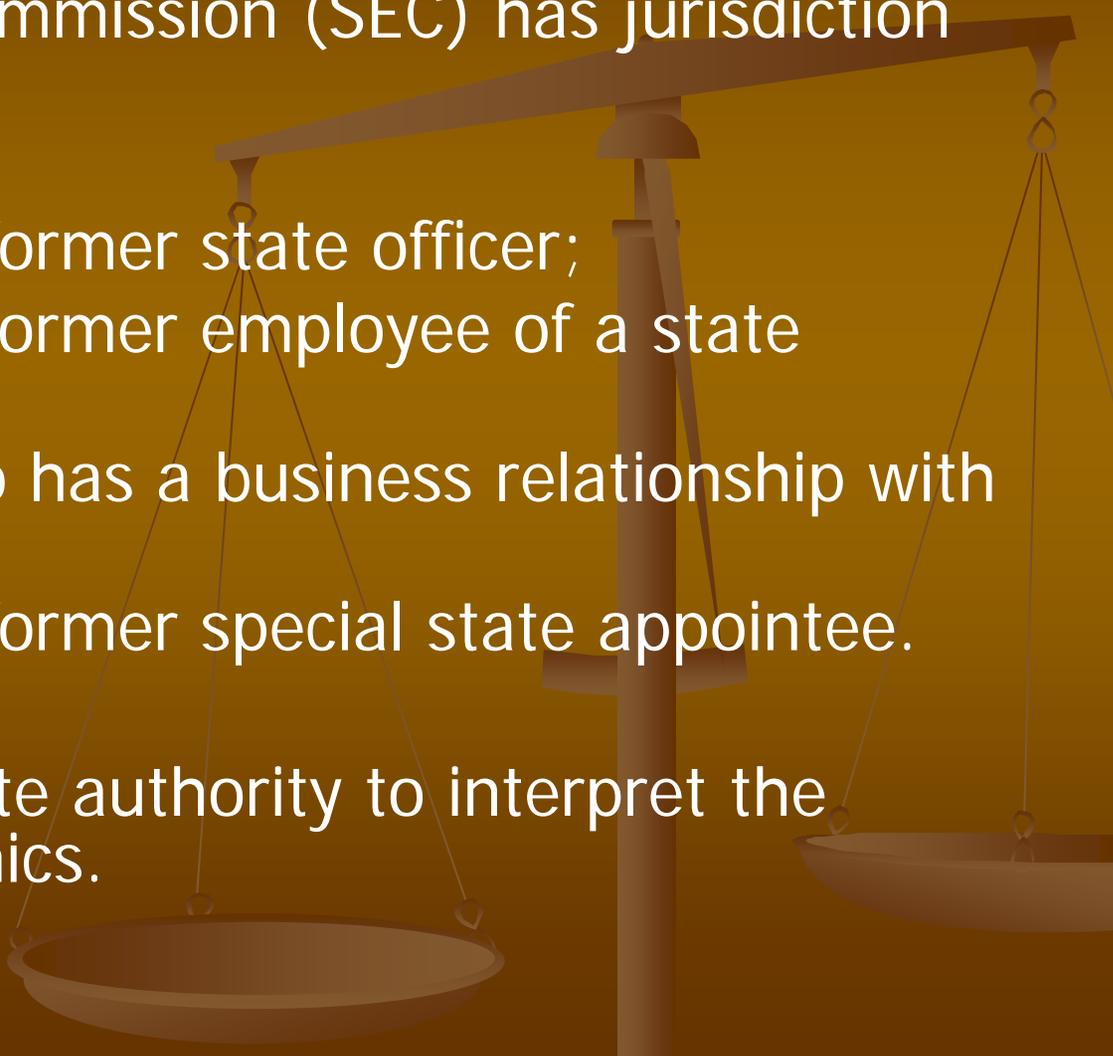


OIG Jurisdiction

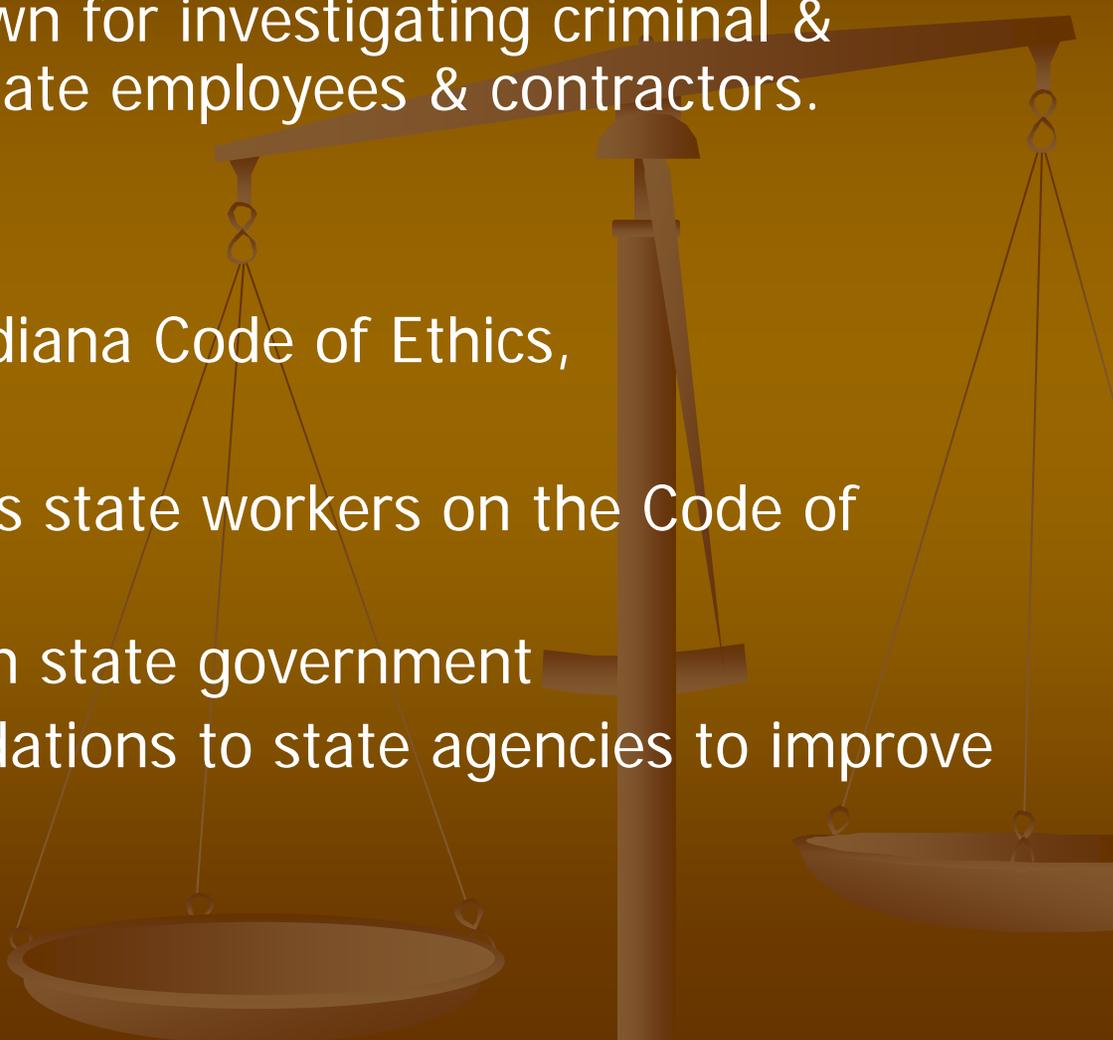


- The OIG is responsible for investigating fraud, waste, abuse, & wrongdoing in any agency within the executive branch of Indiana state government.
 - Agency includes any authority, board, branch, commission, committee, department, division or other instrumentality
- The OIG does not have jurisdiction over the judicial or legislative branches of state government or over local or county government.

SEC Jurisdiction

- The State Ethics Commission (SEC) has jurisdiction over:
 - (1) a current or former state officer;
 - (2) a current or former employee of a state agency;
 - (3) a person who has a business relationship with a state agency;
 - (4) a current or former special state appointee.
 - The SEC has ultimate authority to interpret the Indiana Code of Ethics.
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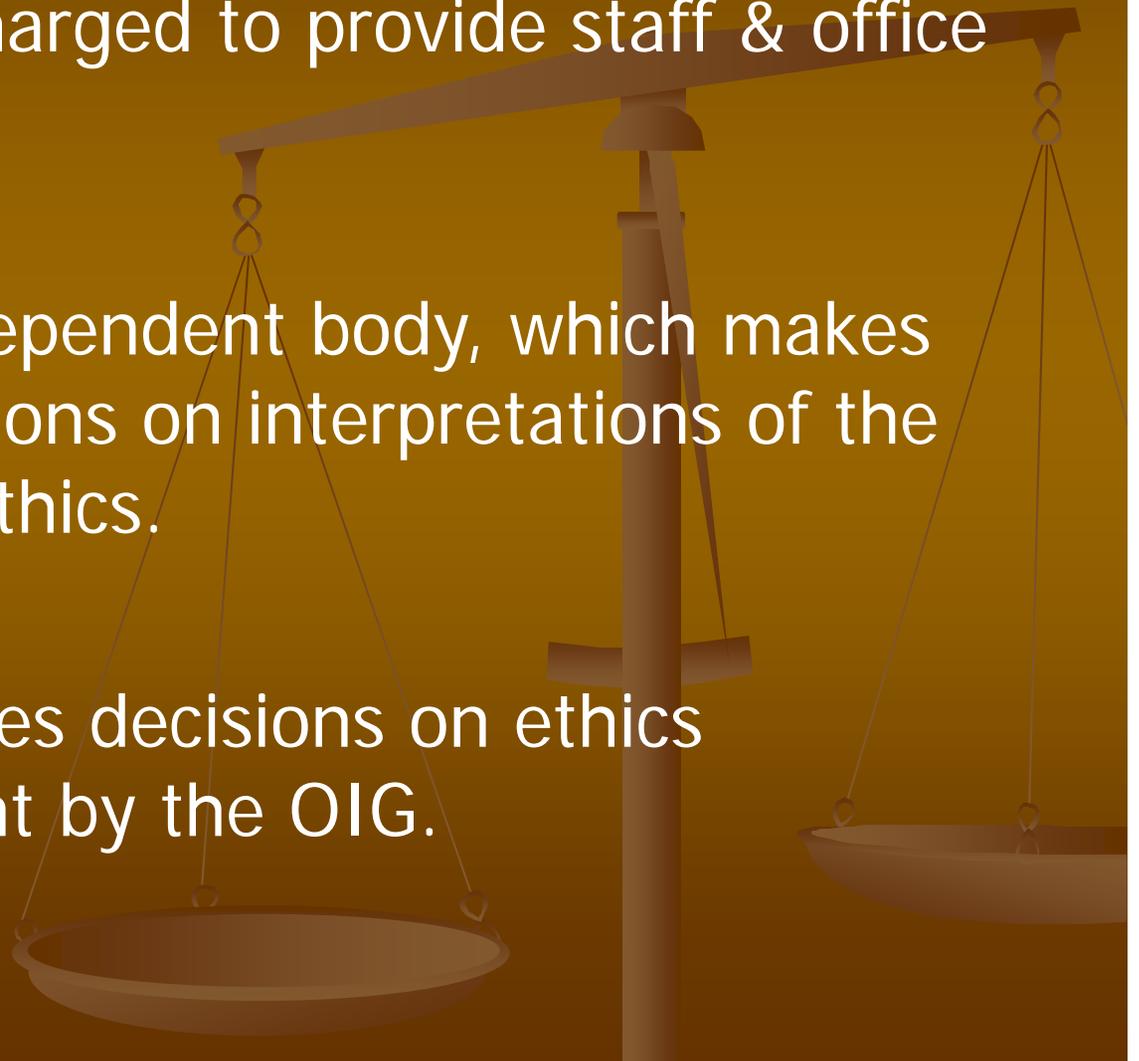
Activities of the OIG



- The OIG is most known for investigating criminal & ethics violations by state employees & contractors.
- The OIG also:
 - Establishes the Indiana Code of Ethics,
 - Staffs the SEC,
 - Educates & advises state workers on the Code of Ethics,
 - Addresses waste in state government
 - Makes recommendations to state agencies to improve efficiency.

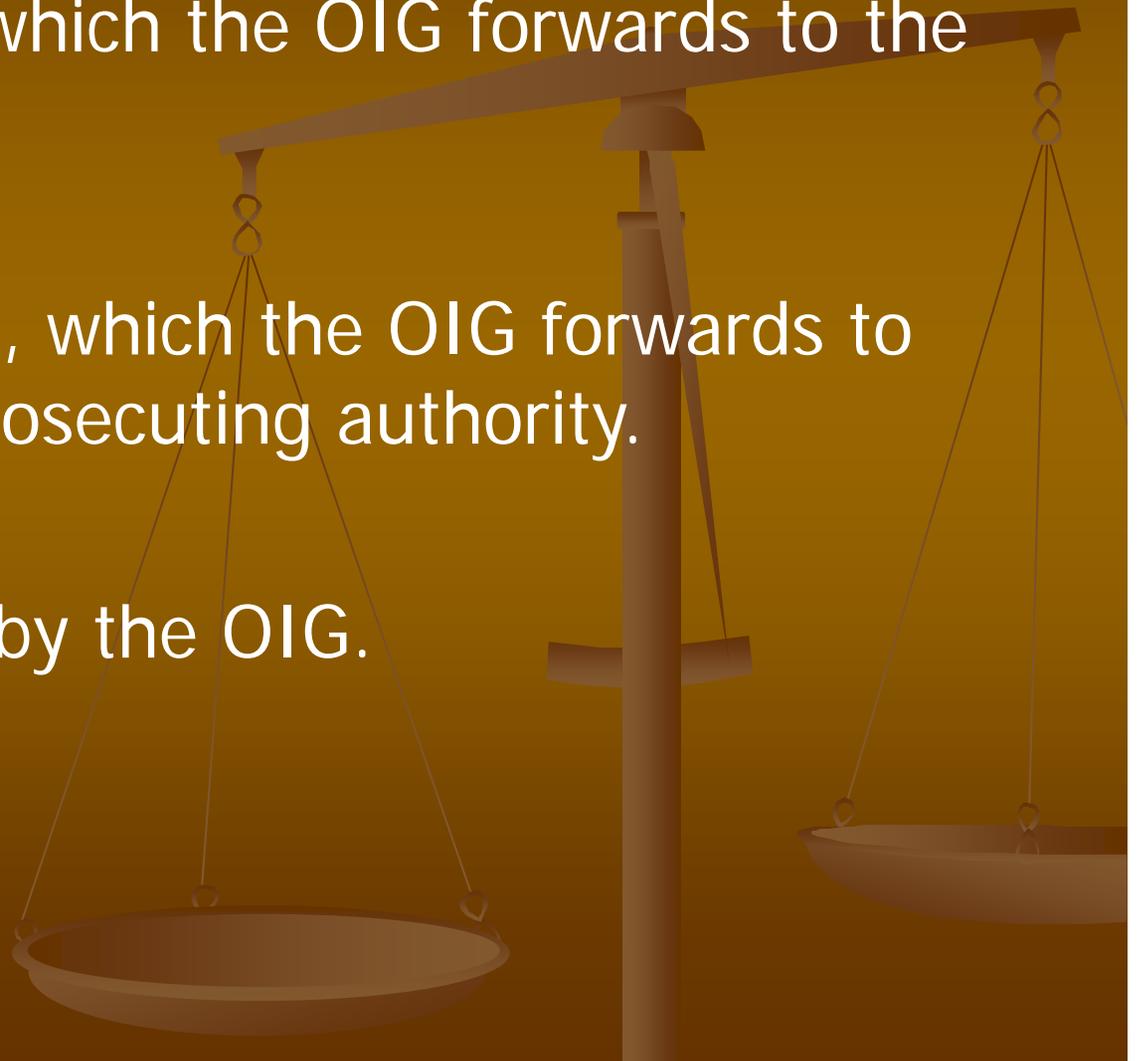
Relationship of the SEC to the OIG

- The OIG is also charged to provide staff & office space for SEC.
- The SEC is an independent body, which makes the ultimate decisions on interpretations of the Indiana Code of Ethics.
- The SEC also makes decisions on ethics complaints brought by the OIG.

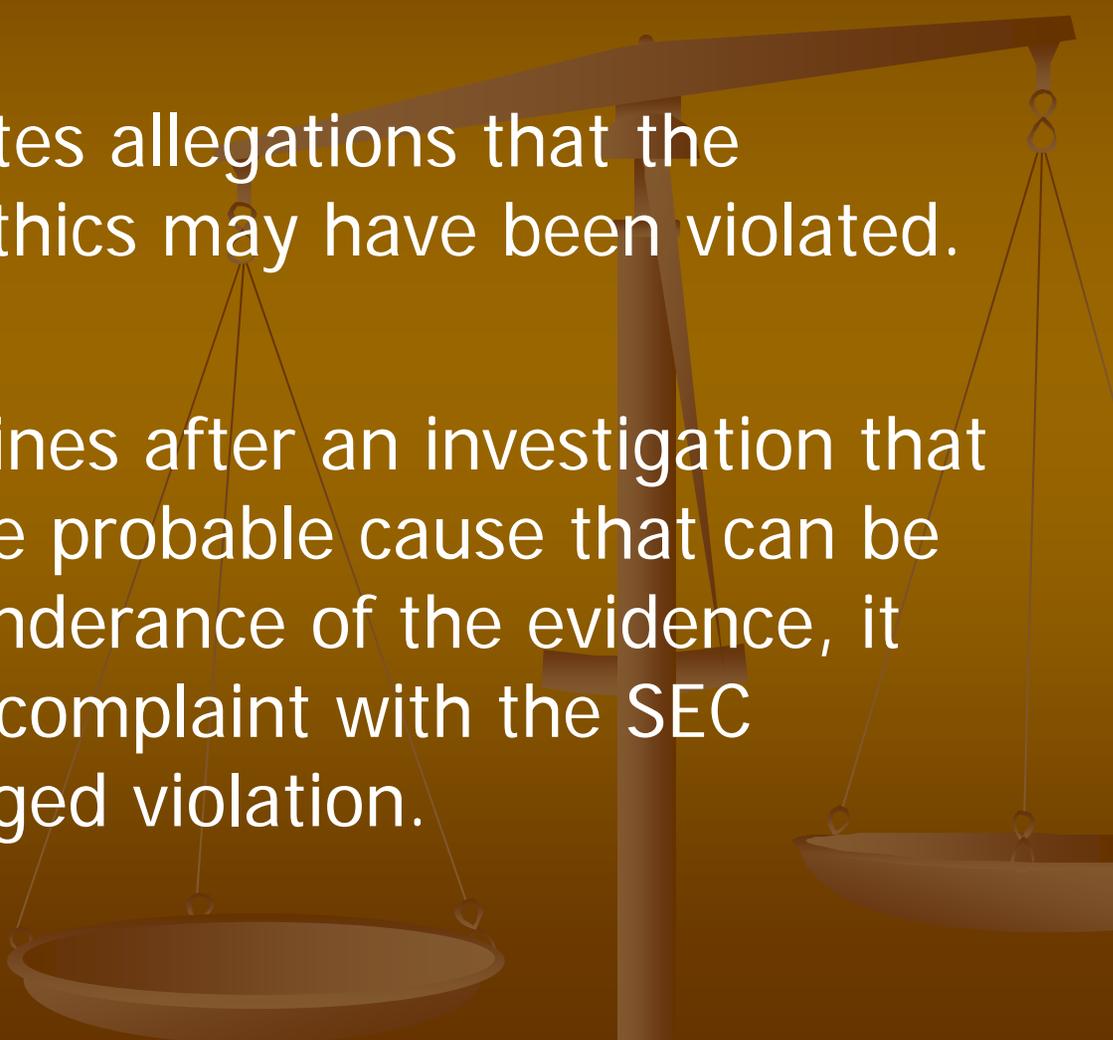


Types of OIG Investigations

- Ethics violations, which the OIG forwards to the SEC.
- Criminal violations, which the OIG forwards to the appropriate prosecuting authority.
- Efficiency reports by the OIG.

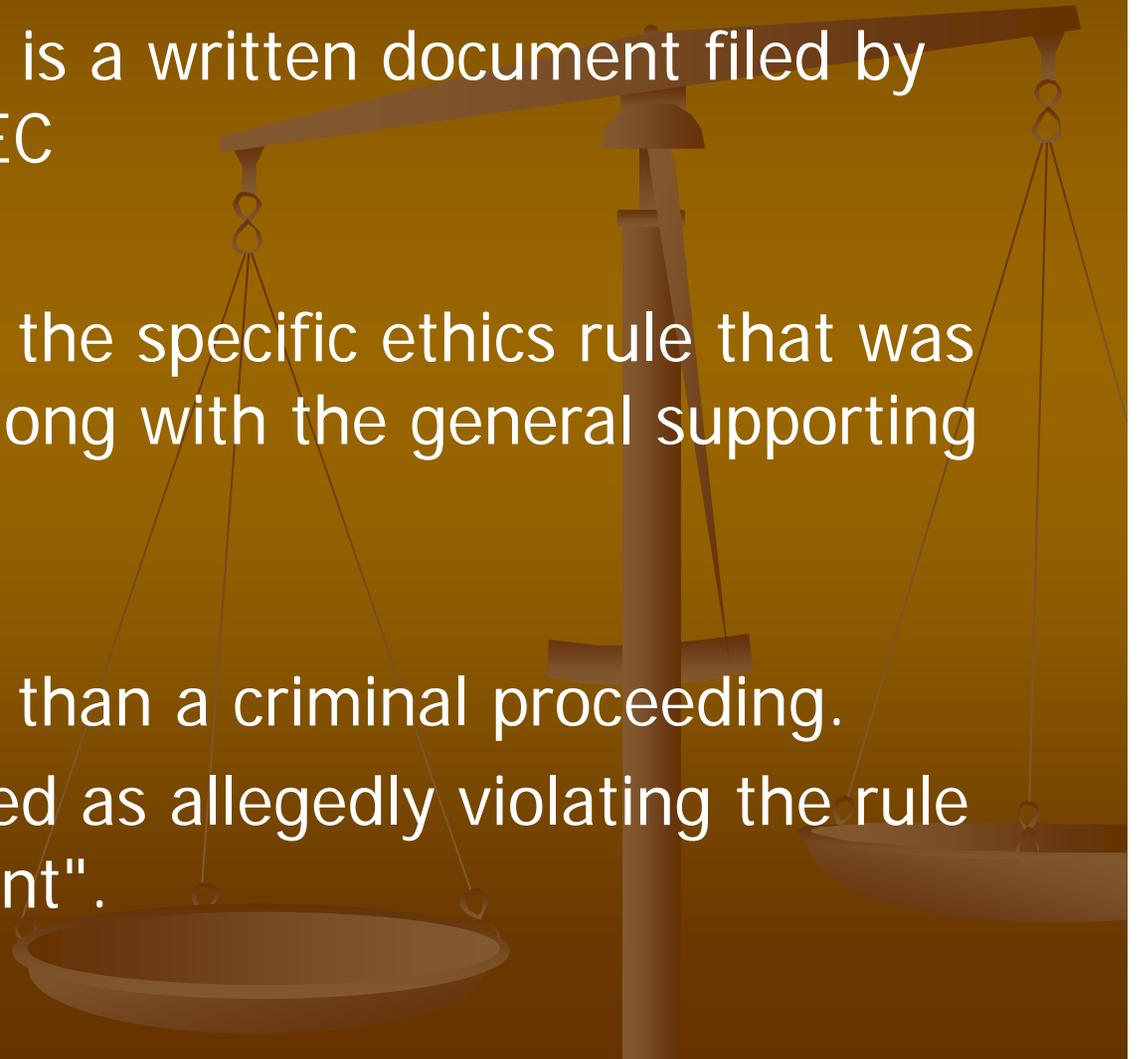


Stages of an Ethics Complaint

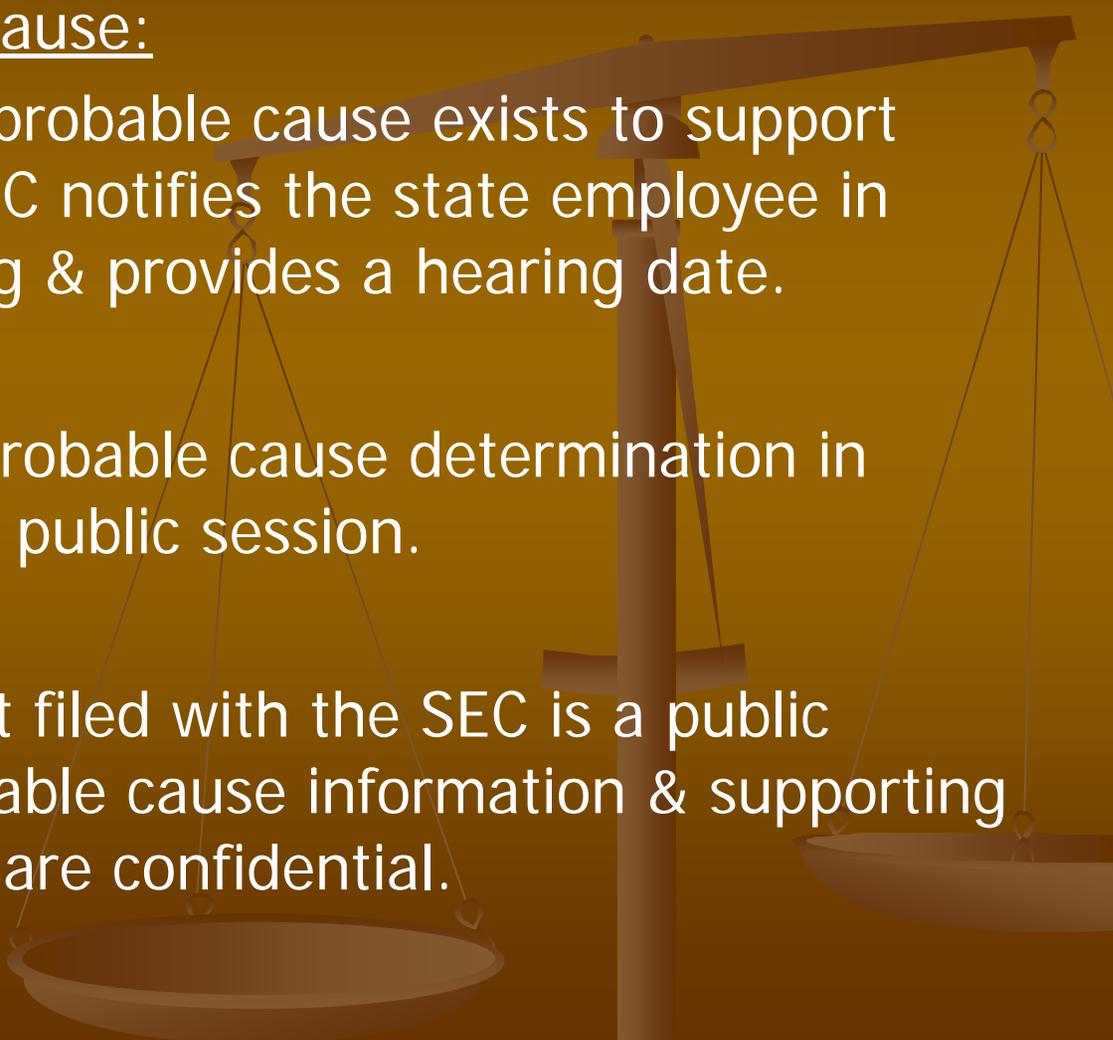
- Investigation:
 - The OIG investigates allegations that the Indiana Code of Ethics may have been violated.
 - If the OIG determines after an investigation that the facts constitute probable cause that can be shown by a preponderance of the evidence, it may file a written complaint with the SEC specifying the alleged violation.
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Stages of an Ethics Complaint

- Filing of a complaint:
- An ethics complaint is a written document filed by the OIG with the SEC
- The complaint cites the specific ethics rule that was allegedly violated along with the general supporting facts.
- This is a civil rather than a criminal proceeding.
 - The person named as allegedly violating the rule is the "Respondent".

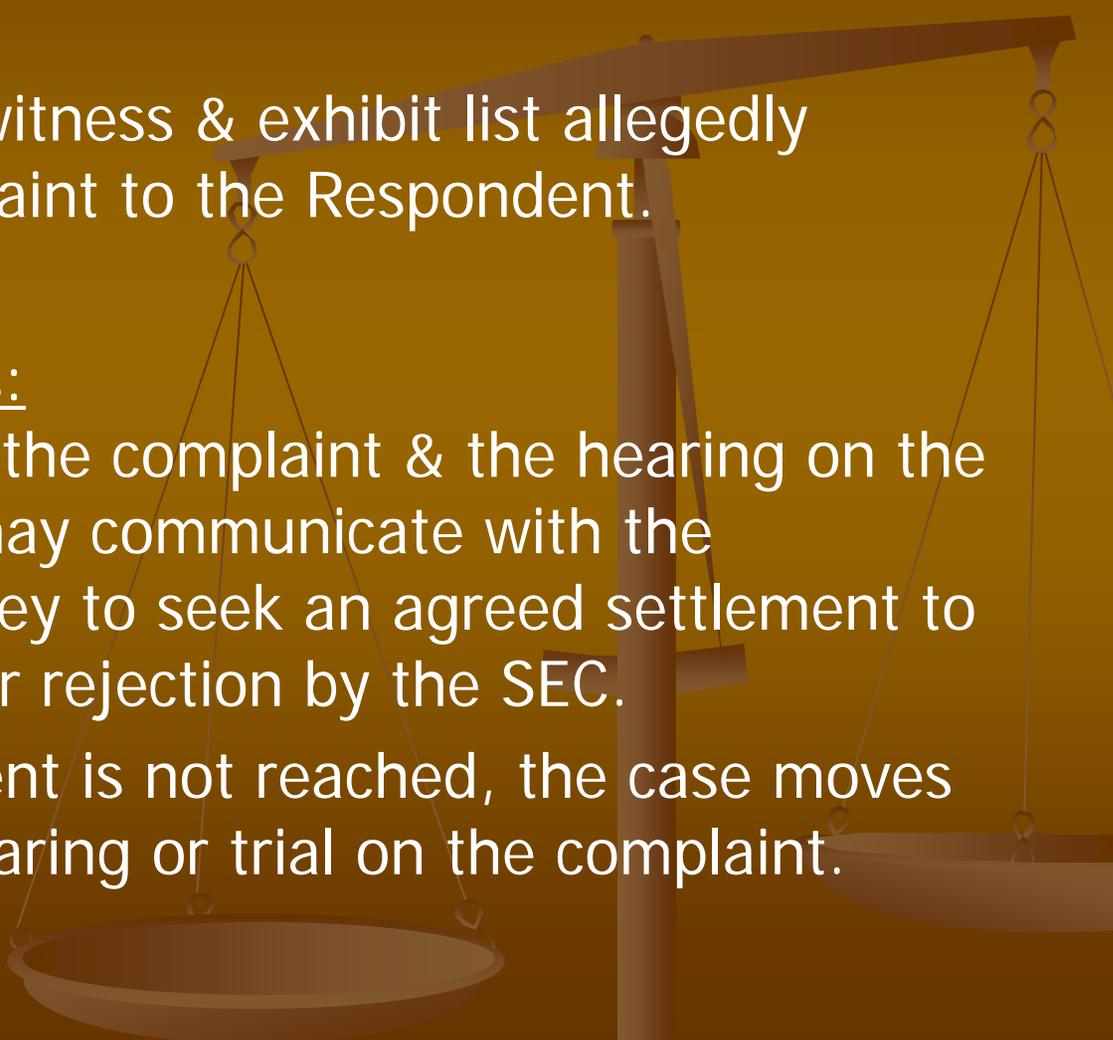


Stages of an Ethics Complaint



- Finding of Probable Cause:
- If the SEC finds that probable cause exists to support the complaint, the SEC notifies the state employee in writing of their finding & provides a hearing date.
- The SEC makes the probable cause determination in executive rather than public session.
- The written complaint filed with the SEC is a public document. The probable cause information & supporting investigatory records are confidential.

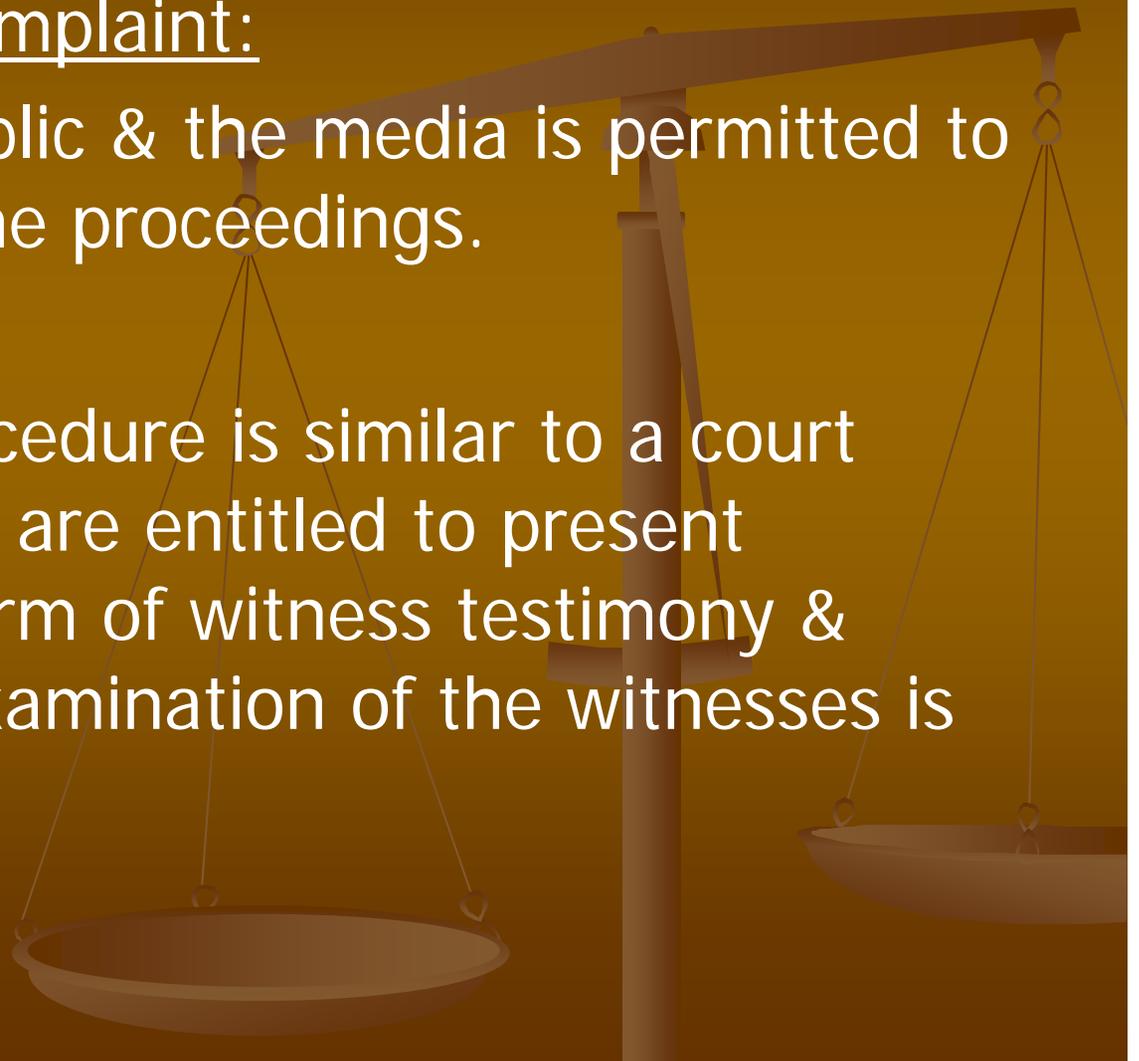
Stages of an Ethics Complaint



- Discovery:
- The OIG provides a witness & exhibit list allegedly supporting the complaint to the Respondent.
- Optional Negotiations:
Between the filing of the complaint & the hearing on the complaint, the OIG may communicate with the Respondent or attorney to seek an agreed settlement to submit for approval or rejection by the SEC.
- If an agreed settlement is not reached, the case moves to the SEC for the hearing or trial on the complaint.

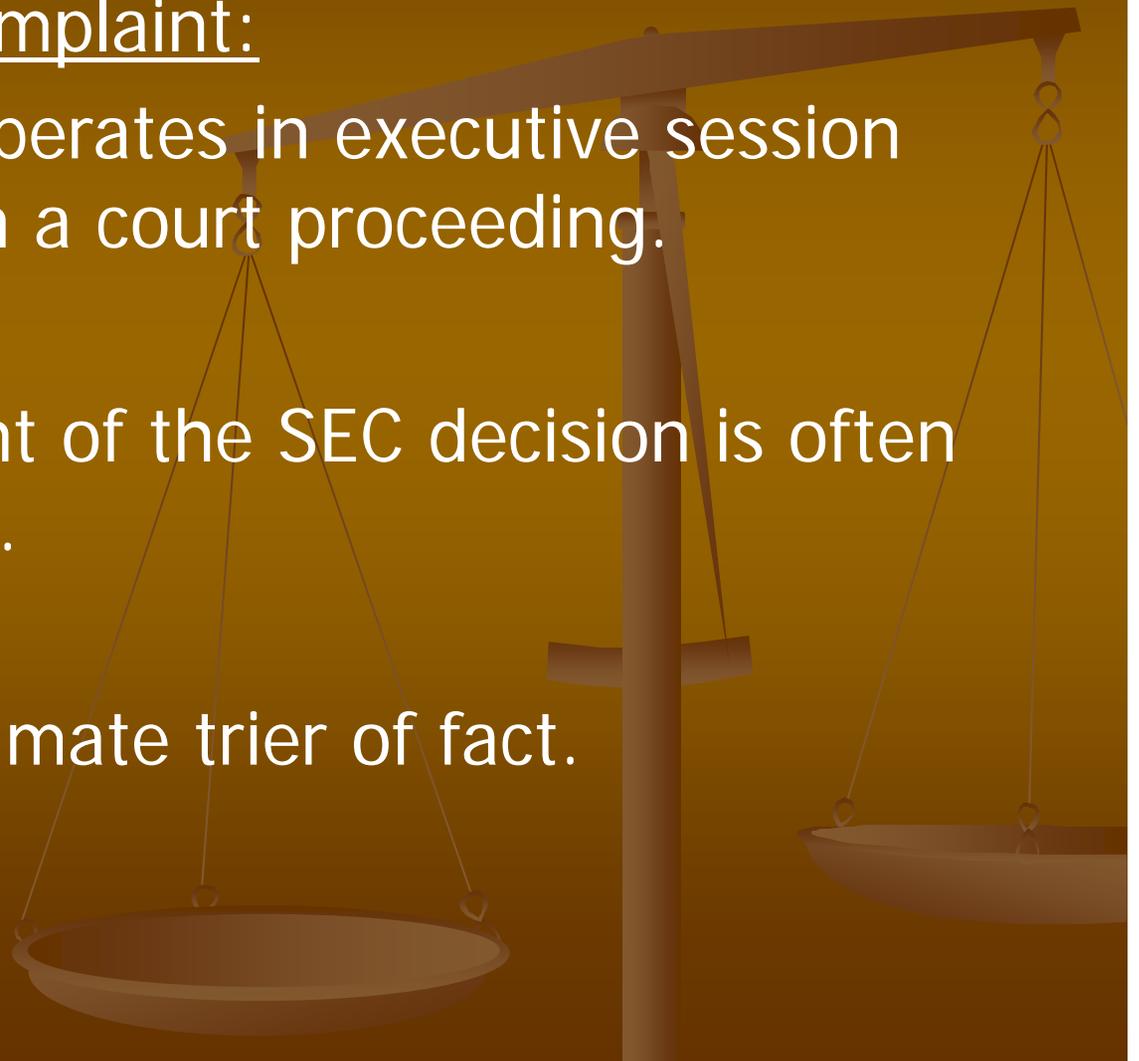
Stages of an Ethics Complaint

- Hearing on the complaint:
- The hearing is public & the media is permitted to attend & record the proceedings.
- Generally, the procedure is similar to a court trial. Both parties are entitled to present evidence in the form of witness testimony & exhibits. Cross-examination of the witnesses is permitted.



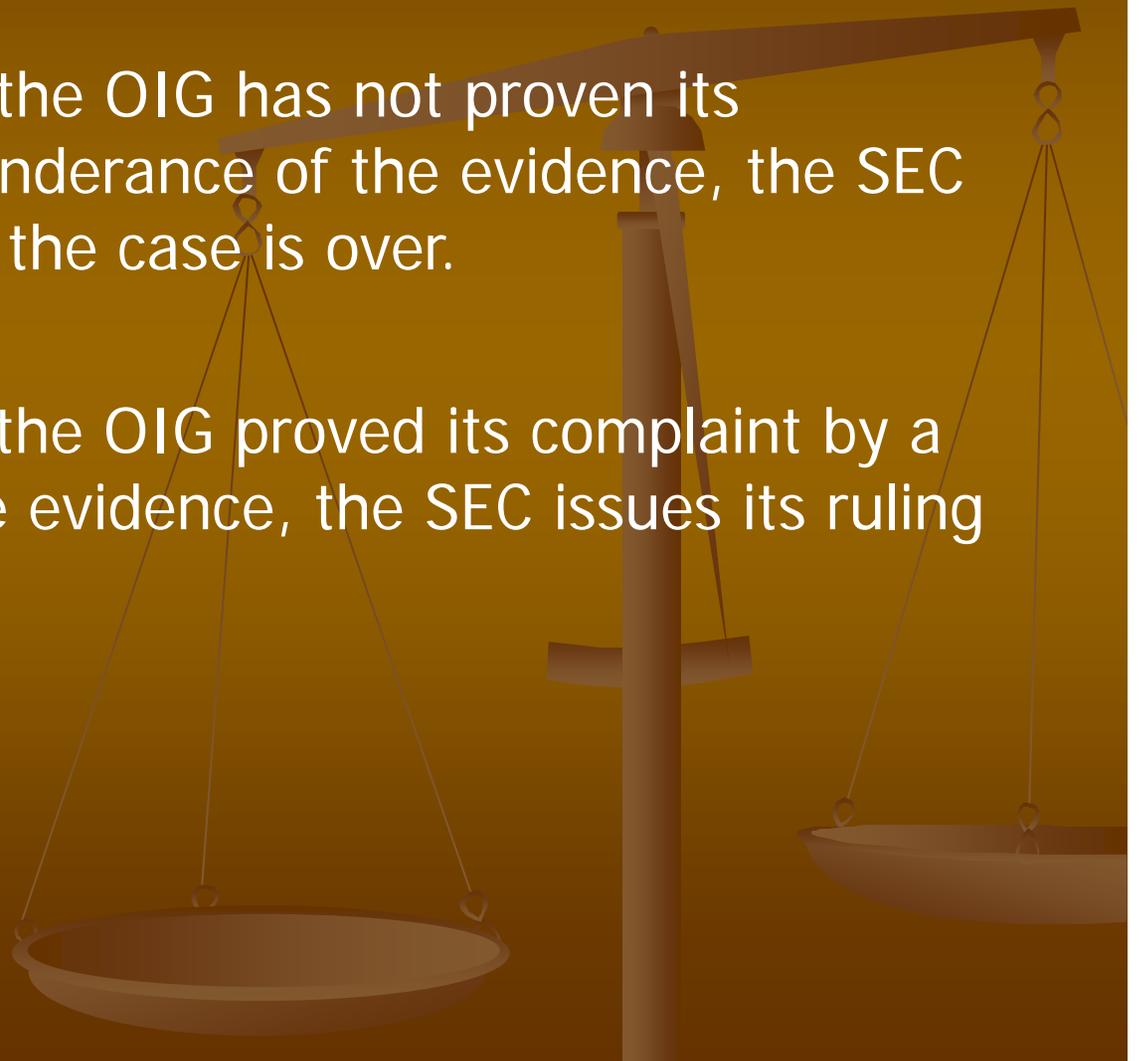
Stages of an Ethics Complaint

- Hearing on the complaint:
- The SEC then deliberates in executive session much like a jury in a court proceeding.
- The announcement of the SEC decision is often at a different date.
- The SEC is the ultimate trier of fact.



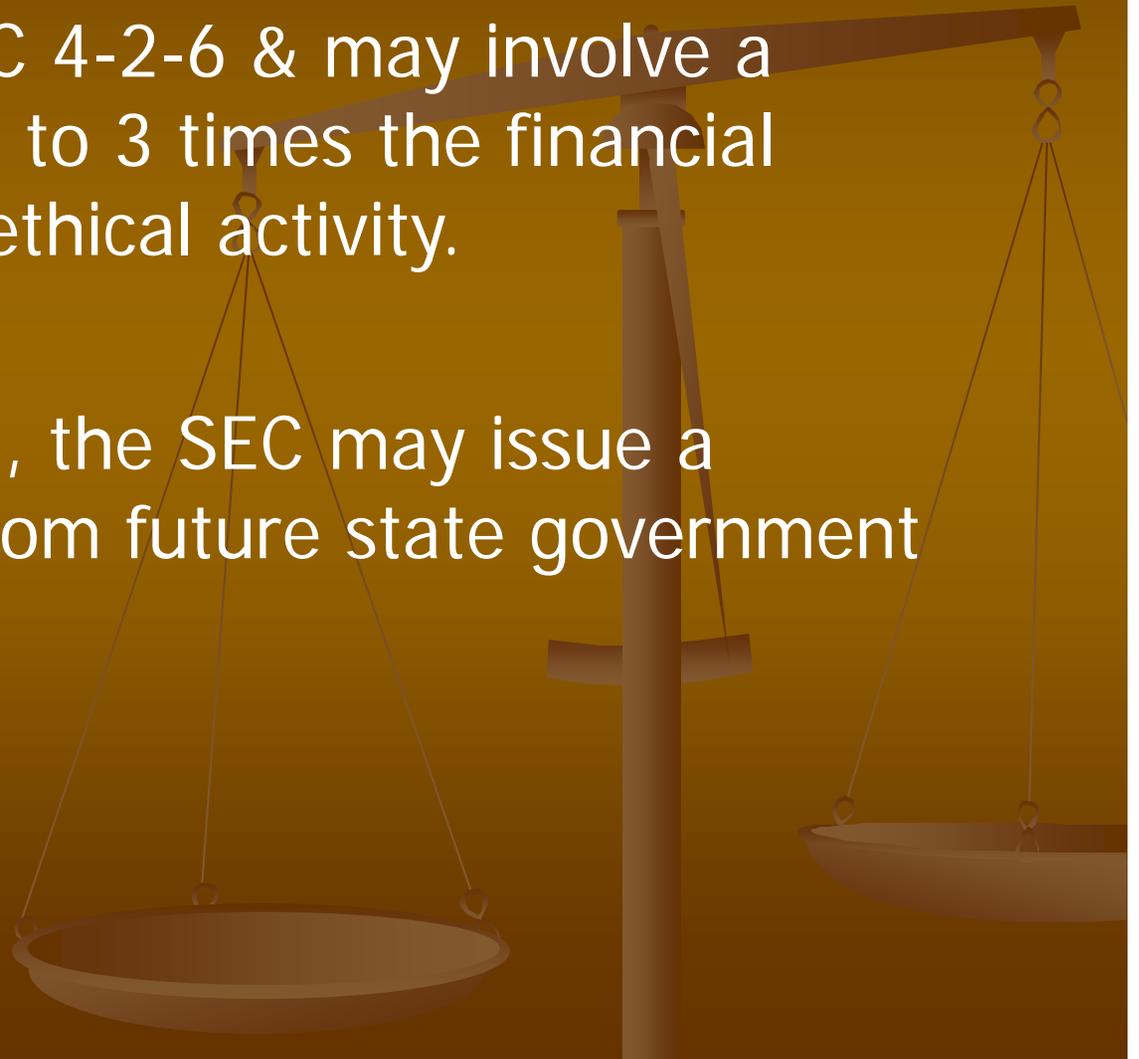
Stages of an Ethics Complaint

- Ruling by the SEC:
- If the SEC rules that the OIG has not proven its complaint by a preponderance of the evidence, the SEC dismisses the case & the case is over.
- If the SEC finds that the OIG proved its complaint by a preponderance of the evidence, the SEC issues its ruling in writing.



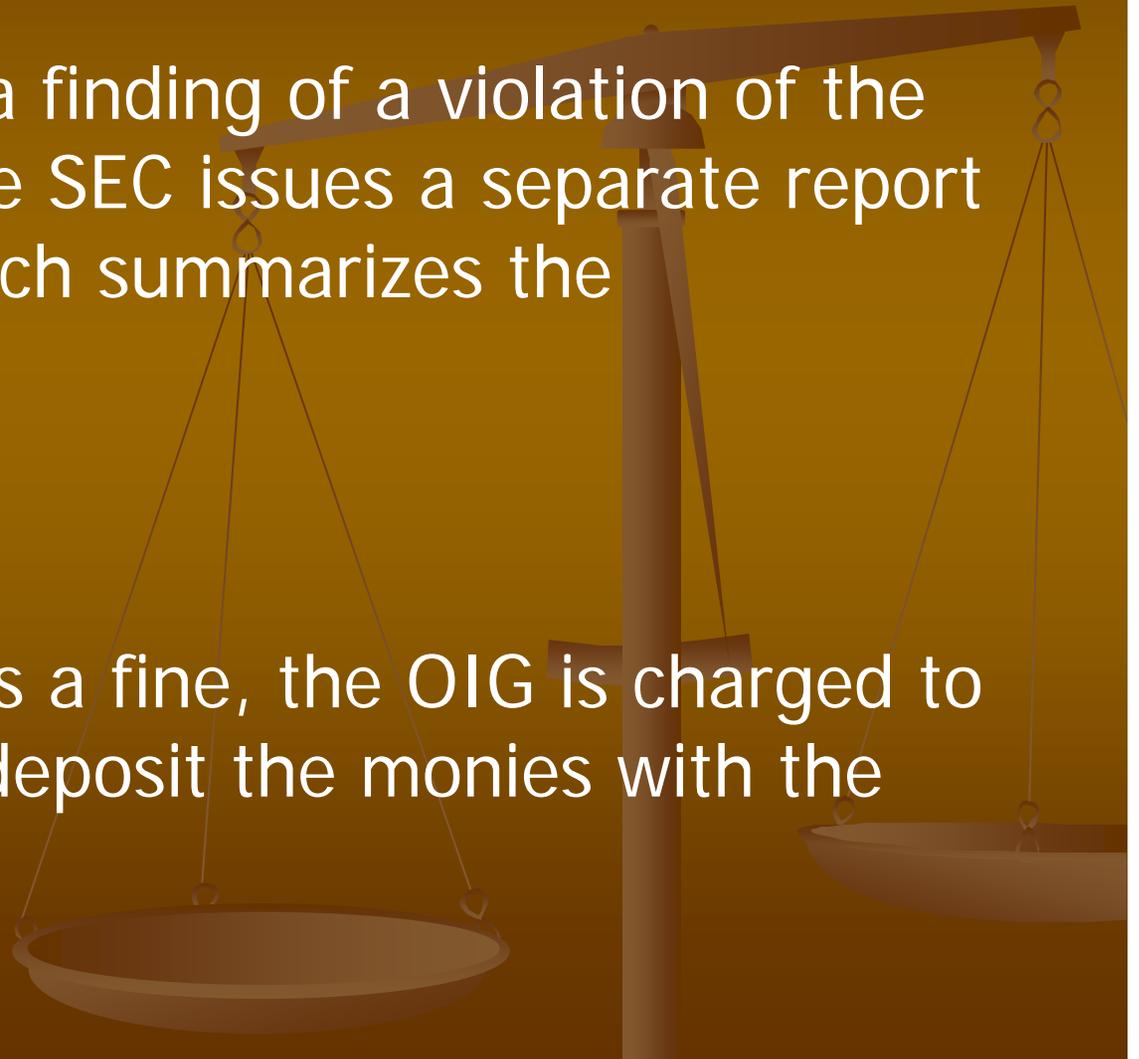
Stages of an Ethics Complaint

- Penalties for a Code of Ethics violation:
- Are set forth in IC 4-2-6 & may involve a monetary fine up to 3 times the financial impact of the unethical activity.
- In extreme cases, the SEC may issue a permanent bar from future state government employment.

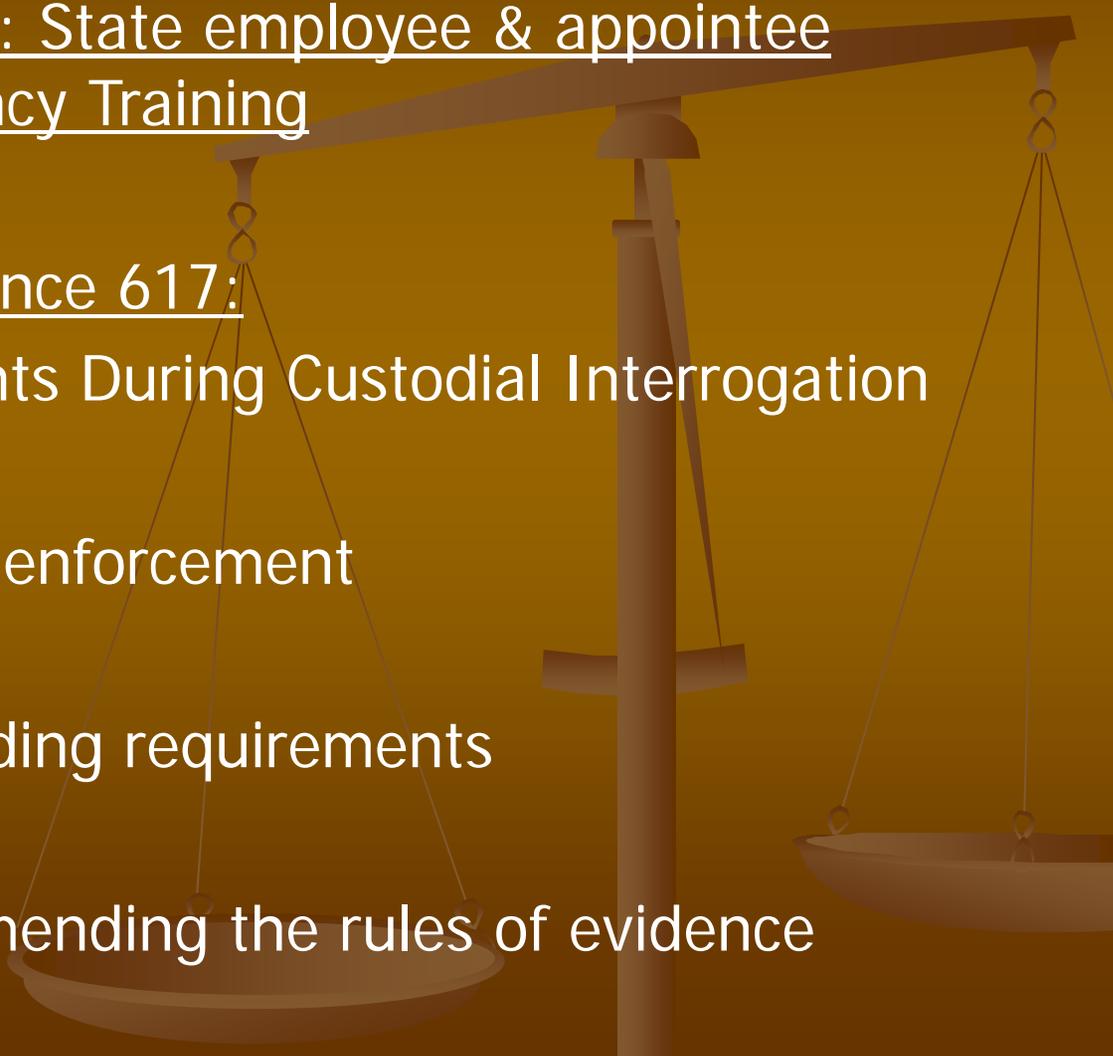


Stages of an ethics complaint

- SEC Report:
- If the SEC issues a finding of a violation of the Code of Ethics, the SEC issues a separate report from the OIG, which summarizes the investigation.
- Payment of fines:
- If the SEC imposes a fine, the OIG is charged to collect this fee & deposit the monies with the State Treasury.



Investigative Training Available on the OIG Website

- Found under Training: State employee & appointee training – Other Agency Training
 - Indiana Rule of Evidence 617:
 - Unrecorded Statements During Custodial Interrogation
 - Felony
 - Conducted by law enforcement
 - Defines Custodial
 - Audio-visual recording requirements
 - The 7 exceptions
 - Full court order amending the rules of evidence
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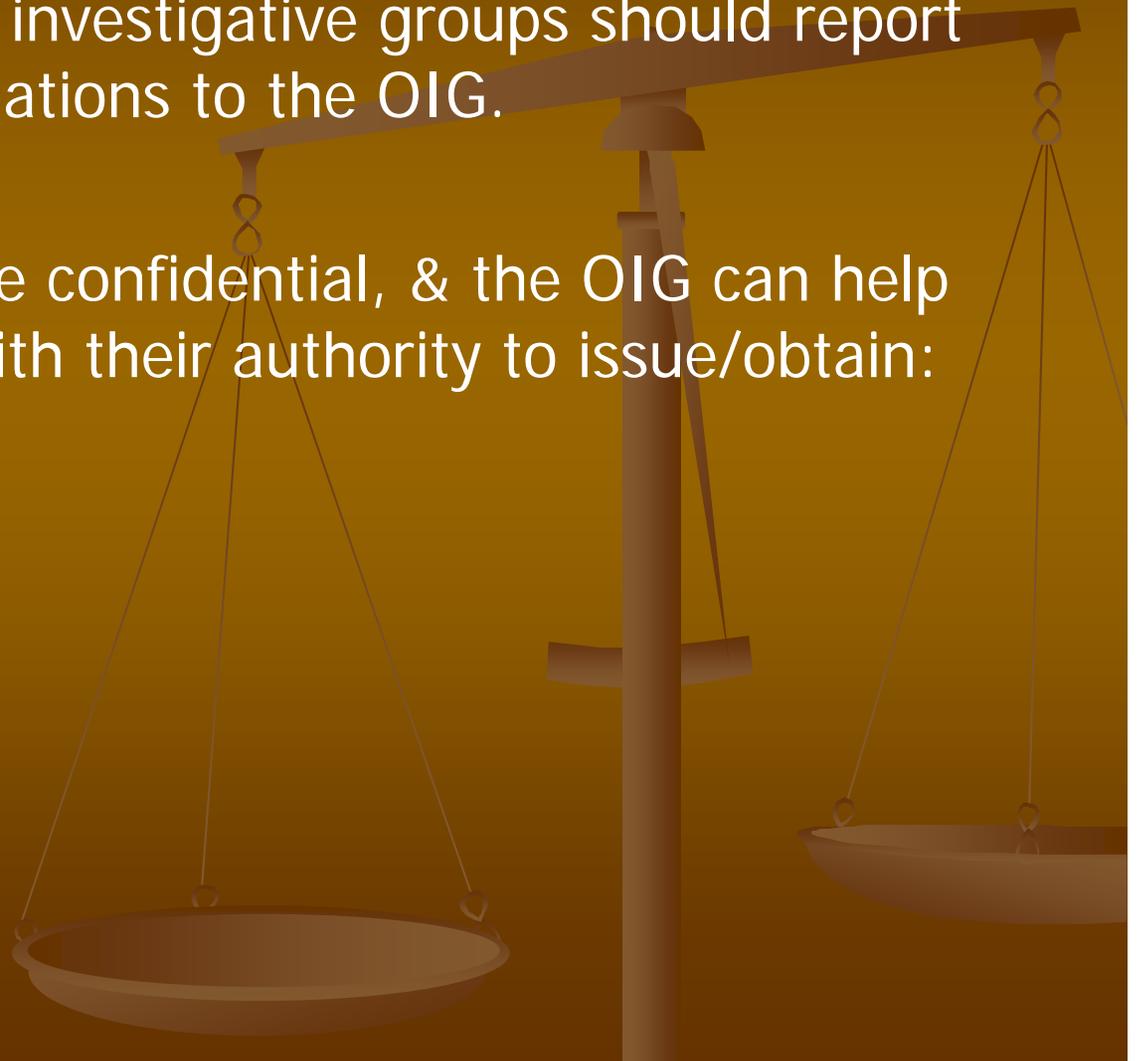
Investigative Training Available on the OIG Website

- Procedural Rules for Investigators & Auditors
 - Search & Seizure
 - Expectation of privacy
 - Probable Cause
 - Exceptions to search warrants
 - Custodial Interrogation
 - Miranda Rule
 - Due Process Rule
 - Garrity vs. New Jersey

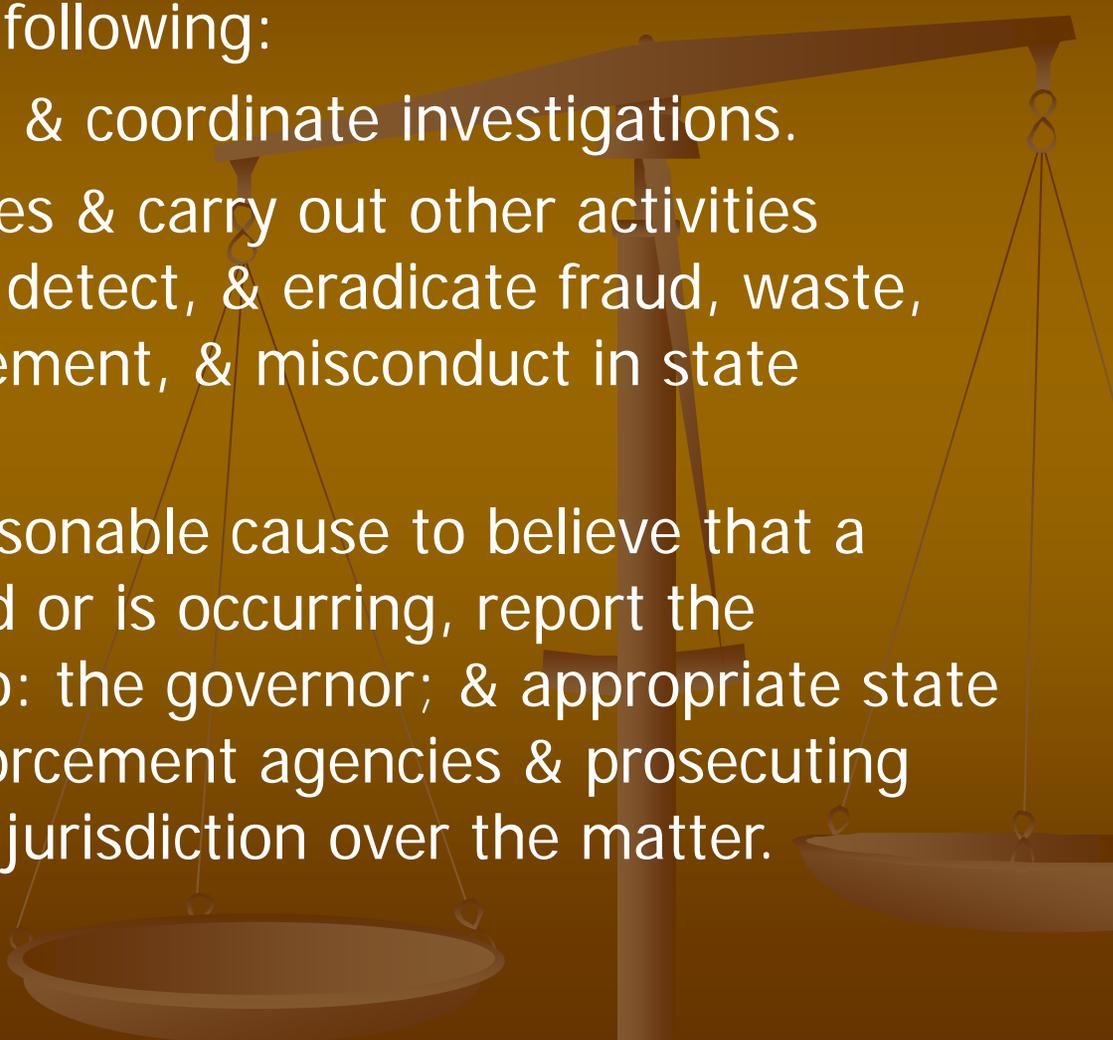


Investigative Training Available on the OIG Website

- State agency audit & investigative groups should report criminal & ethical violations to the OIG.
- OIG investigations are confidential, & the OIG can help other agency units with their authority to issue/obtain:
 - Subpoenas
 - Search warrants
 - Sworn statements
 - Prosecution

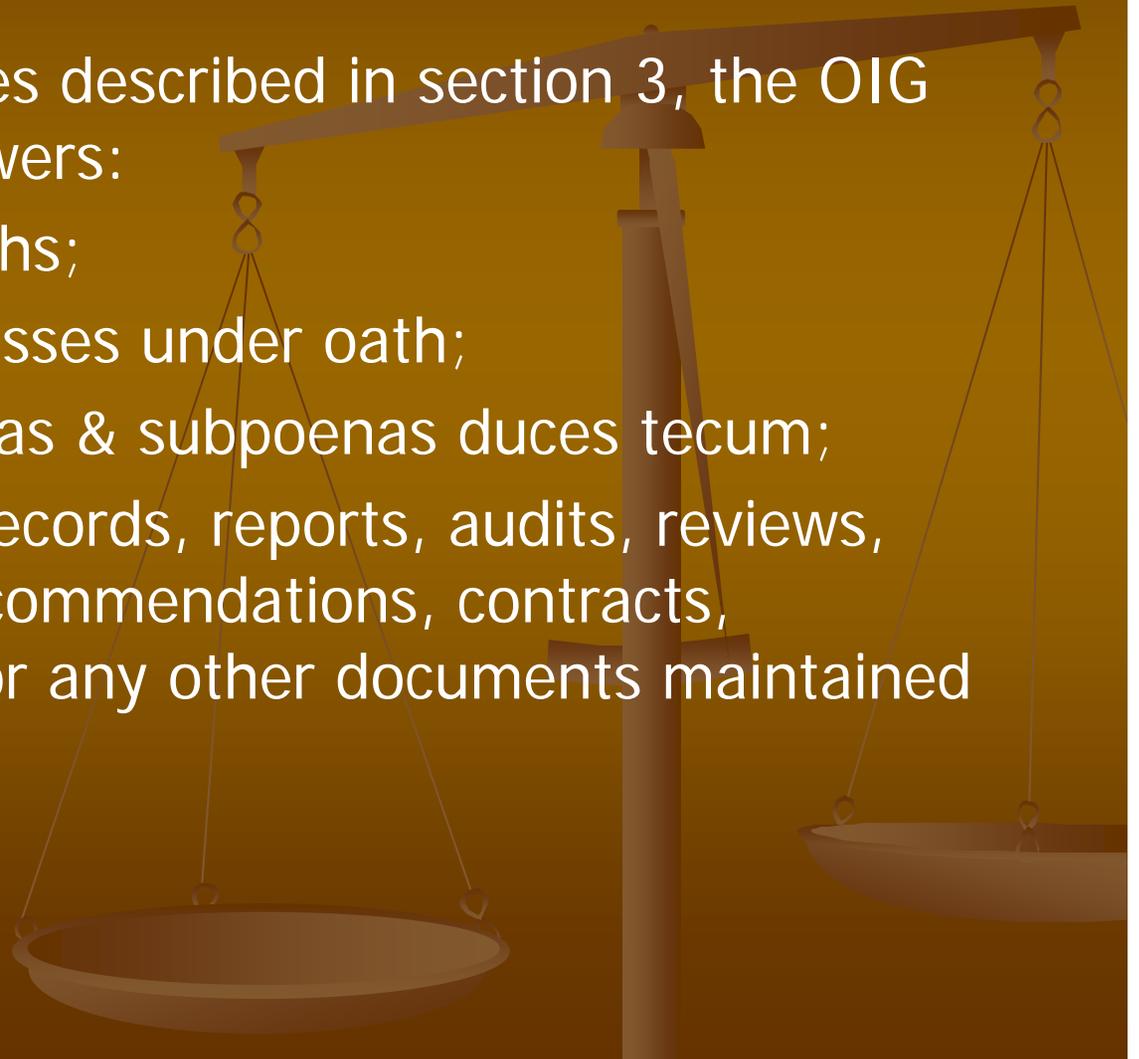


IC 4-2-7-3: Duties; criminal investigation; recommendations; annual report

- The OIG shall do the following:
 - Initiate, supervise, & coordinate investigations.
 - Recommend policies & carry out other activities designed to deter, detect, & eradicate fraud, waste, abuse, mismanagement, & misconduct in state government.
 - If the OIG has reasonable cause to believe that a crime has occurred or is occurring, report the suspected crime to: the governor; & appropriate state or federal law enforcement agencies & prosecuting authorities having jurisdiction over the matter.
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IC 4-2-7-4: Powers; subpoena & contempt; reports; serving as special prosecuting attorney; civil & criminal actions

- To carry out the duties described in section 3, the OIG has the following powers:
 - (A) administer oaths;
 - (B) examine witnesses under oath;
 - (C) issue subpoenas & subpoenas duces tecum;
 - (D) examine the records, reports, audits, reviews, papers, books, recommendations, contracts, correspondence, or any other documents maintained by an agency.



IC 4-2-7-4: Powers; subpoena & contempt; reports; serving as special prosecuting attorney; civil & criminal actions

- The OIG may apply to a court for an order holding an individual in contempt of court if the individual refuses to give sworn testimony under an OIG subpoena or otherwise disobeys an OIG subpoena or subpoena duces tecum
 - The OIG shall prepare a report summarizing the results of every investigation. The report is confidential.
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