



## INSPECTOR GENERAL REPORT

2005-01-0043

April 16, 2009

### INDOT CHANGE-ORDERS AUDIT

*Inspector General David O. Thomas, with the assistance of State Board of Accounts Field Examiner Patti Serbus, reports as follows:*

This report addresses an audit by the Office of the Inspector General (OIG) with the assistance of the State Board of Accounts (SBOA) regarding OIG recommendations from a report issued by the OIG on October 27, 2005 regarding the change-order process by the Indiana Department of Transportation (INDOT).

A “change-order” is a billing procedure where a private contractor submits to an INDOT project engineer an invoice for payment for additional work in a construction contract due to the unexpected nature of the additional work.

The OIG was critical of INDOT in its October 27, 2005 report for authorizing change-orders that were unnecessary, including improvements to a house that served as a field office. These expenditures of state money through change-orders included the purchase of a new patio deck, interior remodeling, landscaping, an air-conditioning unit and aluminum siding.

The allegations for the original investigation were reported to the OIG by INDOT internal investigators, and two INDOT employees were terminated for

abuse related to the report.

Multiple recommendations to INDOT were made by the OIG pursuant to IC 4-2-7-3(2) in order to prevent similar future waste. This report reflects the progress made by INDOT since the issuance of that report.

INDOT officials were cooperative in this follow-up investigation.

The OIG is charged to investigate and recommend changes to state agencies to help prevent fraud and waste. IC 4-2-7-2.

1

The first recommendation was to impose better controls on the change-order process, so as not to circumvent procurement, contracting or budget rules. The OIG suggested that an experienced engineer outside the district should approve the change-order, or that a designated engineer at the central office in Indianapolis approve the changes.

INDOT has substantially complied with this recommendation. INDOT responded to this recommendation from October of 2005 by implementing new written policies regarding change-orders, effective July 1, 2006. *See Exhibit A, attached (Policy for Construction Change Orders on Highway Construction Contracts, specifically sections 1.3, 1.16, 1.19 and 2.2).*

This new policy first removes the Project Engineer, the INDOT employee in the field having daily interactions with the contractor, from the approval process. This first level of approval now begins with the District Engineer, the supervisor of the Project Engineer.

Secondly, a change order must be approved by a second person, a Project Manager, who is a district or central office employee.

Although not mirroring the suggested method by the OIG that a central office employee approve the change order, INDOT initiated a new written procedure that removes the previous approving INDOT employee in the field and imposes two approvals to the process, thereby complying with the recommendation that INDOT “impose better controls on the change-order process, so as not to circumvent procurement, contracting or budget rules.”

2

The second recommendation was that the change order documentation and invoice be itemized, rather than generically referring to the change order work to be performed generically as “administrative expenses” as was previously found in the original investigation.

We found compliance on this recommendation, as well. The SBOA at the request of the OIG performed an audit on this issue, randomly selecting 60 change orders processed after the release of the OIG report in 2005 and implementation of the new policies addressed above.

Each of the 60 change orders reviewed by the SBOA complied with the OIG recommendation that the documentation itemize the specific work to be performed, the need for the work and why the change was unanticipated. These documents were also properly signed by the INDOT employees in the new policy.

We further found that INDOT instituted a written “Checklist” to be

followed during the change order process in order to insure compliance with the new policy. *See* Exhibit B, attached.

3

The third recommendation was for INDOT to adopt a rule or agency policy that prohibits any private work by a contractor working on an INDOT project for the project engineer or family members.

INDOT has followed this recommendation by implementing a new written agency policy. *See* Exhibit C, attached.

4

The fourth recommendation was that INDOT issue a policy that INDOT Project Supervisors have no contact with contractors bidding on projects prior to the completion of the job bidding process.

INDOT has implemented this recommendation and implemented a new written agency policy. *See* Exhibit D, attached.

5

The fifth recommendation was that INDOT create and maintain a written inventory by the INDOT Project Engineer logging all purchases during the course of the project, with the inventory being filed with the Area Engineer.

This recommendation arose from the situation in the original report where change orders were being used to purchase tangible items such as tractors, mobile

radios, lawnmowers and snowblades which became subject to misappropriation at the end of the contract.

The OIG finds substantial compliance with its recommendation. A new policy issued by INDOT in response to this recommendation restricts the purchase of equipment that would remain the property of the state. See Exhibit A, Policy 1.10.

6

The sixth recommendation was that INDOT consider returning to the policy of leasing mobile homes for field offices as opposed to purchasing real property.

It was alleged in the recommendation that the convenience and the opportunity for abuse would be greatly diminished, especially when maintenance, yard work, insurance, and utility expenses are greater with a purchased home.

This recommendation has been implemented. INDOT has responded that it does not wish to pursue the purchase of real property for field offices.

This was corroborated by the SBOA audit which found no instances of real property purchases during the audit of the 60 change orders.

7

The seventh and final recommendation was that INDOT seize and inventory the house and other purchases in order to avoid further financial loss to INDOT and the State of Indiana.

This has also been accomplished. INDOT advises that the house was sold at public auction on October 26, 2006, for \$80,000. After administration expenses, \$77,311.92 was returned to the State Treasury. This is verified through documentation. See Exhibits E (closing statement) and F (quitclaim deed).

All recommendations having been implemented, this follow-up investigation is closed.

Dated this 16<sup>th</sup> day of April, 2009.



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David O. Thomas, Inspector General

Exhibit Summary:

Exhibit A:

*Policy for Construction Change Orders on Highway Construction Contracts*, specifically sections 1.3, 1.16, 1.19 and 2.2

Exhibit B:

Checklist for change-order process

Exhibit C:

Policy for Conflict of Interest Restrictions for INDOT Employees regarding contracting for private work

Exhibit D:

Policy for Conflict of Interest Restrictions for INDOT Employees regarding divulging information to contractors

Exhibit E:

Closing statement

Exhibit F:

Quitclaim deed

INDIANA DEPARTMENT OF TRANSPORTATION  
Departmental Policy

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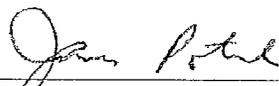
**Policy:**                    **Policy for Construction Change Orders on Highway Construction Contracts**

**Purpose:**                    The purpose of a Highway Construction Contract Construction Change Order is to document an impact to a construction contract and to authorize the changes required to mitigate the impact. As part of the Change Order process, it is vital to identify the causes of Change Orders in order to manage documents and procedures to eliminate repetitive causes.

**Effective Date:**        This Policy shall become effective on **July 1, 2006**

**Supersedes:**            This Policy supersedes all previously published Construction Change Order Policies, including, but not limited to those contained in the General Instruction for Field Employees and Construction Memorandums 00-13, 02-08, 05-02 and 05-09.

**Responsible Division:**    Division of Construction Management

**Authority:**                 \_\_\_\_\_ Date 6/13/06  
James Poturalski  
Deputy Commissioner of Highway Management

**POLICY**

**1. General Provisions**

1.1.        It is the responsibility of the Division of Construction Management to maintain a Construction Change Order Policy (Policy) that minimizes risk to the Department from impacts to construction contracts and documents reasons for changes to manage process improvement.

1.2.        It is the responsibility of the Division of Construction Management to maintain procedural instructions for application of the Policy. These instructions shall be maintained in the Indiana Department of Transportation General Instructions to Field Employees (GIFE).

1.3.        This Policy must be implemented in conjunction with the applicable provisions of the Standard Specifications. The Policy shall in no way be construed to supersede the Standard Specifications or any State or Federal statute.

1.4.        A Change Order is required to document changes in the Contract Documents. These changes include, but are not limited to changes due to plan revisions, extra work,

force account work, accumulated quantity changes, specification changes, credits to the contract and failed materials.

- 1.5. Except as permitted by this Policy, changes to the Contract Documents shall require authorization by the appropriate authority, as described herein, prior to proceeding with any changes to the Contract.
- 1.6. A Registered Professional Engineer (Engineer) assigned to administer and manage a construction contract for the Department has the responsibility and authority to authorize those changes in the work necessary to address errors and omissions in the Contract Documents. The Engineer's authority is intended to allow the work to be constructed within the intent of the original scope and design of the Contract without causing undue delay of the work. Changes may include revisions of existing pay item quantities or addition of new items of work. The Engineer may authorize work to begin on changes that require a Change Order under the requirements of this Policy prior to final approval of the Change Order. Changes must be based on sound engineering judgment and conform to the Department's design and construction policies and standards.
- 1.7. A project supervisor (Supervisor) other than a Registered Professional Engineer assigned to administer and manage a construction contract for the Department has the responsibility and authority to authorize changes in original contract pay item quantities, as allowed by the requirements of this Policy, to address errors and omissions in the Contract Documents. This authority is intended to allow the work to be constructed strictly within the original intent of the scope and design of the Contract. Any other changes to the Contract must be approved according to this Policy before they are implemented in the Contract.
- 1.8. A Change Order is not required, within the limits set out below, to authorize minor changes in original contract pay item quantities that are typically necessary to meet the scope and design of the Contract. Once any one of the limits below is exceeded, a Change Order shall be generated to authorize the revisions. The Change Order shall include all revisions to original contract pay item quantities not previously addressed by a Change Order. Additional Change Orders due to further changes in original contract pay item quantities are not required until the limits of this section are again exceeded.
  - 1.8.1. \$20,000 sum total change in any one original contract pay item
  - 1.8.2. The greater of \$20,000 sum total change in all original contract pay items or a sum total change of 2% of the original contract amount in all original contract pay items, not to exceed \$250,000
- 1.9. The Project Engineer/Supervisor (PE/S) shall maintain contract records sufficient to be able to identify when changes to the Contract exceed the limits set out above.
- 1.10. A Change Order shall not be used to purchase any equipment that will remain the property of the State without prior written approval from the Director of the Division of Construction Management (DDCM).

- 1.11. A Change Order shall not be used to pay a Contractor for any work on any State property, including buildings and vehicles, not originally included in the Contract without prior written approval from the DDCM.
- 1.12. A Change Order that adds new items of work or revises quantities of existing items of work shall comply with the Department's policy for attainment of Disadvantaged Business Enterprise (DBE) goals on those contracts that contain DBE goals.
- 1.13. The District Office of Highway Operations shall review Change Orders for compliance with the Department's policy for attainment of DBE goals.
- 1.14. A Change Order shall include documentation necessary to describe the impact, cost and justification of the change. The documentation shall be such that a person generally familiar with the construction process, but not associated with the specific contract, is able to understand the impact and the justification for change.
- 1.15. Documentation of how new or revised unit prices are established shall be included with the submittal of the Change Order.
- 1.16. The District Construction Office shall provide a copy of all approved Change Orders to the Division of Construction Management and the Project Manager (PM) for the Contract.
- 1.17. The Division of Construction Management shall provide training as required for implementation and application of this Policy.
- 1.18. The District Office of Highway Operations shall review District approved Change Orders to ensure compliance with this Policy.
- 1.19. The Division of Construction Management shall conduct process reviews to verify compliance with this Policy.

## 2. Monetary Approval Authority

- 2.1. A Change Order shall not be split into multiple Change Orders to reduce the total dollar amount per Change Order or to reduce the approval authority level required.
- 2.2. The Department's level of authority for monetary approval of a Change Order shall be as shown in the following table:

Monetary Approval Authority	
Approval Authority	Maximum CO Amount
Area Engineer	\$250,000
District Construction Engineer	\$750,000
State Construction Engineer	\$2,000,000
Director, Division of Construction Management	Over \$2,000,000

- 2.3. When a Change Order is associated with a Time Extension request, both shall require approval by the higher authority required for either the Time Extension or the Change Order.
- 2.4. In addition to the approval levels above, if the Contract has Federal Highway Administration (FHWA) oversight, the Change Order shall receive prior approval from the FHWA. The FHWA may provide documented verbal approval of the Change Order to allow work to proceed and then will authorize the completed Change Order document after final approval by the Department.
- 2.5. In addition to the requirements above, if the Project is a Local Public Agency (LPA) contract, the LPA shall provide approval before work on the Change Order may proceed.
- 2.6. The PE/S shall maintain contract records sufficient to identify when changes to the Contract will exceed 5% of the original Contract amount. The PE/S shall notify the Area Engineer (AE) when the Contract will exceed 5% of the original Contract amount.
- 2.7. When a Contract exceeds 5% of the original contract amount, the District Construction Office shall notify the appropriate District or Central Office program budget managers. The program budget manager will determine how additional funds will be allocated for the Contract.

### 3. Scope or Design Change Approval

- 3.1. The approved scope or design of a Contract shall not be changed, except as permitted by this Policy, without prior approval from the appropriate authority.
- 3.2. Any of the following changes to scope or design elements of the Contract require prior approval, regardless of the monetary value of the change:
  - 3.2.1. Alterations to the intent or scope of the Contract or character of the work, including significant revision of the project limits
  - 3.2.2. Revisions to geometric design of the mainline roadway, ramps, frontage roads or crossroads
  - 3.2.3. Revisions to structural section of the pavement, including, but not limited to subgrade, subbase, bituminous binder grade, pavement type, pavement depth, individual pavement courses and aggregate designations
  - 3.2.4. Additions, deletions, changes or relocations to bridges and/or structures that affect the functional scope and intent of the approved design
  - 3.2.5. Deviations from planned access control, including drives or pedestrian access features
  - 3.2.6. Revisions to the specifications, special provisions or other contract requirements, including approved provisions for maintaining traffic
  - 3.2.7. Revisions that result in new environmental impacts, changes in previously permitted activities or reductions in environmental mitigation measures provided for in the Contract
- 3.3. The PM shall be notified when it is determined that a proposed change modifies the original scope or design of the Contract, beyond the changes permitted by this Policy.
- 3.4. The PM shall review proposed modifications to scope or design elements and provide a recommendation to the appropriate monetary approval authority for or against the proposed changes to the Contract. The review shall include planning, design, construction and other Department personnel as appropriate to the situation. FHWA and LPA personnel shall be included in the review as applicable. The recommendation shall include a statement as to whether or not the Contract can be completed as planned without the proposed change to scope or design.
- 3.5. If the approval authority concurs with the recommendation from the PM, the recommendation shall become the final determination and shall be acted on accordingly.
- 3.6. If the approval authority does not concur with the recommendation from the PM, one of the following actions shall be taken:
  - 3.6.1. For contracts budgeted at a District: The recommendation, along with the approval authority's comments, shall be forwarded to the District Director, through the District Highways Operations Director for a final decision.
  - 3.6.2. For contracts budgeted at Central Office: The recommendation, along with the approval authority's comments, shall be forwarded to the Deputy Commissioner of

Highway Operations and the Deputy Commissioner of Planning and Production for a final decision.

#### **4. Reason for Change**

- 4.1. Each Change Order shall only address one specific impact to a Contract and shall clearly identify the reason for the change. Multiple items may be included on a Change Order, but all must be related to the same specific impact and have the same reason for the change. A Change Order generated to document revisions of original contract pay item quantities, as previously described, will be considered as one impact.
- 4.2. The Division of Construction Management shall maintain a list of approved Reason Codes to identify the reasons for changes. The proper Reason Code shall be clearly indicated on the Change Order document.
- 4.3. The Division of Construction Management shall regularly review the reasons for Change Orders as identified by the Reason Code, and implement policy, procedure and specification revisions in order to reduce risk of future impacts.

#### **5. Timeliness & Communication**

- 5.1. The Change Order process shall be accomplished promptly in order to minimize delays to construction contracts while still providing for adequate review and oversight of the process.
- 5.2. It is the responsibility of any party to the Contract to notify all affected parties promptly of the discovery of a potential impact to the Contract which may result in the need for a Change Order.
- 5.3. It is the responsibility of the PE/S to initiate the Change Order process as soon as possible after an impact to the Contract is identified and can be reasonably quantified.
- 5.4. It is the responsibility of the required Change Order approval authority to review and respond to requests for Change Order approval promptly.
- 5.5. It is not the intent of this Policy to delay contracts while waiting on a Change Order document to be processed. When necessary, documented verbal approval, as further described herein, shall be used to expedite the approval process and minimize contract delays.

#### **6. Documented Verbal Approval**

- 6.1. In order to minimize delays to the Contract, the PE/S may request documented verbal approval from the appropriate approval authorities, including LPA and FHWA, prior to processing of the Change Order document.

- 6.2. Documented verbal approval shall only be granted when processing of the Change Order document will unreasonably delay the Contract in the view of the approving authority.
- 6.3. Documented verbal approval shall consist of communication via memo, fax or e-mail from the required approval authority. All intermediate management levels shall be copied on the communication. All approvals transmitted by fax or e-mail shall be followed by voice communication to ensure receipt of the transmission.
- 6.4. Work on a Change Order may proceed once documented verbal approval from the appropriate authority is received by the PE/S.
- 6.5. The PE/S shall process the Change Order document promptly after receiving documented verbal approval for a Change Order.
- 6.6. The PE/S shall attach a copy of the documented verbal approval authorization, along with all other required documentation, to the Change Order document for final processing.

**Construction Field Engineer Checklist for District Approved Change Orders**

**Contract No.:**

**Change Order No.:**

The Construction Field Engineer review of district approved change orders is limited to the following procedural items:

1. The change order line item and total amounts are within district authority levels and have been approved by the appropriate individual.

Yes:                      No:                      Not Applicable:

2. The change order description is clear and complete. After reading the description, a person with no knowledge of the events related to the change order can understand why the change order is necessary.

Yes:                      No:                      Not Applicable:

3. Unit price justifications are attached for all new pay items.

Yes:                      No:                      Not Applicable:

4. Concurrence from the appropriate INDOT Design Division representative is attached for all pay items related to design element changes, except for pavement related pay items.

Yes:                      No:                      Not Applicable:

5. Concurrence from the INDOT Pavement Design Section representative has been obtained and attached for all pay items related to pavement design changes.

Yes:                      No:                      Not Applicable:

6. All required documentation for force account work is attached.

Yes:                      No:                      Not Applicable:

Construction Field Engineer Comments:

Construction Field Engineer:

Date:

<b>Indiana Department of Transportation</b>	
<b>POLICIES &amp; PROCEDURES</b>	<b>AUTHORIZED: Mike W. Reed, Commissioner</b>
<b>SUBJECT: Conflict of Interest Restrictions for INDOT Employees</b>	
<b>EFFECTIVE: March 27, 2009</b>	<b>SUPERCEDES: New</b>

**I. Purpose**

This policy is aimed at reducing the possibility of any undue influence or conflict of interest involving an INDOT employee making decisions on an INDOT job and a contractor whose work the employee is overseeing.

**II. Applicability**

This policy applies to all INDOT employees including: full-time, part-time, permanent or temporary INDOT employees.

**III. Policy Statement**

1. An INDOT employee may not contract for private work with any contractor associated with an active INDOT contract under his/her supervision.
2. An INDOT employee may not procure a contractor or negotiate prices for private work for family members, including both immediate and non-immediate family members, with any contractor associated with an active INDOT contract under his/her supervision.
3. If an INDOT employee becomes aware of any private work that he/she neither procured nor negotiated prices for between an immediate or non-immediate family member and a contractor associated with an INDOT project under his/her supervision, he/she should inform the Department's ethics officer immediately.
  - a. The Department's ethics officer shall disclose all such contracts to the State Ethics Commission as possible conflicts of interest.
  - b. If the private work is for the benefit of an immediate family member of the INDOT employee, INDOT shall assign the project to another employee unless the employee shows that the private work has been terminated. Immediate family is defined in 42 IAC 1-3-13 and is referenced below.
  - c. If the private work is for the benefit of a non-immediate family member of the INDOT employee, the Department's ethics officer will evaluate whether the private work presents a realistic possibility for any undue influence or conflict of interest for the INDOT employee and advise INDOT to assign the contract to a different employee if such a possibility exists.
4. An INDOT employee may not enter into or maintain a close social relationship with the employee of a contractor associated with an active INDOT contract under his/her supervision if that relationship would lead a reasonable person to believe that the INDOT employee's judgment could be compromised. If an INDOT employee has such a

relationship or plans to enter into one, he/she must notify his/her supervisor. The employee's supervisor must assign the contract to another employee for supervision.

#### **IV. Legal Reference**

##### **IC 4-2-6-9 Conflict of economic interests**

Sec. 9. (a) A state officer, an employee, or a special state appointee may not participate in any decision or vote if the state officer, employee, or special state appointee has knowledge that any of the following has a financial interest in the outcome of the matter:

- (1) The state officer, employee, or special state appointee.
- (2) A member of the immediate family of the state officer, employee, or special state appointee.
- (3) A business organization in which the state officer, employee, or special state appointee is serving as an officer, a director, a trustee, a partner, or an employee.
- (4) Any person or organization with whom the state officer, employee, or special state appointee is negotiating or has an arrangement concerning prospective employment.

(b) A state officer, an employee, or a special state appointee who identifies a potential conflict of interest shall notify the person's appointing authority and seek an advisory opinion from the commission by filing a written description detailing the nature and circumstances of the particular matter and making full disclosure of any related financial interest in the matter. The commission shall:

- (1) with the approval of the appointing authority, assign the particular matter to another person and implement all necessary procedures to screen the state officer, employee, or special state appointee seeking an advisory opinion from involvement in the matter; or
- (2) make a written determination that the interest is not so substantial that the commission considers it likely to affect the integrity of the services that the state expects from the state officer, employee, or special state appointee.

(c) A written determination under subsection (b)(2) constitutes conclusive proof that it is not a violation for the state officer, employee, or special state appointee who sought an advisory opinion under this section to participate in the particular matter. A written determination under subsection (b)(2) shall be filed with the appointing authority. *(Formerly: Acts 1974, P.L.4, SEC.2.) As amended by P.L.9-1990, SEC.8; P.L.15-1992, SEC.5; P.L.22-1995, SEC.2; P.L.222-2005, SEC.7.*

##### **IC 4-2-6-5.5**

##### **Conflict of interest; advisory opinion by inspector general**

Sec. 5.5. (a) A current state officer, employee, or special state appointee shall not knowingly:

- (1) accept other employment involving compensation of substantial value if the responsibilities of that employment are inherently incompatible with the responsibilities of public office or require the individual's recusal from matters so central or critical to the performance of the individual's official duties that the individual's ability to perform those duties would be materially impaired;
- (2) accept employment or engage in business or professional activity that would require the individual to disclose confidential information that was gained in the course of state employment; or
- (3) use or attempt to use the individual's official position to secure unwarranted privileges or exemptions that are:

(A) of substantial value; and

(B) not properly available to similarly situated individuals outside state government.

(b) A written advisory opinion issued by the commission or the individual's appointing authority or agency ethics officer granting approval of outside employment is conclusive proof that an individual is not in violation of subsection (a)(1) or (a)(2).

*As added by P.L.222-2005, SEC.5. Amended by P.L.89-2006, SEC.6.*

**42 IAC 1-3-13 "Immediate family" defined**

Sec. 13. "Immediate family" means a person's:

- (1) spouse;
- (2) partner;
- (3) housemate; or
- (4) unemancipated dependent.

*(Office of the Inspector General; 42 IAC 1-3-13; filed Dec 7, 2005, 2:45 p.m.: 29 IR 1207)*

**V. Legal Authority**

**42 IAC 1-6-1 Other sources**

Sec. 1. An appointing authority of an agency or a state officer may adopt policies, rules, or regulations concerning the subject matter of this rule provided that the policies, rules, or regulations are at least as strict as this rule. All such policies, rules, or regulations shall be filed with the commission, but failure to file does not affect the validity of such policies, rules, or regulations as applied to the agency's or state officer's employees or special state appointees.

*(Office of the Inspector General; 42 IAC 1-6-1; filed Dec 7, 2005, 2:45 p.m.: 29 IR 1211)*

<b>Indiana Department of Transportation</b>	
<b>POLICIES &amp; PROCEDURES</b>	<b>AUTHORIZED: Mike W. Reed, Commissioner</b>
<b>SUBJECT: Confidentiality Requirements for INDOT Employees</b>	
<b>EFFECTIVE: March 27, 2009</b>	<b>SUPERCEDES: New</b>

**I. Purpose**

This policy is aimed at preventing an INDOT employee from disclosing confidential state information or giving one contractor a competitive advantage over another.

**II. Applicability**

This policy applies to all INDOT employees including: full-time, part-time, permanent or temporary INDOT employees.

**III. Policy Statement**

1. An INDOT employee with access to confidential information on an INDOT project may not discuss the project before it has been let with any contractor; including but not limited to material suppliers, subcontractors and lessors; unless the discussion is done before the entire audience at a public meeting conducted in accordance with I.C. 5-14-1.5.
2. If an INDOT employee receives a request for information that is public information on a project that INDOT has not let, he/she should refer the requester to the INDOT District Communications Director.
3. The INDOT employee may not divulge at any time any information that would provide a competitive advantage to a contractor or otherwise influence a contractor's bid.

**IV. Legal References**

**42 IAC 1-5-10 Benefiting from confidential information**

A state officer, employee, or special state appointee shall not benefit from, or permit any other person to benefit from, information of a confidential nature except as permitted or required by law.

**42 IAC 1-5-11 Divulging confidential information**

A state officer, employee or special state appointee shall not divulge information of a confidential nature except as permitted by law.

**V. Legal Authority**

**42 IAC 1-6-1 Other sources**

Sec. 1. An appointing authority of an agency or a state officer may adopt policies, rules, or regulations concerning the subject matter of this rule provided that the policies, rules, or regulations are at least as strict as this rule. All such policies, rules, or regulations shall be filed with the commission, but failure to file does not affect the validity of such policies, rules, or

regulations as applied to the agency's or state officer's employees or special state appointees.  
*(Office of the Inspector General; 42 IAC 1-6-1; filed Dec 7, 2005, 2:45 p.m.: 29 IR 1211)*

CLOSING STATEMENT

**Seller**                    The State of Indiana

**Buyer**                    Bill Yelton  
 460 A. Craig Ave.  
 Lawrenceburg, IN 47025

**Property**                112 Meyer, Dearborn County

**Date of Closing**        TBD

**Contract Price**        \$88,000.00

	<u>BUYER</u>	<u>SELLER</u>
<b>CHARGES:</b>		
Purchase Price	\$80,000.00	\$0.00
Buyers Paid Premium (Luxury Auction Co.)	\$8,000.00	\$0.00
Tax Proration	\$0.00	\$0.00
2005 Taxes Payable 2006	\$0.00	\$0.00
Advertising (MAD)	\$0.00	\$288.08
Appraisal (MAD)	\$0.00	\$0.00
Real Estate Commission Listing Agent @ 3% (MAD)	\$0.00	\$2,400.00
<b>TOTAL CHARGES:</b>	<b>\$88,000.00</b>	<b>\$2,688.08</b>
<b>CREDITS:</b>		
Purchase Price		\$80,000.00
Earnest Money Deposit	\$8,800.00	
<b>TOTAL CREDITS:</b>	<b>\$8,800.00</b>	<b>\$80,000.00</b>
<b>NET DUE FROM BUYER:</b>	<b>\$79,200.00</b>	
<b>NET DUE TO SELLER</b>		<b>\$77,311.92</b>

BUYER  
 Bill Yelton

SELLER  
 The State of Indiana

QUITCLAIM DEED

THIS INDENTURE WITNESSETH, that the STATE OF INDIANA, acting through the Governor of the State of Indiana and the Commissioner of the Indiana Department of Administration, or their respective designees, and by the authority of Indiana Code 4-20.5-7-11, RELEASES and QUITCLAIMS to:

William Yelton, Inc.  
460 A. Craig Ave.  
Lawrenceburg, Indiana 47025

for good, valuable, and sufficient consideration, receipt of which is hereby acknowledged, the real property located in Dearborn County, Indiana and more fully described on Exhibit A, attached hereto and incorporated fully herein.

Subject to all existing legal rights-of-way, easements, conditions, and restrictions of record.

IN WITNESS WHEREOF, the undersigned have executed the foregoing Quitclaim Deed on behalf of the State of Indiana this 26th day of October 2006.

  
Carrie Henderson, Commissioner  
Indiana Department of Administration

State of Indiana )  
County of Marion ) ss:

Before me, a Notary in and for said County and State, personally appeared Carrie Henderson, Commissioner, Indiana Department of Administration, and acknowledged execution of the foregoing Quitclaim Deed this 26th day of October 2006.

Notary signature: 

Notary name printed: SANDRA M. RICZO  
Notary Public, State of Indiana  
My commission expires: County of Marion in County  
My Commission Expires 06/10/2008