



INSPECTOR GENERAL REPORT

2007-07-0137

November 30, 2009

FORGERY

Inspector General Staff Attorney Kristi Shute, after an investigation by Special Agent Dave Clark, reports as follows:

In July of 2007, the Office of the Inspector General received information stating that a former Indiana Arts Commission (“IAC”) employee was suspected of committing acts of forgery. It was alleged that the employee submitted several altered direct deposit receipts, originally generated by the Auditor of State, to loan agencies as a part of her home loan application.

During the course of the investigation, Special Agent Clark learned that the employee used the altered receipts for two separate subsidized home loan applications. He discovered that the receipts were altered to falsely show that the employee was still a paid IAC employee through May 26, 2007. She was, in fact, terminated from state employment on March 2, 2007. In addition to using the forged documents, the employee falsely advised one loan officer that she was still employed at the IAC and had been recently promoted.

Special Agent Clark determined that the deception was not initially

discovered because another participant told another loan officer that the employee was still employed by the IAC. The employee provided the participant's name and state telephone number as a reference to verify employment on both loan applications.

In addition, Special Agent Clark met with an Auditor of State research Analyst to review the receipts. The Auditor immediately saw disparity issues with FICA and state taxes on the receipts. Also of note is that the receipts showed that they were issued by Auditor Connie Nass. Based on the dates, the receipts should have been issued by Auditor Tim Berry.

The employee was interviewed by Special Agent Clark to provide her an opportunity to explain the evidence. However, the employee admitted in the interview that she forged the documents.

The case was submitted to the Marion County Prosecutor's Office which filed charges of forgery and fraud on a financial institution on September 11, 2009. Accordingly, this investigation is closed.

Dated this 30th day of November, 2009.



David O. Thomas, Inspector General