



# INVESTIGATIVE REPORT

Cynthia V. Carrasco, Inspector General

OFFICE: OFFICE OF THE ATTORNEY GENERAL  
TITLE: CONTINGENCY FEE CONTRACT AMENDMENT  
CASE ID: 2012-09-0227  
DATE: October 31, 2016

## ATTORNEY GENERAL CONTINGENCY FEE CONTRACT AMENDMENT

*After examination and review, Office of Inspector General Staff Attorney, Chelsea Smith, reports as follows:*

The purpose of this Report is to fulfill the statutory requirements of Ind. Code § 4-6-3-2.5 regarding contingency fee contracts. This statute requires the Office of the Inspector General (“OIG”) to review contingency fee contracts for possible conflicts of interest and potential ethics code violations. Under this statute, an agency may not enter into a contingency fee contract unless the OIG has made a written determination that entering into the contract would not violate the Indiana code of ethics set forth in 42 IAC 1-5 (“Code of Ethics”) or agency rule concerning conflicts of interest.

On October 25, 2016, the Office of the Indiana Attorney General (“OAG”) notified the OIG that it wished to amend a contingency fee contract (EDS #A56-2-12-37) with Foote Mielke, Chavez & O’Neil, LLC (f/k/a Foote, Myers, Mielke, & Flowers, LLC) and Cafferty Clobes Meriwether & Sprengel, LLP. The original contract began on October 4, 2012 and was estimated to remain in effect until October 4, 2016, with an option to amend the contract in order to extend the term in the event that the litigation was still pending on October 4, 2016. As the litigation is still pending, the OAG would like to extend the term of the contract until June 30, 2017. The amendment would also remove the reference to the law firm Foote, Meyers, Mielke, & Flowers,

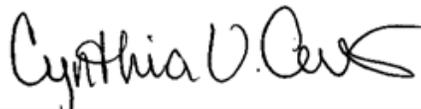
LLC and replace it with Foote Mielke Chavez & O'Neil, LLC because the law firm has reorganized and changed its name since the execution of the original contract.

The purpose of the original contract, which the OIG approved on September 11, 2012, was to pursue claims through settlement or litigation regarding antitrust actions in the Federal District Court of New Jersey. The OAG explained in its initial request that participation in the matter may produce a monetary recovery on behalf of the State and other Indiana governmental units as defined in Ind. Code § 34-6-2-110. This matter first arose in January 2012 after the Federal Trade Commission filed Complaints against the three largest United States suppliers of ductile iron pipe fittings, which are used in water systems throughout the nation, including Indiana.

In its Inspector General Report #2012-09-0227, dated September 11, 2012, the OIG determined that the original contract would not violate the Code of Ethics or any statute or agency rule concerning conflicts of interest. It does not appear that the circumstances that were evaluated by the OIG in making its original determination have changed or will be altered by this amendment, as this amendment will only extend the term of the contract and update the name of one of the law firms that is a party to the contract, which changed due to reorganization. Therefore, the OIG determines that entering into this contingency fee contract amendment will not violate the Code of Ethics or any statute or agency rule concerning conflicts of interest. This Report is issued in compliance with the above noted statutory requirements.

Dated: October 31, 2016

APPROVED BY:



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Cynthia V. Carrasco, Inspector General