



# INVESTIGATIVE REPORT

Cynthia V. Carrasco, Inspector General

OFFICE: INSPECTOR GENERAL  
TITLE: 2015 LEGISLATIVE RECOMMENDATIONS  
CASE ID: 2014-07-0154 (2)  
DATE: JUNE 2, 2015

*Inspector General Cynthia V. Carrasco reports as follows:*

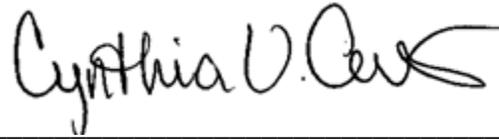
The Indiana Office of Inspector General (“OIG”) is statutorily charged to make recommendations to the Indiana General Assembly (“General Assembly”) to strengthen public integrity laws. I.C. 4-2-7-3(9). On November 19, 2014, the OIG issued a report making various recommendations for consideration by the General Assembly to further strengthen the existing public integrity laws that govern the ethical conduct of members of the executive branch of state government. The OIG made five recommendations, and the General Assembly adopted them all. This report addresses the second recommendation and how the General Assembly addressed it.

The second recommendation involved the ethics law governing conflicts of interest set forth in I.C. 4-2-6-9. Specifically, the OIG recommended that the General Assembly amend this law to establish a secondary, alternative written conflict of interest disclosure process. I.C. 4-2-6-9(a) prohibits state officers, employees and special state appointees from participating in a decision or vote in which the individual or various others have a financial interest in the matter. I.C. 4-2-6-9(b) currently requires that an individual who identifies a potential conflict of interest: (1) notify his or her appointing authority, (2) seek an advisory opinion from the State Ethics Commission (“Commission”) by filing a written description detailing the nature and

circumstances of the potential conflict and making full disclosure of any related financial interest in the matter, (3) appear at a public Commission meeting, (4) verbally disclose in detail and under oath the conflict, (5) be publicly questioned about the circumstances, and (6) receive a screen from the Commission.

The OIG recommended this secondary, alternative disclosure procedure to make identified conflict of interests and the screens that are implemented to address these situations more transparent. Although the existing law requires that an individual who identifies a potential conflict of interest disclose that potential conflict of interest to their appointing authority *and* request an advisory opinion from the Commission, often times such requirements were impossible to meet because conflicts of interest were not identified or did not occur in neatly-defined time periods that corresponded with monthly Commission meetings. Accordingly, the OIG recommended to the General Assembly that they add an alternative disclosure option to the statute to enable an individual to disclose a conflict of interest and screening mechanism through a written filing at any time. The OIG suggested that an individual with a potential conflict of interest disclose the potential conflict to the individual's appointing authority and ethics officer in writing and file a written document with the Commission detailing the conflict of interest, affirming the implementation of a screen established by the ethics officer no later than seven (7) days after the conduct that gives rise to the conflict. The recommendation required that an individual file a written document with the Commission that is signed by the individual, contains the signature of the agency ethics officer, and includes a copy of the disclosure provided to the appointing authority. The recommendation also required the OIG to post the written document on its website along with the disclosure provided to the appointing authority.

In House Enrolled Act 1002, which goes into effect July 1, 2015, the General Assembly adopted all of the OIG's recommendations and amended I.C. 4-2-6-9(b) accordingly.

A handwritten signature in black ink that reads "Cynthia V. Carrasco". The signature is written in a cursive style with a large initial "C" and a stylized "V".

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Cynthia Carrasco, Inspector General