



INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: INDIANA DEPARTMENT OF CORRECTION
TITLE: MISUSE OF GRANT FUNDS BY SUBRECIPIENT
CASE ID: 2018-03-0086
DATE: November 30, 2018

Inspector General Staff Attorney Kelly Elliott, after an investigation by Inspector General Special Agent Jack Bedan, reports as follows:

The Indiana General Assembly charged the Office of the Indiana Inspector General (OIG) with addressing fraud, waste, abuse, and wrongdoing in executive branch agencies of state government. IC 4-2-7-2(b). The OIG also investigates allegations of criminal activity and Code of Ethics violations within state government. IC 4-2-7-3. The OIG also may advise an agency on implementing policies and procedures to prevent and reduce the risk of wrongful acts within an agency. IC 4-2-7-3(2).

On March 20, 2018, the OIG received an anonymous complaint that alleged two employees of an Indiana county (the County) fraudulently billed a state grant for hours they did not work. The reporting party provided that the County receives grant funds from the Indiana Juvenile Detention Alternatives Initiative (JDAI) Program. The OIG learned that the Indiana Department of Correction (DOC) administers the JDAI grant funds for the County. OIG Special Agent Jack Bedan conducted an investigation into the matter.

Special Agent Jack Bedan learned that JDAI is a national program that focuses on juvenile justice improvements. Indiana counties can voluntarily participate in the Indiana JDAI Program and receive grant funding. Funding for the Indiana JDAI Program comes from a combination of

state and private funds. The Indiana Office of Court Services, which is within the judicial branch of state government, oversees the Indiana JDAI Program as a whole, and various state executive branch agencies, including DOC, participate in the program. Each county that participates in the Indiana JDAI Program must have a local JDAI coordinator. The local JDAI coordinator is responsible for the coordination, management, and expansion of that county's JDAI program.

The OIG learned that DOC completed an audit of the County's JDAI grant for fiscal years 2016, 2017, and the first quarter of 2018. As a part of their audit, DOC reviewed documentation relating to payroll activity, supplies and service claim vouchers, and monthly budget reports. DOC learned both County employees work with the County's JDAI program, with one of the employees also serving as the County's local JDAI coordinator. At the conclusion of DOC's audit, DOC auditors found no evidence to substantiate allegations that either of the two County employees fraudulently billed the JDAI grant for hours they did not work.

Special Agent Bedan interviewed several witnesses, including several DOC employees and former employees of the County, and reviewed documents, including the JDAI coordinator's job description. He learned that the Indiana Office of Court Services requires each local JDAI coordinator to fulfill certain requirements, such as reporting statistics, training, and attendance at meetings. The Indiana Office of Court Services does not set requirements as to how a local JDAI coordinator is to dedicate their time to a particular matter or how they are to report time spent on JDAI matters.

Special Agent Bedan obtained information from DOC regarding DOC's administration of JDAI grant funds. He learned that DOC does not require those who manage JDAI funds in local or county offices to maintain a detailed log of hours billed to the JDAI grant.

Special Agent Bedan found insufficient evidence to substantiate allegations that either of the two County employees fraudulently billed the JDAI grant for hours they did not work. As a result, the OIG is closing this case for insufficient cause; however, the OIG is making the following recommendation pursuant to IC 4-2-7-3 to address future allegations of fraudulent billing to JDAI grants.

Recommendation

DOC should consider implementing a policy that requires JDAI grantees to maintain a log of hours billed to the JDAI grant that details the number of hours an employee worked on the JDAI program each day. DOC could review the log in any subsequent audits of JDAI grants.

Dated: November 30, 2018

APPROVED BY:



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