



INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: INDIANA DEPARTMENT OF CORRECTION (DOC)
TITLE: DOC EMPLOYEE THEFT; GHOST EMPLOYMENT; MISUSE OF STATE
PROPERTY; OBSTRUCTION OF JUSTICE
CASE ID: 2018-09-0266
DATE: September 29, 2020

*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 Inspector General (OIG) with addressing fraud, waste, abuse and wrongdoing in the executive branch of state government. Ind. Code §4-2-7-2(b). The OIG also investigates criminal activity and ethics violations by state workers. Ind. Code §4-2-7-3. The OIG may recommend policies and carry out other activities designed to deter, detect and eradicate fraud, waste, abuse, mismanagement and misconduct in state government. Ind. Code §4-2-7-3(2).

I. Complaint

In September 2018, the OIG received a complaint alleging that a former Indiana Department of Correction (DOC) parole agent (Employee) illegally obtained money from parolees under the supervision of DOC's Division of Parole Services. The OIG also received additional complaints that alleged Employee (1) engaged in ghost employment and/or misuse of state property while serving as a reserve law enforcement officer for a law enforcement agency during his DOC employment; and (2) purposefully failed to turn over evidence in a separate criminal investigation conducted by the OIG.

II. OIG Investigation

OIG Special Agent Jack Bedan investigated the matter. As a part of Special Agent Bedan's investigation into the allegations, he interviewed Employee, DOC employees and other witnesses. Special Agent Bedan also reviewed documentation received from DOC, including internal policies and personnel files. Furthermore, he reviewed attendance records related to Employee's work for the law enforcement agency.

A. Theft

1. Theft from Parolees

Through the course of Special Agent Bedan's investigation, multiple witnesses alleged that Employee illegally obtained money from parolees. Special Agent Bedan found that most of the information he received from witnesses regarding the theft allegations was vague, second-hand or speculation based on Employee's suspected mishandling of evidence. Special Agent Bedan received specific allegations that Employee seized money from two named parolees; however, Special Agent Bedan found these allegations to be unsubstantiated based upon his review of court records and information received through interviews he conducted.

Special Agent Bedan also received specific allegations that Employee seized a large sum of money from a parolee (Parolee) during an arrest in 2016. Employee conducted a residential visit to Parolee's home and arrested him for committing a criminal offense. The probable cause affidavit for the criminal matter indicates that Parolee had on his person a large sum of money at the time of the arrest, but it does not specify if the money was seized by a law enforcement agency.

After interviewing other parole agents and police officers who were present during the arrest, as well as Parolee and his girlfriend, Special Agent Bedan found that no one could provide any determinative information regarding the existence, seizure or placement of the funds. Special

Agent Bedan contacted the local police department, the county jail and county court to inquire about the money, but none of the entities had a record of Parolee's money.

During an interview with Special Agent Bedan, Employee denied the allegations and stated he was "ninety percent sure" that the money seized from Parolee never left Parolee's residence. He added that if he took money from a parolee, he placed it into evidence. Employee explained that during a drug related arrest, the local law enforcement agency seizes the money. Employee did not believe that the local police department's officers took possession of the money in this case.

2. Theft of Office Funds

Special Agent Bedan learned that a DOC contractor (Contractor) provides the parole district office with approximately \$500 each year to use for certain food/lunch expenses. A witness alleged that Employee had access to this fund, and the witness suspected that Employee took money from it.¹ Employee denied taking office funds in his interview with Special Agent Bedan.

The terms of DOC's contract with Contractor state that Contractor will provide each of the ten DOC parole districts with \$500 for a "catering fund." A Contractor representative told Special Agent Bedan that the parole districts are to use the funds to purchase food for events. The funds are maintained on a credit card monitored by Contractor; no cash is ever provided or exchanged with the parole districts. The parole districts are to provide Contractor copies of receipts for any spending from the catering fund. The Contractor representative stated that Contractor maintains a spreadsheet of each parole district's spending of the catering funds and provides DOC a copy of the spreadsheet monthly. Contractor reviewed their records and reported that it found no

¹ It is unclear which DOC employees had access to the fund.

irregularities in spending from the district parole office where Employee worked at during the 2018 through 2019 period.

B. Ghost Employment

Special Agent Bedan received allegations that Employee engaged in ghost employment² and/or misuse of his state-owned vehicle³ while employed with DOC when he served as a reserve law enforcement officer with a local law enforcement agency (LEA).⁴ The LEA reported that Employee used one of their spare vehicles when on duty as a reserve law enforcement officer. As such, Special Agent Bedan did not find any evidence to substantiate the allegation that Employee used his state-owned vehicle while engaging in work for the LEA.

Special Agent Bedan reviewed records from the LEA and the county police dispatch regarding dates and hours in which Employee worked a shift for the LEA. He found that Employee typically only worked for the LEA in the later afternoon or evening hours, usually on or after 4:30 p.m. Special Agent Bedan reviewed Indiana State Personnel Department (SPD) attendance records for Employee. The attendance records reflect the dates and total hours Employee reported working for DOC but do not provide the specific times during which Employee worked on any date. Additionally, the parole district office that Employee worked out of did not maintain a clock-in/out system during the period in question. Based on the limitation of Employee's attendance records, Special Agent Bedan could not definitively prove or disprove the allegation that Employee engaged in ghost employment.

² See 42 IAC 1-5-13; Ind. Code §35-44.1-1-3.

³ See Ind. Code §4-2-6-17.

⁴ The LEA reported that Employee did not receive any compensation for serving as a reserve law enforcement officer.

C. Evidence

1. Failure to Turn Over Evidence

Special Agent Bedan received allegations that Employee failed to turn over evidence sought in a separate OIG investigation. Specifically, the OIG sought cell phones in a former DOC employee's possession that allegedly maintained evidence of criminal activity. Special Agent Bedan learned that Employee came into possession of the cell phones after DOC staff found them in the former employee's desk; however, the cell phones could not thereafter be located. Special Agent Bedan interviewed both the former employee and Employee separately regarding the missing cell phones; neither could provide information regarding the location of the phones. After Employee left state employment, a parole agent found a box of cell phones under Employee's desk. The parole agent turned the cell phones over to Special Agent Bedan, and he submitted the phones to the Indiana State Police (ISP) crime lab for further analysis. The ISP crime lab identified one of the cell phones as the former employee's state-issued phone.

2. Evidence Procedures

During Special Agent Bedan's investigation into this matter, he received numerous allegations that the DOC parole district office at which the Employee worked failed to collect, handle or store evidence in accordance with DOC policies and procedures. Special Agent Bedan interviewed the Parole Agent Supervisor (Supervisor) for that parole district office. Supervisor stated that when starting in the position, the parole district office was not properly logging evidence. Supervisor subsequently designated a room in the office to serve as a secure evidence room and assigned a parole agent to maintain PD-9's evidence room and logs.

In July of 2019, DOC updated their internal policies on how parole agents are to search, seize and dispose of property.⁵ The updated policy provides for greater oversight and documentation of property seized from a parolee. Special Agent Bedan also learned that DOC now utilizes a software system at all the parole districts for tracking evidence.

III. Conclusion

DOC has implemented changes to their internal policies to address some of the concerns raised in this investigation. DOC's Division of Parole Services now requires all supervision contacts by a parole agent outside of a parole office to be completed with a minimum of two staff members to improve both safety and accountability. DOC's new software system for tracking evidence also should help address many of the issues identified in this investigation with the handling of evidence.

In conclusion, Special Agent Bedan found insufficient evidence to substantiate allegations that Employee stole money from parolees or office funds or purposefully failed to turn over evidence in the OIG's investigation of the former DOC employee. In addition, based on the limitations of Employee's attendance records with DOC and the LEA, Special Agent Bedan was unable to determine if Employee did or did not engage in ghost employment. For these reasons, the OIG is closing this matter for insufficient cause.

Dated: September 29, 2020

APPROVED BY:



Lori Torres, Inspector General

⁵ DOC Parole Services Division Directive No. 12-12, effective July 1, 2019.