



# INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: INDIANA DEPARTMENT OF EDUCATION (DOE)  
TITLE: NEPOTISM  
CASE ID: 2018-11-0314  
DATE: May 9, 2019

*Inspector General Staff Attorney, Heidi Adair, 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. IC 4-2-7-2(b). The OIG also investigates criminal activity and ethics violations by state workers. IC 4-2-7-3. The OIG may recommend polices and carry out other activities designed to deter, detect, and eradicate fraud, waste, abuse, mismanagement and misconduct in state government. IC 4-2-7-3(2).

## **Investigation**

The OIG received four separate anonymous complaints containing similar claims that a Department of Education (DOE) employee (Employee) was in violation of the Code of Ethics rule on nepotism based on her alleged position and decision making authority she had over her husband (Husband), who is also DOE employee. The complaints alleged that the Employee was working within the Husband's line of supervision and was making decisions that directly affected the

Husband, such as pay increases. Additionally, one complaint alleged that the Employee hired the Husband.

OIG Special Agent Jack Bedan conducted an investigation into the nepotism allegations. The Indiana Code of Ethics' nepotism rule, which is found in Ind. Code §4-2-6-16, prohibits a state employee from hiring a relative or being in the direct line of supervision of a relative. During the course of the investigation, Special Agent Bedan reviewed documentation, including emails, DOE organizational charts, the Husband's employee work profile and performance appraisals and hiring documentation related to his employment with DOE. Special Agent Bedan also interviewed several DOE employees, including the Employee.

According to interviews and a DOE organizational chart obtained by Special Agent Bedan, the year in which the Employee and Husband began working for DOE, they were not in the same line of supervision; rather, they were in two separate divisions. The next year, the Employee began working in a different position, which is her current position. In this role, she does not supervise the Husband, nor does she supervise anyone who supervises him. Conversely, the Husband does not report to the Employee, nor does he report to anyone who reports to the Employee. In summary, Special Agent Bedan found no evidence suggesting that the Employee and Husband were previously or currently in the same line of supervision.

Special Agent Bedan also found insufficient evidence to support allegations that the Employee gave the Husband pay increases or directed anyone else to do so. In her interview, the Employee acknowledged her involvement in a project that had the potential to affect several DOE employees' salaries; however this was a collaborative effort with other DOE staff and the project did not affect the Husband's salary. Interviews with DOE staff and documentation obtained by Special Agent Bedan showed that the only pay increases the Husband has received

have been “pay for performance” increases. Generally all state employees are eligible for annual pay for performance increases based upon performance evaluations conducted by their direct supervisor. Special Agent Bedan reviewed the Husband’s performance appraisal reports and found no evidence that the Employee authorized the pay increases or had any other involvement in his performance appraisals.

Finally, Special Agent Bedan’s interviews and review of the Husband’s hiring documentation produced no evidence that the Employee hired the Husband.

Overall, Special Agent Bedan found insufficient evidence that the Employee violated the Code of Ethics’ nepotism rule. As such, the OIG is closing this case for insufficient cause. Should additional information be brought forward, the OIG may reexamine this evaluation.

### **Recommendations**

Although the OIG found insufficient evidence for a violation of the nepotism rule, DOE should take additional steps to reduce the appearance of impropriety surrounding the Employee’s position within DOE and how it may be perceived to benefit the Husband. As a result, the OIG is making the following recommendations, which the OIG shared with DOE, pursuant to IC 4-2-7-3(2).

#### **Recommendation 1**

To further address the appearance of impropriety, DOE should implement a written screen to prevent the Employee’s supervision over the Husband and over anyone in his direct line of supervision. The screen should clearly indicate that the Employee is not in the Husband’s direct line of supervision, identify the Husband’s supervisors and caution the Employee about exerting any kind of implied or actual authority over the Husband.

### **Recommendation 2**

Additionally, DOE should thoroughly document, in writing, any matters concerning the Husband that require approval or review by a supervisor in the Husband's personnel file to document that the Employee was not involved in such decisions. Such documentation will also help to prove that the Employee, the Husband and all necessary personnel are informed of the screen and adhering to its guidelines.

### **Recommendation 3**

DOE should consider providing additional training or supplemental instruction for all DOE hiring personnel on the nepotism rule. The training should emphasize that employees cannot be placed in a relative's direct line of supervision, which the Code of Ethics defines as the "chain of command in which the superior affects, or has the authority to affect, the terms and conditions of the subordinate's employment, including making decisions about work assignments, compensation, grievances, advancements or performance evaluation." The training also should encourage hiring personnel and managers to look for ways, such as through documentation and communication, to reduce the appearance of impropriety in regards to the nepotism rule.

Dated: May 9, 2019

APPROVED BY:



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Lori Torres, Inspector General

