



INVESTIGATIVE REPORT

Jared Prentice, Inspector General

OFFICE: INDIANA DEPARTMENT OF CORRECTION (DOC)
TITLE: FORMER DOC EMPLOYEES CRIMINAL ACTIVITY
CASE ID: 2024-06-0217
DATE: April 30, 2025

Inspector General Chief Legal Counsel, Tiffany Mulligan, after an investigation by Special Agent Jason Fajt, 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 allegations of criminal activity and Indiana Code of 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

On June 18, 2024, the OIG received a complaint alleging that the Indiana Department of Correction (DOC) terminated two employees for falsifying time sheets. The complaint alleged that Sandra Guadalupe Vargas (Vargas), a former employee of DOC's Plainfield Correctional Facility, received payment for eight overtime shifts that she did not work. The complaint further alleged that Vargas' boyfriend, Jacob Kauth (Kauth), who also worked for DOC's Plainfield Correctional Facility, approved her false timesheets.

II. OIG Investigation

OIG Special Agent Jason Fajt investigated the complaint. As part of the investigation, Special Agent Fajt obtained multiple documents, including personnel files for Kauth and Vargas

and other records from DOC. Special Agent Fajt also reviewed Vargas' shift duty rosters, pay stubs and timecards. He interviewed multiple individuals, including Kauth and Vargas.

Special Agent Fajt learned that Kauth began employment with DOC as a Correctional Officer on March 5, 2018. DOC later promoted Kauth to Correctional Lieutenant at the Plainfield Correctional Facility.

Vargas began employment with DOC as a Correctional Officer at the Plainfield Correctional Facility on February 27, 2023. Vargas was originally scheduled for day shifts, but she subsequently transferred to night shifts to accommodate her college class schedule.

Special Agent Fajt learned that Vargas and Kauth began a romantic relationship in about April of 2023. Vargas moved in with Kauth in July of that same year. In December of 2023, Vargas transferred to the night shift. DOC subsequently placed Vargas under Kauth's supervision.

DOC conducted an internal audit and determined that Vargas was paid for shifts she did not work on the following dates in 2024: March 18; March 27; April 21; April 25; April 30; May 5; May 9; and May 19. The DOC audit revealed Vargas submitted no time slips for those dates. Video evidence revealed that Vargas did not enter the DOC facility on several of the dates in question. Each of the eight shifts falsely reported work for 12.25 hours, for a total of ninety-eight hours, resulting in the State of Indiana paying Vargas a gross amount of \$3,163.90 for hours she did not work. DOC terminated Kauth and Vargas from DOC on June 18, 2024.

Special Agent Fajt interviewed Kauth, who agreed to speak with him after being fully advised of his rights. During the interview Kauth admitted that when Vargas moved in with him expenses increased. To help Vargas and ease the additional financial burden, Kauth falsely entered time slips and approved time for Vargas for ninety-eight hours she did not work. Kauth said Vargas noticed the additional monies in her first paycheck and questioned Kauth about the additional unearned monies. Thereafter, for the time periods set out above, Kauth, in passive agreement with

Vargas, submitted false time reports on behalf of Vargas, and both continued to benefit from the false proceeds until confronted by the DOC internal audit.

Special Agent Fajt also interviewed Vargas, who agreed to speak with him after being fully advised of her rights. Vargas admitted to noticing the additional monies in her paychecks and knew that Kauth was falsely adding time to her paystubs. She told Kauth she did not need the extra money, but she continued to accept the overpayments. Vargas said she returned some of the money to Kauth and used some of the money for joint groceries, household items and pet supplies. Vargas did not report the overpayments to anyone at DOC.

Special Agent Fajt confirmed that Kauth continued to falsely submit time records for Vargas for four pay periods until a DOC internal audit revealed the false time records and confronted both Kauth and Vargas. Vargas and Kauth, by their conduct, jointly agreed to continue creating false time records and receive the unearned benefits that were used for the payment of joint expenses, such as groceries, household items and pet supplies.

Special Agent Fajt contacted the State Comptroller's Office, which found that during the four pay periods covering the eight dates Kauth falsely reported Vargas' time, Vargas received over payments in a gross figure of \$3,163.90.

III. Conclusion and Recommendation

The OIG's investigation found evidence to substantiate allegations that Kauth and Vargas engaged in criminal activity, including Theft, which is a Level 6 Felony under Ind. Code §35-43-4-2, and Official Misconduct, a Level 6 Felony, under Ind. Code §35-44.1-1-1.

The OIG certified the case to the Hendricks County Prosecutor's Office on March 12, 2024. The Hendricks County Prosecutor's Office charged both Kauth and Vargas with Official Misconduct, Fraud and Theft, all Level 6 Felonies. The OIG acknowledges criminal charges are merely allegations, and individuals are considered innocent until proven guilty.

Accordingly, this investigation is closed.

Dated: April 30, 2025

APPROVED BY:



Jared Prentice, Inspector General