



ANNUAL
REPORT
2025

OFFICE OF INSPECTOR GENERAL
Jared Prentice, Inspector General



A Message from Governor Mike Braun

Fellow Hoosiers,

Ethics, transparency, and responsible stewardship of public resources are guiding principles of my administration—and the foundation of a government Hoosiers can trust. We have a duty to ensure every taxpayer dollar is managed carefully, every program is administered fairly, and every public employee is held to the highest standards of integrity.

The Office of Inspector General (OIG) is a critical partner in this work. I am grateful for the OIG's dedication to promoting ethical governance and safeguarding taxpayer dollars.

Along with the OIG's diligent efforts, my administration has established the Council on Fraud Detection and Prevention and strengthened oversight of major programs—including Medicaid, SNAP, child nutrition, and unemployment insurance. This council will enable us to identify risks earlier, respond faster, and protect vital services for the Hoosiers who rely on them.

These executive actions to increase transparency—particularly around state-affiliated nonprofits and data-driven fraud detection—reflect a simple expectation: government must be open, accountable, and answerable to the people it serves. When we shine a light on how public resources are managed, we strengthen confidence in state government and reinforce a culture of integrity.

Together, my administration and the OIG's diligence are strengthening oversight across state government and reinforcing the public's trust. By focusing on clear accountability and measurable results, we will protect taxpayer dollars and uphold the standards Hoosiers expect from their state employees.

Sincerely,

Mike Braun

Mike Braun,
GOVERNOR OF INDIANA



A Message from the Indiana Inspector General

Over the past year, the Indiana Office of Inspector General undertook a thorough review of its operations, personnel, and investigative priorities. That assessment showed clear opportunities to strengthen how we promote integrity in state government, including shortening investigative timelines, clarifying findings, improving measurable outcomes, and ensuring our work consistently aligns with our statutory mission. In response, we initiated a full organizational realignment to refocus the office on transparency, accountability, and public trust.

We examined every stage of our investigative process and standardized key steps to improve efficiency and consistency. We also reevaluated the types of cases we pursue and shifted our attention to matters with the greatest potential to protect public integrity and deliver meaningful value to state government. To support this direction, we expanded the team with investigators experienced in fraud and financial analysis and attorneys with backgrounds in prosecution and case development—skills essential for evidence-driven oversight.

The reforms began yielding results in late 2025 and early 2026, streamlining cases and improving outcomes. This progress sets a new standard for the office, aiming for more mission-driven results. Ongoing improvements will ensure timely, dependable work for Hoosiers and provide state employees with clear guidance and accountability to serve effectively.

Looking forward, I appreciate the trust Governor Braun has placed in this office and his ongoing dedication to enhancing integrity and stewardship within state government. His executive orders—EO 25-24 targeting waste and abuse in Medicaid programs, EO 25-33 addressing unemployment insurance fraud, and EO 25-43 advancing transparent reporting for state-affiliated non-profits—underscore this commitment. Governor Braun's leadership sets a standard throughout Indiana's state government for efficiency, integrity, and transparency, a mission that the OIG is honored to uphold.

Sincerely,

Jared Prentice

Jared Prentice,
INDIANA INSPECTOR GENERAL

2025 OIG Accomplishments

248

Informal Advisory
Opinions (IAOs) Issued

547

Complaints Screened

37

New Investigations
Opened

28

Investigations Closed

1,526

Financial Disclosures
Processed

25

In-Person Trainings
Conducted

2

Conferences Hosted

General

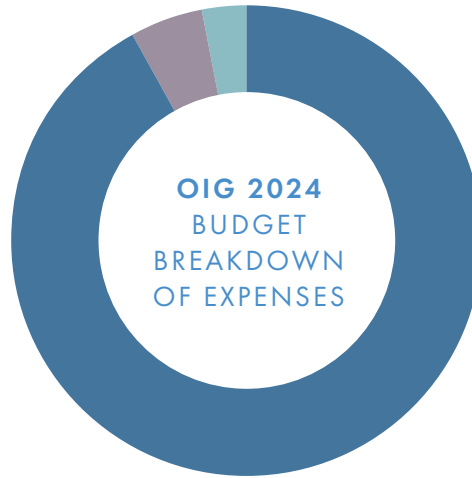
The Office of Inspector General (OIG) is staffed by attorneys, investigators, and administrative personnel. Its investigative team includes sworn law-enforcement officers serving as special agents and auditors with forensic examination experience.

In 2025, the OIG significantly strengthened its investigative and enforcement capacity by adding attorneys with substantial prosecution backgrounds and, for the first time in more than two decades, dedicated accounting expertise. These additions expanded the office beyond a solely law-enforcement-based model and brought specialized skills essential for modern, evidence-driven oversight.

The enhanced mix of investigative, prosecutorial, and financial expertise has already improved the scope, precision, and efficiency of OIG casework, resulting in clearer findings and stronger, more timely adjudication.

Budget

The OIG serves a state that is home to nearly 7 million residents and has oversight of over 30,000 individuals in the executive branch. The OIG’s fiscal-year budget for 2024-2025 was \$1,572,201. Through a concerted focus on cost-cutting and efficiencies, OIG was able to close FY25 returning 1.3% of its FY25 budget to assist the state with overall shortfalls.



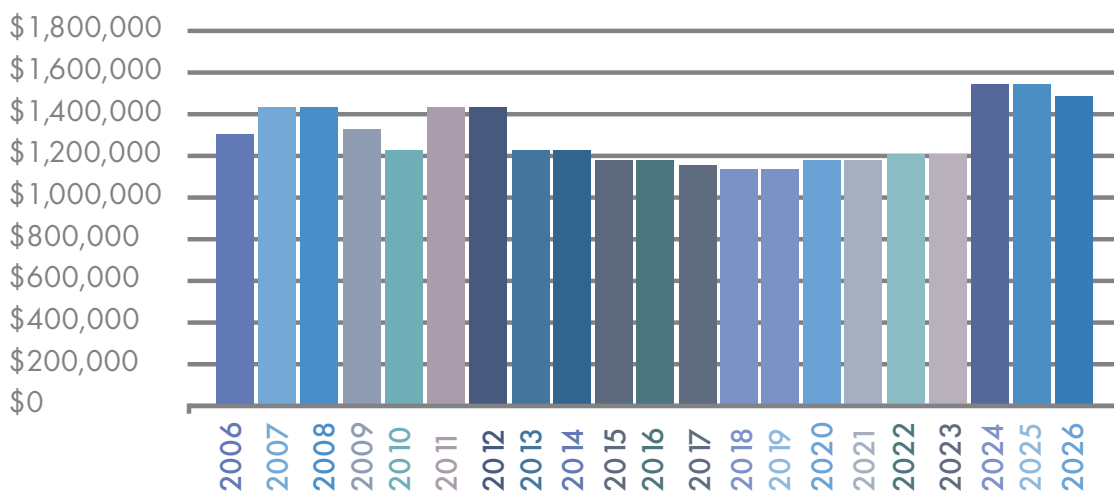
- Personnel Services – 92%
- Intra-Agency Expenses – 5%
- Other Operating Expenses – 3%

Throughout the remainder of calendar year 2025, the OIG continued to identify efficiencies and spending reductions, prioritizing measures aimed to minimize the impact on the OIG’s mission while achieving an overall reduction in state expenses, rather than merely transferring costs to other state agencies.

Despite a nearly 5% reduction in the overall state workforce, the OIG experienced a 16% increase in requests for investigations and advice. Even with this heightened demand, the OIG maintained its year-over-year response times.

With the organizational assessment and realignment underway, and a smaller staff overall, the OIG focused on strengthening its internal structure and processes. While this work temporarily reduced the number of completed investigations, it positions the office to conduct future investigations more efficiently and proactively.

OIG ANNUAL BUDGET



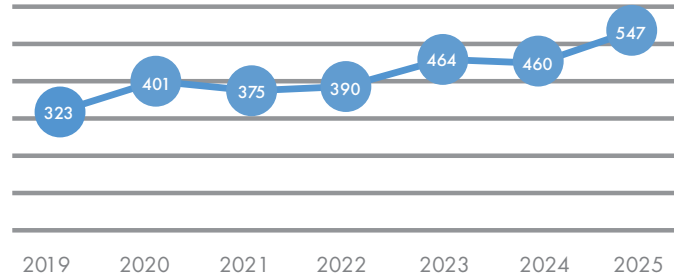
Enforcement

REQUESTS FOR INVESTIGATIONS

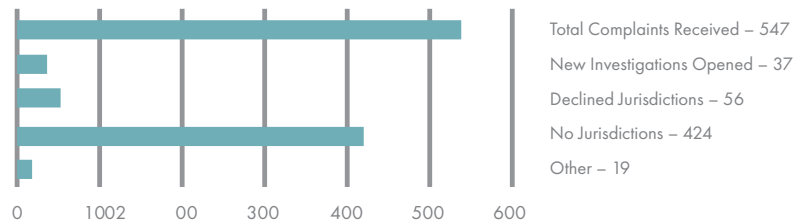
In 2025, the OIG received a total of 547 requests for investigations, accounting for a 19% increase over 2024 and 69% over 2019. OIG staff carefully screen each complaint submission, and the OIG either opens a case for investigation, declines to investigate the complaint because it does not fall within the OIG’s mission, or refers the complaint to another entity.

In 2025, the OIG opened 37 complaints for investigation, closed 56 complaints due to declined jurisdiction (meaning OIG determines another agency is better suited to handle the issue or chooses to focus resources on matters with greater impact), and closed 443 complaints for no jurisdiction (meaning OIG has no legal authority to address the issue) or other reasons such as merging with another case.

COMPLAINTS RECEIVED



2025 COMPLAINTS DATA



INVESTIGATIONS

As noted above, the OIG opened 37 new cases for investigation in 2025. The OIG completed and closed 28 investigations in 2025, including cases that the OIG opened in previous years.

ETHICS CASES

In 2025, the OIG closed three ethics cases presented to the State Ethics Commission (SEC), reaching agreed settlements in each matter.

In the first case, an employee admitted to violating the Gifts rule by accepting international travel and conference registration expenses from a vendor and agreed to a civil fine of \$1,867.07.

In the second case, a former employee admitted to violating ethics rules on Benefitting from Confidential Information, Divulging Confidential Information, and Post-Employment restrictions for disclosing the date of an unannounced visit to a regulated provider and accepting employment with another provider over which she had exercised regulatory and licensing authority before the end of the applicable cooling-off period; she agreed to a \$1,500.00 civil fine.



In the third case, a former employee admitted to violating the Use of State Property and Political Activity rules for using a state vehicle for personal purposes and directing state employees to create social media content for a political page, agreeing to a \$10,000.00 civil fine.

CRIMINAL CASES

When the OIG finds evidence of a crime, the OIG submits the case to the appropriate county prosecutor for review and possible filing of criminal charges. In 2025, prosecutors made charging decisions in three cases presented by the OIG, resulting in felony charges against four former state employees. Two former employees were charged with a total of six counts alleging false overtime reporting and two former employees were charged with a total of twenty-four counts alleging entering false information in child abuse assessments.

A charge of a crime is merely an accusation, and the defendant is presumed innocent until and unless proven guilty.

RECOMMENDATIONS

At the conclusion of investigations, the OIG may also provide recommendations to state agency leaders identifying opportunities to strengthen policies, improve compliance, and address misconduct by employees or vendors. In 2025, the OIG limited its recommendations to issues where there was a clear, actionable opportunity to enhance agency processes or leadership awareness. The office then assessed how agencies used the recommendations to ensure they provided practical value. In the four cases where recommendations were issued, agency leaders reported the guidance was useful and led to training or procedural improvements.

COLLECTIONS

The OIG collects and tracks payments of ethics-related fines and restitution orders resulting from OIG criminal investigations. In 2025, the OIG collected a total of \$7,237.07 in civil and criminal penalties.

Cases resolved in 2025 resulted in \$13,367.07 in assessed penalties.

**Penalties And Restitution
Collections = \$7,237.07
Ordered = \$13,367.07**

Engagement and Education

GOVERNOR'S CABINET

In early 2025, the IG met with the newly appointed Secretaries in the Governor's Cabinet and their chiefs of staff to provide an overview of the Code of Ethics, the OIG, and how the OIG can be a resource to the Secretaries and their agencies. What was initially anticipated to be a five-minute introductory chat turned into nearly an hour of robust dialog with the new leaders on how they can set the tone for ethics and integrity for their teams. This connection also established an open working relationship with the OIG for many of these leaders to reach out with ethics questions for themselves or their teams throughout the rest of the year.

ETHICS OFFICERS

In 2025, the OIG continued hosting quarterly roundtable meetings for agency ethics officers, with a combined attendance of more than 100 participants. During these meetings, agency ethics officers had the opportunity to freely discuss ethics issues they faced within their agencies. The meetings provided an open forum for ethics officers to ask questions of both OIG staff and their colleagues in other state agencies. OIG attorneys also provided formal continuing education on the Code of Ethics and OIG processes.

The State Ethics Commission Director and other OIG staff also met with over 20 newly appointed ethics officers individually to introduce them to their new role. In those meetings, participants learned how the OIG and ethics officers can partner to answer employee questions and proactively address ethical concerns before they become larger issues.

IN-PERSON ETHICS TRAININGS

In 2025, OIG staff provided in-person ethics training to more than 30 groups of varying sizes, representing selected state employees across multiple agencies. The training also included two annual conferences hosted by the OIG. In total, these group sessions and conferences reached more than 1,000 individuals. Some sessions covered a broad range of topics under the Code of Ethics, while others focused on specific subjects and rules.

OIG AUDITORS AND INVESTIGATORS CONFERENCE

The OIG hosted its annual Auditors and Investigators Conference providing in-person training to nearly 300 state auditors and investigators on topics covering internal investigations, internal audits, and a federal OIG overview.

Inspector General's Award for Excellence

Each year the OIG recognizes an auditor or investigator from a state agency with the Inspector General's Award of Excellence for outstanding performance. This individual has made significant contributions in aiding the OIG in accomplishing the mission of reducing fraud, waste, abuse, and wrongdoing in state executive-branch agencies.

Secretary of Management and Budget Lisa Hershman awarded the 2025 Inspector General's Award for Excellence to Indiana State Police Trooper Dukengtson "Duke" Lavache. Trooper Lavache was selected for this award because of the

outstanding services he provided to OIG investigators as an interpreter in multiple investigations involving a non-English speaking community. Trooper Lavache's assistance was instrumental in obtaining relevant evidence as well as clearing the names and reputations of certain members of this community.

OIG LEGAL AND ETHICS CONFERENCE

The OIG also hosted its annual Legal and Ethics Conference providing in-person training to over 200 state attorneys and ethics officers. This year's topics included: supervising legal interns, ethics hot topics, and administrative rulemaking.

INSPECTOR GENERAL'S AWARD FOR EXCELLENCE

During the conference, Inspector General Prentice awarded the Inspector General's Award for Excellence to two ethics officers: James Michael French from the Department of Environmental Management (IDEM) and Kristi Shute from the Department of Homeland Security (DHS).

Over his four years as IDEM's ethics officer, James Michael French has consistently partnered with the OIG to proactively identify and address potential ethics concerns. His forward-thinking, solution-oriented approach has helped set a strong ethical tone within his agency. In 2025, his commitment to transparency and integrity, supported by active collaboration with agency leadership, made a particularly meaningful impact. His insight, professionalism, and dedication to ethical principles reflect the core values of public service.

Kristi Shute has served as DHS's ethics officer for five years. She was recognized for her exceptional work preparing and presenting a formal advisory opinion request to the State Ethics Commission in November. The request addressed several longstanding interpretive challenges that had historically made it difficult for ethics officers, and the OIG, to provide conclusive guidance to employees. Her thorough and professional presentation enabled the SEC to deliver clear interpretations on these issues, supporting the DHS employee involved and establishing a reliable standard for other state employees facing similar circumstances.

APRA REQUESTS

As a state agency, the OIG is required to respond to requests for public records under the Access to Public Records Act. In 2025, the OIG responded to 25 APRA requests with an average response time of 3.04 days.

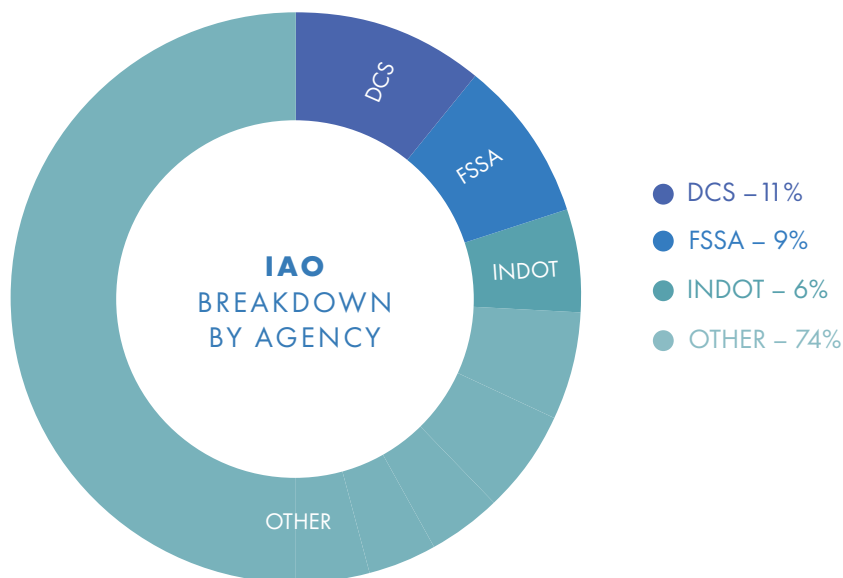
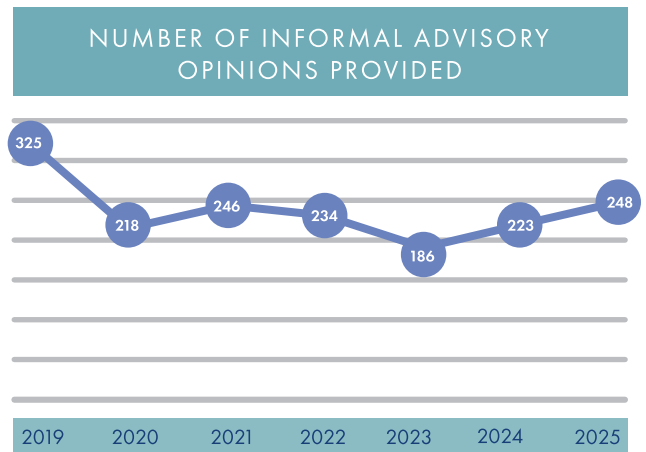
Advice

INFORMAL ADVISORY OPINIONS

The OIG issues Informal Advisory Opinions (IAOs) to state executive-branch personnel who seek guidance on the application of the Code of Ethics on their specific situation. IAOs are confidential, written legal opinions that give practical, proactive guidance to help state officials understand and follow Indiana’s ethics standards.

In 2025, the OIG reviewed how it prepares IAOs to make them easier for employees to understand and apply. As part of this effort, OIG attorneys were encouraged to give more direct, tailored guidance using plain language instead of legal jargon. The office also adopted a new format that puts the key question, the recommended action, and the main rule at the very beginning, followed by a more detailed explanation. This revised approach has been very well received, with state employees and ethics officers noting that the guidance is clearer and more useful.

In 2025, the OIG issued 248 IAOs, an 11% increase over 2024, while decreasing average response time to under 1.6 days. These were provided to personnel in 57 different state agencies, with over a quarter of IAOs going to DCS, FSSA and INDOT — three of the largest agencies by number of employees. The most frequent questions involved the Code of Ethics rules on outside employment and post-employment.



Disclosures and Waivers

FINANCIAL DISCLOSURE STATEMENTS

Under Ind. Code § 4-2-6-8, all agency heads, state-elected officers, employees with final purchasing authority, and various other state employees must file an annual Financial Disclosure Statement with the OIG by February 1. In 2025, the OIG received 1,526 Financial Disclosure Statements filed for calendar year 2024.

GIFT WAIVERS

Under 42 IAC 1-5-1, certain agency leaders may waive application of the gifts rule if it serves the state's best interest. In 2025, state agencies executed and filed 41 gift waivers with the OIG, which are posted on the OIG website.

CONFLICT OF INTERESTS DISCLOSURE STATEMENTS

Under Ind. Code §§ 4-2-6-9 and 4-2-6-10.5, state employees and special state appointees must file Conflict-of-Interest Disclosure Statements with the OIG if they identify a potential conflict of interest between their official state duties and their own personal interests.

The OIG received 91 Conflict-of-Interest Disclosure Statements related to decisions and votes and three Conflict-of-Interest Disclosure Statements related to contracts in 2025. The OIG has posted these disclosure statements on its website.

SEC Activity

STATE ETHICS COMMISSION

The SEC is governed by Ind. Code 4-2-6. The SEC consists of five commissioners, who are appointed by the Governor and have jurisdiction over individuals in the executive branch of state government, including: (1) a current or former state officer; (2) a current or former employee of a state agency; (3) a person who has a business relationship with a state agency; or (4) a current or former special state appointee.

The SEC holds monthly public meetings. During these meetings, the SEC issues Formal Advisory Opinions (FAOs), in which the SEC provides advice to members of the executive branch of state government, approves post-employment waivers, and adjudicates ethics complaints filed by the OIG. The SEC has the ultimate authority to interpret the Code of Ethics.

FORMAL ADVISORY OPINIONS

Individuals who are subject to the Code of Ethics may request the SEC's guidance on the application of the Code of Ethics to an actual set of circumstances through a request for an FAO. The SEC receives evidence under oath, publicly deliberates the request, and votes to approve final guidance on the question during its monthly meetings. Detailed, written FAOs based on the SEC's findings are then provided to the individuals and posted to the OIG's website.

In 2025, the SEC received a total of four requests for FAOs. One request was withdrawn and the SEC issued and published opinions for the remaining three requests. Of these requests, two FAOs primarily considered the application of the Code of Ethics' post-employment restrictions to state employees, and one primarily dealt with state employees' outside activities and potential conflicts of interest. A list of the SEC's 2025 FAOs is maintained on the OIG website.

POST-EMPLOYMENT WAIVERS

The SEC also reviews post-employment waivers, which agency-appointing authorities issue pursuant to Ind. Code § 4-2-6-11 (g). The SEC can approve the waiver if it finds that the waiver meets the statutory requirements. In 2025, the SEC approved 27 post-employment waivers, which are posted on the OIG's website.

FINDINGS OF PROBABLE CAUSE AND AGREED SETTLEMENTS

For a summary of cases in which the SEC found probable cause and approved an agreed settlement, please see the Investigations section of this Annual Report.

Thank You!

We would like to thank the many state agencies and offices that have assisted us with our efforts throughout 2025. We appreciate the opportunity to present these results.

CONTACT INFORMATION

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The OIG Mission

is to reduce fraud, waste, abuse, mismanagement, and wrongdoing in state executive branch agencies. Through education, advice, investigations, prosecutions, and legislative recommendations, the Inspector General contributes to public confidence in state government.



OIG

INDIANA OFFICE OF INSPECTOR GENERAL