



INDIANA OFFICE OF THE INSPECTOR GENERAL QUARTERLY UPDATE

Issue: Q1

January–March 2026

New Systems, Clearer Processes, and Real Results

The Indiana Office of Inspector General (OIG) opened 2026 with major improvements. The office updated how it manages cases and compliance, producing changes that protect public resources. The OIG also finished a planned restructuring and launched a new case management system. Additionally, the OIG introduced Caution Letters as an early-intervention tool—and joined Governor Braun’s new Indiana Council on Fraud Detection and Prevention.

By the numbers

The following actions help protect public resources and support ethical conduct across Indiana state government.

- Processed 1,342 Financial Disclosure Statements (FDS) for calendar year 2025.
- Issued 55 Informal Advisory Opinions (IAOs).
- Received 150 hotline complaints; opened nine cases; closed 28 cases.
- Issued eight Caution Letters that prompted corrective action.
- Investigations contributed to 22 counts in five criminal cases. Over \$100,000 in misconduct was identified. Over \$33,000 was returned to the state.

Improvements in Q1

Staffing & Structure: Better Alignment, Clearer Roles

The OIG finished a planned restructuring and made final staffing decisions. The new structure clarifies who makes decisions and places experts where they can have the most impact. This reduces bottlenecks and helps teams move cases faster.

The changes also clarified job roles and balanced workloads. As a result, cases can move faster from intake to review, investigation, and closure. The restructure also improved coordination across investigations, advisory and compliance.

New RMS Goes Live: Replacing a 17-Year-Old System

In Q1, the OIG launched a new report management system (RMS). It replaced a system that was almost two decades old. The RMS standardizes steps from intake through closure and uses structured entries for notes and milestones. It gives leaders clearer dashboards on workload, timelines, and outcomes. The RMS also consolidates filing for advice, disclosures, and waivers sent to OIG and the State Ethics Commission (SEC).

The RMS supports consistent records and reliable case tracking from intake through closure. It also makes records cleaner and easier to search for current and past matters. This helps the OIG report quarterly metrics faster and supports better analytics across OIG’s work.

Complaint Screening: 78% Faster, \$95,000 in Annual Savings Projected

The OIG streamlined its complaint screening process by removing extra handoffs and combining review steps. This cut screening time by 78% and reduced salary costs tied to screening by 83%. In Q1, the office redirected over \$22,000 in legal and admin time to higher-value work. Annual savings are projected to reallocate 1,300 hours, valued at over \$95,000 in administrative costs, redirected to core advisory and investigative activities.

Investigations: Clearer Steps, Consistent Quality

The OIG updated its investigative protocols and documentation rules to improve quality, increase consistency, and support faster timelines. The updates include milestone checklists, standard report formats, and timelines that match case complexity.

The protocols set target timeframes for each milestone and list the documents needed to support findings and results. They also include supervisor reviews to help keep quality consistent and meet standards.

Caution Letters: A New Early-Intervention Tool

Caution Letters are a proactive, early-intervention tool. These confidential letters are used when conduct or circumstances create risk and quick corrective action is better than a formal sanction. They can be thought of as an “unsolicited advisory opinion.” They reinforce ethical standards, explain duties, and

guide corrections, but they do not conclude that misconduct occurred. The OIG issued eight Caution Letters in Q1.

OIG Joins Statewide Fraud Council

Governor Braun established the Indiana Council on Fraud Detection and Prevention (Executive Order 2604). The council brings together state leaders to find weak points, coordinate prevention, and promote best practices. This helps Indiana prevent waste, fraud, and abuse.

The OIG is an active member of the new council. It provides investigative leadership and program integrity expertise, and it shares insights on fraud trends and prevention. The OIG also supports cross-agency work to reduce fraud risk.

Compliance & Guidance

FDS Filing Season: 1,342 Processed

The OIG processed 1,342 Financial Disclosure Statements (FDS) for calendar year 2025. State law sets a February 1 deadline for designated employees to file an FDS. During filing season, the OIG notified filers, tracked submissions, sent reminders, and answered questions.

Due in part to this proactive due diligence, 95% of designated employees filed their FDS forms by the February 1 deadline. The remaining 5% were filed by March 31.

IAOs: 55 Questions Answered Before Issues Arise

In Q1, the OIG issued 55 Informal Advisory Opinions (IAOs). These give state employees and officials quick guidance on how the Code of Ethics applies. IAOs are one of the OIG's strongest prevention tools, and they help reduce unplanned violations. They also help agency ethics officers give guidance in-house.

Caution Letters

A total of eight Caution Letters in Q1 led to specific corrective actions, which shows the value of early tools that are not punitive. These tools can improve compliance, reduce risk, and help keep issues from becoming formal enforcement cases. As a result of these letters, employees and agencies filed required Financial Disclosure Statements and disclosures, returned a gift, withdrew from a particular matter, clarified and documented outside activities, and increased agency awareness around professional association memberships.

Hotline & Investigations

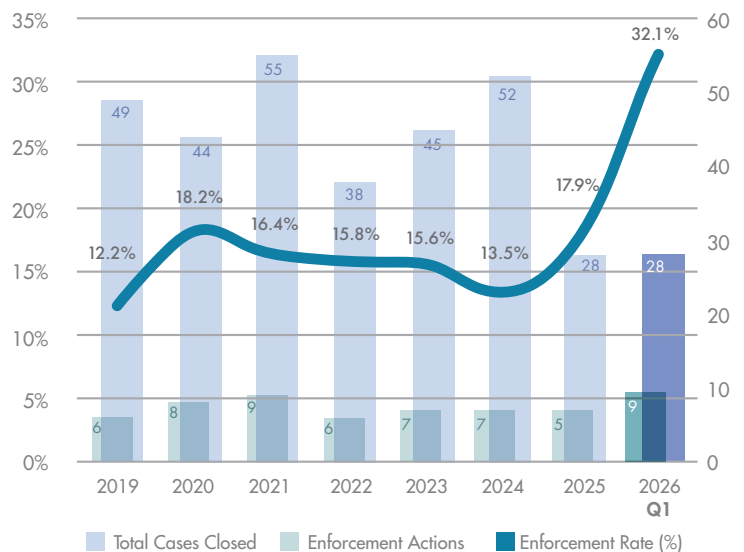
Intake Snapshot

The OIG received 150 hotline complaints and opened nine cases for investigation in Q1. Three complaints were resolved with a Caution Letter, and six complaints were referred to other agencies. The remaining complaints were merged into existing cases or closed because they did not fit the OIG's mission.

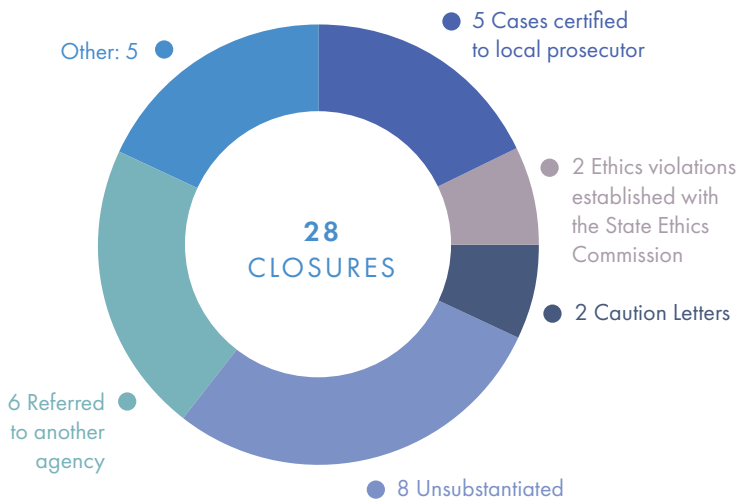
Q1 Enforcement Action Trends

The OIG closed nine cases with enforcement actions (criminal charges, ethics violations, or caution letters) in just the first quarter, matching or exceeding each of the previous seven years' annual totals. Additionally, the substantiation rate that began to rise in 2025 continued its upward trend into 2026, more than doubling the average rate of closed cases resulting in enforcement actions from the same time frame.

Comparing 2026 Q1 to Annual Enforcement Rates



Closures at a Glance (28 Closed)



Case Highlights

In Q1, the OIG closed seven cases and referred them for action. Some were sent to local prosecutors for criminal charges, and others were taken to the State Ethics Commission for alleged ethics violations. The OIG also had impacts beyond these formal actions.

Criminal Case Highlights

Five individuals were charged with 22 counts, including 11 felonies. Each case remains an allegation unless proven in court.

Vendor fraud totaling **\$75,100** led to felony charges. It included the first known charge for Obstructing an OIG Investigation.

A former employee was charged with **theft of \$25,158.91**. The allegation involved misuse of a state vehicle and wages for time not worked.

Three former DCS employees were alleged to have entered false records. The records involved at least six child-welfare matters.

Ethics Case Highlights

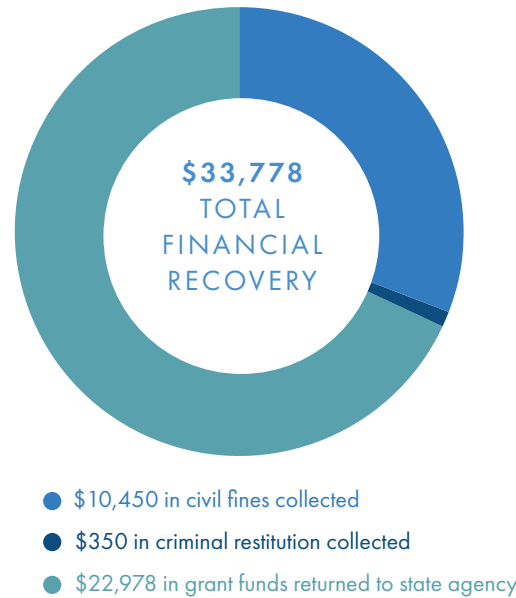
\$22,978 in double-billed grant funds were found and returned to the state agency.

The SEC ordered civil fines.

Nine employees were cleared after review.

Collaborated with agencies on six different investigations to resolve complex matters and address jurisdiction overlaps.

Financial Returns



These outcomes reflect both accountability and fairness. The OIG pursued consequences when facts supported misconduct. It also cleared employees when claims were not supported.

Looking Forward

The accomplishments of Q1 set our office up for continued success in Q2. Clearer roles, updated systems, and better processes reduce delays and help staff focus on the most important work. With faster screening, better case tracking, and effective early-intervention tools in place, the OIG is better prepared to respond quickly to risk and move investigations forward efficiently. This progress will support steady improvement as we move ahead further into 2026.