



# INDIANA OFFICE OF INSPECTOR GENERAL

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## FRAUD

The Indiana Office of Inspector General is responsible for investigating and addressing **fraud, waste, abuse, and wrongdoing** in any agency within the executive branch of Indiana state government. This includes any authority, board, branch, commission, committee, department, division or other instrumentality of the executive branch of Indiana state government. The OIG relies on state workers to assist in **identifying** fraud and to **report** crimes and misconduct. But what exactly should you look for? How do you report it? Below are a few important points to keep in mind when considering whether someone is engaging in fraud/misconduct and how to report it.

### Examples of potential employee misconduct:

- Abusing authority
- Stealing or embezzling state property or money
- Mismanaging or wasting state funds by spending extravagantly, carelessly, or needlessly
- Soliciting or accepting gifts from outside sources
- Misusing state time, equipment, or information
- Influencing the award of a grant or contract to benefit a particular company, friend, or family member
- Violating conflict of interests standards

**Grant or contract fraud** - Grant or contract fraud can occur when state funds are misused by those who receive them or when funds are awarded under false pretenses. Types of grant or contract fraud includes the following:

- Falsifying information in grant applications or contract proposals
- Using state funds to purchase items that are not for government use
- Billing more than one grant or contract for the same work
- Billing for expenses not incurred as part of the grant/contract
- Billing for work that was never performed
- Falsifying test results or other data
- Substituting approved materials with unauthorized products

## FRAUD (CONTINUED)

**Reporting fraud** – The OIG has an online [HOTLINE](#) where you can report fraud and misconduct. Hotline reports:

- Should include as much information as possible related to the allegation. Who? What? When? Where?
- Can be done anonymously.
- Are confidential.

Because the jurisdiction of the OIG is limited to the executive branch, our office **cannot** investigate complaints involving:

- Local government officials
- Judges and/or other members of the judicial branch
- Legislative branch matters
- Consumer complaints
- Identity theft issues
- Employment disputes

The OIG has a [resources page](#) available with information on other agencies that may be able to handle such complaints.

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## Conflict of interests - Decisions & Voting

This month we continue our in-depth look at conflict of interests ethics rules. The **Conflict of interests decisions and voting** rule, found in **42 IAC 1-5-6 (IC 4-2-6-9)**, prohibits state workers from participating in decisions and votes, and matters related to such decisions and votes, in matters in which certain persons, including themselves and their employers, have an interest in the outcome.

So what does this actually mean? Basically, you may have a problem under this rule and may need to be screened if:

- You participate in a discussion about a grant that your spouse has a financial interest in.
- You are part of a team for your agency that is planning a project that the company you are negotiating employment with may be involved with in the future.
- You are a special state appointee and you act as a liaison between your employer and the board/commission you serve on regarding a business proposal.

You wouldn't have a problem under this rule if:

- You notify your agency ethics officer and appointing authority if you ever identify a potential conflict; and
- You seek an advisory opinion from the State Ethics Commission (SEC) or file the appropriate disclosure form; and
- Your agency takes appropriate measures to ensure you are screened from the matter

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### **Conflict of interests; decisions/votes scenarios**

**“I am in charge of reviewing RFPs for my agency. I have discovered my husband’s company has submitted a response to an RFP. Is this an issue?”**

*Yes, your participation in this matter could financially impact an immediate family member. Therefore, you will need to notify your ethics officer and appointing authority and file a disclosure statement with or seek an advisory opinion from the SEC.*

**“You work part-time as an electronics salesperson in addition to serving as a state employee. You find out your agency may be purchasing some new tablets. Can you suggest they consider purchasing from you/your employer?”**

*Not a good idea. If you participate in a decision in which your employer would have a financial interest, this could be a violation of IC 4-2-6-9.*

**“You are currently working on a project with a vendor. You find out the vendor is hiring and you apply for a job and are contacted for an interview. Can you continue to work on this project as part of your state duties?”**

*Because back and forth employment negotiations have begun, you are prohibited from participating in any decisions/votes or related matters which may have a financial impact on the company. If the vendor has a financial interest in the decisions you could make or participate in on the project, you will need to follow the requirements in IC 4-2-6-9(b) to avoid a violation of this rule.*