



INDIANA OFFICE OF THE INSPECTOR GENERAL QUARTERLY UPDATE

Issue: Q2

April–June 2026

Benefitting from New Processes and Real Results

The Indiana Office of Inspector General continued 2026 with significant progress stemming from the 2025 operational and staffing overhaul. With 22 enforcement actions in just two quarters, the OIG has exceeded the annual enforcement numbers from eighteen¹ of the office's 21-year history. Additionally, the OIG was an active member of the Enforcement Coordination workgroup of the Indiana Council on Fraud Detection and Prevention, beginning work on assessing current enforcement mechanisms available to the member agencies and coordinating matters with agencies administering federally funded programs.

By the Numbers	2026 Q2	2026 YTD
Informal Advisory Opinions	53	108
Complaints Screened	174	324
Cases Opened	23	32
Cases Closed	18	48
Employees Cleared	3	12
Caution Letters	5	13
Ethics Cases Resolved	–	2
Certified to Prosecutors	2 ¹	7
Criminal Defendants	–	5
Criminal Charges	–	22
Misconduct Identified	\$225,000+	\$325,000+
Funds Recouped	\$6,000+	\$39,000+

¹Charging decisions were made in Q3 and will be included with the Q3 report.

Compliance & Guidance

IAOs: 53 Inquiries Answered to Avoid Misconduct

In Q2, the OIG issued 53 Informal Advisory Opinions. These give state employees and leadership quick guidance on how the Code of Ethics applies to their particular situations. IAOs are one of the OIG's strongest prevention tools to avoid unintentional violations and increase awareness of future risks. The OIG also guides agency ethics officers through challenging questions, both informally and in formal proceedings before the State Ethics Commission.

Training and Education

In Q2, the office partnered with ethics officers and agencies to provide ethics training to over 200 employees in five different sessions.

OIG Engaged on Statewide Fraud Council

Governor Braun established the Indiana Council on Fraud Detection and Prevention through Executive Order 26-04. The council combats waste, fraud, and abuse in federal programs administered by state agencies. It includes leaders from 11 state agencies that run the programs, provide internal support, and enforce misconduct laws.

A Unique, System-Wide View of Fraud Risk

The OIG is one of the few agencies with legal authority to investigate across the executive branch. It also has administrative and civil enforcement tools that other agencies do not. Together, these give the OIG abilities that no other council member has. Because of its broad jurisdiction, enforcement tools, and state-wide role, the OIG is well placed to close information gaps and protect the integrity of federally funded programs. Its view across the whole system also lets the OIG help the council shift from separate prevention efforts to shared strategies based on data.

Driving Action Through Referrals

The OIG issued seven referrals to federal and state agencies involving potential fraud or abuse, strengthening cross-agency collaboration. The OIG's updated coordination process has improved prior processes, which made it difficult to get concerns to the right agency personnel quickly. As a result, issues that spanned at least five federally funded programs were sent immediately to the right experts in Q2.

Powering Investigations Across Agencies

In addition to its own active investigations requiring federal coordination, the OIG used its subpoena power and access to statewide records to build solid case files assisting five investigations by council member agencies. The OIG also worked to ensure three other federal- and state-partner investigations had timely access to essential records related to federally funded programs. This removed delays that historically would have hindered complex fraud investigations.

Complaints & Investigations

Complaint Screening: 78% Faster, \$97,000 in Efficiencies Projected

The OIG continued to see an increase in requests for investigations in Q2, with 174 hotline complaints. This represents a 16% increase over Q1 and is on pace for a 22% increase over 2025 — and the highest number of complaints in OIG history.

Although the OIG received an overall increase in the volume of complaints, the agency's streamlined complaint-screening process redirected more than \$26,000 in legal and administrative time to higher-value work in Q2 and more than \$48,000 in the first half of 2026. The OIG remains on pace to reallocate more than \$97,000 in administrative costs to core advisory and investigative activities.

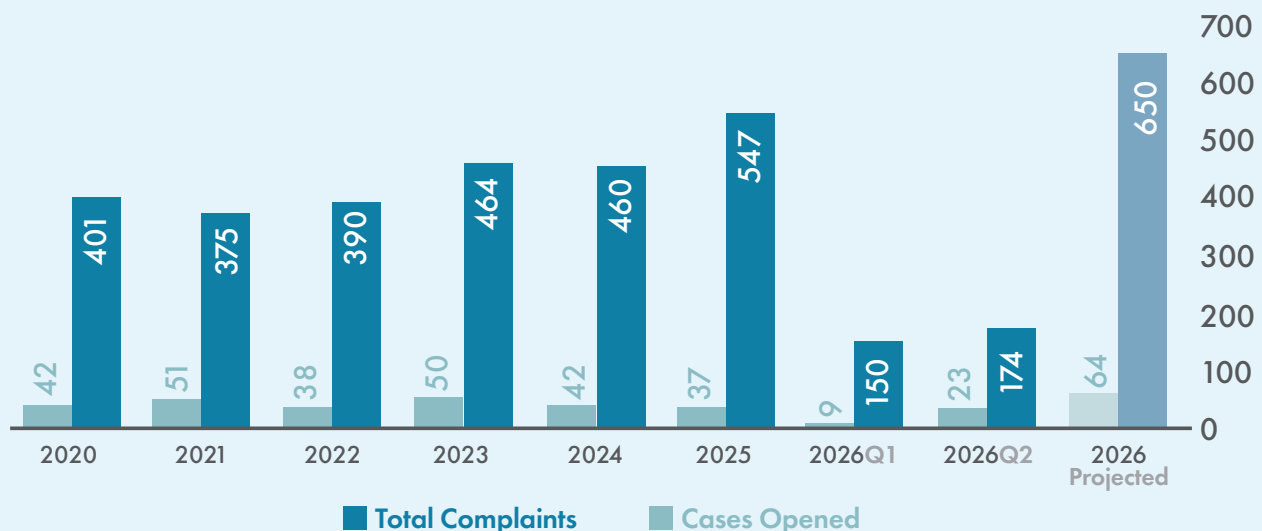
Enforcement Action Trends

In the first two quarters of 2026, the OIG took 22 enforcement actions. That total exceeds the number of enforcement actions taken during the entire year in 18 of the past 21 years. The substantiation rate, which began to rise in 2025, continued to increase through the first two quarters of 2026. As a result, the percentage of closed cases that led to enforcement action was more than twice the historical average.

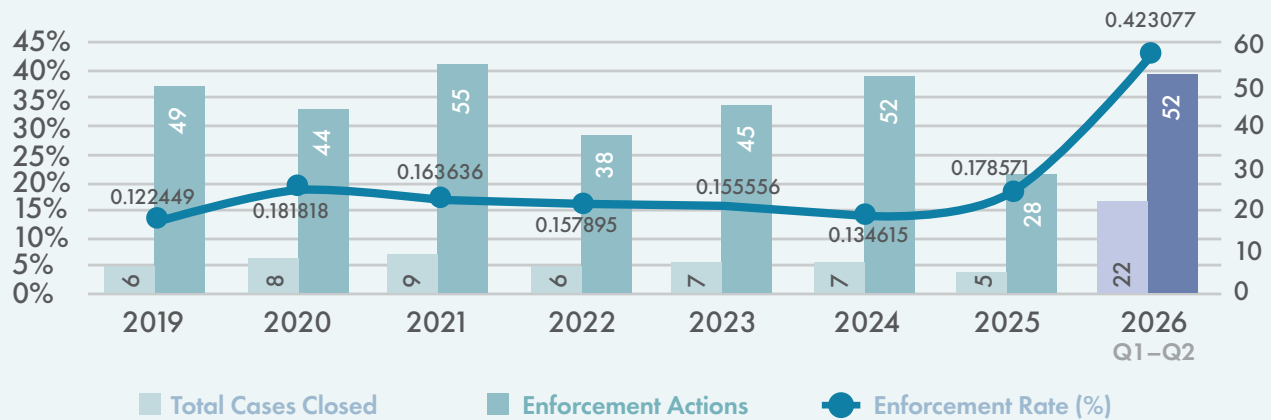
OIG Enforcement: In Q2, the OIG certified two cases to local prosecutors for consideration of criminal charges.²

When an OIG investigation reveals evidence of misconduct, the OIG can certify the case to a local prosecutor to consider criminal charges or file the case with the State Ethics Commission to determine probable cause for ethics violations.

Comparing 2026 Q1–Q2 to Annual Complaint Screening Rates



Comparing 2026 Q1-Q2 to Annual Enforcement Rates



Right-Sizing Enforcement Through Early Intervention:

In Q2 the OIG issued five caution letters, leading to swift and specific corrective actions, including: agency-wide policy training, resolving three potential conflicts of interest, and a review of more than \$26,000 in questioned expenses and grant payments.

The OIG's caution letter serves as a practical early intervention tool that helps keep small issues small, particularly in situations that would have historically gone unaddressed or required full investigative resources and time. This approach strengthens prevention, supports consistent standards, and ensures that formal enforcement efforts remain focused on the most significant issues. This ultimately improves both efficiency and accountability across state agencies.

Referrals and Assistance: The OIG referred matters, or assisted, state and federal agencies in 22 cases. This work resulted in one employee being cleared of misconduct and two employees being disciplined. It also led to the review of more than \$1.2 million in contracts, the identification and removal of inmate contraband, the disruption of fraud schemes, and the resolution of various other personnel matters.

In addition to submitting its own cases for criminal or ethics violations, the OIG may conclude an investigation by referring the matter to another agency for further action or assist other state and federal agencies with investigations.

Exoneration: The OIG closed two cases as unsubstantiated in Q2, exonerating three state employees of wrongdoing.

When an OIG investigation concludes that there was no misconduct by a state employee, the case is closed as unsubstantiated, providing assurances to the employee and leadership in question that state personnel are working with integrity.

The Q2 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 OIG serves all Indiana residents by carrying out its mission and statutory duty to reduce fraud, waste, abuse, mismanagement and wrongdoing in state executive branch agencies. Through this work, it promotes transparency and strengthens public confidence in state government. The accomplishments of Q2 build on the successes in Q1 and have set the agency on track for 2026 to be one of the most impactful years in the OIG's history.

²Charging decisions were made in Q3 and will be included with the Q3 report.