

2024 ANNUAL REPORT

INDIANA OFFICE OF INSPECTOR GENERAL

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Table of Contents

A Message from the Indiana Inspector General	3
The Office of Inspector General	4
Budget	5
Enforcement	6
Requests for Investigations	6
Investigations	6
Investigative Reports	7
Recommendations	7
Collections	7
Outreach and Education	8
Agency Head Outreach	8
Ethics Officer Roundtables	8
In-Person Ethics Training	8
OIG Auditors and Investigators Conference	9
OIG Legal and Ethics Conference	9
Advice	10
Informal Advisory Opinions	10
Disclosures and Waivers	11
Financial Disclosure Statements	11
Gift Waivers	11
Conflict of Interests Disclosure Statements	11
The State Ethics Commission	12
SEC Activity	13
Formal Advisory Opinions	13
Post-Employment Waivers	13
Findings of Probable Cause and Agreed Settlements	13
Retirements and Staffing Updates	14
Thank you!	15

A Message from the Indiana Inspector General

2024 was a year of transition for the Office of Inspector General (OIG) and State Ethics Commission (SEC), as it was for many state agencies, leading into elections and preparing for an administration change. Through its own transitions, the OIG remained committed to fulfilling its mission to foster a culture of integrity within the state executive branch agencies in order to promote transparency and public confidence in state government.

Just like the citizens of our state generally, the vast majority of leaders and employees of the executive branch agencies want to do the right thing. Indiana's Code of Ethics provides guardrails for minimum standards of behavior for how state employees perform their work to ensure it is done in the best interests of the state. The role of the OIG is to provide assurances that these guardrails are being followed: first, through training and targeted education; second, by providing advice to leadership and individual employees on how the rules apply to their specific roles and situations encountered; third, by conducting confidential, thorough, and independent investigations of complaints received of possible misconduct; and fourth, through presenting a case for appropriate prosecution where the facts indicate an actual violation of the rules. Each of these areas of focus are vital to the OIG's overall mission. Education and advice are the foundation to provide employees with the tools needed to work with integrity. Independent, confidential investigations provide assurance that concerns are reviewed and facts are separated from assumptions or misunderstandings. And prosecutions, where appropriate, provide accountability for choices and actions that fall short of these minimum standards.

As the newly-appointed Inspector General in 2025, it is my pleasure and privilege to provide this annual report of the incredible work this office completed in each of these areas under the leadership of my predecessor, David Cook, during 2024.



I am grateful for the trust Governor Braun's administration has placed in me to lead this critical office as Indiana's fifth Inspector General. And I am excited for the opportunity to continue fostering confidence in our state executive employees to work with integrity and efficiency.

Sincerely,
Jared Prentice
Indiana Inspector General

OIG Mission

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.

The Office of Inspector General

Under Ind. Code § 4-2-7-2, the Inspector General is “responsible for addressing fraud, waste, abuse, and wrongdoing” in state executive branch agencies. To carry out this mandate, the Inspector General and OIG staff perform a variety of duties including: maintaining the Code of Ethics and administering training on its application; advising current, former, and prospective state employees on how the Code applies to their unique circumstances; receiving complaints, conducting investigations, and presenting evidence of criminal wrongdoing to county prosecutors and Code violations to the SEC; and making recommendations to state agencies.

The OIG staff consists of attorneys, special agents, and administrative staff. OIG special agents are sworn law enforcement officers who conduct investigations, interview witnesses, examine records, serve warrants, and perform other law enforcement duties as needed. They also coordinate with and assist other agencies with investigations. OIG attorneys provide legal advice, prepare legal documents, and help present cases to state and federal prosecutors for criminal prosecution. They also file and prosecute cases before the SEC. OIG attorneys provide informal, written advice on the application of the Code to current, former, and prospective state officers, employees, and special state appointees. The OIG administrative staff provides support to all team members and ensures the OIG operates smoothly.



2024 OIG Staff. Front row: Sam Stearley, Special Agent; David Cook, Inspector General; Tiffany Mulligan, Chief of Staff/Chief Legal Counsel; Hope Blankenberger, Staff Attorney; Doreen Clark, Staff Attorney; Back row: Mark Mitchell, Director of Investigations; Mark Day, Special Agent; Mike Lepper, Special Agent; Cindy Scruggs, Director of Administration; J.J. Fajt, Special Agent; Elaine Vullmahn, Senior Attorney

2024 OIG Accomplishments

223

Informal Advisory
Opinions (IAOs) issued

460

Hotlines Screened

42

New Investigations
Opened

53

Investigations Closed

2,350

Financial Disclosures
Processed

19

In-person Trainings
Conducted

2

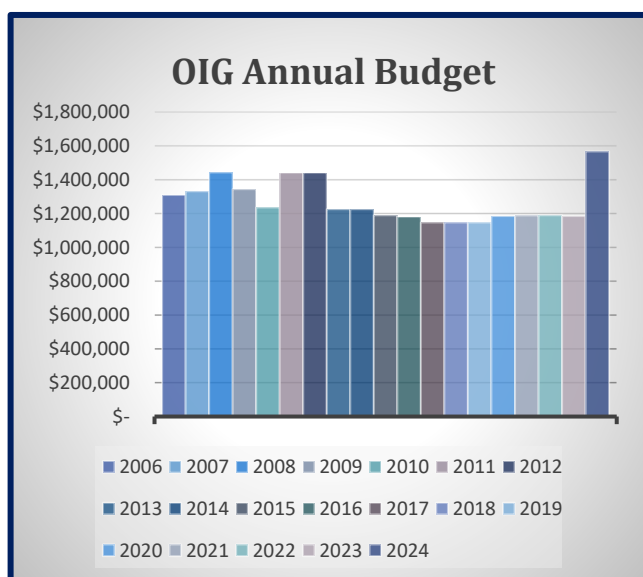
Conferences Hosted

Budget

The OIG serves a state that is home to over 6.9 million residents. The OIG has oversight of over 30,000 individuals, including all executive branch state officers, employees, and special state appointees. The OIG's fiscal-year budget for 2023-2024 was \$1,566,836. This includes funds for the SEC members' per diem, travel, and support staff.

**OIG's 2024 Fiscal
Year Budget =
\$1,566,836**

The substantial majority of the OIG's budget is dedicated to staff salaries and benefits. The remaining portion of the OIG's budget is dedicated to operating costs, including computer hardware and maintenance of vehicles.



Historically, the OIG had seventeen full-time staff members, accounting for roughly 83% of the OIG budget. As costs rose and the budget remained static or shrank, the OIG reduced its staff to 12 positions by 2022, accounting for roughly 93% of the budget. In 2023, a state-wide compensation study and implementation increased the salaries of attorneys across state government but did not provide additional funding. Following this, the Inspector General sought and was granted FY24 budget approval to cover this salary increase, add a staff attorney, and increase the salaries for the existing Special Agents to allow for more equitable salaries and aid in recruitment and retention. Even with the FY2024 budget increase, staffing still accounts for 92% of the

OIG budget, leaving little room for fiscal discretion. Still, the OIG ended the year under budget.

On top of the still-reduced number of staff, the OIG saw turnover for four attorneys, one Special Agent, and both administrative staff, with an additional attorney on leave for a portion of 2024. Despite the challenge of vacant positions and onboarding new staff, the OIG saw a 20-25% increase in requests for investigations and advice yet maintained or improved our response time year-over-year. Still, the small number of staff has made it challenging for the OIG to complete investigations in a timely and proactive manner.

Due to budget constraints, the OIG has been unable to update its sixteen-year-old case management system, which is severely limited in its reporting capability and is not supported by the Indiana Office of Technology. This remains a priority for 2025.

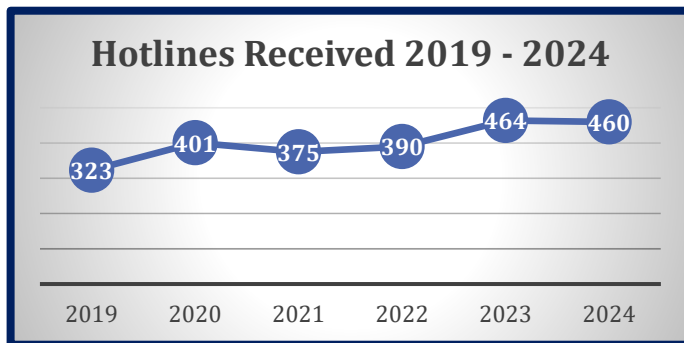


Enforcement

Requests for Investigations

The OIG receives requests for investigations through various sources. The vast majority of the OIG's requests for investigations originate from the hotline reporting page on the OIG's [website](#). Through the hotline page, the reporting parties can choose to identify themselves or remain anonymous. The OIG also receives complaints via mail, walk-ins, or agency referrals.

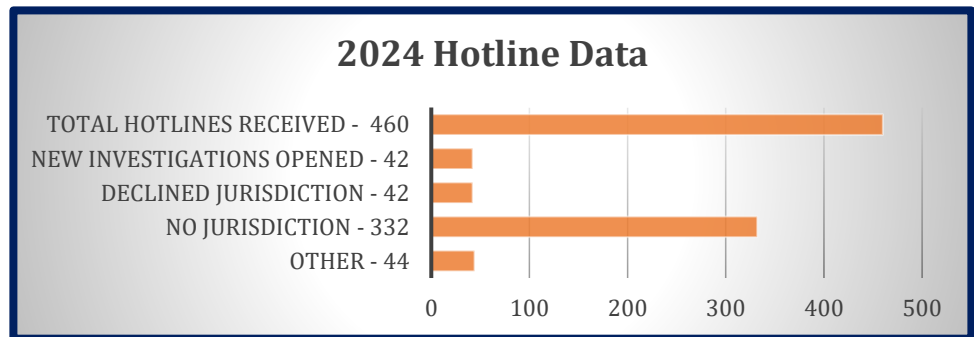
The OIG's jurisdiction is limited to alleged violations of the Code, criminal activity, waste, mismanagement, and abuse within the executive branch of state government. It also extends, to a limited extent, to those entities who have or are seeking a business relationship with an agency.



In 2024, the OIG received a total of 460 requests for investigations. The subjects of the requests vary greatly. OIG attorneys carefully screen each hotline, and the OIG either opens a case for investigation, declines to investigate the complaint because it does not fall within the OIG's mission, closes the hotline for insufficient cause, or refers the complaint to another entity. OIG attorneys prioritize the hotline screening process. The

average number of days to screen a hotline in 2024 was 0.66 days. This average has remained less than one day for the past five years.

In 2024, the OIG opened 42 complaints for an investigation, closed 42 complaints for declined jurisdiction, and closed 376 complaints for lack of jurisdiction or other reasons like merging with another case.



Investigations



As noted above, **the OIG opened 42 new cases for investigation in 2024. The OIG completed investigations for and closed 53 cases in 2024**, including cases that the OIG opened in previous years.

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 2024, the OIG presented five cases to prosecutors**, who filed multiple felony criminal charges, including charges of forgery and official misconduct.

When the OIG finds evidence of violations of the Code, the OIG has the discretion to submit the case to the SEC and ask that the SEC find probable cause for the OIG to file an ethics complaint. **In 2024, the OIG presented three cases to the SEC.** The SEC found probable cause in each of these cases. The OIG reached an agreed settlement in two of these cases in 2024 and the third in 2025.

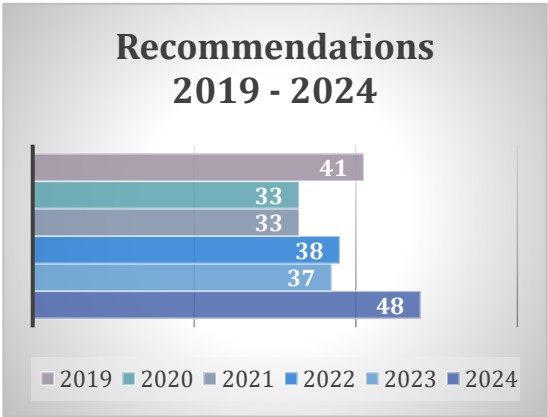
Investigative Reports

Under Ind. Code § 4-2-7-8, the OIG may keep its investigative records confidential in whole or in part at the discretion of the IG. During 2024, the IG made eight of its Investigative Reports public when a prosecutor filed charges, when the SEC found probable cause for an ethics complaint, or when the IG found that it was in the public interest to issue a public report. These reports are available on the OIG's [website](#) for public review.

Recommendations

The OIG's work also impacts how the state conducts business. These impacts can include recommendations that result in improved policies, improved compliance with existing policies, or corrective action for employees or vendors that do not adhere to state statutes or policies. These actions can deliver monetary results through better compliance, efficiencies, and reduced fraud and loss of taxpayer dollars.

In 2024, the OIG issued 48 recommendations across twenty-three different reports to eighteen different agencies. Common topics included implementing, training on, and enforcing agency policies; improving documentation; and encouraging more proactive requests for ethics guidance from agency ethics officers, the OIG, and the SEC.



Collections

The OIG collects and tracks payments of fines for state ethics violations and restitution orders resulting from OIG criminal investigations. **In 2024, the OIG collected a total of \$14,610.65 in penalties:** \$11,001.28 was from SEC civil penalty payments, which the OIG remitted to the State of Indiana's general fund, and the remaining \$3,609.37 was from criminal restitution payments, which the OIG returned to the state agency involved.

**Penalties And
Restitution
Collections = \$14,610.65
Ordered = \$115,476.28**

For OIG cases closed in 2024, the SEC or a court ordered a total of \$115,476.28 in penalties and restitution for cases the OIG investigated.

Outreach and Education

Agency Head Outreach

In 2024, the IG and OIG Chief of Staff/Chief Legal Counsel met with agency heads and ethics officers from multiple agencies to provide an overview of the OIG and how the OIG can be a resource to executive branch agencies. During these meetings, the Inspector General stressed the importance of creating a culture of ethics within the agency. He reminded agency heads that if ethics is important to the agency head, ethics will be important to agency employees.

In these meetings, the OIG also offered to provide in-person, tailored ethics training to the agency or to smaller groups within the agency. Several executive branch agencies took advantage of this offer.

Ethics Officer Roundtables

In 2024, the OIG continued hosting quarterly roundtable meetings for agency ethics officers. 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.

In-Person Ethics Trainings

In 2024, OIG staff provided in-person ethics training to over 20 groups and over 1000 individuals, including the two annual conferences.

Some training covered a broad range of topics under the Code while other training covered specific subjects and ethics rules. For example, the OIG provided tailored training on the Code's restrictions on political activity to agency ethics officers and training on post-employment restrictions to the Governor's Cabinet.

**2024 OIG In-Person
Trainings**
Over 20 Groups
Over 1,000 individuals



OIG attorneys Doreen Clark, Hope Blankenberger, and Tiffany Mulligan presented to the State Contracts Seminar.

The OIG also presented to various groups outside of the executive branch of state government. For example, the OIG presented to the Association of Indiana Municipalities, to discuss the importance of ethics and how to avoid conflicts of interests.

OIG Auditors and Investigators Conference

On June 20, 2024, the OIG hosted its annual Auditors and Investigators Conference (AIC) in Indianapolis. The Conference provided in-person training to state auditors and investigators on a variety of topics. Nearly 300 state employees registered for the Conference. Topics included: internal controls and assessing risks, overview of regulatory and criminal investigations, and an introduction to the Midwest Infrastructure Task Force.

IG's Award for Excellence

The Inspector General gives the Award for Excellence each year to recognize an auditor or investigator from a state agency for excellent performance. This individual has made significant contributions to and aided the OIG in accomplishing our mission of reducing fraud, waste, abuse, and wrongdoing in state executive branch agencies.



Inspector General Cook presents the Award for Excellence to Manuel Becker at the 2024 AIC.

Inspector General Cook awarded the 2024 Inspector General's Award for Excellence to Manuel Becker, an Investigator with the Gaming Integrity Division of the Indiana Gaming Commission (IGC). Investigator Becker exemplifies the qualities of excellence, integrity, and effectiveness. His work is key to the mission of the IGC and is a positive reflection of the State of Indiana's dedication to a culture of integrity. His efforts ultimately led to the identification and successful prosecution of a multi-million dollar narcotics and money laundering organization.

OIG Legal and Ethics Conference

On November 19, 2024, the OIG hosted its annual Legal and Ethics Conference (LEC) in Indianapolis. The LEC provided in-person training to state attorneys and agency ethics officers. Over 300 state employees registered for the LEC. This year's topics included: demystifying the attorney disciplinary process, ethics and AI, a panel of ethics officers discussing how to create a culture of ethics within an organization, and a presentation on public integrity and trust.

IG's Award for Excellence

During the LEC, Inspector General Cook awarded the Inspector General's Award for Excellence to David Bausman, Deputy General Counsel and Ethics Officer for the Indiana Department of Natural Resources (DNR). As DNR's Ethics Officer, Mr. Bausman excelled by providing proactive ethics advice and ethics training to DNR employees. He regularly communicated with the OIG on ethics matters and encouraged DNR employees to seek advice from the OIG when needed. He also submitted several complaints to the OIG for investigation and fully cooperated with OIG investigators. Mr. Bausman also participated in the LEC as a panelist.



Inspector General Cook presents the Award for Excellence to David Bausman at the 2024 LEC.

Advice

Informal Advisory Opinions

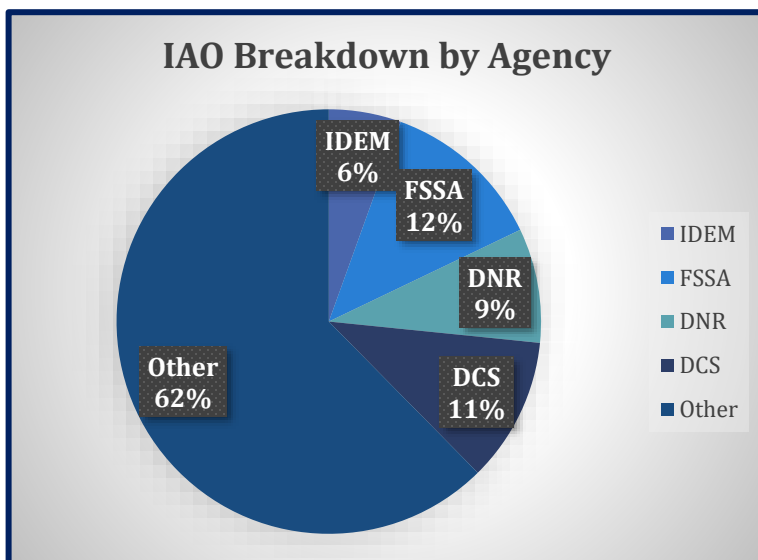
The OIG issues IAOs to state executive branch officers, employees, and special state appointees who seek advice on the application of the Code on their specific set of circumstances. IAOs are confidential, written legal opinions that the OIG issues within an average of one to two business days from receipt of the request and all required information. This process is designed to improve state officials' compliance with the State's ethical standards by providing proactive legal advice on the application of the ethics rules.



When the OIG receives requests for advice from parties over whom the OIG has no jurisdiction or authority, the OIG does not issue advisory opinions. Instead, it provides referral information for other resources that may assist the requesting person. **In 2024, the OIG received 248 requests for IAOs and issued 223.** The most frequent questions involved the Code rules on outside employment and post-employment.

OIG attorneys prioritize the issuance of IAOs as part of the OIG's commitment to customers as well as good government service. **In 2024, the average response time in which OIG attorneys provided an IAO after receiving a request was 1.6 days.**

**2024 – Average
time for OIG to issue
IAOs = 1.6 days**



The OIG issues IAOs to state officers, employees, and special state appointees in a variety of agencies. In 2024, the OIG sent the largest number of IAOs to DCS and FSSA, two of the largest agencies within the executive branch of state government who deal with the most vulnerable populations.

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 with the OIG an annual Financial Disclosure Statement by February 1st. These statements are public documents and are available to the public upon request. The OIG posted the disclosure statements of all statewide elected officers on the OIG website. In 2024, the OIG received 2,350 Financial Disclosure Statements filed for calendar year 2023 from state employees and elected officials across multiple agencies.

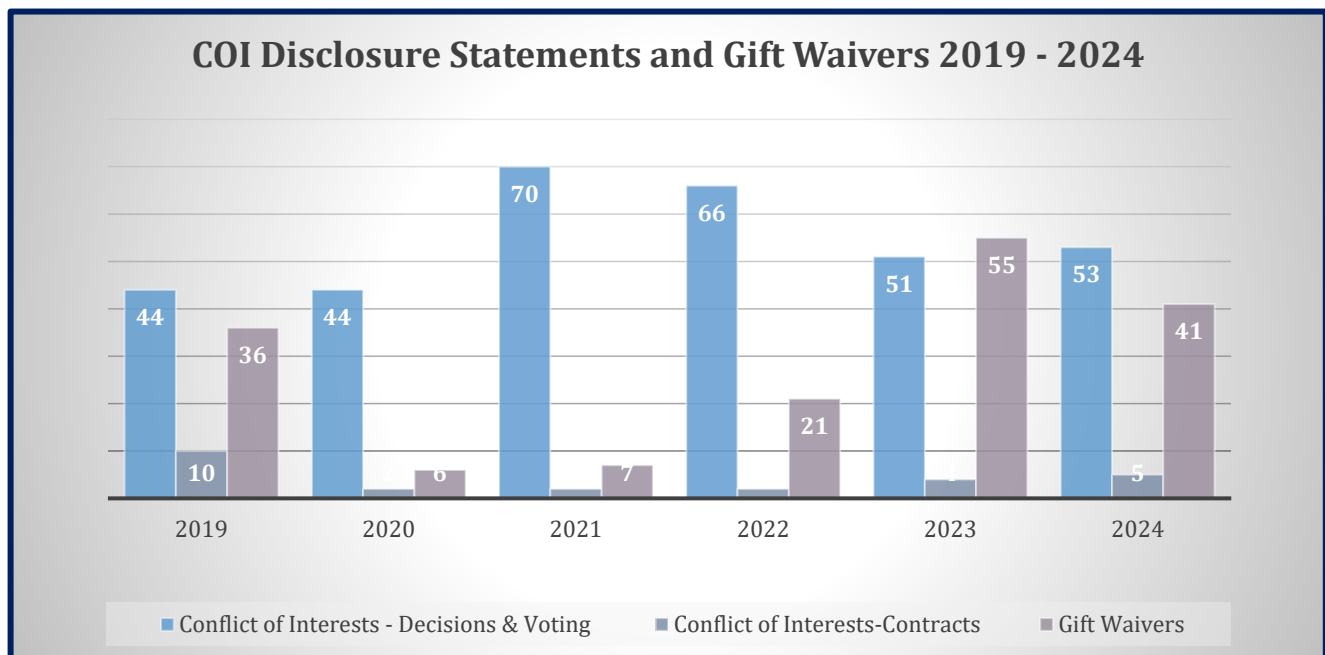
Gift Waivers

Under 42 IAC 1-5-1, agency appointing authorities and ethics officers, if delegated the authority, may waive application of the gifts rule. In 2024, state agencies executed and filed 41 gift waivers with the OIG. The OIG posts gifts waivers on its website at: [IG: Gift Waivers \(in.gov\)](#).

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 interests disclosure statements with the OIG if they identify a potential conflict of interests between their official state duties and their own personal interests.

In total, the OIG received 53 conflict of interests disclosure statements related to decisions and votes and five conflict of interests disclosure statements related to contracts in 2024. The OIG has posted these disclosure statements on its [website](#).



The 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. The Commissioners serve four-year, staggered terms. Commissioners may not be elected officials, state employees, or lobbyists. No more than three Commissioners may be from the same political party.

The SEC has jurisdiction over: (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. Pursuant to Ind. Code § 4-2-6-2, the OIG provides staff and resources in support of the SEC's activities. The SEC's budget now comes out of the OIG's overall budget.



2024 SEC Commissioners (from left to right): Rafael Sanchez, Sue Anne Gilroy, Katherine Noel (Chair), Corrine Finnerty, and John Krauss.

2024 SEC Accomplishments

5
**Formal Advisory
Opinions Requested**

12
**Post-Employment
Waivers Approved**

3
**Findings of Probable
Cause**

2
**Agreed Settlements
Approved**

SEC Activity

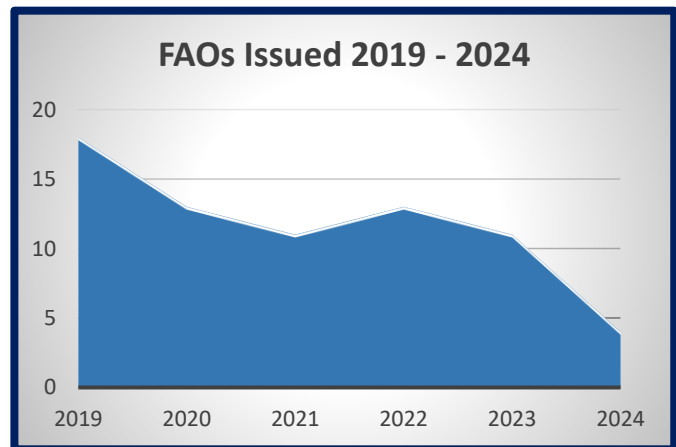
Formal Advisory Opinions

Among the SEC's statutory powers and duties is its role as an advisory body. Individuals who are subject to the Code may request the SEC's guidance on the application of the Code to an actual set of circumstances through a request for a FAO. Agency ethics officers also may request a FAO on behalf of the agency or an agency employee. The SEC receives evidence under oath and publicly deliberates on the request at one of its monthly meetings. OIG staff drafts a detailed, written FAO based on the SEC's findings.

The OIG posts the SEC's FAOs to the Inspector General's website. FAOs are searchable and can be sorted by FAO number, year of publication, and the particular Code provision at issue in the FAO. Although these FAOs are only binding on the SEC as it relates to the specific circumstances presented to the SEC, the FAOs offer instructive insight into how the SEC previously has interpreted and applied the Code under specific facts and circumstances.

In 2024, the SEC received a total of seven requests for FAOs. Two requests were withdrawn by the requesters, and the SEC declined to issue an FAO for one request after public deliberation because they found the request lacked specific circumstance in the facts presented by the requester.

The SEC issued and published opinions for the four remaining requests covering a variety of scenarios. Of these requests, two FAOs primarily considered the application of the Code's post-employment restrictions to state employees, and two FAOs primarily dealt with state employees' outside employment and potential conflicts of interests. A list of the SEC's 2024 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 agency appointing authority must present the waiver to the SEC for approval at one of its public meetings. The SEC can approve the waiver if it finds that the waiver meets the statutory requirements. In 2024, the SEC approved twelve post-employment waivers. The OIG posts all post-employment waivers on its [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.

Retirements and Staffing Updates

In 2024, Indiana Inspector General David Cook announced his retirement, effective at the end of Governor Holcomb's term on January 10, 2025. In addition, five OIG staff members announced their retirements or departures to other roles, and the OIG hired five new staff members. To meet its important mission, the OIG has continued to hire talented staff members who are dedicated to serving Hoosiers and producing high quality work product, including investigative reports and advisory opinions.



Retirements

After nineteen years serving every Inspector General since the office was first established in 2005, Cynthia "Cindy" Scruggs retired from the OIG in December 2024. Cindy served in several administrative roles and was the Director of Administration for the office since March of 2012.

Senior Staff Attorney Mark Mader retired from the OIG in January 2024 after two years of service with the OIG and over forty years of public and private practice in Kentucky and Indiana.

Departures

Associate Attorney Hope Blankenberger departed the office after one year of service to join a private practice.

State Ethics Director Sean Gorman departed the office to serve in a federal government role after serving in the OIG for two years.

Paralegal Nathan Baker departed the office after five years of service to join a private practice.

New Hires

Mark Day joined the OIG as a Special Agent in February of 2024. Mark brings with him 40 years of military and law enforcement experience at the local, state, and federal levels.

Elaine Vullmahn joined the OIG as a Senior Attorney in June of 2024. Elaine has practiced as a licensed attorney for more than ten years and has over twenty years of compliance experience within heavily regulated sectors. Elaine also holds the credentials of Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner, Certification in Risk Management Assurance, and Certified Compliance and Ethics Professional.

Regan Perrodin joined the OIG as State Ethics Director in July of 2024. Prior to joining the OIG, Regan served with the Indiana Office of Attorney General. Before serving in state government, Regan had a fellowship to work in housing law at Indiana Legal Services.

John "Will" Deane joined the OIG as an Associate Attorney in November of 2024. Prior to joining the OIG, Will worked in a number of legal roles while studying at Indiana University Robert H. McKinney School of Law.

Teresa Henson joined the OIG as Director of Administration in November of 2024. Teresa has accumulated 40 years of service in various positions serving the State of Indiana, including with the Department of Child Services, the Office of Attorney General, and the State Board of Accounts.

Thank you!

We would like to thank the many state agencies and offices that have assisted us with our efforts throughout 2024. We appreciate the opportunity to present these results.

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