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Office of the Indiana Inspector General

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# ANNUAL REPORT 2009

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## 2009 ANNUAL REPORT

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### The Year in Summary

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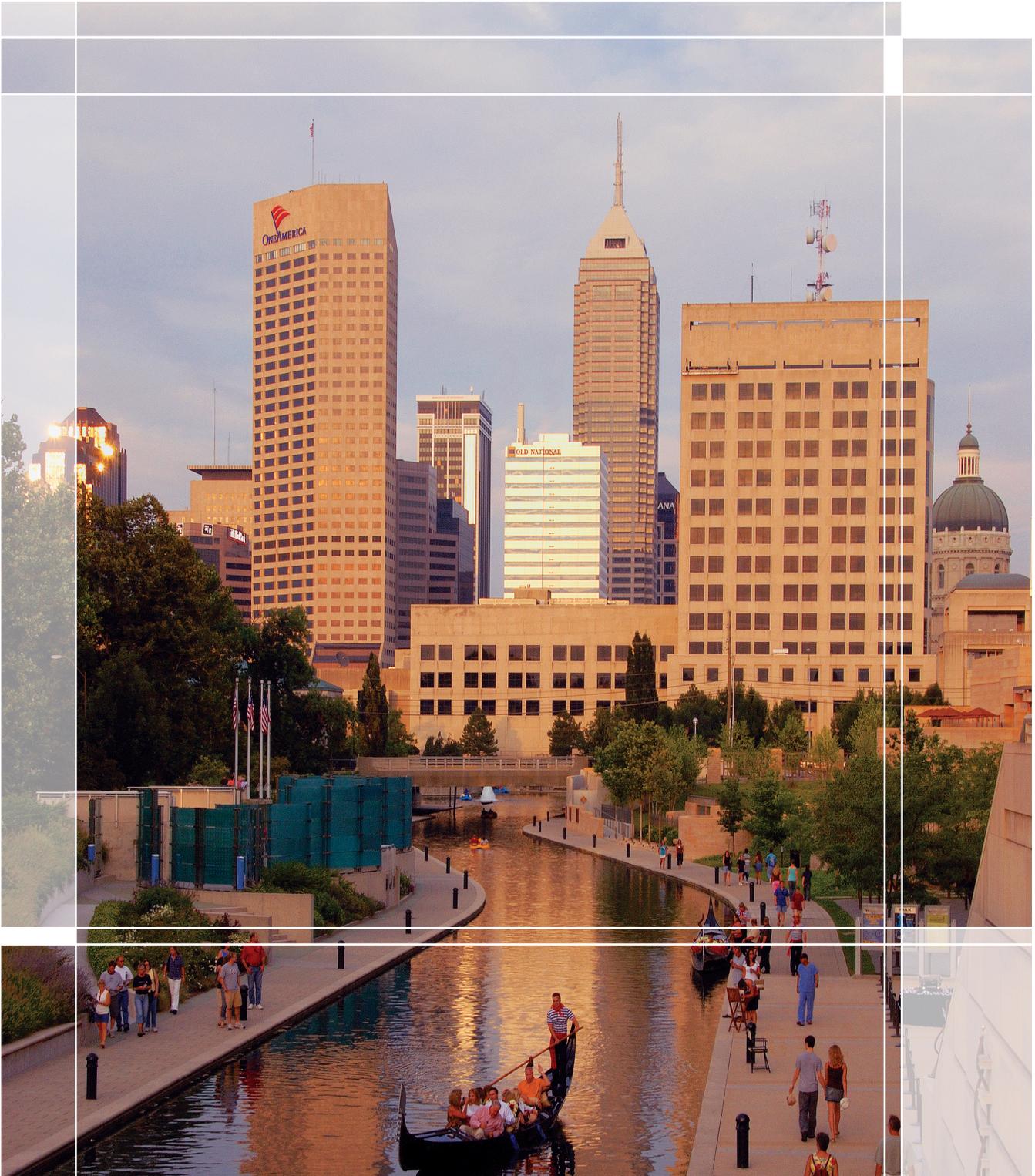
The year 2009 will be remembered at the Indiana OIG as the year the United States American Recovery and Reinvestment Act (ARRA) Stimulus program was launched. In early 2009, it was announced that over \$4 billion would be infused through Indiana government. Never before has so much money passed so quickly through government. And as of the release of this report, the process is ongoing, and is expected to continue for several years

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to come. The Office of the Indiana Inspector General has the statutory duty to "deter, detect, and eradicate fraud, waste, abuse, mismanagement, and misconduct in state government." This duty was a challenge in 2009 with the additional impact of the ARRA Stimulus program, but the following pages reflect our results, including the doubling of our published reports while continuing our regular duties.

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## >> EDUCATION

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In December of 2009 the OIG hosted its second annual Legal Ethics Conference. Led by State Ethics Director Cyndi Carrasco, this year's event was attended by over 100 government and private sector lawyers. Keynote speakers included Chief Court of Appeals Judge John Baker and Deputy Chief Erica Hamrick from the United States Office of Special Counsel in Washington, D.C.

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Other speakers included:

- David Freel, Executive Director, Ohio Ethics Commission
  - Ed Charbonneau, Indiana Senator
  - Indiana State Ethics Commission
  - Beth White, Clerk of the Marion County Circuit Court
  - Andrew Kossack, Public Access Counselor
  - Mark Everson, Commissioner, Indiana Dept. of Administration
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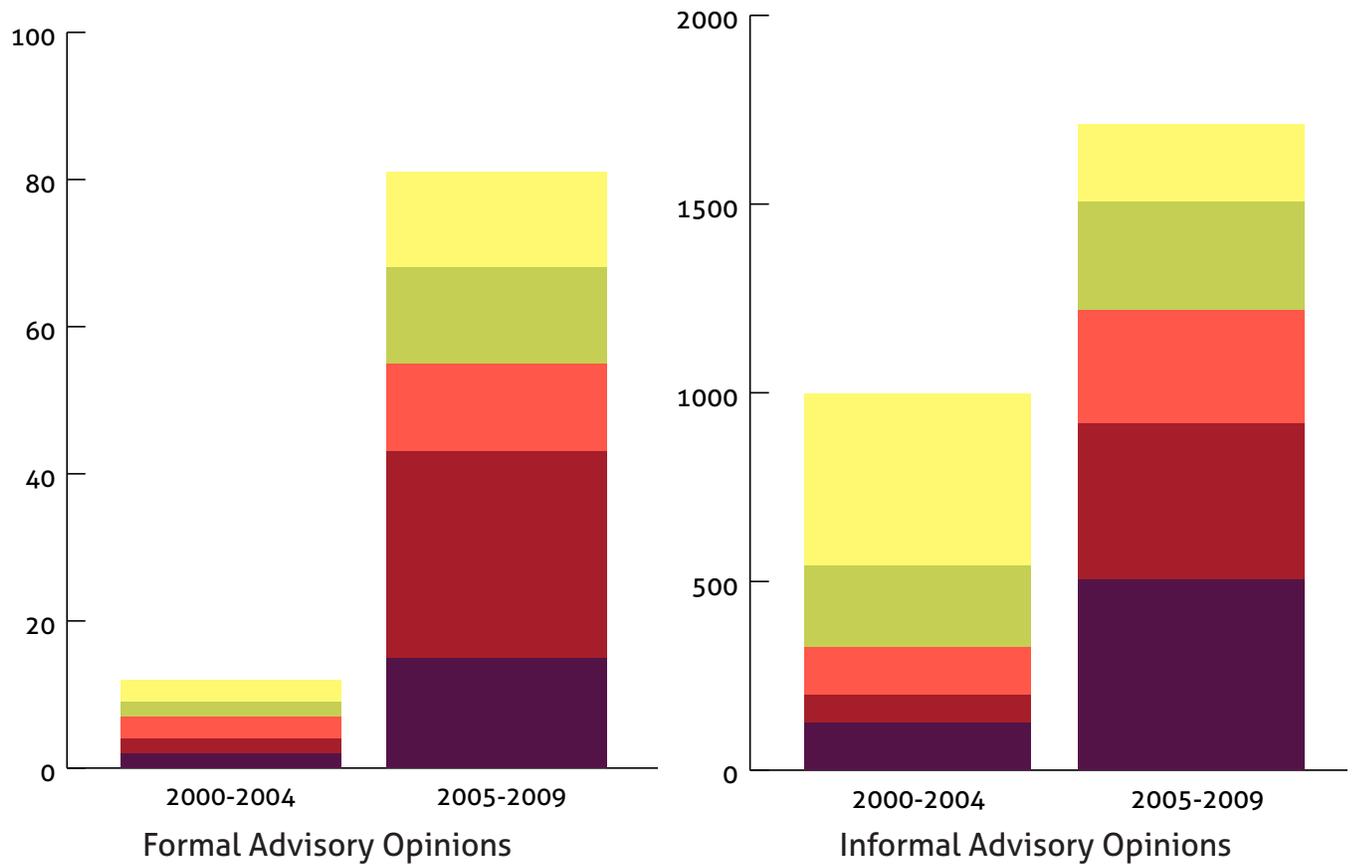
## >> ADVICE

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Advisory opinions to state workers and contractors continued to be issued by the State Ethics Commission and Inspector General staff.

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 RECOMMENDATIONS <<
 

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*In addition to the 31 recommendations implemented as reported in the 2008 Annual Report, recommendations issued by the Office of the Inspector General continue to be implemented.*

Inspector General recommendation that ARRA website be maintained pursuant to ARRA statutory guidelines. Implemented with continuing publication and updating of website at <http://www.in.gov/gov/INvest>.

Inspector General recommendation that continuing education be provided to recipient state agencies of the ARRA requirement that results of reports must be made within 30 days after the end of each calendar quarter by agencies that made ARRA funds available, and that these agencies be apprised of interpretations of this statutory provision which may be issued. Implemented.

Inspector General recommendation that education be provided to recipient state agencies of the ARRA requirement that ARRA reports be posted on the State's website to demonstrate Section 1512 compliance with ARRA. Implemented.

Inspector General recommendation that DWD appoint an internal Compliance Officer ("CO") to ensure compliance with all criminal, ethics, contracting, and financial rules, including the many federal acts applicable to DWD, I.C. 35, I.C. 22-4-34-4, I.C. 22-4 and 4.1 (enabling statutes), 42 IAC 1-5 (Code of Ethics), Budget Agency Financial Circulars, State Board of Accounts Manuals, and the various statutory and administrative requirements. Implemented.

Inspector General recommendation that DWD immediately ensure that all employees and special state appointees become and remain trained in the mandatory ethics training module, including an internal review of all entities related to DWD to determine if they qualify as special state appointees and/or employees. Implemented.

Inspector General recommendation that DWD maintain its ethics training records to accurately reflect its current employees and special state appointees and their statuses with regard to training. Implemented.

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>> RECOMMENDATIONS *(continued)*

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Inspector General recommendation that DWD familiarize itself with the United States Hatch Act in 5 USC Section 1501, and its application to DWD, due to its receipt of federal monies. Implemented.

Inspector General recommendation that DWD review all employees and special state appointees to determine if its members are in compliance with regard to the conflict of interest ethics rules. Implemented.

Inspector General recommendation that DWD review all outstanding hiring of law firms without the approval of the Attorney General and review compliance with hiring in conformity to the requirements of I.C. 4-6-5-3 (attorney general approval). Implemented.

Inspector General recommendation that DWD review whether its contracts are in writing and approved by the three-step approval process required by I.C. 4-13-2-14.1 and 14.3. Implemented.

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**INVESTIGATIONS >>**


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The investigations of the six Inspector General Special Agents for 2009 resulted in 13 criminal arrests.

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Persons Charged	Case
1	Home Loan Forgery
1	FSSA/DDARS Contractor Theft
1	DCS Vendor Theft
1	ICHDA Forgery
1	Greenfield INDOT Fuel Theft
1	DCS Indictment
1	INDOT Indianapolis Fuel Theft
1	Johnson County EBT Fraud
1	IWM Credit Account Theft
1	Office of Technology Ebay Sales
1	US Postal OIG Assistance
1	Evansville BMV
1	DOR Forgery & Theft
<b>13</b>	<b>TOTAL</b>

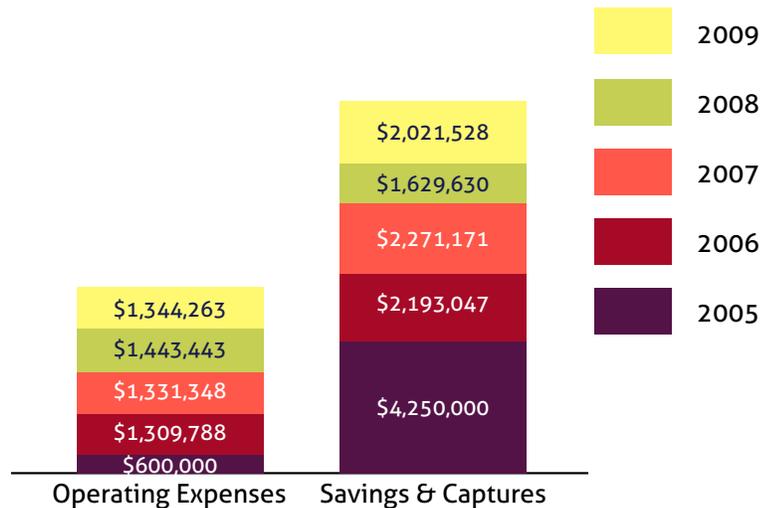
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## >> INVESTIGATIONS

### 2009 Savings

Total Operating Expenses,  
2005-2009:  
**\$6,028,842**

Total Savings & Captures,  
2005-2009:  
**\$12,365,376**



Case	Title	Savings & Captures	Synopsis
2007-03-0068	IN Veterans' Home	\$2,001,219	OIG and State Board of Accounts (SBOA) capture into the IN Veterans' Home Building Fund pursuant to SBOA Report B34065 and IG Report Issued February 6, 2009.
2008-12-0319	INDOT Indianapolis Fuel Theft (Derrick Harper)	\$15,799	Civil judgment entered as restitution.
2008-09-0232	BOAH Post Employment (Robert Fried)	\$1,000	SEC fine
2009-04-0082	IWM Use of State Computer (Donald Hickey)	\$1,000	SEC fine
2009-05-0093	IWM Use of State Computer (Mark Vielhaber)	\$1,200	SEC fine
2007-05-0100	IN Veterans Memorial Cemetery (David Varble)	\$498	SEC fine
2007-07-0141	IDOE Conversion (Janet Vahle)	\$581	Money repaid
2008-10-0275	IHCDA Utility Checks (Emily Rice)	\$231	Repayment made
<b>2009 TOTALS</b>		<b>\$2,021,528</b>	

The OIG and SBOA, without additional funding, also devoted a substantial amount of time in 2009 to ARRA/Stimulus reviews, as reflected in the 46 reports published on the OIG website.

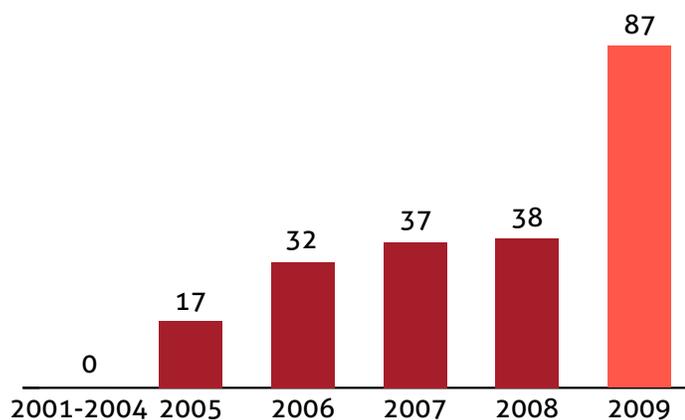
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## INVESTIGATIONS >>

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With 87 reports published in 2009, the OIG currently has over 200 investigative reports on its website.

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Among the nation's state Inspectors General, the Indiana OIG still continues to publish more reports than any other.

