



VIA EMAIL

April 18, 2016

Ms. Jennifer Cooper
Ethics Director
Indiana Office of Inspector General
jcooper@ig.in.gov

Re: IEDC Report on Conflict of Interest & Screening Procedures

Director Cooper,

In its Advisory Opinion No. 13-I-33 (“Advisory Opinion”), the Indiana State Ethics Commission (“Commission”) reviewed the Indiana Economic Development Corporation’s (“IEDC”) Confidentiality and Conflict of Interest Policy (“Policy”). In relevant part, the Policy contains identification protocols and a screening procedure when a member of the IEDC’s Board of Directors has a direct or indirect financial interest in a company to which the IEDC is considering offering a state incentive. The Commission found it appropriate for the IEDC to implement the Policy without requiring the relevant board member to request an advisory opinion beforehand and it required the IEDC to report that a potential conflict of interest was identified and that the screening procedures were implemented.

The Board approved and subsequently amended a transaction in which a board member has a financial interest. In compliance with the Advisory Opinion, the IEDC submits this report.

Superior Lofts, LP, Industrial Recovery Tax Credit – Mr. Jim Marcuccilli

Mr. Marcuccilli is a member of the Board and also serves as the Chairman of the Audit Committee. Mr. Marcuccilli previously submitted his Conflict of Interest Disclosure Statement in which he reported that he is employed by Star Financial Bank.

On November 16, 2015, Superior Lofts, LP submitted an application for an Industrial Recovery Tax Credit, which is administered by the IEDC, in connection with the rehabilitation of a factory located in Ft. Wayne. Star Financial Bank is providing financing services to Superior Lofts in connection with the redevelopment. Mr. Marcuccilli was screened from the matter pursuant to the Policy. Superior Lofts’ application was examined and evaluated pursuant to the Policy. Consistent with the Policy, the proposed transaction was thereafter referred to the Board for its review.

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IEDC Board of Directors Meetings

On December 15, 2015, the Economic Policy Committee of the Board met at Ivy Tech Corporate College and Culinary Center to consider the proposed transaction. The meeting was open to the public. The Committee was made aware of the conflict disclosed by Mr. Marcuccilli. (Mr. Marcuccilli is not a member of said committee and did not attend the meeting.) Later that same day at the same location, Governor Pence convened a meeting of the Board, which was also open to the public. In accordance with the Policy, Mr. Marcuccilli disclosed the conflict and recused himself during the Board's discussion of the proposed transaction. The Board thereafter approved the transaction with Superior Lofts.

On March 29, 2016, the Economic Policy Committee met at the Indianapolis International Airport to consider a change in the amount of the tax credit for the previously approved transaction. The meeting was open to the public. The Committee was reminded of the conflict disclosed by Mr. Marcuccilli. (Mr. Marcuccilli is not a member of said committee and did not attend the meeting.) Later that same day at the same location, Governor Pence convened a meeting of the Board, which was also open to the public. Mr. Marcuccilli's prior disclosure was reiterated to the Board by the IEDC Ethics Officer, as Mr. Marcuccilli was not in attendance. The Board thereafter approved the change to the transaction.

Should you require any additional information, please do not hesitate to contact me.

Sincerely,

/s

Chris W. Cotterill
General Counsel