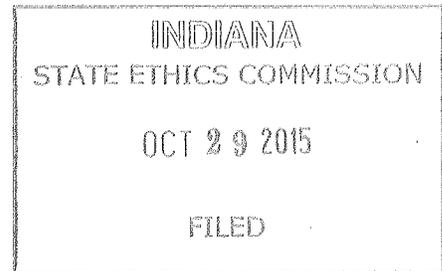




VIA EMAIL

October 22, 2015

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 four-step 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.

On September 8, 2015, the Board of Directors approved an award of state incentives to a company in which a board member recused himself from discussions and approval of awards. In compliance with the Advisory Opinion, the IEDC submits this report.

Langham Logistics Inc. – Mr. John Mutz

John F. Mutz is a member of the Board of Directors and also serves on the Board’s Policy Committee. On April 1, 2014, and March 15, 2015, Mr. Mutz submitted his annual Conflict of Interest Disclosure Statement to the IEDC, which were forwarded to the Commission. On each occasion, Mr. Mutz reported that he serves on the board of directors for Langham Logistics Inc. (“Langham”).

On December 17, 2014, Langham submitted application for, the Economic Development for a Growing Economy Tax Credit and the Skills Enhancement Fund, state incentives administered by the IEDC. Langham’s application was duly examined and evaluated pursuant to IEDC rules. On December 18, 2014, the IEDC issued its preliminary approval of Langham’s application, expressly

Ms. Jennifer Cooper
October 22, 2015
Page 2

conditioning its approval upon final review and approval of the Board of Directors. On December 31, 2014, Langham submitted its acceptance. Consistent with the Policy, the matter was thereafter referred to the Board of Directors for its approval.

September 8, 2015 IEDC Policy Committee & Board of Directors Meetings

On September 8, 2015, the Board's Policy Committee met at Parkview Field in Fort Wayne, Indiana. Mr. Mutz is a member of the Policy Committee and was in attendance. During the meeting, Mr. Mutz announced that he had a conflict of interest and departed the room during that portion of the meeting specific to Langham. The Policy Committee approved the investment. Thereafter, Mr. Mutz returned to the Policy Committee meeting.

Later that same day at the same location, Governor Pence convened a meeting of the Board of Directors, which was open to the public. Mr. Mutz attended that meeting, but again recused himself while the Board of Directors was apprised of and deliberated whether to approve Langham's application. The Board thereafter approved the application, and Mr. Mutz returned to the board meeting after approval.

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

Sincerely,

/s

Chris W. Cotterill
General Counsel