(a) A public servant who knowingly or intentionally:
   (1) hires an employee for the governmental entity that he serves; and
   (2) fails to assign to the employee any duties, or assigns to the employee any duties
       not related to the operation of the governmental entity; commits ghost employment, a
       Class D felony.

(b) A public servant who knowingly or intentionally assigns to an employee under his
    supervision any duties not related to the operation of the governmental entity that he
    serves commits ghost employment, a Class D felony.

(c) A person employed by a governmental entity who, knowing that he has not been assigned
    any duties to perform for the entity, accepts property from the entity commits ghost
    employment, a Class D felony.

(d) A person employed by a governmental entity who knowingly or intentionally accepts
    property from the entity for the performance of duties not related to the operation of the
    entity commits ghost employment, a Class D felony.

(e) Any person who accepts property from a governmental entity in violation of this section
    and any public servant who permits the payment of property in violation of this section
    are jointly and severally liable to the governmental entity for that property. The attorney
    general may bring a civil action to recover that property in the county where the
    governmental entity is located or the person or public servant resides.

(f) For the purposes of this section, an employee of a governmental entity who voluntarily
    performs services:
       (1) that do not: (A) promote religion; (B) attempt to influence legislation or governmental
           policy; or (C) attempt to influence elections to public office;
       (2) for the benefit of: (A) another governmental entity; or (B) an organization that is
           exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue
           Code;
       (3) with the approval of the employee's supervisor; and
       (4) in compliance with a policy or regulation that: (A) is in writing; (B) is issued by the
           executive officer of the governmental entity; and (C) contains a limitation on the total
           time during any calendar year that the employee may spend performing the services
           during normal hours of employment;

    is considered to be performing duties related to the operation of the governmental entity.
INDIANA UNIVERSITY

Personnel Policies for All Staff and Hourly Employees

Fiscal Misconduct/Ghost Employment

Revised August 1, 2002

Employees covered by this policy
This policy applies to all Staff and Hourly employees at IU.

A. Introduction

1. Internal Audit investigates reported incidences of fraud, embezzlement, and ghost employment. It is authorized by the Board of Trustees to audit all parts of the university. When doing so, Internal Audit has full and complete access to any of the university's records, physical properties, and personnel.

B. Ghost employment

1. Indiana law makes it a criminal and civil law offense for IU to employ and pay an employee when that employee is not performing duties related to the operation of the employer.
   a. No employee is to receive salary or wages for work not performed in the exercise of duties for the institution.
   b. It is also unlawful for the employee to accept salary or wages in this situation.
   c. Both the employer and the employee are subject to civil and criminal penalties for violation.

C. Employee responsibility

1. IU financial institutional policy states, "If any employee knows or suspects that other university employees are engaged in theft, fraud, embezzlement, fiscal misconduct or violation of university financial policies, it is their responsibility to immediately notify the Internal Audit department or the appropriate campus police department."
2. All investigations will be conducted in the strictest of confidence. The names of those communicating information will only be revealed if legal action requires disclosure of names.

Related law and policies
This policy is based on Indiana Code 35-44-2, "Perjury, False Reporting, Impersonation, and Ghost Employment" and IU Financial Policy I-30, Fiscal Misconduct. See also, IU Financial Policy I-35, Fraud.