

Town of Paoli
Minutes of the Special Session
 December 5, 2025

The Paoli Town Council met in Special Session at 11:00 A.M. on the above date. President, Bobbie Bostock led the Pledge of Allegiance. Present were Arla Jean Frazier, Mylea Pluris, Theron Owen, Bobbie Bostock and Donna Dillard. Also in attendance were Clerk-Treasurer Beth Jones and Town Attorneys Lyn Tucker Fullen and Hunt Reynolds.

Council President, Bobbie Bostock, stated this meeting was called to address some things that have happened and that no public comments will be allowed. Comments may be addressed at a later date.

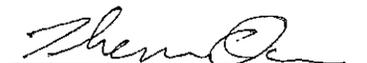
The first order of business was setting the times for the 2026 council meetings. Bostock suggested the time be changed from 6:00 pm to 3:00 pm. A motion to approve changing the council meeting times to 3:00 pm in the afternoon was made by Arla Jean Frazier and seconded by Theron Owen. In a 4-1 vote, with Donna Dillard voting no, motion passed.

Council President, Bostock, then turned the meeting over to 1st Vice President, Arla Jean Frazier. Councilwoman Frazier passed out copies of the Internal Investigation Report to all council members, Town Attorney and Clerk Treasurer. Council Woman, Donna Dillard asked how do we know this is the full report? Council President Bostock stated that it was sent from Barnes & Thornburg. Council Woman Dillard then asked who was it sent to? Clerk Treasurer Jones stated that it was sent to her and that Council Woman Dillard was welcome to go into her office and print off a copy from the email that was sent to her by Barnes & Thornburg. Council Woman, Frazier, stated that she will read a summary of the report, but that the report is made public in its' entirety and copies will be made available to the public. This is the Internal Investigation Report for the Town of Paoli and Town Council from Barnes & Thornburg. They were the towns outside council for this investigation.

Attached is the complete investigation report, of which a summary was read by Council Woman Fraizer and made a part of the record of the minutes.

There being no further business, motion to adjourn was made by Theron Owen and seconded by Mylea Pluris. In a 4-0 vote, with Council Woman Donna Dillard not voting, motion passed. Meeting adjourned at 11:20 A.M.

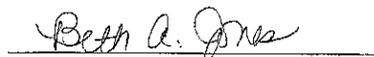

 Bobbie Bostock, President


 Theron Owen, Member


 Mylea Pluris, 2nd Vice-President


 Donna Dillard, Member

ATTEST:


 Beth A. Jones
 Clerk-Treasurer

**Internal Investigation Report:
Town of Paoli Investigation**

TO: Council, Town of Paoli
FROM: Barnes & Thornburg LLP
DATE: December 2, 2025
SUBJECT: Outside Counsel Investigation

This investigation report summarizes the findings of the investigation conducted at the request of the Town of Paoli (the "Town") and is intended to provide an objective account of the information reviewed and the conclusions reached.

I. Executive Summary

The Town became aware of potential security breaches in multiple Town buildings after (i) learning confidential information that was only shared in the Town Council's (the "Council") closed sessions apparently became known to the public; and (ii) reviewing the access logs for the security camera system at the Town Office Building, the Town Utility Building, and the Town Parks (collectively, the "Camera System"). The Town engaged Barnes & Thornburg following a Special Session held on October 14, 2025, where the Council discussed "Safety and security measures, plans, and systems for town government technology and any other matter to come before Council." Barnes & Thornburg understands based on communications with multiple Council Members that all Council Members attended the meeting either in person or remotely.

The Town directed Barnes & Thornburg to conduct a privileged internal investigation to assess and evaluate the situation and provide recommendations to remedy any related issues. Barnes & Thornburg understands the Council intends to release the report to the public. At the outset of the investigation, the Town spoke with Barnes & Thornburg and provided relevant documentation. During this discussion, the Town walked Barnes & Thornburg through the factual background and outlined the potential breach of the Camera System, noting a particular focus on the Town Office Building.

Barnes & Thornburg's investigation revealed the following activity on the Camera System:

- The Town's Former Information Technology (IT) Provider's credentials were used to access the Camera System at least **189 times** (JayCee Park 35 times and Paoli Community Park 154 times) between June 21, 2025 and July 25, 2025.
- The Town's Code Enforcement Officer's credentials were used to access the Camera System at least **73 times** (JayCee Park 19 times, Paoli Community Park 13 times, Town Office Building 23 times, and Utility Building 18 times) between July 16, 2025 and October 14, 2025. **This included at least four occasions at the Town Office Building during the Council's closed sessions.**
- The Town's Police Chief's credentials were used to access the Camera System at the Town Office Building at least **47 times** between August 19, 2025 and September 10, 2025. **This**

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included at least six occasions at the Town Office Building during the Council's closed sessions.

Based on these activity logs confirming repeated unauthorized or exceeded access of the Camera System, Barnes & Thornburg evaluated various state and federal laws, including the Computer Fraud and Abuse Act (CFAA), which makes it illegal under federal law for an individual to hack, exceed authorized access, or damage computers or data the individual does not have permission to access. In plain terms, the CFAA covers three areas: (i) getting information you're not supposed to have, like logging into a system or account without authorization; (ii) accessing a computer to commit fraud or misappropriate something of value, such as money, data, or confidential information; and/or (iii) causing damage or loss, for example, deleting files, spreading a computer virus, or otherwise harming someone's computer system.

As part of this analysis, Barnes & Thornburg reviewed the relevant factual circumstances, interviewed key personnel, and analyzed applicable legal and policy requirements. Through its investigation, Barnes & Thornburg confirmed these issues:

1. In October 2023, the Town's Former IT Provider resigned, and upon his resignation, provided his credentials for the Camera System to the Town Clerk Treasurer (now Former Town Clerk Treasurer);
2. In January 2024, the newly elected Council (including new Council President) and the Current Town Clerk Treasurer took office. Throughout 2024 and into 2025, the Former Clerk Treasurer sent the Current Clerk Treasurer numerous public record requests and made allegations against the Current Clerk Treasurer;
3. In March 2025, following suspected leaks of confidential information from the Council's closed sessions, the Council passed an amendment to its Code of Ethical Conduct that requires elected officials to annually affirm they will abide by the Code of Ethics. Ordinance No. 2025-02 Amending and Adopting Rules Governing the Control & Conduct of a Meeting as Permitted by IC § 5-14-1.5-3.3. Only one Council Member voted against the amendment, writing "No";
4. In September 2025, the Town's Park Director informed the Current Clerk Treasurer that the Former IT Provider still had access to the Camera System, and that the Police Chief's and Code Enforcement Officer's login credentials were used to access the Camera System at the Town Office Building during the Council's closed sessions. This was confirmed by Barnes & Thornburg during review of the Camera System access logs. This review also demonstrated that numerous individuals have constant access to the Camera System without, in their own words shared during Barnes & Thornburg's interviews, any "legitimate purpose" to have such access;
5. The Former IT Provider's credentials were used to access the Camera System at least 189 times between June 21, 2025 and July 25, 2025. When interviewed, the Former IT Provider stated he has not accessed the Camera System since his resignation in 2023. Barnes & Thornburg found him credible. When asked who could have used his login credentials to access the Camera System, he stated it could only be either (i) the Former Clerk Treasurer,

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to whom he provided his login credentials upon his resignation; or (ii) someone to whom the Former Clerk Treasurer gave his login credentials;

6. After Barnes & Thornburg's investigation began, an unknown individual deleted the access logs for the Former IT Provider;
7. Town employees, including the Police Chief and Code Enforcement Officer, stated that they regularly share Camera System credentials with other law enforcement officers, and leave their desktop unattended while logged into the Camera System;
8. The Police Chief and Code Enforcement Officer both explicitly acknowledged that (i) they, and others within Town law enforcement, repeatedly accessed the Camera System with no legitimate reason to do so; and (ii) there is no legitimate reason for accessing the Camera System outside an active law enforcement investigation. Both individuals agreed with Barnes & Thornburg's proposal that access be limited to active law enforcement investigations and only upon written consent from the Council; and
9. A third-party security technical surveillance countermeasures (TSCM) sweep of the Town Office Building found no indicators of illicit surveillance, radio retransmission, or hidden audio/video capture systems.

Access to the Camera System without authorization and/or a legitimate purpose is likely tied to the suspected information leaks from the Council's closed session meetings. During interviews with Town employees, Barnes & Thornburg observed each employee easily access the Camera System from their cellular device without limitation, even though said employees admitted there is no reason for them to have 24/7 access to the Camera System.

Unlimited access to the Camera System, specifically for the Town Office Building, could expose the Town to security risks. Further, access by *former* contractors and employees poses additional risk for the Town. For example, the Former IT Provider resigned in 2023 but, as of December 1, 2025, remained listed as the Owner/Administrator for the Town's Camera System at the Town Parks and Utility Building. Barnes & Thornburg understands the Town plans to terminate that access immediately.

To address these risks, Barnes & Thornburg recommends strengthening security by implementing centralized logging, multi-factor authentication, and resetting the Camera System access to limit administrators. Barnes & Thornburg also recommends the Town develop clear policies on law enforcement access, whistleblowing, social media use, and meeting security, alongside regular reviews and technical sweeps. These measures aim to prevent unauthorized access, protect confidential information, and ensure accountability.

II. Investigations Process

a. Investigations Team

The Investigation Team was led by Neal Brackett of Barnes & Thornburg. Jordan Oliver of Barnes & Thornburg also assisted with the Investigation.

b. Scope

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The Investigation Team investigated conduct from December 2016 to October 2025 related to the engagement of the IT Provider(s) that installed and/or managed the Camera System, and the access of the Camera System by the Town's current or former contractors and employees. The Investigation Team specifically focused on the following laws and ordinances and whether any conduct may have violated those laws and ordinances:

- Computer Fraud and Abuse Act (18 U.S.C. § 1030), which prohibits unauthorized computer use;
- Federal Wiretap Act (18 U.S.C. § 2510, *et seq.*), which prohibits intentionally intercepting, recording, or sharing any wire, oral, or electronic communication without consent; and
- Paoli Code of Ordinances § 34.15, which is the Code of Ethical Conduct for all appointed officials, elected officials, employees, volunteers, or others that participate in town government.

The investigation work plan included the following steps:

- Collection and analysis of each contract between the Town and a third-party for IT services and support;
- Collection and analysis of Camera System access record export and logs;
- Engagement of third-party vendor to conduct TSCM sweep of the Town Office Building for illicit listening devices;
- Interviews of current and former IT providers who installed and/or maintained the Camera System;
- Interviews of current Town employees who accessed the Camera System or otherwise interacted directly with the Council regarding the Camera System; and
- Interviews of other Town employees to obtain background information about the Camera System and the Council's closed sessions.

The Investigation Team primarily focused on the potential access of information provided at the Council's closed session meetings. However, based on interviews of pertinent individuals, the TSCM sweep, and review of relevant documents, this report includes some observations and findings related to the Town's broader security program.

c. Document Preservation, Collection, and Review

The Investigation Team prepared a legal hold for this internal investigation. The Town shared this legal hold notice with its employees and Current IT Provider, notifying them of the Town's duty to preserve all information that might be relevant to a potential security breach. The Investigation Team had no problems obtaining any documents for this investigation.

The following categories of documents were collected and analyzed:

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- Communication of key Town current or former contractors and employees:
 - The Investigation Team coordinated with the Council to assist with collection of e-mails and other correspondence between the Town and current or former contractors and employees.
- Exports of Camera System Access Logs:
 - The Investigation Team asked the Town's Current IT Provider for exports of Camera System access logs dating back to 2023.
- Contractual Responsibilities and Job Descriptions of Key Stakeholders:
 - The Investigation Team asked for contractual responsibilities and job descriptions for Town employees and contractors related to Camera System access or reporting to the Council.

d. Interviews

As part of this investigation, the Investigation Team conducted 6 interviews of current or former Town contractors and employees. On October 20, 2025, the Investigation Team also spoke with the Town Attorney via telephone to gather information. A summary list of the interviewees' positions and the dates of their interviews is below.

Position	Interview Date
Current IT Provider	October 20, 2025
Code Enforcement Officer	November 4, 2025
Park Director	November 4, 2025
Police Chief	November 4, 2025
Former IT Provider	November 7, 2025

III. Key Factual Findings

After the Investigation Team's interviews and analysis of all the documentation, the Investigation Team made the following findings and observations:

In December 2016, the Town engaged its Former IT Provider to provide IT services, which included the installation and maintenance of the Camera System at the Town Office Building, the Town Utility Building, and the Town Parks (JayCee Park and Paoli Community Park). This contract was signed by the Town's Former Clerk Treasurer.

After learning that the Town intended to seek new IT services, the Town's Former IT Provider resigned in October 2023.

In November 2023, the Town engaged its Current IT Provider to provide IT services and maintain the Camera System, although the Current IT Provider acknowledged its lack of

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familiarity with the Camera System during its interview with the Investigation Team. This contract was also signed by the Town's Former Clerk Treasurer.

In January 2024, the newly elected Council (including new Council President) and the Current Town Clerk Treasurer took office. Throughout 2024, the Former Clerk Treasurer sent numerous public record requests to the Current Clerk Treasurer and alleged that the Current Clerk Treasurer intended to keep documentation from the Former Clerk Treasurer. These record requests continued into early 2025.

In March 2025, following suspected leaks of confidential information from closed sessions, the Council passed Ordinance No. 2025-01, which amended Section 34.15 of the Town's Code of Ethical Conduct to read: "All appointed officials, elected officials, employees, volunteers and others who participated in town government shall subscribe to the following code of ethics, and each year, by December 31st, each elected officer of the town must annually affirm, in writing, subject to the penalties of perjury, that the officer agrees to abide by and honor the following code of ethics." All Council Members voted in favor of the amendment except for one Council Member, who wrote "No."

In early-September 2025, the Town's Park Director informed the Current Clerk Treasurer that (i) the Former IT Provider still had access to the Camera System, (ii) the Police Chief and Code Enforcement Officer had access to the Camera System, and (iii) the Police Chief and Code Enforcement accessed the Camera System at the Town Office Building multiple times on days where the Council held closed sessions, including an Executive Safety Meeting and a Finance Committee Meeting.

The Current Clerk Treasurer shared this information with the Current IT Provider, who informed her that resetting the Camera System at the Town Office Building was the only way to remove camera access for the Former IT Provider, the Police Chief, the Code Enforcement Officer, and others. This reset was performed in mid-September 2025, and thus the records for the Town Office Building no longer exist (the records for the Utility Building and the Parks remain intact, and the Former IT Provider remains the Owner/Administrator for those cameras as of December 1, 2025). Further, after the investigation began, the Park Director discovered that an unknown individual deleted the access logs for the Former IT Provider. The Investigation Team reviewed the access logs from the Camera System, which revealed the following:

- The Former IT Provider's credentials were used to access the Camera System at least *189 times* (JayCee Park 35 times and Paoli Community Park 154 times) between June 21, 2025 and July 25, 2025.
- The Code Enforcement Officer's credentials were used to access the Camera System at least *73 times* (JayCee Park 19 times, Paoli Community Park 13 times, Town Office Building 23 times, and Utility Building 18 times) between July 16, 2025 and October 14, 2025. **This included at least four occasions at the Town Office Building during the Council's closed sessions.**
- The Police Chief's credentials were used to access the Camera System at the Town Office Building at least *47 times* between August 19, 2025 and September 10, 2025. **This included at least six occasions at the Town Office Building during the Council's closed sessions.**

During an interview with the Investigation Team, the Former IT Provider was surprised to hear his credentials were used to access the Camera System. He stated that upon his resignation,

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he provided his Camera System credentials to the Former Clerk Treasurer. The Former IT Provider stated he did not provide his credentials to any other individuals, and he has not accessed the Camera System nor spoken with anyone from the Town since his resignation in 2023.

During interviews with the Investigation Team, the Code Enforcement Officer and Police Chief both acknowledged that there is no legitimate reason for law enforcement to access the Camera System other than conducting a law enforcement investigation. Yet both individuals admitted accessing the Camera System for unrelated reasons. The Code Enforcement Officer and Police Chief stated that there is no policy prohibiting them from accessing the Camera System but agreed to the Investigation Team's proposal that their respective access be removed, with access only permitted for law enforcement investigation purposes upon written consent from the Council.

On October 28, 2025, a third-party vendor conducted a TSCM sweep of the Town Office Building for illicit listening devices. The vendor found no indicators of illicit surveillance, radio retransmission, or hidden audio/video capture systems. However, the vendor made numerous security recommendations, which the Investigation Team incorporated into the Recommendations section of this report.

IV. Recommendations

Based on the factual and legal findings outlined above, Barnes & Thornburg offers the following recommendations:

- Implement centralized logging and alerting for all remote desktop connections to the Camera System;
- Configure multi-factor authentication (MFA) for administrative logins and Council account access;
- Reset all Camera System access so the Council and Current IT Provider are the sole administrators;
- Develop a policy that provides a mechanism for law enforcement to obtain access to the Camera System in the event of an active investigation, upon written consent from Council;
- Perform periodic review of Camera System access logs for anomalies and unauthorized access attempts;
- Continue routine TSCM sweeps of the Town Office Building quarterly or after sensitive meetings;
- Ban all personal recording electronics during executive or closed sessions;
- Develop a Council Security Policy that defines approved devices, meeting procedures, and disciplinary steps for leaks;
- Create a reporting mechanism for whistleblowing or suspected security breaches, ensuring accountability without retaliation; and
- Develop a robust Social Media Policy that covers permitted and prohibited conduct, including explicit provisions on the sharing of information from executive or closed sessions.