

## SETTLEMENT AGREEMENT

This agreement made and entered into between the Executive Branch Ethics Commission (hereinafter the "Commission") and Clifton E. Brown.

WHEREAS, this agreement involves the matter styled *Executive Branch Ethics Commission v. Clifton E. Brown*, Case No. 14-007, Administrative Action No. 14-EBEC-0073;

WHEREAS, the Commission is designated by statute as the agency responsible for enforcing the Executive Branch Code of Ethics, KRS Chapter 11A;

WHEREAS, on January 27, 2014, the Commission alleged facts in an Initiating Order that Clifton E. Brown violated the Executive Branch Code of Ethics codified at KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2);

WHEREAS, Clifton E. Brown was at all relevant times mentioned in the Initiating Order a "public servant" as defined in KRS 11A.010(9) and thus subject to the Executive Branch Code of Ethics; and

WHEREAS, Clifton E. Brown indicates his desire to resolve all issues in this action by the execution of a Settlement Agreement.

NOW, THEREFORE, in settlement of the above allegations, the Commission and Clifton E. Brown agree, pursuant to KRS 11A.100, as follows:

1. Clifton E. Brown admits that he committed violations of the Executive Branch Code of Ethics codified at KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2), as stated in Appendix A to the Commission's Initiating Order of January 27, 2014, attached hereto and incorporated by reference herein.

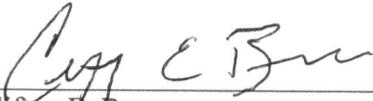
2. Clifton E. Brown agrees to pay the Commission a civil penalty of one thousand five Hundred dollars (\$1,500.00), with one thousand dollars (\$1,000.00) paid concurrently with the execution of this settlement agreement and five hundred dollars (\$500.00) being paid by August 15, 2014 by Agreed Final Order.

3. Clifton E. Brown agrees that upon the Settlement Agreement and the Agreed Final Order being issued by the Commission that he waives all rights to any further administrative process or appeal pursuant to KRS 13B.140 thereon.

4. The parties further agree that the acceptance of this Settlement Agreement and Agreed Final Order by both parties, and the fulfillment of its express terms, is in full accord and satisfaction of the herein referenced *Executive Branch Ethics Commission v. Clifton E. Brown*, Agency Case No. 14-007, Administrative Action No. 14-EBEC-0073.

5. This Settlement Agreement constitutes a public reprimand to Clifton E. Brown, a copy of which will be provided to his former appointing authority pursuant to KRS 11A.100(3)(c).

IN WITNESS THEREOF, the parties have caused this agreement to be executed:

  
\_\_\_\_\_  
Clifton E. Brown

6-22-14  
\_\_\_\_\_  
Date

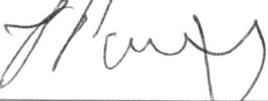
**EXECUTIVE BRANCH ETHICS COMMISSION:**

  
\_\_\_\_\_  
Chair, William David Denton

7-14-14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Vice Chair, William G. Francis

7-14-14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Member, Lewis G. Paisley

7-14-14  
\_\_\_\_\_  
Date

Absent  
\_\_\_\_\_  
Member, Richard L. Masters

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Member, Martin E. Johnstone

7-14-14  
\_\_\_\_\_  
Date

**APPENDIX A  
CASE NO. 14-007  
INITIATING ORDER**

**ALLEGATION OF VIOLATIONS**

The Respondent, Clifton E. Brown, was at all relevant times an employee of the Commonwealth of Kentucky, serving the Kentucky Horse Racing Commission (“KHRC”), in the Public Protection Cabinet. As such, the Respondent was subject to the jurisdiction of the Commission. KRS 11A.010(9)(h).

During the course of its preliminary investigation, the Commission found probable cause to believe that Clifton E. Brown committed the following violations:

**COUNT I**

Clifton E. Brown, during his course of employment as a Licensing Administrator, Division of Licensing, for the Kentucky Horse Racing Commission, Public Protection Cabinet, used his influence in a matter that involved a substantial conflict between his personal or private interest and his duties in the public interest; influenced a public agency in derogation of the state at large; used his official position to give himself a financial gain and an advantage in derogation of the public interest at large; used his official position to secure or create privileges, exemptions, advantages, or treatment for himself in derogation of the public interest; and failed to avoid all conduct which might in any way lead members of the general public to conclude that he was using his official position to further his professional or private interest.

Specifically, between 2012 and 2013, Brown used his position as a license administrator to hold for long periods of time cash that he collected through his regular duties as a License Administrator. The KHRC’s policy included a requirement that License Administrators deposit all cash and checks collected through the administration of licenses at the various racetracks on a daily basis. Brown would hold onto the cash and checks collected through his duties for several

weeks at a time. Further defying the KHRC policy, Brown would frequently perform “split” deposits of the cash and checks collected during the same time period, depositing the checks on one day, but failing to deposit the cash from the same time period until weeks later. Brown used his position to violate the KHRC’s policy so that he could maintain possession of said cash for his own use and enjoyment for several weeks at a time before finally depositing said cash.

These facts constitute violations of KRS 11A.020(1)(a), (b), (c), and (d), and KRS 11A.020(2).

KRS 11A.020(1)(a), (b), (c) and (d) provide:

- (1) No public servant, by himself or through others, shall knowingly:
  - (a) Use or attempt to use his influence in any matter which involves a substantial conflict between his personal or private interest and his duties in the public interest;
  - (b) Use or attempt to use any means to influence a public agency in derogation of the state at large;
  - (c) Use his official position or office to obtain financial gain for himself or any members of the public servant’s family; or
  - (d) Use or attempt to use his official position to secure or create privileges, exemptions, advantages, or treatment for himself or others in derogation of the public interest at large.

KRS 11A.020(2) provides:

- (2) If a public servant appears before a state agency, he shall avoid all conduct which might in any way lead members of the general public to conclude that he is using his official position to further his professional or private interest.

## **COUNT II**

Clifton E. Brown, during his course of employment as a Licensing Administrator, Division of Licensing, for the Kentucky Horse Racing Commission, Public Protection Cabinet, used his official position to give himself a financial gain and an advantage in derogation of the public interest at large; used his official position to secure or create privileges, exemptions,

advantages, or treatment for himself in derogation of the public interest; failed to avoid all conduct which might in any way lead members of the general public to conclude that he was using his official position to further his professional or private interest.

Specifically, between 2012 and 2013, Brown, while on state time and frequently using state resources, would perform activities related to gambling. Brown would use the complimentary racing forms, which were provided to KHRC by the racetracks for the purposes of determining potential licensees, for his own interests of researching and “handicapping” potential bets. Brown would frequently place bets while working at the racetracks as a License Administrator. While on state time, Brown would use his personal computer to research potential bets related to horse racing and other sporting events. Activities related to gambling were not part of his job duties as a License Administrator.

These facts constitute violations of KRS 11A.020(1)(c) and (d), and KRS 11A.020(2).

KRS 11A.020(1)(c) and (d) provide:

- (1) No public servant, by himself or through others, shall knowingly:
  - (c) Use his official position or office to obtain financial gain for himself or any members of the public servant’s family;  
or
  - (d) Use or attempt to use his official position to secure or create privileges, exemptions, advantages, or treatment for himself or others in derogation of the public interest at large.

KRS 11A.020(2) provides:

- (2) If a public servant appears before a state agency, he shall avoid all conduct which might in any way lead members of the general public to conclude that he is using his official position to further his professional or private interest.

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