

SETTLEMENT AGREEMENT

This agreement made and entered into between the Executive Branch Ethics Commission (hereinafter the “Commission”) and Chad Hayes.

WHEREAS, this agreement involves the matter styled *Executive Branch Ethics Commission v. Chad Hayes*, Case No. 15-008;

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

WHEREAS, on March 23, 2015, the Commission alleged facts in an Initiating Order that Chad Hayes violated the Executive Branch Code of Ethics codified at KRS 11A.020(1)(b), (c), and (d), and KRS 11A.040(2);

WHEREAS, Chad Hayes 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, Chad Hayes 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 Chad Hayes agree, pursuant to KRS 11A.100, as follows:

1. Chad Hayes admits that he committed violations of the Executive Branch Code of Ethics codified at KRS 11A.020(1)(b), (c), and (d), and KRS 11A.040(2), as stated in the Appendix A to the Commission’s Initiating Order of March 23, 2015, attached hereto and incorporated by reference herein.

2. Chad Hayes agrees to pay the Commission a civil penalty of one thousand five hundred dollars (\$1,500.00) on or before January 15, 2016, and has signed an Agreed Final Order.

3. Chad Hayes agrees that upon 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 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. Chad Hayes*, Agency Case No. 15-008.

5. This Settlement Agreement constitutes a public reprimand to Chad Hayes, 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:


Chad Hayes

7-10-15
Date

EXECUTIVE BRANCH ETHICS COMMISSION:


Chair, William David Denton

7-24-15
Date


Vice Chair, William G. Francis

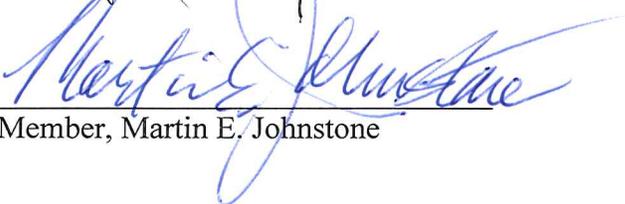
7-24-15
Date


Member, Lewis G. Paisley

7-24-15
Date


Member, Richard L. Masters

7-24-15
Date


Member, Martin E. Johnstone

7-24-15
Date

**APPENDIX A
CASE NO. 15-008
INITIATING ORDER**

ALLEGATION OF VIOLATIONS

The Respondent, Chad Hayes, was at all relevant times an employee of the Commonwealth of Kentucky, serving in the Justice and Public Safety Cabinet (also referred to herein as “the 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 Chad Hayes committed the following violation:

COUNT I

That Chad Hayes, during his course of employment as a Correctional Officer with the Department of Corrections (“Department”), Justice and Public Safety Cabinet, used his official position to use or attempt to use any means to influence his agency in derogation of the state at large; to give himself financial gain and advantages and privileges for himself in derogation of the state at large; and knowingly received, directly or indirectly, interest or profit arising from the use or loan of public funds in his hands or to be raised through any state agency.

Specifically, between September and October of 2013, Hayes used his position to take scrap metal owned by the Department that he hauled to various scrap yards and sold this property for his own personal financial benefit or gain. Hayes had the proceeds of the sale of the scrap metal split into checks and cash. The checks he would return to the Department. The cash he would keep for himself. Hayes collected approximately \$700 in cash that he kept for himself from the sale of the Department’s scrap metal. Hayes used some of the monies he collected to buy gas for his personal vehicle, food, and other personal property. Hayes also purchased food

and other items for the inmates in violation of the Department's policies.

These facts constitute a violation of KRS 11A.020(1) and KRS 11A.040(2).

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

- (1) No public servant, by himself or through others, shall knowingly:
 - (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.040(2) provides:

- (2) A public servant shall not knowingly receive, directly or indirectly, an interest or profit arising from the use or loan of public funds in his hands or to be raised through any state agency.

(End of document)