

SETTLEMENT AGREEMENT

This agreement made and entered into between the Executive Branch Ethics Commission (hereinafter the "Commission") and Larry Graves.

WHEREAS, this agreement involves the matter styled *Executive Branch Ethics Commission v. Larry Graves*, Agency No. 14-015;

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

WHEREAS, on May 19, 2014, the Commission alleged facts in an Initiating Order that Larry Graves violated the Executive Branch Code of Ethics codified at KRS 11A.020(1)(a), (b), (c) and (d); KRS 11A.020(2); KRS 11A.040(2), (3), and (4); and KRS 11A.045(1);

WHEREAS, Larry Graves 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

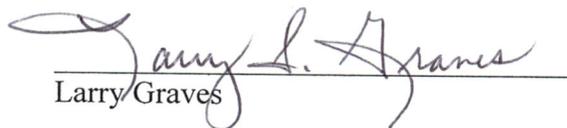
WHEREAS, Larry Graves indicates his desire to resolve all issues in this action by the execution of a Settlement Agreement.

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

1. Larry Graves admits that he committed violations of the Executive Branch Code of Ethics codified at KRS 11A.020(1)(a), (b), (c) and (d); KRS 11A.020(2); KRS 11A.040(2), (3), and (4); and KRS 11A.045(1) as stated in Appendix A to the Commission's Initiating Order of May 19, 2014, attached hereto and incorporated by reference herein.
2. Larry Graves agrees to pay the Commission a civil penalty of three thousand dollars (\$3,000.00) concurrently with the execution of this settlement.
3. Larry Graves agrees that upon a 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. Larry Graves*, Agency Case No. 14-015.

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

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


Larry Graves

9/27/14
Date

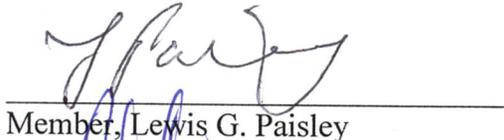
EXECUTIVE BRANCH ETHICS COMMISSION:


Chair, William David Denton

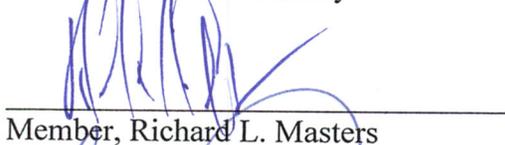
1-30-15
Date


Vice Chair, William G. Francis

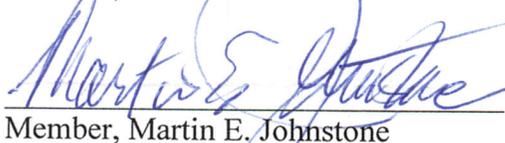
1-30-15
Date


Member, Lewis G. Paisley

1-30-15
Date


Member, Richard L. Masters

1-30-15
Date


Member, Martin E. Johnstone

1-30-15
Date

**APPENDIX A
CASE NO. 14-015
INITIATING ORDER**

ALLEGATION OF VIOLATIONS

The Respondent, Larry Graves, was at all relevant times an employee of the Commonwealth of Kentucky, serving in the Department for Community Based Services, Cabinet for Health and Family Services. 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 Larry Graves committed the following violations:

COUNT I

Larry Graves, during his course of employment as a Case Management Specialist I for the Department for Community Based Services (“DCBS”) in the Cabinet for Health and Family Services (“CHFS”), used his influence in matters 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 obtain financial gain for himself; used his official position to secure or create privileges, exemptions, advantages, or treatment for himself or others 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; and accepted gifts totaling a value greater than twenty-five dollars (\$25) in a single calendar year from persons or businesses that do business with, are regulated by, are seeking grants from, are involved in litigation against, or are lobbying or attempting to influence the actions of his agency.

Specifically, from June 2011 through September 2012, Graves accepted, either directly or on behalf of the Church of the First-Born Saints, a church of which he is the pastor, treasurer,

sole officer, sole board member, and self-purported owner, over \$4,109.40 in donations, the use of a van, and a new roof valued at between \$2,500 and \$3,000, from the owner of a business that did business with CHFS through the DCBS's Work Experience Training Program ("WEP"). Part of Graves' job duties as a Case Management Specialist I was placing benefit recipients participating in the WEP program in agencies and businesses in order to provide the individuals with work experience. While Graves did not directly place the WEP workers in this particular business himself, he used his position to pressure the person who was responsible for making these particular WEP assignments to continue to do so, until the owner of the business, following a political disagreement with Graves, ceased making donations to Graves and his church, after which Graves did cause the WEP workers to be pulled from the business.

These facts constitute violations of KRS 11A.020(1)(a), (b), (c), and (d), and (2), and KRS 11A.045(1).

KRS 11A.020(1)(a), (b), (c), and (d), and (2) 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.
- (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.

KRS 11A.045 provides:

- (1) No public servant, his spouse, or dependent child knowingly shall accept any gifts or gratuities, including travel expenses, meals, alcoholic beverages, and honoraria, totaling a value greater than twenty-five dollars (\$25) in a single calendar year from any person or business that does business with, is regulated by, is seeking grants from, is involved in litigation against, or is lobbying or attempting to influence the actions of the agency in which the public servant is employed or which he supervises, or from any group or association which has as its primary purpose the representation of those persons or businesses. Nothing contained in this subsection shall prohibit the commission from authorizing exceptions to this subsection where such exemption would not create an appearance of impropriety.

COUNT II

Larry Graves, during his course of employment as a Case Management Specialist I for the Department for Community Based Services (“DCBS”) in the Cabinet for Health and Family Services (“CHFS”), used his influence in matters 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 obtain financial gain for himself; used his official position to secure or create privileges, exemptions, advantages, or treatment for himself or others 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; knowingly received, directly or indirectly, an interest or profit arising from the use or loan of public funds in his hands to be raised through any state agency; knowingly acted as a representative or agent for DCBS in the transaction of business with himself or with a business in which he had an interest greater than five percent (5%) of the total value thereof; and knowingly himself or through a business in which he owns or controls an interest of more than five percent (5%), undertook, executed, held, and negotiated, in whole or in part, a contract or agreement entered into, awarded, or granted by the agency by which he was employed, subject to the provisions of KRS 45A.340.

Specifically, from December 2009 through November 2012, Graves used his position to cause Work Experience Training Program (“WEP”) participants to perform work at the Church of the First-Born Saints, a church at which Graves was the pastor, treasurer, only officer, only board member, and of which he purports to be the owner. This work, primarily painting and cleaning, was performed free of charge for Graves and his church. Part of Graves’ job duties as a Case Management Specialist I within DCBS was placing benefit recipients participating in the WEP program in agencies and businesses in order to provide the individuals with work experience.

These facts constitute violations of KRS 11A.020(1)(a), (b), (c), and (d), and (2), and KRS 11A.040(2), (3), and (4).

KRS 11A.020(1)(a), (b), (c), and (d), and (2) 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.

- (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.

KRS 11A.040(2), (3), and (4) provide:

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

- (3) A public servant shall not knowingly act as a representative or agent for the Commonwealth or any agency in the transaction of any business or regulatory action with himself, or with any business in which he or a member of his family has any interest greater than five percent (5%) of the total value thereof.
- (4) A public servant shall not knowingly himself or through any business in which he owns or controls an interest of more than five percent (5%), or by any other person for his use or benefit or on his account, undertake, execute, hold, bid on, negotiate, or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made, entered into, awarded, or granted by the agency by which he is employed or which he supervises, subject to the provisions of KRS 45A.340.

COUNT III

Larry Graves, during his course of employment as a Case Management Specialist I for the Department for Community Based Services (“DCBS”) in the Cabinet for Health and Family Services (“CHFS”), used his influence in matters 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 obtain financial gain for himself; used his official position to secure or create privileges, exemptions, advantages, or treatment for himself or others 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; knowingly received, directly or indirectly, an interest or profit arising from the use or loan of public funds in his hands to be raised through any state agency; knowingly acted as a representative or agent for DCBS in the transaction of business with himself or with a business in which he had an interest greater than five percent (5%) of the total value thereof; and knowingly himself or through a business in which he owns or controls an interest of more than five percent (5%), undertook, executed, held, and negotiated, in whole or in part, a contract or agreement entered into, awarded, or granted by the agency by which he was employed, subject to the provisions of KRS 45A.340.

Specifically, in October 2011, Graves had a client of his agency sign a “WEP Training Site Agreement” concerning Graves’ church, The Church of First Born Saints, and another DCBS client, a WEP participant, on behalf of the church as the “training site representative,” when in fact the client was not a representative of the church but rather merely a friend of Graves. Graves himself was identified on the “WEP Training Site Agreement” as the WEP participant’s immediate supervisor. Part of Graves’ job duties as a Case Management Specialist I within DCBS was placing benefit recipients participating in the WEP program in agencies and businesses in order to provide the individuals with work experience.

These facts constitute violations of KRS 11A.020(1)(a), (b), (c), and (d), and (2), and KRS 11A.040(2), (3), and (4).

KRS 11A.020(1)(a), (b), (c), and (d), and (2) 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.
- (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.

KRS 11A.040(2), (3), and (4) provide:

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

- (3) A public servant shall not knowingly act as a representative or agent for the Commonwealth or any agency in the transaction of any business or regulatory action with himself, or with any business in which he or a member of his family has any interest greater than five percent (5%) of the total value thereof.
- (4) A public servant shall not knowingly himself or through any business in which he owns or controls an interest of more than five percent (5%), or by any other person for his use or benefit or on his account, undertake, execute, hold, bid on, negotiate, or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made, entered into, awarded, or granted by the agency by which he is employed or which he supervises, subject to the provisions of KRS 45A.340.

COUNT IV

Larry Graves, during his course of employment as a Case Management Specialist I for the Department for Community Based Services (“DCBS”) in the Cabinet for Health and Family Services (“CHFS”), used his influence in matters 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; and used his official position to secure or create privileges, exemptions, advantages, or treatment for another in derogation of the public interest;

Specifically, on March 28, 2012, Graves accepted and processed an application for a client of DCBS when the client applied for Supplemental Nutrition Assistance Program (“SNAP”) benefits even though Graves did not handle SNAP benefits. The client was a personal friend of Graves. Further, in April 2012 it was discovered that this client was in fact not entitled to receive these benefits due to income he was already receiving from the Social Security Administration which Graves failed to consider when processing his friend’s case.

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

KRS 11A.020(1)(a), (b), 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;

(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.

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