

COMMONWEALTH OF KENTUCKY

**EXECUTIVE BRANCH
ETHICS COMMISSION**



BIENNIAL REPORT

JULY 1, 2005 - JUNE 30, 2007

Printed with State Funds
2007

EXECUTIVE BRANCH ETHICS COMMISSION

BIENNIAL REPORT

FISCAL YEARS ENDED JUNE 30, 2006 AND 2007

COMMISSION MEMBERS

James S. Willhite

Chairperson, through August 22, 2005
(Member through August 22, 2005)

Cynthia C. Stone

Vice-Chair

Ray H. Altman

(Member through December 9, 2006)

John A. Webb

Chairperson, elected September 2, 2005

Thomas V. Handy

J. Quentin Wesley

(Appointed August 22, 2005)

E. Patrick Moores

(Appointed December 14, 2006)

STAFF

Jill LeMaster, Executive Director

John Steffen, General Counsel

Jeffrey M. Jett, Investigator

Daphne Criscillis, Executive Assistant

Jenny May, Administrative Assistant

Jo Ledford, Executive Assistant (through August 31, 2006)

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<http://ethics.ky.gov/>

The Executive Branch Ethics Commission's goal is to promote the ethical conduct of state officials and employees and to ensure proper regulation of executive agency lobbyists and their employers. This report covers the activities of the Ethics Commission during the fiscal years ended June 30, 2006, and June 30, 2007 as required by KRS 11A.110(13). It is intended to serve as a guide to the responsibilities of the Commission and as a record of its major activities and decisions during the

biennium.

DEDICATION

In Memory of

Livingston Taylor

July 25, 1930 - March 19, 2006

Livingston Taylor, as the first Chairman of the Executive Branch Ethics Commission from August 12, 1992 through July 18, 1995, set the tone for the Commission with his volunteer leadership and his concern that the Commission be politically independent and show no favoritism. His substantial contribution to promoting the ethical conduct of executive branch employees and toward restoring trust in government will long be remembered. The Executive Branch Ethics Commission and the citizens of the Commonwealth of Kentucky are better off because of his service.



Some of Mr. Taylor's final words to the Commission and Staff members:

*“Let us not grow weary in well-doing, for in due season we shall reap,
if we do not lose heart.” Galations 6:9*

October 19, 2007

To the Legislative Research Commission
Governor Ernie Fletcher
Citizens of the Commonwealth of Kentucky

On behalf of the Kentucky Executive Branch Ethics Commission and its staff, I am respectfully pleased to submit its Biennial Report for the fiscal years ending June 30, 2006 and June 30, 2007. The purpose of our Biennial Report is to summarize the work of the Commission during this two-year period.

The Commission is an independent body of five citizen members from various locales throughout the Commonwealth. It is complemented by a competent and highly dedicated staff consisting of an Executive Director, General Counsel, Investigator (part-time), Executive Assistant, Administrative Assistant and Student Interns. Its general mission is to promote ethical conduct within the executive branch of Kentucky's government. In fulfilling its mission, it exercises its duties in various ways, including enforcement of the ethics law through administrative action, providing training and education, issuing ethics opinions for guidance to employees and citizens, and review of financial disclosure statements required to be reported by law. During the last few years we also have offered proposed legislation which we believe would strengthen and clarify existing laws. As you can see from the report, the Commission has produced a significant record of accomplishment during the reporting period. We are very proud of our record.

The Commission serves an important function in state government and is committed to moving forward in maintaining the high standards exhibited throughout the years. It respectfully requests the continued support of the Commonwealth of Kentucky and all its elected officials and citizens. It is only through this support that the Commission can continue its important mission.

Respectfully submitted,

John A. Webb

Chairman

TABLE OF CONTENTS

INTRODUCTION TO THE COMMISSION.....	3
LIVINGSTON TAYLOR ETHICS AWARD	8
BUDGET.....	10
EDUCATION	11
ADVISORY OPINIONS	15
FINANCIAL DISCLOSURE.....	25
INVESTIGATIONS, ADMINISTRATIVE PROCEEDINGS AND LITIGATION	27
EXECUTIVE AGENCY LOBBYING	40
LEGISLATIVE HISTORY AND RECOMMENDATIONS	43
PUBLIC INFORMATION.....	45
CODE OF ETHICS.....	47

INTRODUCTION TO THE COMMISSION

AUTHORITY

The Executive Branch Code of Ethics (code of ethics) created by Kentucky Revised Statutes (KRS) Chapter 11A, effective July 14, 1992, established the ethical standards that govern the conduct of all executive branch employees. The code of ethics was enacted to restore and promote public trust in the administration of the government of the Commonwealth and its employees. It has been amended numerous times in an attempt to improve its application. The Executive Branch Ethics Commission, authorized by KRS 11A.060, is an independent agency of the Commonwealth that is responsible for administering and enforcing the provisions of the code of ethics.

VISION

Our vision for the future is one in which the leaders of the Commonwealth have integrity and honesty, and serve the people of the Commonwealth in an independent and impartial manner while upholding the public trust in all areas of their public service and private lives.

MISSION STATEMENT

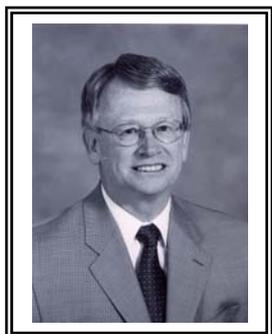
The mission of the Executive Branch Ethics Commission is to promote the ethical conduct of elected officials, officers and other employees in the executive branch of state government, thereby increasing the public trust in the administration of state government.

THE COMMISSION SEEKS TO FULFILL ITS MISSION THROUGH:

- ◆ Education of state employees and lobbyists;
- ◆ Guidance to state employees concerning their ethical conduct, including the issuance of advisory opinions;
- ◆ Investigation of possible violations and enforcement of the provisions of the code of ethics;
- ◆ Financial disclosure by state officers and elected constitutional officials;
- ◆ Regulation of executive agency lobbyists; and
- ◆ Improvements to the code of ethics.

COMMISSION MEMBERS

The Commission is composed of five members appointed by the Governor to serve four-year terms. The following individuals served on the Commission during the biennium.



JAMES S. WILLHITE

Governor Paul E. Patton appointed Mr. Willhite, July 27, 2001, to a four-year term expiring July 14, 2005. Mr. Willhite was elected Vice Chair February 13, 2003, and Chair on September 30, 2004.

Mr. Willhite holds degrees from the University of Kentucky and Georgetown College. After a distinguished 28-year career in public education, Mr. Willhite is a busy self-employed real estate appraiser and broker in Eminence, Kentucky.



CYNTHIA C. STONE

Governor Paul E. Patton appointed Ms. Stone, July 23, 1996, to a four-year term of office expiring July 14, 2000. Ms. Stone was elected Vice Chair of the Commission by its membership on August 31, 1999. Governor Patton subsequently reappointed Commissioner Stone to a second four-year term ending July 14, 2004. She was elected Chair of the Commission August 10, 2001. Ms. Stone resigned her position January 28, 2003. Ms. Stone was appointed on November 19, 2003 to a new four-year term ending July 24, 2007 and was elected Vice Chair on September 30, 2004.

Formerly a partner in the law firm of Stone, Pregliasco, Haynes, Buba in Louisville, Kentucky, Ms. Stone is now busy in real estate ventures. She received her undergraduate and graduate degrees from the University of Louisville.



RAY H. ALTMAN

Governor Ernie Fletcher appointed Mr. Altman on August 16, 2004 to a four-year term expiring July 14, 2008. Mr. Altman resigned his position on December 9, 2006.

A former Kentucky State Representative from the 51st District, Mr. Altman is a licensed, independent insurance agent in Campbellsville, Kentucky. He attended Campbellsville College. Mr. Altman formerly worked in the health care industry as a Registered X-Ray Technician and as a Hospital Administrator.



JOHN A. WEBB

Governor Ernie Fletcher appointed Mr. Webb on October 20, 2004 to a vacated seat which will expire on July 14, 2008.

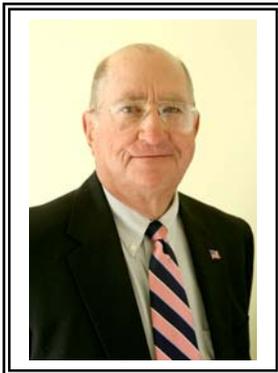
Mr. Webb was elected Chair of the Commission on September 2, 2005. An attorney in Ashland, Kentucky, Mr. Webb is a partner in the firm of McKenzie, Woolery & Webb. He earned a degree in political science at Georgetown College and his law degree at the University of Louisville.



THOMAS V. HANDY

Governor Ernie Fletcher appointed Mr. Handy on June 2, 2005 to an unexpired term. Mr. Handy subsequently was appointed to a four-year term expiring July 14, 2010. Mr. Handy resigned his position on June 30, 2007.

Mr. Handy graduated from Centre College and earned his law degree at the University of Kentucky. A former Commonwealth's Attorney for the 27th Judicial District, he makes his home in London, Kentucky.



J. QUENTIN WESLEY

Governor Ernie Fletcher appointed Mr. Wesley on August 22, 2005 to replace James Willhite whose term expired. Mr. Wesley's term will expire July 14, 2009.

Mr. Wesley graduated and earned his law degree at the University of Kentucky. A former State Representative and Captain of the U.S. Air Force Reserves, he makes his home in Morganfield, Kentucky.



E. PATRICK MOORES

Governor Ernie Fletcher appointed Mr. Moores on December 14, 2006 to the unexpired term of Ray Altman who resigned. Mr. Moore's term will expire July 14, 2008.

Mr. Moores graduated from the University of Kentucky and earned his law degree at Cumberland School of Law of Samford University. Mr. Moores is a self-employed attorney and makes his home in Nicholasville, Kentucky.

STAFF

The Commission employs a full-time staff who may be contacted by anyone seeking information or advice relating to the code of ethics, or wishing to provide information regarding an alleged violation of the Executive Branch Code of Ethics. The staff provides state employees, executive agency lobbyists and the public with information, guidance and training aimed at promoting ethical conduct of executive branch employees. The following individuals served as staff to the Commission during the biennium.

EXECUTIVE DIRECTOR

The Executive Director is responsible for all administrative, investigative and legal activity of the Commission, education and training of employees, audit of disclosure statements, development of all publications, as well as the supervision of the staff.

JILL LEMASTER



GENERAL COUNSEL

The General Counsel advises the Executive Director on legal issues, assists in training and in the administration of the agency, coordinates investigations, handles administrative proceedings and civil litigation, and, in the absence of the Executive Director, assumes the Executive Director's responsibilities.

JOHN STEFFEN



INVESTIGATOR

The Investigator is responsible for conducting all preliminary investigations initiated by the Commission.

JEFFREY JETT



SUPPORT STAFF

The support staff manages daily operations of the office and safeguards documents on file with the Commission. They facilitate coordination of the many requests for information and advice that are presented to the staff.

The **Executive Assistant** administers the financial disclosure process and database for constitutional officers and other government officials. Other responsibilities are the management of advisory opinion requests as well as processing purchasing and personnel matters. This position also acts as Clerk of the Administrative Proceedings process. The Executive Assistant serves as Secretary for Commission meetings, preparing the agenda and minutes following the meeting.

DAPHNE CRISCILLIS



Jo B. Ledford (*Retired on August 31, 2006*)

The **Administrative Assistant** manages the paperwork and database of the executive agency lobbying registration and reporting procedures. She responds to Open Records requests and is responsible for responding to requests for bulk printed materials. She maintains statistics for areas included in the biennial report.

JENNY MAY

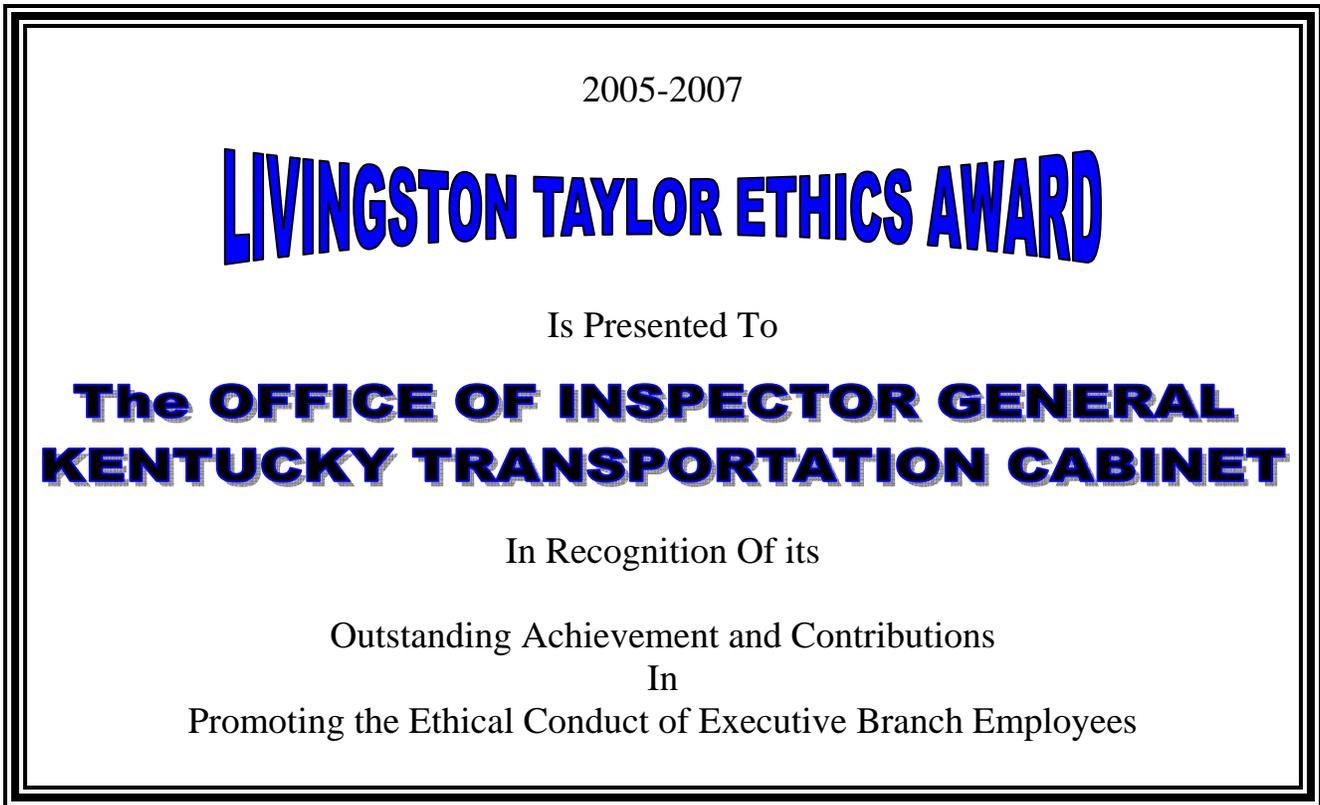


The **Student Interns** assist the staff with a variety of assignments ranging from processing mail to database work. Student Interns who served the Commission during some part of the biennium include:

JOSEPH NEWBERG
LEWIS DIAZ
LAUREN SCOTTOW
ASHLEY WADE
(*no photos available*)

LIVINGSTON TAYLOR ETHICS AWARD

Livingston Taylor, a former investigative reporter for the Courier-Journal, served as the Commission's first chairman from 1992-1995. Mr. Taylor was responsible for the early direction of the Commission and donated a considerable amount of time and effort in leading the Commission. Mr. Taylor declined any compensation for his efforts. He set the tone for the Commission with his concern that the Commission be politically independent and show no favoritism. His substantial contribution to promoting the ethical conduct of executive branch employees will long be remembered. The Executive Branch Ethics Commission and the Commonwealth of Kentucky are better off because of his volunteer service.



State employees are often only recognized for inappropriate behavior. Thus, the Commission wishes to offer some positive reinforcement through this award and recognize those who work hard for the taxpayers of Kentucky.

The recipient of this award, the Office of the Transportation Cabinet, Office of Inspector General (OIG) was created to promote integrity, accountability, and efficiency within the Transportation Cabinet by investigating reports of waste, fraud, and abuse. During the last biennium (2005-07),

the Office of the Inspector General has adhered to its mission despite numerous obstacles.

The OIG struggled to maintain its independence while being an office within the Cabinet. Regardless, the OIG consistently produced objective, factual and fair reports. The OIG is responsible to the Cabinet Secretary, the alignment of which has proven to be a tenacious one. Even though the OIG has operated within a turbulent environment, the OIG has accomplished the job that the taxpayers deserve and expect.

The OIG has referred several matters to the Executive Branch Ethics Commission, several of those on which the Commission has taken action. Such referrals were made without consideration as to the reactions of Cabinet superiors.

Upon the removal of the OIG's Chief Deputy in May of 2005, the OIG operated understaffed, as this position was never allowed to be filled until his return in 2007. Thus, the remaining small staff of the OIG compensated for the loss of staff during the two years by acting in positions for which they were never compensated in order to ensure the mission of the OIG was completed. This spirit embodies the vision that Livingston Taylor had for promoting the ethical conduct of the employees of the Commonwealth.

The Commission hopes that the OIG's honesty and dedication in the face of adversity serves as an example to all employees in the Commonwealth of Kentucky.

BUDGET

TWO-YEAR BUDGET ANALYSIS

The Commission's budget and expenditures for fiscal years 2005-06 and 2006-07 are detailed below.

	<u>FISCAL YEAR</u>		<u>TOTAL FOR</u>
	2005-06	2006-07	<u>BIENNIUM</u>
ALLOTMENTS			
General Fund	\$423,000	\$435,000	\$858,000
Agency Fund	<u>77</u>	<u>41,500</u>	<u>41,577</u>
TOTAL	<u>\$423,077</u>	<u>\$476,500</u>	<u>\$899,577</u>
EXPENDITURES			
Personnel Costs	\$343,516	\$375,494	\$719,010
Operating Expenses	49,741	85,236	134,977
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$393,257</u>	<u>\$460,730</u>	<u>\$853,987</u>
ALLOTMENT OVER EXPENDITURES			
Reverted to general fund	\$ 29,820	\$ 9,152	\$ 38,972
Retained in agency fund	<u>0</u>	<u>6,618</u>	<u>6,618</u>
TOTAL	<u>\$ 29,820</u>	<u>\$ 15,770</u>	<u>\$ 45,590</u>

**

REVENUE FROM EMPLOYERS OF EXECUTIVE AGENCY LOBBYISTS		
	2005-2006	2006-2007
EMPLOYER REGISTRATION FEES (AGENCY FUND REVENUE)	0	\$45,000
LOBBYISTS FINES (GENERAL FUND REVENUE)	0	0
TOTAL COLLECTED	0	\$45,000

REVENUE FROM CIVIL PENALTIES ISSUED		
	2005-2006	2006-2007
FINES FROM CURRENT AND FORMER EMPLOYEES (GENERAL FUND)	\$35,000	\$4,000

TOTAL COLLECTED	\$35,000	\$4,000
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EDUCATION

The Commission continues to believe that its primary goal is to educate employees in an effort to improve honesty and integrity in state government. Through education, the Commission seeks to prevent rather than punish ethics violations. Employee education is a multi-faceted effort consisting of response to inquiries, training classes, a web site, agency ethics officers, publications, and newsletter articles.

INQUIRIES

The Commission considers and responds to all inquiries from persons requesting information or advice on any aspect of the code of ethics. Such inquiries are made in person, by mail, through e-mail, or by telephone. Commission staff resolves the majority of these requests after reviewing the statutes and advisory opinions. In some instances, the staff recommends that advice be sought from the Commission through its advisory opinion process (see page 15).

The staff of the Commission meets individually with state officials, employees, and lobbyists to provide information or explanation concerning the code of ethics. The staff also provides guidance by telephone and e-mail on a daily basis in response to state officials, employees, and citizen inquiries.

During fiscal year 2005-2006, the staff provided advice to approximately 1,092 individuals and to approximately 782 persons during 2006-2007. The following table shows, by subject matter, the approximate number of recorded inquiries received during the biennium.

SUBJECT MATTER	NUMBER OF INQUIRIES	
	2005-06	2006-07
Advisory Opinions	50	35
Campaign Activity	25	21
Complaints	48	58
Conflict of Interest	88	80
Executive Agency Lobbying	226	109
Financial Disclosure	302	187
General Information	59	49
Gifts	84	62
Investigations	34	46
Legislation	6	6
Litigation	7	2
Code of Ethics for Boards and Commissions	4	0
Outside Employment	42	38
Post-employment	73	56
Request for Material	28	19
Training	<u>16</u>	<u>14</u>

TOTAL

1092

782

WEBSITE

The Commission's home page can be found at <http://ethics.ky.gov/>. The web site provides information on advisory opinions, lobbying, training, post-employment laws, ethics officers, financial disclosure, and the employee *Guide to the Executive Branch Code of Ethics*, as well as the text of the Executive Branch Code of Ethics, KRS Chapter 11A.



Commonwealth of Kentucky Executive Branch Ethics Commission



Welcome to the web site of the EBEC!

The Executive Branch Ethics Commission's enabling statute is embodied in Kentucky Revised Statute Chapter 11A. The laws setting out the Code of Ethics are contained in Kentucky Revised Statute Chapter 11A and Title 9 of the Kentucky Administrative Regulations.

Next
Meeting

The Commission's next meeting is October 19, 2007

2007-09 Livingston Taylor
Ethics Award Nomination
Form
[Click Here](#)

Please feel free to offer any [comments or suggestions](#) that you may have for us. You can [e-mail](#) us with any questions you may have or with information alleging a violation of KRS Chapter 11A.

*Jill LeMaster, Executive Director
Executive Branch Ethics Commission
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- * [What's New](#)
- * [Advisory Opinions](#)
- * [Executive Agency](#)
- [Lobbying](#)
- * [Ethics Officers](#)
- * [Training Information](#)
- * [Laws & Regulations](#)
- * [Leaving State](#)
- [Government?](#)
- * [Statements of Financial](#)
- [Disclosure](#)
- * [Model Code of Ethics](#)
- *****
- * [Comments & Suggestions](#)
- * [Commission Members & Staff](#)

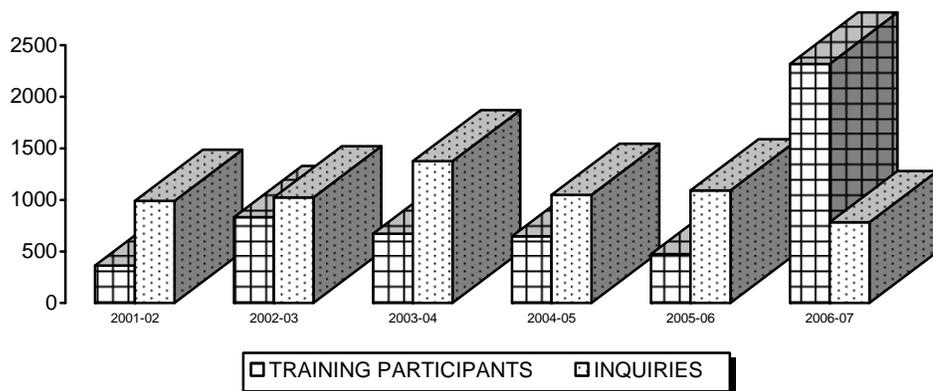
- * [Function and Mission](#)
- * Related Links:
 - Legislative Research Commission [LRC](#)
 - Legislative Ethics Commission [LEC](#)

TRAINING CLASSES

The Executive Branch Ethics Commission offers ethics classes on a regular basis through the Governmental Services Center, the training branch for state government. In addition, ethics classes are provided to individual state agencies as requested, as well as to lobbyists and other organizations.

NUMBER OF:	2005-06	2006-07	TOTAL
Training Classes Provided for State Agencies	9	25	34
Classes Provided through Office of Government Training	3	1	3
Training Sessions Provided to Ethics Officers	0	1	1
Training Sessions Provided for Lobbyist or Other Organizations	5	1	6
TOTAL TRAINING CLASSES	17	28	45
<i>Total Number of Training Participants</i>	<i>474</i>	<i>2320</i>	<i>2794</i>

CONTACTS



ETHICS OFFICERS

Ethics officers act as liaisons between their staffs and the Commission. The Commission furnishes ethics officers with copies of all advisory opinions and publications of the Commission, and the ethics officers are responsible for disseminating such information to their staffs. Additionally, the ethics officers coordinate approvals of outside employment for employees. Ethics officers further assist the staff of the Executive Branch Ethics Commission with ensuring officers and elected officials file the financial disclosure statements as required by law. During the biennium, 25 ethics officers received training on their role as ethics officers.

STATE EMPLOYEE NEWSLETTER

The Kentucky state employee newsletter is published throughout the year. For each issue the Commission submits an article designed to educate state employees on the requirements of the ethics code, or other pertinent information.

PUBLICATIONS

As part of the Commission's educational emphasis, several publications explaining the code of ethics have been produced and are regularly updated. These items have been distributed to each state agency and are available for distribution to each employee upon request.

<u>PUBLICATION</u>	<u>LATEST DATE OF PUBLICATION/REVISION</u>
<i>Acceptance of Gifts</i>	July, 2000
<i>Executive Agency Lobbying Handbook</i>	January, 2007
<i>Leaving State Government?</i>	February, 2005
<i>Current or Former State Employee Seeking</i>	
<i>To do Business with the State?</i>	July, 1998
<i>Guide to the Executive Branch Code of Ethics</i>	May, 2007
<i>Advisory Opinions</i>	February, 2007



ADVISORY OPINIONS

The Commission is directed by statute to issue written advisory opinions. If an employee, agency head or member of the general public is unclear about a provision in the code of ethics, or if a situation is not specifically addressed in the code, an advisory opinion may be requested, in writing, from the Commission.

If the Commission determines that the matter has been addressed in a previous advisory opinion, it will issue advice in an “informal reply.” Informal replies are responses (advisory letter, e-mail, or telephone call) rendered by the Ethics Commission’s Executive Director or General Counsel. Frequently, employees may have questions or situations that require a swift reply. An advisory letter is limited to issues previously addressed by the Commission by issuance of a formal advisory opinion.

If the Commission determines that the matter has not been addressed in a previous advisory opinion, it will issue a new opinion to the requestor. In addition, the Commission may issue advisory opinions upon its own motion.

Advisory opinions issued by the Commission are based on the code of ethics, agency regulations and past Commission decisions. Because the Executive Branch Ethics Commission is the regulatory body authorized to interpret the code of ethics, the advisory opinions issued by the Commission are enforceable. Such opinions are public record and provide guidance to other employees with similar questions.

Copies of written advisory opinions are distributed electronically and by paper copy to state agencies via ethics officers, employees and members of the general public who request them.

ADVISORY OPINIONS ISSUED JULY 1, 2005 - JUNE 30, 2007

The Commission issued 30 advisory opinions during the 2005-2006 fiscal year, and 36 during 2006-2007. Additionally, the Commission issued 24 advisory letters during 2005-2006 and 14 during 2006-2007. See below the opinions issued by primary topic. Following are the summaries of the advisory opinions issued.

ADVISORY OPINIONS, BY PRIMARY TOPIC

	<u>Number Issued</u>
General Conflicts of Interest	13
Gifts/Travel Expenses	11

Post-employment/Representation	7
Outside Employment/Self-Employment	11
Contracts/Agreements	4
Solicitation	6
Nepotism	3
Endorsement	1
Executive Agency Lobbying	1
Misuse of State Time/Resources	2
Jurisdiction	6
Personnel Hiring	1
TOTAL	<u>66</u>

SUMMARY OF OPINIONS

July 1, 2005 - June 30, 2007

July 1, 2005 - June 30, 2006

Advisory Opinion 05-31 The former executive director of the Office of Certificate of Need within the Health and Family Services Cabinet immediately may represent persons before the office he formerly headed, provided the representation does not include matters that were before the office during the last three years of his tenure.

Advisory Opinion 05-32 The Department of Criminal Justice Training may solicit advertisements for its news magazine, provided the department does not solicit persons or businesses doing business with or regulated by the Department of Criminal Justice Training.

Advisory Opinion 05-33 A former merit employee who previously served as an officer is subject to post-employment laws applicable to officers, but only for one year following the date that the employee no longer served as an officer.

Advisory Opinion 05-34 Before accepting assistance from a trust set up to assist employees with the payment of legal fees, an employee should ascertain that the donors to a fund or sub-

trust set up on his behalf are not doing business with, regulated by, seeking grants from, or in any way seeking to influence the state agency for which the employee works or over which he has supervisory authority. The trust should not be established by anyone registered as an executive agency lobbyist, holding a contract with, or attempting to influence the actions of any of the agencies which employ the employee beneficiaries of the fund. Employees who are officers must disclose on their annual statement of financial disclosure the source of any legal assistance received if the value is over \$200.

Advisory Opinion 05-35 The Cabinet for Health and Family Services, in this fact specific situation, may partner with and accept a donation from a private corporation to benefit a children's health program.

Advisory Opinion 05-36 Employee's service as an officer of the Kentucky Waterways Alliance creates a conflict of interest with his employment for the Division of Mine Permits.

Advisory Opinion 05-37 (Gift Exception 2005-4) This opinion authorizes a gift exception to allow an inspector to accept donations from an account set up to assist his family to which vendors have donated.

Advisory Opinion 05-38 Representatives from the Board of Trustees of the Kentucky Retirement Systems may attend conference presented by a financial group but should reimburse any vendors of the agency for food and drink that they accept if the value exceeds \$25 per person.

Attending a conference that is strictly dissemination of information that is free to all attending is not considered a gift as defined in KRS Chapter 11A.

Advisory Opinion 05-39 Employee may sell prepaid legal services on his own time, provided he does not use his official position to gain an advantage in securing state sites to make presentations to employees. Mere use of the employee's worksite to make presentations may appear to give the employee an advantage.

Advisory Opinion 05-40 (Gift Exception 2005-5) This opinion authorizes a gift exception to allow the Chief of Staff to the Governor's Office for Local Development to accept wedding gifts from persons or businesses that work for local governments that may be regulated by and/or applying for grants from the Governor's Office for Local Development.

Advisory Opinion 05-41 A Transportation Cabinet employee may accept part-time employment with an engineering and testing company that is a contractor of the Cabinet only if approved by his appointing authority.

Advisory Opinion 05-42 An employee is prohibited through a business of his or her spouse from knowingly having a contract or an agreement with the state agency for which the employee works. The employee's agency should refrain from purchasing products from a business owned by the employee's spouse due to the fact that it may cause the employee or other employees involved in making the purchase decision to possibly commit a violation of the Executive

Branch Code of Ethics.

Advisory Opinion 05-43 The Governor's Office of Local Development ("GOLD"), through its employees, should not solicit vendors of GOLD for sponsorship of the Southern Regional Conference of the Council of State Community Development Agencies annual conference due to inherent conflicts of interest that exist.

Advisory Opinion 06-1 An out-of-state consulting firm that has a contractual agreement with the Commonwealth may provide an in-state liaison to enhance its services, provided the proposed arrangement is within the scope of the original contract.

Advisory Opinion 06-2 The Deputy Director of the Kentucky Horse Park may immediately accept employment with the World Games 2010 Foundation, Inc., if he is returning to his former profession and he abstains for six months from working on any matters in which he had direct involvement as part of his official duty for the Horse Park.

Advisory Opinion 06-3 Commonwealth's Attorneys and their staffs are subject to the provisions of the Executive Branch Code of Ethics in matters that are not addressed by KRS Chapter 15.733.

Advisory Opinion 06-4 A supervisor in the Cabinet for Health and Family Services may use a foster family for personal childcare services, provided he abstains from involvement in the approval, inspection, or worker responsibilities of the foster care family.

Advisory Opinion 06-5 Pharmaceutical manufacturer employees must register as lobbyists when one of the main purposes of their job duties includes attempting to influence decisions regarding the Medicaid formulary list.

Advisory Opinion 06-6 Reconsidered and Upheld Advisory Opinion 03-37.

Advisory Opinion 06-7 The Department of Public Advocacy may solicit other state agencies and the public to play in golf tournament to benefit the Kentucky Innocence Project, provided the persons and businesses solicited are not doing business with, involved in litigation against, or seeking to influence the Department.

Advisory Opinion 06-8 (Amends Advisory Opinion 02-11) Employees of the Department of Corrections may not have outside employment with entities that have a contract with the Department if such employment fulfills a part of the contract with the Department; an exception is allowed if employment is with a state institution of higher education.

Advisory Opinion 06-9 A member of the Parole Board may work as a jail consultant on a contractual basis for the purpose of advising jails on jail standards and other matters as long as he abstains from decisions involving inmates of whom he is aware are housed in jails by which he is employed as a consultant.

Advisory Opinion 06-10 A mine inspector may lease coal to a coal company provided neither he, nor anyone under his supervision, is involved in inspections of the coal company.

Advisory Opinion 06-11 This opinion number has been voided.

Advisory Opinion 06-12 Board members of the Kentucky Board of Home Inspectors are not subject to the Executive Branch Code of Ethics and thus are not prohibited from conducting continuing education seminars for profit; however, the board is urged to adopt a “code of ethics” for its members.

Advisory Opinion 06-13 A potential employee can avoid a potential conflict, if hired, by abstaining from inspection of the mine he formerly owned, and from which he is still receiving payments and from inspections of mines that directly compete with the mine.

Advisory Opinion 06-14 An employee may not be involved in the hiring, supervision, evaluation, or discipline of another employee with whom he shares a household and with whom a “family-like” relationship exists in which he will benefit financially from the employee.

Advisory Opinion 06-15 Within limitations, the Division of Historic Properties may solicit donations of historical items and monuments, or cash donations in lieu thereof, from the public without creating the appearance of a conflict under KRS Chapter 11A, provided such solicitation is not of vendors or individuals seeking to influence the actions of the Finance Cabinet, excluding the Department of Revenue.

Advisory Opinion 06-16 A potential conflict does not exist for the Attorney General if the Office of the Attorney General is involved in the investigation or prosecution of the Governor unless the Attorney General becomes as a candidate for the Office of Governor.

Advisory Opinion 06-17 A non-merit employee may engage in and receive compensation for outside political activity provided a conflict does not exist between the political activity and the employee’s official duty.

Advisory Opinion 06-18 Employees of the Governor’s Office for Local Development may accept meals from local Chambers of Commerce since the local Chambers do not primarily represent persons or businesses that are attempting to influence the Governor’s Office for Local Development.

July 1, 2006 - June 30, 2007

Advisory Opinion 06-19 The Kentucky Commission on Human Rights may accept compensation for training classes provided for individuals and legal entities subject to the provisions of the Civil Rights Act provided the fee for the training does not exceed the expense of providing the training, and provided regulated individuals and entities are free to choose where they obtain such training.

Advisory Opinion 06-20 A legal defense fund may be established for the Governor and funds may be solicited. However, the Governor should not accept any donations from the fund that have been donated by a person or business that may have interests before a state agency if the Governor is directly involved or has had direct participation in those interests.

Advisory Opinion 06-21 The Commonwealth Office of Technology (“COT”) may notify state employees of a vendor discount included as part of a state contract, but should not advertise the vendor or its products publicly other than notification to state employees of the contract terms. A conflict of interest may exist for employees to be involved in the selection process of the vendor if they know they can benefit personally from the terms of the contract with the vendor.

Advisory Opinion 06-22 A former officer of the Environmental and Public Protection Cabinet, for six months, may not benefit from a contract with any of the agencies within the Cabinet that were under his supervision. After six months, the former employee is not prohibited from benefiting from a contract with agencies within the Cabinet, provided for six additional months, he doesn’t communicate with those agencies concerning specific matters with which he was directly involved.

Advisory Opinion 06-23 The chief of staff for the Commerce Cabinet may accept employment with ConnectKentucky since he had no direct involvement with ConnectKentucky as part of his official position with the state, and the Commerce Cabinet holds no contracts with ConnectKentucky.

Advisory Opinion 06-24 An individual employed through a contract by the Educational Professional Standards Board also may serve as a faculty member at a private college if in his state position he has no regulatory or discretionary decision-making involvement with the private college and if approved by the appointing authority of the Educational Professional Standards Board.

Advisory Opinion 06-25 The Department of Criminal Justice training may accept firearm training simulation machines from an association that represents cities since the association has no obvious incentive to attempt to influence the Department and since no appearance of impropriety will be created.

Advisory Opinion 06-26 Neither a potential candidate for Governor, nor any company of which he owns or controls a 5% interest, if elected, may contract with or enjoy a part of a contract with an executive branch agency.

Advisory Opinion 06-27 An employee of the Department of Mental Health and Mental Retardation Services may not work during off-duty hours for a regional mental health and mental retardation board if such service fulfills part of an agreement with his Department.

Advisory Opinion 06-28 A member of the Parole Board may serve as a director of 911

communications for a local county provided he refrains from matters on the Parole Board involving the local county where he serves.

Advisory Opinion 06-29 A spouse of a property valuation administrator may serve as a real estate agent provided a clear distinction is made between the spouse's work and the office of the property valuation administrator.

Advisory Opinion 06-30 A former employee may represent immediately before the Revenue Cabinet as long as such representation does not involve matters in which he was directly involved during the last thirty-six months of his tenure.

Advisory Opinion 06-31 Advisory Opinion 06-16 does not prohibit the Attorney General from filing as a candidate for the Office of Governor. However, if he were to run, a question may arise as to the Attorney General's actual impartiality during the conduct of the investigation and prosecution of the Governor.

Advisory Opinion 06-32 The Commissioner of Agriculture may accept compensation for serving as a spokesperson for a national company's products provided the Department of Agriculture neither regulates nor does business with the national company or any of its franchises, and provided the Commissioner does not identify his position as Commissioner in his endorsements for the national company.

Advisory Opinion 07-1 This opinion number has been voided.

Advisory Opinion 07-2 The Office of Financial Institutions is not prohibited from co-sponsoring a seminar entitled, "A Day with the Executive Director" with the Conference of State Banking Supervisors, but should not directly solicit financial institutions by sending invitations to the banking community, and as long as the fee for the seminar does not exceed the expense of providing the seminar.

Advisory Opinion 07-3 A program specialist who has responsibilities for, or may advise staff concerning, family support benefits may not have as tenants of rental units he owns individuals who receive family support benefits.

Advisory Opinion 07-4 This opinion authorizes a gifts exception to allow a Transportation Cabinet employee diagnosed with leukemia to accept donations from contractors of the Transportation Cabinet, provided the employee abstain for six months after returning to work from inspections of any of the contractors who have donated for his benefit.

Advisory Opinion 07-5 An employee of the Kentucky Housing Corporation who serves as a housing quality standards inspector for Section 8 and Safe Havens rental properties may not rent privately owned rental units to recipients of the Safe Havens voucher program.

Advisory Opinion 07-6 The Governor's Office of Wellness and Physical Activity may seek discounts from health clubs and weight loss programs on behalf of the Kentucky Employee

Health Plan and/or Get Health Kentucky members.

Advisory Opinion 07-7 A Kentucky not-for-profit corporation, 2008 Matches, Inc., is not an executive branch agency and thus may accept monetary donations from private companies; however employees of the Office of the Kentucky Sports Authority may not solicit donations on the not-for-profit's behalf from private companies that have a business or regulatory relationship with or are trying to influence the actions of the Office of the Kentucky Sports Authority.

Advisory Opinion 07-8 Although proper use of state time and attendance by employees is a management decision, flagrant misuse of work time and attendance by a public servant could rise to the level of a violation of the Executive Branch Code of Ethics. Employees have a duty to accurately record their time worked and leave time submitted to their agencies on their official timesheets. Agency timesheets should always reflect the actual days and hours that a public servant worked.

Advisory Opinion 07-9 University employees are not subject to the Executive Branch Code of Ethics even though they may be administering a program ultimately funded by an executive branch agency.

Advisory Opinion 07-10 Pursuant to the 2006-2008 Kentucky Biennial Budget Bill (House Bill 380), the Executive Branch Code of Ethics, found in KRS Chapter 11A, is applicable to the directors, officers and management and policymaking employees of the Louisville Arena Authority, Inc., and thus the board of directors for the Authority must file with the Executive Branch Ethics Commission annual statements of financial disclosure.

Advisory Opinion 07-11 This opinion provides guidance for ethical behavior in the personnel hiring process. Potential employees should not be shown favoritism or discrimination, or given an advantage or disadvantage, based on their political views, but rather should be employed because they are the most qualified or well suited for the position. All state employees should seek to act in an impartial manner when tasked with employment responsibilities. Circumventing processes of government regarding hiring practices which have been established by law or regulation is in derogation of the state at large.

Advisory Opinion 07-12 The Finance and Administration Cabinet may accept a donation of land from a vendor because the cost to contain the environmental hazards of the property is greater than the value of the property free of any environmental hazards. In substance, the donated property has no value in its current state without environmental improvements.

Advisory Opinion 07-13 The daughter of the director of the Division of Professional Learning and Assessment for the Educational Professional Standards Board may accept summer employment with a vendor of the Board, provided the director abstains from involvement with the vendor when necessary.

Advisory Opinion 07-14 For jurisdictional purposes, the Executive Branch Code of Ethics is applicable to any entity that is within the financial reporting entity of the Commonwealth as

determined by the Finance and Administration Cabinet and audited by the Auditor of Public Accounts, excluding state colleges, universities, legislative, and judicial entities, subject to revision by the legislature.

Advisory Opinion 07-15 The Executive Branch Ethics Commission grants an exception, pursuant to KRS 11A.045(1), to allow the Department of Veterans' Affairs to accept a truck from a company that is constructing a state veterans' cemetery.

Advisory Opinion 07-16 An inherent conflict exists when a Commonwealth's Attorney is involved in the specifications or consultation for a request for space to be solicited by the Finance and Administration Cabinet and subsequently bids to provide the space through a lease in his private capacity. However, if a Commonwealth's attorney removes himself from the request for space process, he may lease to the state a building he privately owns for use as office space for his own office since the lease is in substance with the Commonwealth of Kentucky as administered by the Finance and Administration Cabinet for the benefit of his agency, rather than with his agency directly. The Commonwealth's Attorney should take great care not to use his official position to give him an advantage in the leasing or renewing process.

Advisory Opinion 07-17 A branch manager employed by the Department of Libraries and Archives may provide consulting services for the World Games 2010 Foundation provided any agreement is in compliance with the Model Procurement Code in KRS 45A.340.

Advisory Opinion 07- 18 A candidate's website may link to and/or display information from a governmental website that is also available to the general public. However, a public servant should not use state resources (time, equipment) to have information displayed on a public governmental website that is strictly an attempt to give an advantage to himself or another person in a political campaign.

Advisory Opinion 07- 19 This opinion is a review of nepotism under the Executive Branch Code of Ethics and amends Advisory Opinion 04-34. A current employee who was employed under the direct supervision of a family member prior to the issuance of Advisory Opinion 04-34 (September 30, 2004), may remain in his position provided the family member takes action to remove as much potential for conflict as possible. Since the issuance of Advisory Opinion 04-34 (September 30, 2004), public servants should not have been, and should not be, involved in the employment or supervision of family members. This opinion also provides advice for conflict situations that can occur when a public servant is elected, appointed or promoted to a supervisory position directly over a family member.

Advisory Opinion 07- 20 This advisory opinion has not yet been issued.

Advisory Opinion 07-21 The terms "contract" and "agreement" as used in the Executive Branch Code of Ethics do not apply to an employment relationship with a state agency. Therefore, a former officer or elected official is not prohibited within six months of his resignation or retirement from having "employment" (interim, part-time, full-time) with the state agency for which he formerly worked or headed.

Advisory Opinion 07-22 The Commissioner of the Kentucky Department of Fish and Wildlife Resources may own and operate an environmental consulting business provided he comply with guidance in the opinion.

Advisory Opinion 07-23 An employee may not work as a temporary employee for another state agency unless the agreement with the temp agency is competitively bid.

Advisory Opinion 07-24 A leave of absence, whether paid or unpaid, from an employee's position in order to run as a candidate for office does not remove any conflicts of interest pertaining to the employee's position.

SUMMARY OF EXCEPTIONS

July 1, 2005-June 30, 2007

July 1, 2005-July 30, 2006

Exception No. 2005-4 (Advisory Opinion 05-37) This opinion authorizes a gift exception to allow an inspector to accept donations from an account set up to assist his family to which vendors have donated.

Exception No. 2005-5 (Advisory Opinion 05-40) This opinion authorizes a gift exception to allow the Chief of Staff to the Governor's Office for Local Development to accept wedding gifts from persons or businesses that work for local governments that may be regulated by and/or applying for grants from the Governor's Office for Local Development.

July 1, 2006-July 30, 2007

Exception No. 2006-1 (Advisory Opinion 06-25) The Department of Criminal Justice training may accept firearm training simulation machines from an association that represents cities since the association has no obvious incentive to attempt to influence the Department and since no appearance of impropriety will be created.

Exception No. 2007-1 (Advisory Opinion 07-4) This opinion authorizes a gifts exception to allow a Transportation Cabinet employee diagnosed with leukemia to accept donations from contractors of the Transportation Cabinet, provided the employee abstain for six months after returning to work from inspections of any of the contractors who have donated for his benefit.

Exception No. 2007-2 (Advisory Opinion 07-15) The Executive Branch Ethics Commission grants an exception, pursuant to KRS 11A.045(1), to allow the Department of Veterans' Affairs to accept a truck from a company that is constructing a state veterans' cemetery.

These summaries are designed to provide examples of decisions of actual inquiries of the Commission. Key points may have been deleted in the interest of brevity. Each opinion is

available in its entirety upon request from the Executive Branch Ethics Commission, Vest Lindsey House, 401 Wapping Street, Frankfort, KY, 40601, (502)564-7954, or on the Commission's website at <http://ethics.ky.gov/>.

FINANCIAL DISCLOSURE

One of the Commission's principal responsibilities is to administer the financial disclosure provisions of the statute. State elected officials and appointed officers in the executive branch of state government are required by statute to file a statement of financial disclosure with the Commission no later than April 15 for the previous calendar year or within 30 days of termination of employment. Candidates for executive branch state offices are required to file a disclosure statement no later than February 15 of an election year. Statements of Financial Disclosure are open to the public for inspection.

Failure to file a disclosure statement in a timely manner is punishable by withholding of the employee's salary until the statement is filed. The following information is required to be disclosed on the statement:

- ◆ Name and address, both residential and business;
- ◆ Title of position or office in state government;
- ◆ Other occupations of filer or spouse;
- ◆ Positions held by filer or spouse in any business, partnership, or corporation for profit;
- ◆ Names and addresses of all businesses in which the filer, spouse, or dependent children had an interest of \$10,000 or 5% ownership interest or more;
- ◆ Sources of gross income exceeding \$1,000 of the filer or spouse including the nature of the business;
- ◆ Sources of retainers received by the filer or spouse relating to matters of the state agency for which the filer works or serves in a decision-making capacity;
- ◆ Any representation or intervention for compensation by the filer or spouse before a state agency for which the filer works or serves in a decision making capacity;
- ◆ All positions of a fiduciary nature in a business;
- ◆ Real property in which the filer, spouse or dependent children has an interest of \$10,000 or more;
- ◆ Sources of gifts or gratuities with a retail value of more than \$200 to the filer, spouse or dependent children; and
- ◆ Creditors owed more than \$10,000.

The following statistics compare the disclosure statement filings for calendar years 2005 and 2006.

FINANCIAL DISCLOSURE STATEMENTS

	CALENDAR YEAR 2005		CALENDAR YEAR 2006	
	<u>#</u>	<u>% of Total</u>	<u>#</u>	<u>% of Total</u>
Statements Filed Timely	1249	90%	1427	95%
Active Officers Filed Late/ Salary Withheld**	82	6%	30	2%
Former Officers Filed Late	43	3%	39	3%
Former Officers Investigated for Failure to File Timely	8	1%	2	<1%
TOTAL REQUIRED FILINGS	1382	100%	1498	100%
Disclosure Statements Audited	238	17%	408	27%

**Officers who filed late were subject to salary withholding; however, because of the two-week delay in processing payrolls, the officers were able to file prior to any actual withholding taking place.

AUDITS

Upon receipt of the Statements of Financial Disclosure, each is reviewed to determine whether it is complete and the instructions have been followed. The Commission is required by statute to audit the Statements to detect information that might suggest a conflict of interest or other impropriety. If such is detected, staff may refer Statements to the Commission and investigations may be initiated.

ELECTRONIC FORMS

Employees may download a blank Statement of Financial Disclosure form from the Commission's web site at <http://ethics.ky.gov/> and complete the SFD form electronically, print a paper copy and forward it with an original signature to the Commission. Paper forms are provided upon request.

INVESTIGATIONS, ADMINISTRATIVE PROCEEDINGS AND LITIGATION

COMPLAINTS

A citizen of the Commonwealth may submit a complaint signed under penalty of perjury alleging a violation of KRS Chapter 11A. The provisions of KRS 11A.080 require the Commission to investigate such a complaint. In addition, the Commission may initiate a preliminary investigation of an alleged violation upon its own motion based on information obtained from various sources such as information received by Commission staff, a referral from another state agency, or a media story.

INVESTIGATIONS

Investigations are conducted by the Commission staff, referred to another agency, or conducted jointly with another agency. Within ten (10) days of the commencement of a preliminary investigation, a copy of the sworn complaint (if applicable) and a statement of the applicable law are forwarded to the alleged violator. Likewise, if the preliminary investigation is initiated upon the Commission's own motion, the alleged violator must be notified within ten (10) days.

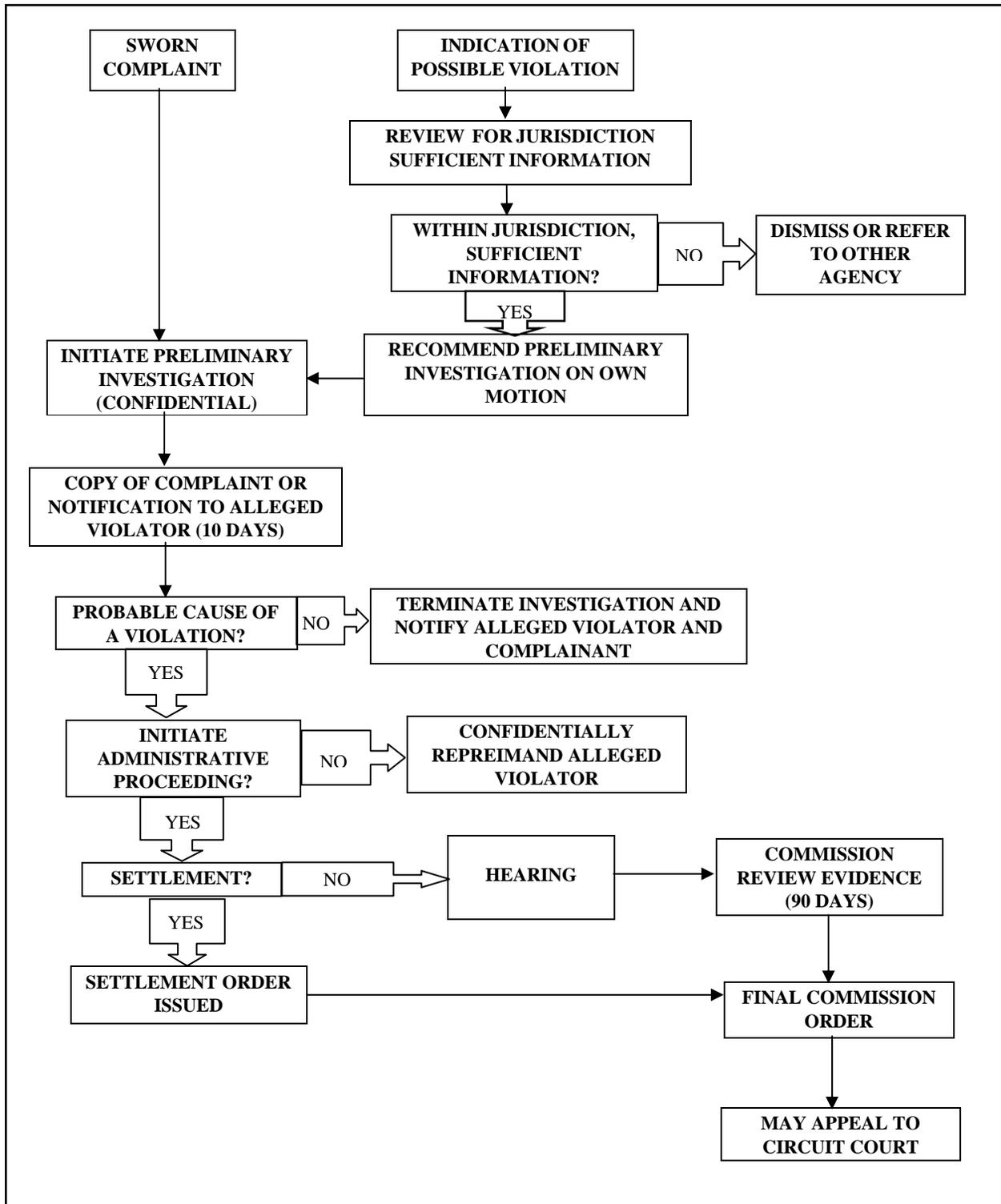
Commission records and proceedings relating to a preliminary investigation are confidential until the Commission makes a final determination, unless the alleged violator confirms the existence of the investigation. The Commission may then publicly confirm the existence of the investigation, and, in its discretion, make public any documents issued.

If the Commission determines, as a result of a preliminary investigation, that the facts are not sufficient to find probable cause of a violation of the code of ethics, the Commission must terminate the investigation and notify the complainant, if any, and the alleged violator in writing.

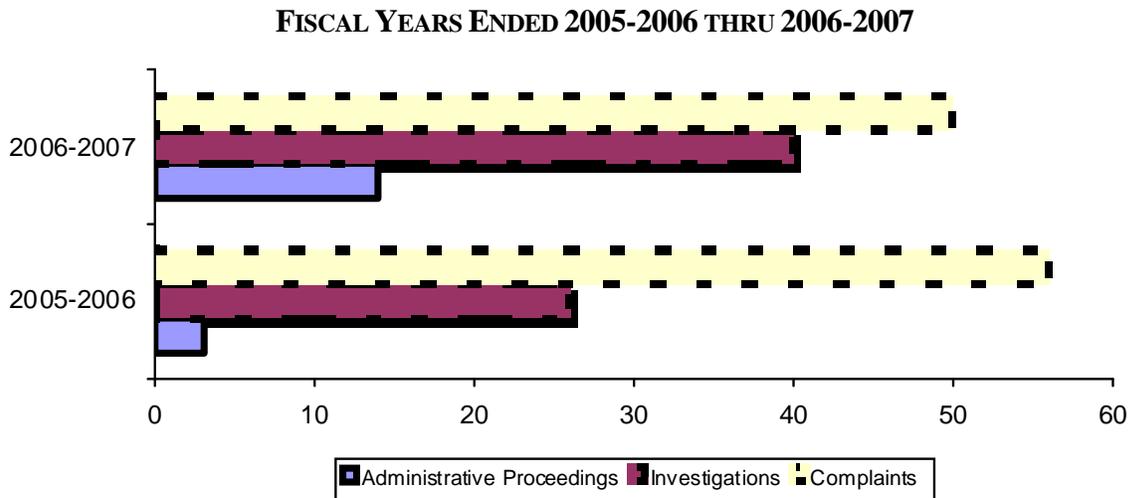
The Commission may confidentially inform the alleged violator of potential violations and provide information to ensure future compliance. If the alleged violator publicly discloses the existence of the action by the Commission, the Commission may confirm its action, and, in its discretion, make public any documents issued to the alleged violator.

INVESTIGATIVE FLOW CHART

The following flow chart illustrates the Commission's investigative process.



If the Commission finds, during a preliminary investigation, that probable cause of a violation has occurred, the Commission may: 1) due to mitigating circumstances such as no significant loss to the state, lack of significant economic gain to the alleged violator, or lack of significant impact on public confidence in government, issue to the alleged violator a confidential reprimand and provide a copy of the reprimand to the alleged violator's appointing authority; or, 2) initiate an administrative proceeding to determine whether there has been a violation.



ADMINISTRATIVE PROCEEDINGS

The provisions of KRS Chapter 13B apply to all Commission administrative hearings. If, during an administrative hearing, the Commission finds clear and convincing proof of a violation of the code of ethics, it may require the violator to cease and desist the violation, require the violator to file any required report or statement, publicly reprimand the violator, recommend the appointing authority suspend or remove the violator from office or employment, and/or impose a civil penalty of not more than \$5,000 per each violation. In addition, any violation that has substantially influenced action taken by any state agency in a matter shall be grounds for voiding, rescinding or canceling the action based on the interests of the state and innocent third persons. The Commission must refer to the Attorney General for prosecution any violations of KRS 11A.040. Final action by the Commission may be appealed to the Circuit Court upon petition of any party in interest.

STATISTICS

	<u>2005--2006</u>	<u>2006--2007</u>
Possible Violations Reviewed	56	50
Investigations Initiated	26	40
Investigations Terminated	10	26
Confidential Reprimands	2	3
Administrative Proceedings Initiated	3	14
Cases Referred To Law Enforcement Agencies	7	8
Employees Penalized	5	10
Investigations Active at Fiscal Year End	29	27

DISPOSITION OF INVESTIGATIONS

Informal complaints received by the staff were researched and either brought to the Commission, referred to another agency, or dismissed for lack of jurisdiction. Of the preliminary investigations initiated, either during this biennium or the previous one, 36 did not have sufficient facts to constitute a violation of the code of ethics; however, many alleged violators were sent information to ensure future compliance with the code of ethics. Five (5) investigations showed probable cause of a violation; however, due to mitigating circumstances, the alleged violators were confidentially reprimanded. Twenty-seven (27) investigations remained active as of June 30, 2007. In seventeen (17) other investigations, the Commission found probable cause of violations and issued initiating orders for administrative proceedings. The proceedings are detailed as follows:

ADMINISTRATIVE ACTION JULY 1, 2005 THROUGH JUNE 30, 2007

Case No. 05-101

ALLEGATION: That a former employee of the Environmental and Public Protection Cabinet violated KRS 11A.020(1)(c) and (d) by receiving payment from her agency for 7.5 hours worked per day when she habitually worked fewer, or no, hours per day; violated KRS 11A.020(1)(c) and (d) by using her state issued procurement card to purchase numerous items for her personal use or which she later converted to her personal use; violated KRS 11A.020(1)(c) and (d) and KRS 11A.040(4) by selling to her agency for personal gain a total of approximately 15 photographs that she produced using state-purchased equipment; violated KRS 11A.020(1)(a) and (c) by using her state issued procurement card to purchase \$240 worth of

merchandise for her agency from a business owned by her mother; and violated KRS 11A.020(1)(c) and (d) by gambling on-line while at work.

CONCLUSION: In a Settlement Agreement, the former employee admitted to violating KRS 11A.020(1)(a), (c), and (d) as alleged. The Commission dismissed the allegation that she violated KRS 11A.040(4). The former employee also agreed to pay a \$2500 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 05-102

ALLEGATION: That an employee of the Transportation Cabinet, violated KRS 11A.020(1)(a) and (d) by using his official title and place of employment to further his private interests as an independent appraiser; violated KRS 11A.020(1)(c) and (d) by performing activities relating to his outside employment while he was on state time and using a state vehicle; and violated KRS 11A.020(1)(d) by altering and creating documents on his state-owned computer in an attempt to thwart an official investigation in order to obtain a personal advantage.

CONCLUSION: In a Settlement Agreement, the employee, while stating that he was not aware or knew that his actions were in violation of the provisions of KRS Chapter 11A, recognized that the factual allegations against him represented violations of KRS 11A.020(1)(a), (c), and (d). He also recognized the potential for conflicts that could arise while conducting appraisals in a private capacity, and agreed to strictly avoid performing private appraisal work that could in any way relate to his work with the Transportation Cabinet. The employee also agreed to pay a \$500 civil penalty, agreed to a public reprimand, and waived any right to appeal. The Commission dismissed the allegation that the employee altered and created documents on his state-owned computer in an attempt to thwart an official investigation in order to obtain a personal advantage.

Case No. 05-103

ALLEGATION: That an employee of the Transportation Cabinet, violated KRS 11A.020(1)(b) and (d) by using or attempting to use his influence and/or official position to influence Consultant Selection Committee members for the benefit of certain outside consulting firms during two open selection processes relating to Transportation Cabinet projects.

CONCLUSION: In a Settlement Agreement, the employee admitted to violating KRS 11A.020(1)(b) and (d) as alleged. He also agreed to pay a \$500 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 06-101

ALLEGATION: That a former employee failed to file Statement of Financial Disclosure for the portion of calendar year 2004 during which he was employed by the Department of Public Advocacy in violation of KRS 11A.050.

CONCLUSION: This case was dismissed when the Respondent passed away.

Case No. 06-102

ALLEGATION: That an employee of the Transportation Cabinet, violated KRS 11A.020(1)(b) and (d) by using or attempting to use his influence and/or official position in directing a Deputy State Highway Engineer to use or attempt to use his influence and/or official position to influence Consultant Selection Committee members for the benefit of certain outside consulting firms during two open selection processes relating to Transportation Cabinet projects.

CONCLUSION: In a Settlement Agreement, the employee admitted to violating KRS 11A.020(1)(b) and (d) as alleged. He also agreed to pay a \$1500 civil penalty, agreed to a public reprimand, agreed to cooperate fully with the Commission in related investigations, and waived any right to appeal.

Case No. 06-103

ALLEGATION: That a former employee failed to file Statement of Financial Disclosure in violation of KRS 11A.050 for the portion of calendar year 2005 during which he was employed by the Transportation Cabinet.

CONCLUSION: The former employee subsequently filed his Statement of Financial Disclosure, and in a Settlement Agreement, admitted to violating KRS 11A.050 as alleged. He also agreed to pay a \$100 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 06-104

ALLEGATION: That a former employee failed to file Statement of Financial Disclosure in violation of KRS 11A.050 for the portion of calendar year 2005 during which he was employed by the Kentucky Retirement Systems.

CONCLUSION: The former employee subsequently filed his Statement of Financial Disclosure, and in a Settlement Agreement, admitted to violating KRS 11A.050 as alleged. He also agreed to pay a \$100 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 06-105

ALLEGATION: That a former employee failed to file Statement of Financial Disclosure in violation of KRS 11A.050 for the portion of calendar year 2005 during which he was employed by the Commerce Cabinet.

CONCLUSION: The former employee subsequently filed his Statement of Financial Disclosure in a Settlement Agreement, admitted to violating KRS 11A.050 as alleged. He also agreed to pay a \$100 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 06-106

ALLEGATION: That a former employee failed to file Statement of Financial Disclosure in violation of KRS 11A.050 for the portion of calendar year 2005 during which she was employed by the Cabinet for Health and Family Services.

CONCLUSION: The former employee subsequently filed her Statement of Financial Disclosure and a Settlement Agreement, admitted to violating KRS 11A.050 as alleged. She also agreed to pay a \$100 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 06-110

ALLEGATION: That a former employee of the Transportation Cabinet violated KRS 11A.020(1)(b) and (d) by using or attempting to use his official position to influence a public agency and to give advantages to certain individuals in derogation of the public interest at large by facilitating the systematic preselection or approval of individuals, based on private political interests rather than qualifications, and directing that they be placed in merit system positions or promoted with disregard to personnel statutes or regulations governing the merit system hiring procedures; violated KRS 11A.020(1)(a) by placing private political interests above his duties as an employee of the Commonwealth of Kentucky when he facilitated the hiring, appointment, promotion, demotion, or transfer of individuals based on political considerations rather than qualifications; violated KRS 11A.020(1)(a), (b), and (d) by using or attempting to use his official position to influence a public agency by drafting and maintaining a "hit list" comprised of both classified (merit) system employees of the Transportation Cabinet and unclassified (non-merit) employees of the Transportation Cabinet, for the purpose of identifying these employees for adverse personnel actions (terminations, reversions, reassignments, and involuntary transfers) based in large part on their political affiliation or opinion; violated KRS 11A.020(1)(a) and (b) by using or attempting to use his official position to facilitate the involuntary transfer and demotion of a state classified (merit) system employee of the Transportation Cabinet, without cause, based on political affiliation or opinion; violated KRS 11A.020(1)(a), (b), and (d) by using or attempting to use his official position to influence a public agency in the appointment of a state classified (merit) system position in the Transportation Cabinet and give her an advantage over other more qualified individuals based solely on her political connections and support of the

current administration rather than her qualifications; violated KRS 11A.020(1)(a), (b), and (d) by using or attempting to use his official position to influence a public agency in the appointment of an individual based on his family relationship to a close supporter of the political agenda of the current administration, rather than his qualifications, to a state classified (merit) system position in the Transportation Cabinet; violated KRS 11A.020(1)(a), (b), and (d) by using or attempting to use his official position to influence a public agency in the appointment of an individual based on his family relationship to a high ranking state official, rather than his qualifications, to a state classified (merit) system position in the Transportation Cabinet created for this purpose; violated KRS 11A.020(1)(a) and (b) by using or attempting to use his official position by participating in the involuntary dismissal of a state classified (merit) system employee of the Transportation Cabinet, based on the employee's political affiliation or opinion; violated KRS 11A.020(1)(d) by using or attempting to use his official position to access official documents in order to alter them so that they might not be used as evidence against him or others in legal proceedings; and violated KRS 11A.020(1)(d) by using or attempting to use his official position to influence a state classified (merit) system employee of the Transportation Cabinet, to alter or falsify her future testimony in official proceedings so that her testimony might not be used as evidence against him or others.

CONCLUSION: This case is pending.

Case No. 07-101

ALLEGATION: That an employee of the Transportation Cabinet, violated KRS 11A.020(1)(a) by using or attempting to use his influence to obtain employment for his father from the owner of a company that was a subcontractor on a bridge project on which the employee was the Transportation Cabinet's inspector; and violated KRS 11A.020(1)(c) by using his official position to obtain financial gain for a member of his family when he sought employment for his father from the owner of a company that was a subcontractor on a bridge project on which the employee was the Transportation Cabinet's inspector.

CONCLUSION: In a Settlement Agreement, the employee admitted to violating KRS 11A.020(1)(a) and (c) as alleged. He also agreed to pay a \$100 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 07-102

ALLEGATION: That an employee of the Transportation Cabinet, violated KRS 11A.040(4) by knowingly entering into Fill Material Agreements with a corporation that was to be awarded a contract by the Transportation Cabinet relating to an interstate reconstruction project adjacent to property owned by him, thereby enabling him to enjoy a part of a contract with the agency by which he is employed; and violated KRS 11A.020(1)(d) by falsely denying that he had ever contacted or been contacted by contractors related to the potential use of his property as a fill site, and further stating that he would not allow the property to be used as a fill site if he was contacted by contractors.

CONCLUSION: In a Settlement Agreement, the employee admitted to violating KRS 11A.020(1)(d) and 11A.040(4) as alleged. He also agreed to pay a \$1500 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case No. 07-103

ALLEGATION: That the Commissioner of Highways in the Transportation Cabinet violated KRS 11A.020(1)(b) and (d) by using or attempting to use his influence and/or official position in directing the State Highway Engineer to use or attempt to use his influence and/or official position to influence Consultant Selection Committee members for the benefit of a certain outside consulting firm during an open selection process relating to a Transportation Cabinet project.

CONCLUSION: This case is pending.

Case No 07-104

ALLEGATION: That a former employee of the Kentucky Housing Corporation, violated KRS 11A.020(1)(a),(c), and (d) by using her official position to obtain financial gain for a member of her family when she approved draw requests from the Housing Development Fund program in the name of a business partner of her husband's. The employee had previously been cautioned to have no further professional involvement with any contracting or building firm for whom her husband may work or be involved.

CONCLUSION: In a Settlement Agreement, the employee admitted to violating KRS 11A.020(1)(a), (c) and (d) as alleged. She also agreed to pay a \$500 civil penalty, agreed to a public reprimand, and waived any right to appeal.

Case 07-105

ALLEGATION: That an employee of the Kentucky Board of Engineers and Land Surveyors, violated KRS 11A.020(1)(c) and (d) by using his official position to obtain financial gain for himself and to secure or create privileges, exemptions, advantages, or treatment for himself in derogation of the public interest at large by regularly receiving payment from his agency for hours worked per day, when in fact he habitually works fewer hours per day, or at times did not come to work at all.

CONCLUSION: This case is pending.

Case No. 07-106

ALLEGATION: That a former Deputy Secretary of the Transportation Cabinet violated KRS 11A.020(1)(a) and (b) by using or attempting to use his official position by participating in the involuntary dismissal of a state classified (merit) system employee of the Transportation Cabinet, based on political affiliation or opinion. Such action presented a substantial conflict between the employee's personal political interests and his duty in the public interest in disregard of the statutes and regulations governing the merit hiring system.

CONCLUSION: This case is pending.

Case No. 07-107

ALLEGATION: That a former Commissioner of the Governor's Office for Local Development violated KRS 11A.020(1)(a), (b), and (c) by using or attempting to use his official position and influence to pressure the Executive Directive of the Office for Human Resource Management, Cabinet for Health and Family Services, the agency's appointing authority, to direct that an individual be placed in a merit position, based on political support for the current administration, in disregard of the fact that the individual continually interviewed poorly and was not the best qualified person for any of the merit positions for which she had interviewed.

CONCLUSION: This case is pending.

Case No. 07-108

ALLEGATION: That a former Deputy Secretary of the Personnel Cabinet, and former Director of the Governor's Office of Personnel and Efficiency, violated KRS 11A.020(1)(a), (b), and (c) by using or attempting to use his official position and influence by instructing the Executive Director of the Governor's Office for Local Development ("GOLD") to "get rid" of some of GOLD's higher paid merit employees on the basis of their political contributions; violated KRS 11A.020(1)(a), (b), and (d) by placing private political interests above his duties as an employee of the Commonwealth of Kentucky when he attempted to influence officials in the Office of Human Resource Management, Cabinet for Health and Family Services to give employment advantages to certain individuals by instructing the officials to speed up the "personnel initiative" process of placing individuals recommended by legislators, county judges and others who supported the Governor in merit positions based on the source of recommendation and the applicant's political support of the Governor rather than on the applicant's qualifications, referencing the Transportation Cabinet's method of doing so as an example for them to follow; violated KRS 11A.020(1)(b) and (d) by using or attempting to use his official position to influence a public agency and to give advantages to certain individuals in derogation of the public interest at large by directing personnel of various agencies to hire merit system applicants based on private political interests rather than qualifications or agency personnel preference with disregard to personnel statutes or regulations governing the merit system hiring procedures; and violated KRS 11A.020(1)(a) by placing private political interests

above his duties as an employee of the Commonwealth of Kentucky when, as the effective director of the “personnel initiative,” he aided and abetted the hiring, appointment, promotion, demotion, or transfer of individuals based on political considerations rather than qualifications.

CONCLUSION: This case is pending.

Case No. 07-109

ALLEGATION: That a former Director in the Commerce Cabinet, and former Deputy Secretary, Personnel Cabinet, violated KRS 11A.020(1)(b) and (d) by using or attempting to use his official position to influence a public agency and to give advantages to certain individuals in derogation of the public interest at large by directing personnel of various agencies to hire merit system applicants based on private political interests rather than qualifications or agency personnel preference with disregard to personnel statutes or regulations governing the merit system hiring procedures; and violated KRS 11A.020(1)(a) by placing private political interests above his duties as an employee of the Commonwealth of Kentucky when, as the effective co-director of the “personnel initiative,” he aided and abetted the hiring, appointment, promotion, demotion, or transfer of individuals based on political considerations rather than qualifications.

CONCLUSION: This case is pending.

LITIGATION

INTRODUCTION

All final orders of the Commission issued pursuant to an administrative hearing are appealable to circuit court. The Commission also may initiate court actions to collect unpaid fines and may initiate court actions where judicial intervention is necessary to enforce the orders of the Commission.

COURT REVIEW OF ETHICS VIOLATIONS

William L. Huffman v. Executive Branch Ethics Commission, Franklin Circuit Court, Division II, Civil Action No. 04-CI-01441

Mr. Huffman filed an appeal of the Commission's September 30, 2004, Final Order in which the Commission found clear and convincing proof that Mr. Huffman violated the Code of Ethics on 14 counts by his improper use of sick leave and misuse of state resources, and which ordered that a civil penalty of \$2500 be imposed along with a public reprimand. Upon Mr. Huffman's request, the Commission granted a stay of its Final Order pending this appeal. The appeal remains pending with no further action having been taken.

COMMISSION-INITIATED ACTION

Executive Branch Ethics Commission v. Commonwealth of Kentucky Office of the Governor; Governor's Office for Local Development; Commonwealth Office of Technology; Finance and Administration Cabinet; Personnel Cabinet; Commerce Cabinet; and Transportation Cabinet, Franklin Circuit Court, Division II, Civil Action 05-CI-1743

The Commission filed this action seeking to have the Court enforce subpoenas which the Commission had served on the various defendants. By Agreed Order, the subpoenaed documents were eventually produced, with the exception of ones on which privilege claims were made. This matter remains open.

Executive Branch Ethics Commission v. 37 Unnamed Individuals, Franklin Circuit Court, Div. II, Civil Action No. 06-CI-01053

The Commission filed a Petition for Relief pursuant to KRS 11A.090 asking the Franklin Circuit Court to issue an order requiring 37 individuals to comply with subpoenas earlier served upon them by providing the Commission with the sworn statements directed in the administrative subpoenas, or should they fail to do so, be held in contempt for their failure to comply. This

litigation is related to the Commission's merit system hiring investigation.

OTHER LITIGATION

Regarding Special Grand Jury Investigation, Franklin Circuit Court, Division II, MISC. #88

In this ongoing proceeding, the Commission filed a motion seeking the release of the Grand Jury material relating to its merit hiring investigation. The Personnel Board did the same, with both motions being heard at the same time. The Judge ordered the release of all Grand Jury materials, including oral testimony, to the Commission, the Personnel Board, and the Kentucky Bar Association.

Gregory D. Stumbo v. Executive Branch Ethics Commission, Floyd Circuit Court, Div. I, Civil Action No. 07-CI-184

Mr. Stumbo, the state's Attorney General, in his individual capacity filed suit against the Commission itself as well as all five of its current members in their official capacities seeking relief from the Floyd Circuit Court of actions taken by the Commission and its officers in their official capacity by means of the Advisory Opinions 06-16 and 06-31. The Commission issued these opinions on its own initiative regarding whether a conflict existed for the Attorney General if the Office of the Attorney General was involved in the investigation or prosecution of the Governor. In Advisory Opinion 06-16, issued following the Commission's June 16, 2006, meeting, the Commission concluded that no conflict existed unless the Attorney General became a candidate for governor, in which case the potential for conflict would present itself. Following a request for reconsideration from Mr. Stumbo, the Commission in Advisory Opinion 06-31, issued at its December 15, 2006, meeting, upheld its original opinion.

The Court ruled against the Commission's Motion to Dismiss for Lack of Proper Venue, which was followed by the Commission filing its answer to the complaint. No further action has been taken by either party.

EXECUTIVE AGENCY LOBBYING

REGISTRATION

Any person engaged for compensation to influence, on a substantial basis, a decision to be made by an executive branch official or staff member concerning a state expenditure, grant or budgetary allocation of state funds must register with the Commission, along with his employer, and real party in interest, if applicable, as an executive agency lobbyist within ten (10) days of the engagement. Thus, if a person attempts to secure business with the state by communicating and attempting to influence a state employee's decision, the person must register as an executive agency lobbyist if attempts are made involving state funds of over \$5000. Upon registration, an executive agency lobbyist is issued a registration card.

Registration as an executive agency lobbyist is not required if:

- ✓ Decisions involve no state funds or state funds of less than \$5000;
- ✓ Merely responding to a request for proposal or submitting a bid;
- ✓ Contacts with state officials are for information gathering only;
- ✓ Lobbying is conducted only during appearances before public meetings of executive branch agencies;
- ✓ Lobbyist is an employee of a federal, state or local government, of a state college or university, or of a political subdivision, and is acting within his official duty; or
- ✓ Exercising the constitutional right to assemble with others for the common good and petition executive branch agencies for the redress of grievances.

Executive agency lobbyists, employers, and real parties in interest registered with the Commission must update their registration and report to the Commission annually any expenditures made to or on behalf of an executive branch employee. In addition, executive agency lobbyists, employers and real parties in interest are required to report any financial transactions with or for the benefit of an executive branch employee. A copy of the required expenditure or financial transaction statement must be sent to the official or employee who is named by the executive agency lobbyist at least ten days prior to the date it is filed with the Commission.

Information explaining the requirements for executive agency lobbyists has been published in an *Executive Agency Lobbying Handbook* that is available free of charge to lobbyists, their employers, or other interested persons. Included in the *Handbook* are the registration forms required to be filed. The *Handbook* is also available on the Commission's website at <http://ethics.ky.gov/>.

Lobbyists are required to identify on their registration statements the type of industry that they represent. The table below shows the type of industries represented as of June 30, 2004 and 2005.

TYPE OF INDUSTRY	2005-2006		2006-2007	
	NUMBER OF LOBBYISTS	NUMBER OF EMPLOYERS	NUMBER OF LOBBYISTS	NUMBER OF EMPLOYERS
Advocacy Groups/Non-Profit	25	12	21	13
Agriculture/Equine/Tobacco	29	14	21	8
Architects/Engineers/Construction	251	76	200	64
Banking/Financial Services/ Investments	142	48	131	49
Communications/Telecom	36	16	42	14
Computer/Information Systems/Internet	102	36	109	40
Criminal Justice/Corrections	17	9	18	9
Education	48	15	35	12
Entertainment/Gaming /Hotel	40	20	30	14
Environmental Services	11	9	11	9
Health Care/Hospital/ Pharmaceuticals	194	87	177	114
Legal/Law Firm	33	15	20	10
Local Government/Economic Development	78	35	76	34
Media/Public Relations	13	6	11	6
Minerals/Petroleum/Utilities	36	12	34	12
Transportation	10	9	17	8
TOTAL	1065	419	953	416

The Commission maintains all registration statements filed by executive agency lobbyists, employers and real parties in interest. The statements are open records subject to inspection by the public. In addition, all statement information is maintained on a database so that such information may be cross-referenced between lobbyist, employer and real party in interest and is readily accessible to the general public.

As of June 30, 2006, 1065 executive agency lobbyists representing 419 employers were registered with the Commission; on June 30, 2007, 953 executive agency lobbyists representing 416 employers were registered.

A comparison of registered lobbyists and employers for each year is shown below.

ENFORCEMENT ACTION

Any lobbyist, employer or real party in interest who fails to file an initial or updated registration statement as required by the lobbying laws may be fined by the Commission an amount not to exceed \$100 per day, up to a maximum fine of \$1,000. During fiscal year 2005-06 and 2006-07, the Commission took no enforcement action against executive agency lobbyists or their employers.

LEGISLATIVE HISTORY AND RECOMMENDATIONS

On December 10, 1991, shortly after taking office, Governor Brereton C. Jones issued Executive Order 91-2, pertaining to standards of ethical conduct for executive branch employees. The executive order detailed prohibitions of employees, required financial disclosure by certain employees, and directed the Governor's general counsel to prepare ethics legislation for the 1992 General Assembly. This was the beginning of the code of ethics.

On April 12, 1992, Senate Bill 63 was passed by the General Assembly, creating the "Executive Branch Code of Ethics," codified as KRS 11A. The code became effective in July 1992. During the 1993 Special Session of the General Assembly, held to enact a legislative code of ethics, the Executive Branch Code of Ethics was amended to include a new section pertaining to executive agency lobbying, effective September 1993. Numerous amendments have been made to the code of ethics during subsequent sessions of the General Assembly.

2008 REGULAR SESSION LEGISLATIVE GOAL

Although the Commission believes there are many changes that would improve the code of ethics, it limits its recommendation for the 2008 Regular Session of the Kentucky General Assembly to those proposals it believes will strengthen and restore trust in government officials and employees in the executive branch, listed below, as well as some necessary housekeeping issues.

COMMISSION MEMBER NOMINATION – Include other elected constitutional officers (the Attorney General, and the Auditor of Public Accounts, the Secretary of State, etc.) in the nomination process of some of the commission members for the Governor to appoint. Attach the Commission to the Finance and Administration Cabinet for administrative purposes, rather than the Office of the Governor.

BOARDS AND COMMISSIONS – Prohibit board and commission members from contracting with the board or commission on which they serve; require board and commission members to disclose any potential conflict of interest they may have and abstain from related decisions; make board and commission members subject to gifts provisions of KRS Chapter 11A; and revise the definition of "officer" to include only those board and commission members who are salaried or are subject to the code of ethics per their enabling statutes, rather than the members of several non-salaried boards currently defined as officers (and thus subject to the entire code of ethics in Chapter 11A).

WHISTLEBLOWER PROTECTION – Include the Executive Branch Ethics Commission as one of the state agencies to which employees may bring to the attention possible violations of law without the fear of reprisal. (KRS 61.102).

MISUSE OF OFFICE – Include (but not limited to) the following under KRS 11A.020(1)(d): Prohibit use of public servants' office or position when seeking other employment or contract for services for oneself; prohibit the misuse of state time, equipment, personnel, facilities, or state resources for private business or campaigns; and prohibit soliciting, selling to or otherwise engaging in a financial transaction with a subordinate or a person or

business whom the public servant regulates, does business with, or supervises in the public servant's official capacity, if the economic benefit is \$25 or more.

CONFIDENTIALITY LANGUAGE – Clarify this language in KRS 11A.080(2) to make it clear that investigations are confidential unless and until there is a final order.

PUBLIC CONFIRMATION – Allow the Commission to publicly confirm an investigation if the violations alleged were made public by another state agency and publicly referred to the Commission by that state agency.

PUBLIC SERVANTS – Include as public servants those persons who perform state service on contract in a full-time position.

EXCEPTIONAL SERVICE – Allow awards for exceptional service as long as in compliance with KRS 11A.045(1).

ENTITLEMENTS – Amend KRS 11A.040(4)(b) & (6) to specify that the exception is only for those receiving benefits, not administrative costs. Remove last phrase of KRS 11A.040(7).

MINIMUM STANDARDS FOR OTHER CODES – Include minimum ethical standards for other agencies that are statutorily exempt (based on KRS 11A.015) from the executive branch ethics code.

PENALTIES – Allow that a violation of KRS Chapter 11A is a reason for dismissal under KRS 18A or any other personnel statutes for agencies not covered by KRS 18A.

NEGOTIATE FOR FUTURE EMPLOYMENT - Prohibit a public servant from negotiating for future employment with a person or business with which the public servant is directly involved as part of his official duty.

VOLUNTEERS – Include as a public servant any “unpaid executive officer.” Define “executive officer.”

OUTSIDE EMPLOYMENT REPORTS - Reduce the filing of outside employment reports by agencies from quarterly to annually.

STATEMENT OF FINANCIAL DISCLOSURE - Expand the filing deadline for statements of financial disclosure from 30 days to ninety (90) day upon leaving state government; change KRS 11A.990(2) to state that salary will be withheld from the sixteenth (16th) day of noncompliance instead of the first (1st).

GIFTS LANGUAGE - Increase gifts limitation per source to \$50 for a single calendar year.

PUBLIC INFORMATION

MEETINGS

The Commission holds monthly or bi-monthly meetings to consider advisory opinion requests, conduct business and issue orders related to administrative proceedings. Investigations and litigation reviews are conducted in closed, executive session. Notice of open meetings is sent to the press pursuant to Kentucky's Open Records Law, KRS 61.810. The public is welcome to attend open meetings.

PUBLIC RECORDS

The Commission keeps on file many documents that are public record and are available for public inspection during normal business hours (8:00 a.m. to 4:30 p.m.) on regular state workdays.

- Financial Disclosure Statements
Filed by elected officials, officers, and candidates for office within the executive branch
- Administrative Proceedings Case Files
Maintained on all administrative actions taken by the Commission
- Commission Meeting Minutes
- Executive Agency Lobbyist, Employer, and Real Party in Interest Registrations
- Executive Agency Lobbyist Listings
- Executive Agency Lobbying Statistical Reports
- Gift Disclosure Statements

EDUCATIONAL MATERIALS

-  *Biennial Reports*
-  *Guide to the Executive Branch Code of Ethics*
-  *Advisory Opinions*
-  *Executive Agency Lobbying Handbook*
-  **Brochures:**
 -  *Leaving State Government?*
 -  *Current or Former Employee Seeking to do Business with the State?*
 -  *Acceptance of Gifts*

CODE OF ETHICS

KRS Chapter 11A requires that public servants work for the benefit of the people of the Commonwealth. The code of ethics recognizes that public office is a public trust where government is based upon the consent of its citizens. Citizens are entitled to have complete confidence in the integrity of their government.

- Employees must be independent and impartial;

- Decisions and policies must not be made outside the established processes of government;

- Employees should not use public office to obtain private benefits;

- Employees' actions should promote public confidence in the integrity of government;

- Employees should not engage or be involved in any activity that has the potential to become a conflict of interest with their state employment.

COMMONWEALTH OF KENTUCKY

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