

COMMONWEALTH OF KENTUCKY

EXECUTIVE BRANCH
ETHICS COMMISSION



BIENNIAL REPORT

JULY 1, 2021 - JUNE 30, 2023

31 YEARS OF SERVICE
JULY 1, 1992 – JUNE 30, 2023

Printed with State Funds
2023

EXECUTIVE BRANCH ETHICS COMMISSION

BIENNIAL REPORT

FISCAL YEARS ENDING JUNE 30, 2022, AND JUNE 30, 2023

COMMISSION CHAIR & VICE CHAIR

Judge Roger L. Crittenden (Ret.)

Chair, July 14, 2020 – Present
(Member, May 27, 2020 – Present)

Sen. David Karem (Ret.)

Vice-Chair, July 14, 2020 – Present
(Member, May 27, 2020 – Present)

COMMISSION MEMBERS

Crit Luallen

(Member, May 27, 2020 - Present)

Justice Daniel J. Venters (Ret.)

(Member, June 15, 2020 - Present)

David Samford

(Member, June 23, 2020 – Present)

STAFF

Susan Stokley Clary, Executive Director
(April 16, 2022, to present)

Sucheta Meena Mohanty, General Counsel
(August 16, 2023, to present)
(Deputy General Counsel -January 16, 2019, to August 15, 2023)

Eden Davis Stephens, Deputy General Counsel
(November 1, 2023, to present)

L. Adrienne Willis, Executive Assistant/Paralegal
(September 16, 2022, to Present)

Jenny May, Lobbyist Coordinator
(October 16, 1994, to present)

Bella Wells, Investigator
(June 1, 2018, to present)

Nellie Ramsey, SFD Coordinator
(May 16, 2021, to present)

Virginia W. Hill
(November 1, 2023, to present)

Emily J. Prince, Law Clerk
(May 8, 2023, to present)

FORMER STAFF

Kathryn Gabhart, Executive Director, and General Counsel (April 2011 to January 2022)
Michael Board, General Counsel (October 2017 to July 2021)
Steven Pulliam, General Counsel (September 2021 to August 2023)
Alison Chavies, Executive Assistant/Paralegal (June 2019 to July 2022)
Matthew Roddy, Law Clerk (June 2022 to March 2023)

Capital Complex East
1025 Capital Center Drive, Suite 104
Frankfort, Kentucky 40601
(502) 564-7954
FAX (502) 695-5939
<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, 2022, and June 30, 2023, as required by KRS 11A.110(13). It is intended to serve as a guide to the responsibilities of the Ethics Commission and as a record of its major activities and decisions during the biennium.



COMMONWEALTH OF KENTUCKY
EXECUTIVE BRANCH ETHICS COMMISSION

JUDGE ROGER L. CRITTENDEN (RET.)
CHAIR

SEN. DAVID K. KAREM (RET.)
VICE CHAIR

CRIT LUALLIN
JUSTICE DANIEL J. VENTERS (RET.)
DAVID S. SAMFORD

CAPITAL COMPLEX EAST
1025 CAPITAL CENTER DRIVE, SUITE #104
FRANKFORT, KY 40601
(502) 564-7954
FAX: (502)-695-5939
[HTTPS://ETHICS.KY.GOV](https://ethics.ky.gov)

SUSAN STOKLEY CLARY
EXECUTIVE DIRECTOR

SUCHETA MEENA MOHANTY
GENERAL COUNSEL

December 1, 2023

Governor Andrew Beshear
Legislative Research Commission
Citizens of the Commonwealth of Kentucky

On behalf of the Kentucky Branch Ethics Commission and its staff, I am pleased to submit the Ethics Commission's Biennial Report for the fiscal years ending June 30, 2022, and June 30, 2023. The purpose of the Biennial Report is to document and summarize the work of the Ethics Commission during this two-year period for future generations. In addition to the biennial data, the Ethics Commission has also compiled data from its over 30 years of service.

The Legislature has charged the Ethics Commission, an independent body of five citizen members from various regions throughout the state, with promoting ethical conduct within the Executive Branch of the Commonwealth. During the 2022-2023 Biennium, an experienced and dedicated staff supported the Ethics Commission. In fulfilling its mission, the Ethics Commission promotes and enforces the Executive Branch Code of Ethics enacted in KRS Chapter 11A and Title 9 of the KAR. It does so in various ways including the following: the provision of ethics training to Executive Branch officials, departments, and divisions; issuance of ethics opinions for guidance to Executive Branch employees and citizens who deal with Executive Branch agencies; review of financial disclosure statements filed pursuant to the requirements of the Code; the regulation of lobbyists, their employers, and real parties in interest; and enforcement proceedings against those who have violated the Code.

As you can see from the report that follows, the Ethics Commission has a proven record of successfully implementing its statutory mandates. The Ethics Commission is committed to continuing to promote the highest ethical standards among members of the Executive Branch as it has every year since its inception. We respectfully request the continued support of the Commonwealth, its elected officials, and its citizens, for it is only with this support that the Ethics Commission can continue its important work.

Respectfully submitted,

Judge Roger L. Crittenden (Ret.)
Chair

Executive Branch Ethics Commission

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INTRODUCTION TO THE ETHICS COMMISSION

AUTHORITY

The Executive Branch Code of Ethics (the Ethics Code) created by Kentucky Revised Statutes (KRS) Chapter 11A, effective July 14, 1992, provides the ethical standards that govern the conduct of executive branch public servants, elected officials, and professional executive branch lobbyists and their employers and real parties in interest. The Ethics Code was enacted to restore and promote public trust in the administration of the government of the Commonwealth and its employees. The 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. For over 30 years the appointed members of the Ethics Commission have served to ensure independent enforcement of the Ethics Code. The Ethics Commission is part of the General Government Cabinet but is attached to the Finance and Administration Cabinet for administrative purposes only.

LEGISLATIVE HISTORY

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 Chapter 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. Amendments have been made to the Code of Ethics during subsequent sessions of the General Assembly.

MISSION STATEMENT

The mission of the Ethics Commission is to promote the ethical conduct of elected officials, officers, public servants, and executive agency lobbyists, as well as their employers and real parties in interest, in the executive branch of state government, thereby increasing the public trust in the administration of state government. The Executive Branch Ethics Commission (the Ethics Commission) provides open government through the disclosures of lobbyists and public servants and promotes the ethical conduct of elected officials, officers, and other employees in the Executive Branch of state government through training and enforcement. The importance of having state officials and public servants who uphold high ethical standards, and who promote confidence in government, cannot be overstated. Public servants trained to follow the Ethics Code are less likely to abuse state time and resources, mismanage government funds and resources, or engage in conduct that might damage the public trust. A robust and active Ethics Commission, with sufficient resources allocated to it to support the full enforcement of the Ethics Code, will continue to deter public servants from the conduct that resulted in the creation of the Ethics Code and the Ethics Commission in 1992.

KRS Chapter 11A was enacted in response to the revelations from the BOPTROT¹ corruption scandal in 1991. Thirty years after BOPTROT, the Ethics Commission serves as a beacon to fight public corruption and hold publicly accountable officials who abuse state resources for their personal ends.

The Ethics Commission seeks to fulfill its mission through:

- Education and training of executive branch public servants, elected officials, and lobbyists.
- Guidance to public servants and lobbyists concerning their ethical conduct, including the issuance of advisory opinions, manuals, pamphlets, staff opinions, letters, emails, phone calls, and in-person guidance.
- Investigation of possible violations and enforcement of the provisions of the Ethics Code.
- Administrative Proceedings, conducted pursuant to KRS 13B, providing due process for all those charged with violations of the Ethics Code.
- Litigation in defense of the Ethics Commission's final actions and the Ethics Code.
- Filing and auditing financial disclosure statements filed by state officers, candidates for constitutional office, and elected constitutional officers.
- Receipt and review of executive agency lobbyists' registration statements and creation and maintenance of a database of lobbyist filings.
- Improvements to the Ethics Code through recommendations for legislation and the issuance of administrative regulations.

CODE OF ETHICS

KRS Chapter 11A requires that public servants work for the benefit of the people of the Commonwealth. The Ethics Code 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. As such, the Ethics Code provides these overarching principles for public servants to follow:

- Public Servants must be independent and impartial;
- A Public Servant's decisions and policy determinations must not be made outside the established processes of government;
- Public Servants should not use public office to obtain private benefits.
- A Public Servant's actions should promote public confidence in the integrity of government; and
- Public Servants should not engage in or be involved in any activity that has the potential to become a conflict of interest with their state employment.

WHO IS COVERED BY THE ETHICS CODE:

All state officers and public servants in the executive branch of state government are subject to the Ethics Code, unless otherwise provided by law. The Ethics Code also covers members of certain

¹ BOPTROT refers to the FBI investigation of the Business Organizations and Professions Committees in both the House and Senate of the Kentucky General Assembly involving legislators accepting bribes to influence votes on horse racing bills.

boards and commissions. The Ethics Code refers to these employees as “Public Servants.”

WHO IS A PUBLIC SERVANT?

Every employee of every executive branch agency is a public servant covered by the ethics code unless they are covered under a separate statutory code of ethics. Public servants include every employee of the Executive Branch, regardless of whether they are merit or non-merit, part-time or interim, seasonal, or permanent. Any person who is hired through a contract to perform a function of a position that is full-time, non-seasonal is also considered to be a public servant. Each public servant is responsible for knowing and complying with these laws.

However, the following are *excluded* by KRS 11A.015 or by other legislation:

- KRS Chapter 16 sworn officers of the Kentucky State Police;
- Employees of the KY Lottery Corporation;
- Employees of secondary education;
- Employees of public universities;
- Employees of the Legislative Research Commission;
- Employees of the Administrative Office of the Courts;
- County and city elected officials included in KRS 65.003; and
- Employees of county and city elected officials.

WHO IS AN OFFICER?

Some of the provisions of the Ethics Code *only* apply to officers. Only “officers” are required to file “Annual”, “Leaver”, and “New Hire” Statements of Financial Disclosure and to follow certain post-employment rules. Officers include the following:

- Constitutional Officers;
- “Major Management” Personnel: This term is not defined by statute, but guidance was provided in Advisory Opinion 17-05. Any employee who can step into the role of a named position in the absence of that officer or any employee with the authority to set policy, determine the award of contracts or business relationships, hire and fire employees, or establish the budget for an agency may be considered to be an officer.
- Property Valuation Administrators: *EBEC v. Atkinson*, Ky. App., 339 S.W.3d 472 (2010);
- Specifically Named Positions:
 - Secretary of the Cabinet
 - Governor’s chief executive officers
 - Cabinet Secretaries and Deputy Secretaries
 - General Counsels
 - Commissioners and Deputy Commissioners
 - Executive Directors
 - Executive Assistants
 - Policy Advisors
 - Special Assistants
 - Administrative Coordinators
 - Executive Advisors
 - Staff Assistants
 - Division Directors

- **CONTRACT EMPLOYEES:** Anyone holding a position by contract that would otherwise be considered a full-time position for any of the above positions is also considered an “officer.” This does not include seasonal or “interim” employees.
- Members and full-time chief administrative officers of the following Boards and Commissions:
 - The Parole Board
 - Office of Claims and Appeals
 - Board of Tax Appeals
 - Board of Claims
 - Crime Victims Compensation Board
 - Kentucky Retirement Systems Board of Trustees
 - Kentucky Teachers’ Retirement System Board of Trustees
 - The Kentucky Public Employees Deferred Compensation Authority Board of Trustees
 - Public Service Commission
 - Worker’s Compensation Board and its administrative law judges
 - The Kentucky Occupational Safety and Health Review Commission
 - The Kentucky Board of Education
 - The Council on Postsecondary Education
 - County Employees Retirement Board of Trustees
 - Kentucky Public Pensions Authority and
 - The Kentucky Horse Racing Commission [exempted from KRS 11A.040(6)-(10)]
- Members of salaried boards and commissions, as defined by KRS 11A.010(21):
 - Advisory Opinion 19-05 (Unemployment Insurance Commission Members)
 - Advisory Opinion 19-06 (State Board of Elections Members)
 - and
 - Advisory Opinion 22-03 (Commonwealth’s Attorneys)

COMMISSION MEMBERS

The Ethics Commission is currently composed of five members appointed by the Governor to serve four-year terms. In May of 2008, pursuant to Executive Order 2008-454, Governor Steve Beshear set out a process to appoint two of the five Commission members from lists of names submitted by the Attorney General and the Auditor of Public Accounts. In 2016, through Executive Order 2016-377, Governor Matthew Bevin rescinded EO 2008-454. On May 27, 2020, through Executive Order 2020-423, Governor Andy Beshear rescinded EO 2016-377 and reorganized the Ethics Commission to include three gubernatorial appointees and two appointees selected from lists submitted by the Attorney General and the Auditor of Public Accounts. In 2022, the Kentucky Legislature enacted HB 334, which is currently in litigation.

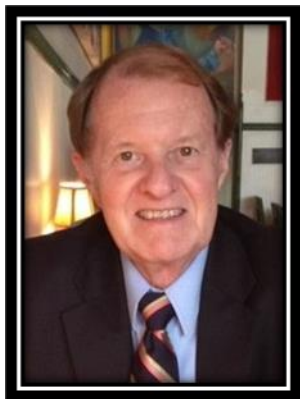
The following individuals served on the Ethics Commission during the 2021-2023 biennium.

2021-2023 MEMBERS OF THE ETHICS COMMISSION:



PICTURED(from left to right): Justice Daniel Venters (Ret.), Sen. David Karem (Ret.), Vice Chair, Judge Roger Crittenden (Ret.), Chair, Crit Luallen, and David Samford.

**COMMISSION CHAIR & VICE CHAIR
DURING THE BIENNIUM
2021-2023**



JUDGE ROGER L. CRITTENDEN (RET.), CHAIR

After three years of service in the U.S. Army including a tour in Vietnam, Judge Crittenden graduated with the Class of 1975 from the University of Kentucky, College of Law, and launched his career in public service at the Kentucky Cabinet for Human Resources and the Kentucky Council on Higher Education. In 1980, he was elected as Franklin County District Court Judge where he served for 12 years before being elected as Franklin County Circuit Court Judge in 1992. He retired in 2006 and is Senior Judge of the Franklin Circuit Court. Committed to education, Judge Crittenden has served as chair of the Circuit Judges Association Education Committee and is a former board chair of PUSH Infant Pre-School.

Judge Crittenden was appointed to The Ethics Commission by Governor Andy Beshear on May 27, 2020, to serve a three-year term. He was elected as Chair of The Ethics Commission on July 14, 2020.



SEN. DAVID KAREM (RET.), VICE CHAIR

Sen. David Karem of Louisville has been a champion of public education for more than 40 years while serving in the Kentucky General Assembly and the Kentucky Board of Education. Karem served two terms on the Kentucky Board of Education from 2009 to 2016 and as chairman from 2010 to 2013. The David Karem Award, later renamed the Karem Award for Excellence in Education Policy, was established in 2017 by the Kentucky Board of Education in his honor to recognize state policymakers, education leaders or citizens who have made notable, state-level contributions to the improvement of Kentucky's public education system. The award was first presented in 2017.

Karem served in the Kentucky House of Representatives from 1972 to 1976 and represented the 35th District in the Kentucky Senate from 1976 to 2004. He was the Senate's majority floor leader from 1993 to 1999, and he was on the education committees in the House and Senate for 32 and a half of his 33 years in public office. During his time in the legislature, Karem was a driving force behind the passage of the Kentucky Education Reform Act in 1990 and the Postsecondary Education Reform Act in 1997 and led the effort for a 4% school tax levy by districts.

Karem served for 33 years as president of Louisville's Waterfront Development Corporation, which has worked to develop and maintain the city's Waterfront Park. He began a one-year term as director emeritus upon his retirement in July 2019. He also was a member of the Louisville Downtown Development Corporation's board of directors from 2006 to 2018.

Karem holds a bachelor's degree in Design from the University of Cincinnati College of Design, Architecture, and Art and a doctorate in law from the University of Louisville. He is a graduate of St. Xavier High School in Louisville.

Governor Andy Beshear appointed Karem to The Ethics Commission on May 27, 2020, to a four-year term, which expires May 27, 2024. Karem was elected Vice Chair of The Ethics Commission July 14, 2020.

COMMISSION MEMBERS DURING THE BIENNIUM 2021-2023



CRIT LUALLEN, MEMBER

Former Lieutenant Governor Crit Luallen is known as one of Kentucky's most experienced and respected public leaders, after serving with seven Governors and being elected twice to statewide office. In 2019, the University of Kentucky Martin School of Public Policy and Administration acknowledged her as a Trailblazer in Public Policy. Governor Steve Beshear appointed Luallen as Kentucky's 56th Lieutenant Governor in 2014. As Lt. Governor, she chaired KyHealthNow, an initiative to develop strategies and track progress toward a healthier Kentucky.

Luallen was elected the state's Auditor of Public Accounts in 2003 and re-elected in 2007. Prior to that, she served nearly seven years as Secretary of the Governor's Executive Cabinet, the highest appointed position in Kentucky state government. Previous appointments include State Budget Director, Secretary of the Finance Cabinet, Secretary of the Tourism, Arts & Heritage Cabinet, and Commissioner of the Department of the Arts. As Commissioner of the Arts, Luallen helped found the Kentucky Governor's School for the Arts. She also served as Senior Vice President and then President of the Greater Louisville Economic Development Partnership, a regional economic development agency. In 2009, she was named Public Official of the Year by the Washington, D.C.-based magazine *Governing* for her positive impact on government in Kentucky.

Luallen is a native of Frankfort, a graduate of Centre College, where she serves on the Board of Trustees, and is married to Lynn Luallen.

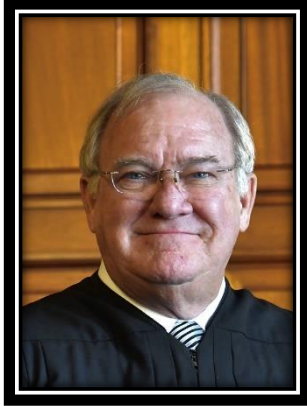
Governor Andy Beshear appointed Luallen to The Ethics Commission on May 27, 2020, to a four-year term, which expires May 27, 2024.



DAVID SAMFORD, MEMBER

David S. Samford is the General Counsel for the East Kentucky Power Cooperative in Winchester, Kentucky. David was a partner in the law firm Goss Samford, PLLC in Lexington, Kentucky and he previously served as a Special Advisor to Governor Ernie Fletcher; Executive Director of the Office of Legal Services within the Kentucky Transportation Cabinet; General Counsel, Senior Policy Advisor and Deputy Executive Director of the Kentucky Public Service Commission; and as a Special Justice of the Kentucky Supreme Court. David has previously been appointed to the Kentucky Registry of Election Finance on two prior occasions and served as a Director of the Bluegrass Community and Technical College. David also served as a law clerk to the Chief Judge of the United States District Court for the Eastern District of Kentucky and on the Leadership Staff of the Kentucky State Senate.

Governor Andy Beshear appointed Mr. Samford to the Ethics Commission on June 23, 2020, to a one-year term from a list of nominees submitted by the Auditor of Public Accounts. David was reappointed by Governor Andy Beshear for a term that will expire 5/27/2025.



JUSTICE DANIEL J. VENTERS (RET.), MEMBER

Justice Daniel J. Venters retired from the Supreme Court of Kentucky in January 2019, having served ten and a half years on the Court and authoring nearly 200 published opinions and hundreds of unpublished opinions. His judicial career spanned more than 35 years on the trial and appellate court benches of Kentucky.

Justice Venters entered the practice of law in 1975 in Somerset, Kentucky, where he served as a part-time Assistant Commonwealth's Attorney under then-Commonwealth's Attorney, now Congressman Hal Rogers. He practiced with the Somerset law firm of Rogers & Venters until January of 1979, when he became a District Court Judge for Pulaski and Rockcastle Counties. Elected to the circuit court bench in 1983, Justice Venters served as Chief Circuit Court Judge for 28th Judicial Circuit (Pulaski, Rockcastle, and Lincoln Counties) from January 1984 until June 2003, when he returned to the practice of law in Somerset.

Justice Venters is a 1975 graduate of the University of Kentucky College of Law and a 1972 graduate of The Ohio State University, where he majored in economics. He is admitted to practice before the United States Supreme Court and the U.S. District Courts for Eastern and Western Kentucky. He has served as a member of Kentucky Board of Bar Examiners, a member of the Kentucky Bar Association Board of Governors, a trustee of the Judicial Form Retirement System, and a member of the AppalReD Legal Aid Board of Directors.

Justice Venters was born in 1950 in Charleston, West Virginia. He is married to Circuit Court/Family Judge, Jane Adams Venters. The Venters' have five children and thirteen grandchildren.

Governor Andy Beshear appointed Justice Venters to the Ethics Commission on June 15, 2020, to a two-year term from a list of nominees submitted by the Attorney General. Justice Venters was reappointed by Governor Andy Beshear to a term that will expire May 27, 2026.

CURRENT COMMISSION STAFF

The Ethics 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.

EXECUTIVE DIRECTOR

The Executive Director is responsible for all administrative, investigative, and enforcement activity of the Ethics Commission, education and training of public servants, audits of disclosure statements, development of all publications, as well as the supervision of the staff.

The Executive Director oversees the daily operation of the Ethics Commission through:

- Directing, planning, and overseeing all administrative, legal, investigative, lobbyist registration, and financial disclosure functions and statutory requirements of the Ethics Commission.
- Sets up, prepares, and conducts ethics training classes for state agencies and/or lobbyist organizations to educate executive branch employees and/or lobbyists on their responsibilities under the Executive Branch Code of Ethics. Prepares training materials.
- Provides daily advice in response to questions by state employees, executive agency lobbyists, and the public via the telephone, e-mail, and face-to-face communications. Prepares informal opinions.
- Drafts staff notes and supervises production and assembly of meeting agenda and meeting packet for bi-monthly commission meetings.
- Drafts advisory opinions, letters, biennial reports, educational materials, articles for professional and state newsletters, proposed legislation, proposed administrative regulations, indexes, and other required materials.
- Prepares and monitors the Ethics Commission's biennial budget, records retention requirements, inventory process, website information, and various other administrative functions.

SUSAN STOKLEY CLARY

(APRIL 16, 2022 - PRESENT)



GENERAL COUNSEL

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

The General Counsel of the Ethics Commission serves as legal counsel to the agency. Some of the duties required of the General Counsel are:

- Oversees the conduct of investigations, adjudication, and resolution of alleged violations of the Ethics Code, including serving in a prosecutorial role during administrative hearings;
- Makes court appearances and drafts briefs related to the appeal of administrative proceedings and otherwise defends the final orders of the Ethics Commission;
- Responds to various types of inquires (telephone, mail, e-mail, etc.) concerning the application of the Ethics Code;
- Assists with drafting administrative regulations and legislative proposals and may represent the Ethics Commission at legislative meetings; and
- Provides guidance to the Executive Director and the Ethics Commission.

SUCHETA MEENA MOHANTY
(JANUARY 16, 2019 – PRESENT)



DEPUTY GENERAL COUNSEL

The Deputy General Counsel position was newly created in June of 2019. The Deputy General Counsel serves a dual role acting as support legal advisor to the Executive Director and General Counsel and working as an investigator.

Some of the duties required of the Deputy General Counsel include:

- Investigates alleged violations of the Ethics Code, including serving in a prosecutorial role during administrative hearings that are not handled by the General Counsel;
- Makes court appearances and drafts briefs related to the appeal of administrative proceedings and otherwise defends the final orders of the Ethics Commission;
- Responds to various types of inquires (telephone, mail, e-mail, etc.) concerning the application of the Ethics Code; and
- Provides guidance to the Executive Director and the Ethics Commission.

EDEN DAVIS STEPHENS
(NOVEMBER 1, 2023 – PRESENT)



INVESTIGATOR

The Investigator positions are part-time and are typically comprised of individuals with law enforcement experience.

The Investigators are responsible for conducting preliminary confidential investigations initiated by the Ethics Commission. The Investigators arrange and conduct interviews of the subjects of the investigations and all potential witnesses related to the investigation. The Investigators ensure that the Ethics Commission’s preliminary investigations remain confidential pursuant to KRS 11A.080(2). The Investigators are responsible for serving or arranging the service of subpoenas issued by the Ethics Commission. The Investigators collect and review all evidence and data related to the investigation. Finally, the Investigators provide reports to the Ethics Commission recounting the results of those investigations.

Furthermore, the Investigators assist in the collection of delinquent Statements of Financial Disclosure and Executive Agency Lobbyist filing forms.

Executive Assistant/Paralegal acts as Clerk of the Administrative Proceedings process by maintaining legal records related to the Ethics Commission. The Executive Assistant serves as Secretary for Commission meetings, which includes preparation of the agenda, the Minutes following the meetings, and correspondence relative to the actions of the Ethics Commission. The Executive Assistant processes personnel matters for the Ethics Commission staff and its members. The Executive Assistant helps coordinate the training component of the Ethics Commission by registering participants and maintaining the training participant database.




The Paralegal assists the investigative staff with various duties relating to the function of the Ethics Commission, including researching, analyzing, and drafting legal documents, case investigation, file maintenance and reports, litigation preparation, memoranda on various research topics, data compilation and auditing of filings and general office support.

BELLA WELLS
(JUNE 1, 2018 – PRESENT)



L. ADRIENNE WILLIS
(SEPTEMBER 16, 2022-PRESENT)



<p><u>Lobbyist Coordinator/Administrative Assistant</u> oversees the registration and compliance reporting for executive agency lobbying which includes maintaining the database for executive agency lobbyists and their employers. Other duties include purchases and billings for the agency, serving as records retention liaison, updating the agency’s website, and responding to both open records requests and general inquiries regarding the Ethics Commission and its work.</p>	<p style="text-align: center;">JENNY MAY (OCTOBER 16, 1994 - PRESENT)</p> 
<p><u>Staff Assistant</u> is a part-time position that administers the Statement of Financial Disclosure filing process and related database for constitutional officers and other government officials. This position also assists the Executive Director, the Executive Assistant, and the Administrative Assistant as needed.</p>	<p style="text-align: center;">NELLIE RAMSEY (MAY 16, 2021 - PRESENT)</p> 
<p><u>Staff Assistant</u> is a part-time position that assists the Executive Director and legal staff with duties relating to the functions of the Ethics Commission.</p>	<p style="text-align: center;">GINA HILL (November 1, 2023-present)</p> 
<p><u>Law Clerk</u> is an interim position and assists the Executive Director and legal staff with various duties relating to the functions of the Ethics Commission, including assisting with trial preparation for administrative hearings, compiling filing data, participating in investigative matters, and drafting memoranda regarding various research topics.</p>	<p style="text-align: center;">EMILY J. PRINCE (MAY 8, 2023-PRESENT)</p>

ETHICS OFFICERS

The Ethics Commission requests that all agencies designate an employee within the agency to serve as the Ethics Officer. This person should be accessible to employees in the agency, be willing to answer questions that can oftentimes be cumbersome, be willing to seek the counsel of the Ethics Commission staff and be willing to report conduct that could possibly violate the Ethics Code.

Ethics Officers assist the Ethics Commission in the following areas to ensure proper enforcement of the Ethics Code:

1. Disseminate information from the Ethics Commission to employees in each agency;
2. Serve as a resource for employees seeking ethics advice;
3. Ensure that newly hired employees receive ethics training;
4. Assist agency appointing authority with requests for outside employment and ensure that the appointing authority reports quarterly to the Ethics Commission.
5. Assist public servants with determining how to handle gifts;
6. Monitor the filing of Statements of Financial Disclosure by officers; and
7. Assist the Ethics Commission staff with possible investigations.

**THE INAUGURAL
GOVERNOR BRERETON C. JONES
OUTSTANDING ETHICS OFFICER AWARD**

*THE INAUGURAL
GOVERNOR BRERETON C. JONES
OUTSTANDING ETHICS OFFICER AWARD*

IS PRESENTED TO

*MARYELLEN B. MYNEAR
EXECUTIVE DIRECTOR
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF TRANSPORTATION*



The Executive Branch Ethics Commission presented Mrs. Maryellen Mynear, Inspector General/Executive Director, Kentucky Transportation Cabinet, and a Hearing Officer for the Department of Transportation, with the Inaugural Governor Brereton C. Jones Outstanding Ethics Officer Award for 2023. In honor of Governor Brereton C. Jones and the role he played in establishing the Executive Branch Ethics Code and the establishment of this commission, the Commission renamed its annual award to the “Governor Brereton C. Jones Outstanding Ethics Officer Award.” In 1992, it was Governor Jones’ vision and leadership that first established an Ethics Code for the Executive Branch of the Commonwealth of Kentucky. He then worked with the legislature to draft and enact legislation that codified the Ethics Code and established an independent ethics commission, the Executive Branch Ethics Commission. Ethical requirements were placed upon state workers and a truly independent body was set up and funded to enforce those requirements—a truly positive step forward for the Commonwealth. The annual Outstanding Ethics Officer Award program was established in 2015 to recognize an individual serving as a designated Ethics Officer for an executive branch agency for his or her outstanding achievement and contributions in promoting the ethical conduct of executive branch employees.

Mrs. Mynear was awarded for her efforts to enforce the Executive Branch Code of Ethics while serving as a designated Ethics Officer and to implement policies and procedures for the effective enforcement of the Ethics Code.

Mrs. Mynear currently serves as Inspector General/Executive Director and Hearing Officer for the Kentucky Transportation Cabinet and directs all investigators to promote and ensure accountability and efficiency by reducing waste, fraud, or abuse of Cabinet resources. Ms. Mynear reviews and edits Investigative reports to be provided to executive management. Ms. Mynear in consultation with the investigator makes decisions to refer a matter to law enforcement, another agency, or the state Ethics Commission. She previously served as Assistant Deputy Attorney General, Office of the Kentucky Attorney General and Directed the Families Branch consisting of the Offices of Consumer Protection; Victims' Advocacy; Senior Protection; and Child Abuse and Human Trafficking Prevention and Prosecution. Ms. Mynear spearheaded all enforcement and civil litigation under the KY Consumer Protection Act and with her team delivered more than \$62 million in restitution, civil penalties, costs, and General Fund recoveries. Ms. Maryellen Mynear advanced the development, initiation and expansion of statewide programs and services to better protect seniors from scams and abuse and led efforts to expand and improve awareness of human trafficking crime and to expand training to law enforcement. She worked daily with government officials, stakeholders, public and media and is accustomed to and adept at handling matters under intense media/public scrutiny. Ms. Mynear previously served as Inspector General/Executive Director, Cabinet for Health and Family Services. She was the head of the statewide office with 260+ employees statewide and a \$22 Million budget regulating variety of health care providers, childcare providers, long-term care facilities and child adoption/placement agencies, and investigating fraud, waste, abuse, mismanagement or misconduct by Cabinet clients, employees, providers, vendors, or contractors. CHFS OIG coordinated enforcement of federal law as state survey agency for the Centers for Medicare and Medicaid Services and operated the Kentucky All Schedule Prescription Electronic Reporting (“KASPER”) Program and enforces applicable laws related thereto. She reviewed and/or drafted proposed statutory and administrative law or amendments pertaining to enforcement; met with regulated entities, consumer advocates and other interested parties; and appeared and testified before legislative bodies. Mrs. Mynear previously worked as Litigation Manager/Assistant General Counsel Office of the Kentucky Attorney General

and Directed investigations and litigation for Office of Consumer Protection; maintained active caseload, including lead counsel role in JD Byrider litigation, resulting in \$7.4 million settlement; supervised assistant attorneys general and investigators; evaluated litigation risks and opportunities. In addition to the above, Mrs. Maryellen Mynear also worked as Assistant General Counsel, Kentucky School Boards Association; Senior Attorney, Lexington-Fayette Urban County Government; and, Associate, Commercial Litigation, Frost & Jacobs (now Frost Brown Todd LLC).

Ms. Mynear passed board examination to become Certified Inspector General from the Association of Inspectors General and received her Juris Doctor, Order of the Coif; Managing Editor of the Journal of Environmental Law & Policy from the University of Kentucky College of Law and her B.A., Business Administration from the University of Kentucky. She is admitted to Kentucky (state court); U.S. District Court, Eastern and Western Districts of Kentucky, U.S. Court of Appeals, Sixth Circuit, and various U.S. bankruptcy courts.

LIVINGSTON TAYLOR ETHICS AWARD

Livingston Taylor, a former investigative reporter for the Courier-Journal, served as the Ethics Commission's first chairman from 1992-1995. Mr. Taylor was responsible for the early direction of the Ethics Commission and donated a considerable amount of time and effort in leading the Ethics Commission. Mr. Taylor declined any compensation for his efforts. He set the tone for the Ethics Commission with his concern that the Ethics 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. The Ethics Commission established this biennial award program to recognize individuals, programs, or agencies within the executive branch of state government for their outstanding achievement and contributions in promoting the ethical conduct of executive branch employees.

2023

LIVINGSTON TAYLOR ETHICS AWARD

is Presented to

Katie Gabhart

in Recognition of Her

Outstanding Achievement and Contributions in

Promoting the Ethical Conduct of Executive Branch Employees



The Executive Branch Ethics Commission presented Judge Kathryn Holland Gabhart, 14th Judicial Circuit, Division 2, the “Livingston Taylor Ethics Award” for the 2021-2023 biennium. The Commission established this biennial award program in 2009 to recognize individuals, programs, or agencies within the executive branch of state government for their outstanding achievement and contributions in promoting the ethical conduct of executive branch employees.

Judge Gabhart was awarded for her efforts to enforce the Executive Branch Code of Ethics while serving as the Executive Director of the Executive Branch Ethics Commission, in August 2015-2022, after serving as its General Counsel from 2011-2015. She has represented the Commission in 532 investigations and approximately 204 administrative proceedings. She worked closely with other law enforcement agencies, including the U.S. Attorney’s Offices, the Attorney General’s Office, the Auditor of Public Accounts, various Offices of Inspector General, and the Personnel Board on matters that the Commission received from and referred to these agencies. Ms. Gabhart is a certified hearing officer and has served as an ethics officer in three state agencies and as a Federal Civil Rights Act Compliance Coordinator.

Judge Gabhart currently serves as Circuit Court Judge for Bourbon, Scott and Woodford Counties, 14th Judicial Circuit, Division 2. Prior to her election to the bench in November 2022, Judge Gabhart was appointed in May 2022 by Governor Andy Beshear to replace Judge Brian Privett who resigned. Circuit Judge Jeremy Mattox, of the 1st Division, swore Judge Gabhart into Office Wednesday, May 18th, 2022, making her the first female to hold the position of general circuit judge in the 14th Circuit. She previously represented the Kentucky State Board of Elections as General Counsel for six years. Ms. Gabhart also served as interim counsel for the Secretary of State in litigation concerning candidate-filing matters. Ms. Gabhart served as the counsel for the Kentucky Occupational Safety & Health Review Commission and began her legal career in the Criminal Appellate Division of the Office of the Attorney General in 1999. Ms. Gabhart also worked in private practice for the law firm Golden & Walters, focusing on insurance defense. Ms. Gabhart served as the President, Vice President, and on the Board of Directors for the Kentucky Association of Administrative Adjudicators (KAAA) since 2017. She has presented continuing legal education on various ethics issues for the KAAA Annual Conference, Kentucky Bar Association Annual Convention, Equal Employment Opportunity Annual Conference, and the Legislative Research Commission’s Annual Update.

Ms. Gabhart is a graduate of Louis D. Brandeis School of Law, University of Louisville, and the University of Kentucky. Ms. Gabhart lives with her husband, five children, four dogs, and two cats in the woodlands of Scott County. She and her husband coach the Scott County Special Olympics Track and Field Team. She is a 2nd degree brown belt in Shaolin Kempo.

Previous recipients of the award include: Edgar “Ed” Ross, the Office of the Controller, Finance and Administration Cabinet (2021); the Kentucky Department of Parks (2019); John Steffen, Executive Director of the Kentucky Registry of Election Finance (2017); Rep. Tanya Pullin, former sponsor of legislation related to ethics (2015); Robert D. Vance, former Secretary of the Public Protection Cabinet (2013); Crit Luallen, former Auditor of Public Accounts (2011); Jill LeMaster, retired Executive Director of the Executive Branch Ethics Commission (2009); and the Transportation Cabinet’s Office of Inspector General (2007).

BUDGET

TWO-YEAR BUDGET ANALYSIS

The Ethics Commission's budget and expenditures for fiscal years 2021-22 and 2022-23 in detail below.

	<u>FISCAL YEAR</u>		<u>TOTAL FOR BIENNIUM</u>
	2021-2022	2022-2023	
ENACTED BUDGET			
General Fund	\$599,100	\$618,900	\$1,218,000
Agency Fund	\$420,000	\$420,000	\$840,000
TOTAL	\$1,019,100	\$1,038,900	\$2,058,000
EXPENDITURES			
Personnel Costs	\$863,935	\$816,563	\$1,680,498
Operating Expenses	\$100,550	\$118,894	\$219,444
Grants, Loans & Benefits	0	0	0
Capital Outlay	0	0	0
TOTAL	\$964,485	\$935,457	\$1,899,942
REVENUES			
Balance Forward from Previous FY	\$194,355	\$136,642	\$330,997
Revenues from Fees & Penalties	\$361,594	\$370,450	\$732,044
TOTAL	\$555,949	\$507,092	\$1,063,041

ADMINISTRATIVE HEARING EXPENSES*	2021-22	2022-23	TOTAL
PENALTIES COLLECTED**	\$67,294	\$22,450	\$89,744
BALANCE FORWARD	\$107,592	\$84,850	\$192,442
ADMINISTRATIVE HEARINGS COSTS	\$26,220	\$45,191	\$71,411
REMAINDER	\$148,666	\$62,109	\$210,775

*Administrative Hearing Expenses added to report starting with the 2016-2017 Fiscal Year.

** Beginning in 2016-2017 Fiscal Year, the Budget Bill allowed the Ethics Commission to deposit the fines collected in the Ethics Commission's Restricted Fund account to fund administrative hearings.

REVENUE FROM LOBBYING ACTIVITIES			TOTALS
	2021-2022	2022-2023	All Years
*REGISTRATION FEES (AGENCY FUND REVENUE)	\$342,000	\$359,000	\$701,000
LOBBYISTS FINES	\$0	\$0	\$0
TOTAL COLLECTED	\$342,000	\$359,000	\$701,000

EDUCATION

The Ethics Commission continues to believe that its primary goal is to educate employees to improve honesty and integrity in the Executive Branch. Through education, the Ethics Commission seeks to prevent, rather than punish, ethics violations. Employee education is a multi-faceted effort consisting of responses to inquiries, live and on-line training classes, online resources, agency designated ethics officers, publications, and newsletter articles.

INQUIRIES

The Ethics 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 most of these requests after reviewing the statutes and advisory opinions. The Executive Director also provides informal and formal opinions, which are reviewed by the Commission.

The staff of the Ethics 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 daily in response to state official, employee, and citizen inquiries. During each of the fiscal years, 2021-2022 and 2022-2023, the staff answered over 1500 inquiries.

TRAINING

The Executive Branch Ethics Commission (EBEC) provides ethics training to all newly hired executive branch employees and annual updates to all executive branch employees through the Kentucky Human Resource Information System (KHRIS). Additionally, EBEC provides ethics classes to individual state agencies, executive agency lobbyists, ethics officers, government attorneys, members of executive branch regulatory and policy-making boards and commissions, and the public upon request. In person and online training courses are offered. Training materials are also available on the EBEC website and through the KHRIS website.

<u>CALENDAR YEAR 2022</u>		
<u>CLASS DATE</u>	<u>NO. OF ATTENDEES</u>	<u>AGENCY</u>
1.14.2022 (10 – 11 am, Zoom)	17	KPPA/KY Retirement Systems Board of Trustees
1.24.2022 (10 am – 12, Zoom)	46	Open Ethics Training
1.25.2022 (10 am – 12, Zoom)	67	Energy and Environment Cabinet (EEC)
1.31.2022 (1 – 3 pm, Zoom)	73	Energy and Environment Cabinet (EEC)
2.7.2022 (1 – 3pm, Zoom)	60	Energy and Environment Cabinet (EEC)
2.11.2022 (10 am – 12, Zoom)	6	Energy and Environment Cabinet (EEC)
3.02.2022 (10 am – 12, Zoom)	34	Open Ethics Training
3.22.2022 (10 am – 12, Zoom)	10	Government Attorney Training
3.22.2022 (1 – 3 pm, Zoom)	4	Ethics Officer Training
5.13.2022 (3-4 p.m., Live)	110	Kentucky Association of Administrative Adjudicators
8.29.2022 (1-2 p.m., Live)	11	Kentucky Opioid Abatement Advisory Commission
9.8.2022 (6-8 p.m., Zoom)	22	University of Kentucky Martin School of Public Policy And Administration
9.19.2022 (1-2 p.m., Live)	16	Kentucky Child Abuse and Neglect Prevention Board
11.21.2022 (9-11 a.m., Live)	107	Kentucky Auditor of Public Accounts-Govt. Accountants
New Employee Training-Annual	4778	My Purpose-KHRIS
TOTAL	5361	

<u>CALENDAR YEAR 2023</u>		
<u>CLASS DATE</u>	<u>NO. OF ATTENDEES</u>	<u>AGENCY</u>
1.27.2023 (10:00 a.m., Live)	18	KET-Board
3.1.2023 (10-11:00 a.m., Zoom)	92	Kentucky Housing Corporation
3.28.2023 (10-11:00 a.m., Zoom)	24	Governor's Minority Management Training Program
4.5.2023 (10-11:00 a.m., Zoom)	21	Kentucky Housing Corporation
4.7.2023 (10-10:30 a.m., Live)	2	Kentucky Department of Fish and Wildlife (Commission)
5.10.2023 (12-1 p.m., Live)	47	Central Kentucky Chapter American Government Accountants
5.19.2023 (10-10:30 a.m., Live)	15	Kentucky Board of Licensed Professional Counselors
6.9.2023 (3-4:00 p.m., Live)	86	Kentucky Association of Administrative Adjudicators (KAAA)
6.30.2023 (10-11:00 a.m., Zoom)	11	Training for Government Attorneys and Ethics Officers
7.31.2023		Annual Training for Executive Branch Employees (Ethics Included)
9.7.2023 (6-8:00 p.m., Zoom)	22	University of Kentucky Martin School of Public Policy and Administration
9.18.2023 (2:30-3:00 p.m., Live)	28	Kentucky Educational Television
11.3.2023 (1:30-2:30 p.m., Live)	48	Kentucky Paralegal Association
11.8.2023 (9:00-10:00 a.m., Zoom)	121	Kentucky Auditor of Public Accounts (Govt. Auditors)
11.21.2023 (1:30-2:30 p.m., Zoom)	5	Kentucky Racing Commission

WEBSITE

THE ETHICS COMMISSION's home page can be found at <http://ethics.ky.gov/>. The website provides information on Commission members and staff, advisory opinions, executive agency lobbying, training, post-employment laws, ethics officers, financial disclosure, and administrative actions. Many of the publications produced by the Ethics Commission are available to the public from the website including 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, Title 9 of the Administrative Regulations, and Executive Orders 2008-454 and 2009-882 and 2020-423. The Commission is currently working with Kentucky Interactive to improve and update its website.

The screenshot shows the homepage of the Executive Branch Ethics Commission. At the top, there is a banner for COVID-19 vaccines with the link vaccine.ky.gov. Below this is the Ky.gov logo and a search bar. The main header features the Executive Branch Ethics Commission logo and the text "EXECUTIVE BRANCH ETHICS COMMISSION" and "COMMONWEALTH OF KENTUCKY". A navigation menu on the left lists various categories such as "Commission Members and Staff", "Advisory Opinions", "Executive Agency Lobbying", "State Employee Resources", "Upcoming Trainings", "Publications", "Ethical Guidelines for Boards and Commissions", "Administrative Actions", "Legal Resources", "Press Releases", and "Open Records Requests". The main content area is titled "Home" and provides contact information for the Executive Branch Ethics Commission, including the address "1025 Capital Center Drive, Suite 104, Frankfort, Kentucky", phone number "502-564-7954", fax number "502-695-5939", and email "EthicsFiler@ky.gov". It also includes a section for "Authority" explaining the commission's legal basis in Kentucky Revised Statute Chapter 11A and Kentucky Administrative Regulations. A "Contact Information" section identifies Kathryn H. Gabhart as the Executive Director. A "Host Site" section lists the location as the Shared Board Room at 1025 Capital Center Drive, Suite 105, Frankfort, Kentucky. A red button on the right says "Click HERE to File Your SFD".

In 2022, the Ethics Commission voted to pursue Legacy funding to comply with the requirements of KRS 11A.241 to computerize information relating to lobbyist registration statements. Unlike its current outdated system, this new system would allow for online submission and access to executive agency lobbying registration documents. The Legacy funding portion of the project has been approved and the Commission is now requesting additional funding from the Legislature to cover the annual licensing costs for the lobbyists' online filing system.

PUBLICATIONS

As part of the Ethics Commission’s educational emphasis, several publications explaining the various components of the code of ethics have been produced and are regularly updated. These items are available on the Commission’s website and are available for distribution upon request. They are also provided during trainings.

PUBLICATION	LATEST DATE OF PUBLICATION/REVISION	
<i>Acceptance of Gifts (brochure)</i>	July	2022
<i>Post-Employment (brochure)</i>	June	2022
<i>Political Activities (Brochure)</i>	September	2023
<i>Advisory Opinions (1992 – 2017) (bound by year)</i>	May	2017
<i>Executive Branch Ethics Commission (brochure)</i>	August	2022
<i>Guide to the Executive Branch Code of Ethics (booklet)</i>	September	2023
<i>Ethical Guidelines for Members of Boards & Commissions (brochure)</i>	July	2022
<i>Ethics Officer Training Guide (bound volume)</i>	June	2019
<i>Executive Agency Lobbying Handbook (bound volume)</i>	June	2021
<i>Training for Government Attorneys (Handout)</i>	Updated periodically	
<i>Biennial Reports (bound volume)</i>	Updated every 2 years	

ADVISORY OPINIONS

The Executive Branch Ethics Commission is authorized to interpret the provisions in KRS Chapter 11A and issue advisory opinions. If an employee, agency head, or member of the public is unclear about a provision in the code of ethics, or if a situation is not specifically addressed in the code, a staff opinion or formal advisory opinion may be requested, in writing, from the Ethics Commission.

STAFF OPINIONS: Many questions can be answered informally through a verbal or written staff opinion from the Ethics Commission Staff. Staff opinions are advice given by the staff of the Ethics Commission based on a review of past advisory opinions. If the issue is unique, a formal advisory opinion may be required. If the Ethics Commission determines that the matter has been addressed in a previous advisory opinion, it will issue advice in a staff opinion or informal reply. Informal replies are responses (advisory letter, e-mail, or telephone call) rendered by the Ethics Commission's Executive Director. Frequently, employees may have questions or situations that require a swift reply. An advisory letter is limited to issues previously addressed by the Ethics Commission by issuance of a formal advisory opinion or easily answered by a review of the statutes and Administrative Regulations. The Ethics Commission reviews the advice of its staff at its regular meetings during open meetings unless the advice is related to an investigation pursuant to KRS 11A.080.

ADVISORY OPINIONS: Formal advisory opinions are issued by the Ethics Commission at its regularly scheduled meetings every other month. Opinions can be issued under the following authority:

- Conflict of Interest Opinions, pursuant to KRS 11A.030(5);
- Gift Exception Opinions, pursuant to KRS 11A.045(1). Agencies and public servants may request an exception from the application of the gifts prohibition under circumstances in which it would not create an "appearance of impropriety";
- Additional Compensation Exemption Opinions, pursuant to KRS 11A.040(5). The Ethics Commission has granted exemptions to the additional compensation rule in instances when agencies would like to offer a form of economic incentive for employees who go above and beyond their job duties;
 - (a) Department of Fish & Wildlife Resources – Advisory Opinion 15-01
 - (b) Department of Veterans Affairs – Advisory Opinion 17-08
 - (c) Tourism, Arts & Heritage Cabinet – Advisory Opinion 19-03
 - (d) Department for Criminal Justice Training – Advisory Opinion 19-04
 - (e) Department of Corrections – Advisory Opinion 20-01
 - (f) Commonwealth Office of Technology – Advisory Opinion 21-01
 - (g) Jenny Wiley State Park-Advisory Opinion 23-01
- General Advisory Opinions, KRS 11A.110(1).

To request a formal Advisory Opinion, the Ethics Commission must receive a written request for an advisory opinion at least two weeks prior to a scheduled meeting for the request to appear on the agenda for the following meeting. Advisory opinions are the highest level of guidance available from the Ethics Commission regarding the requirements of the Executive Branch Code of Ethics.

If the Ethics 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 Ethics Commission may issue advisory opinions upon its own motion. Advisory opinions issued by the Ethics 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 Ethics 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 public who request them. Advisory opinions are also available on the Ethics Commission's website <http://ethics.ky.gov/>. The Ethics Commission provides a searchable database of its opinions on its website.

ADVISORY OPINIONS AND ADVISORY LETTERS

The Ethics Commission issued nine (9) advisory opinions during the **2021-2022** fiscal year, and five (5) during the **2022-2023** fiscal year. Additionally, over one hundred advisory letters were issued on behalf of the EBEC in each fiscal year of the biennium. Following are the summaries of the advisory opinions issued.

2023

[Advisory Opinion 23-01 Gift Exception 2023-01](#)

The Executive Branch Ethics Commission grants a gift exemption pursuant to KRS 11A.040(5) and KRS 11A.045(1) to the Office of the Secretary of the Tourism, Arts, and Heritage Cabinet for the employees of Jenny Wiley State Park to accept a gift from the non-profit "Friends of Jenny Wiley," for their exemplary service during and after the historic flooding in eastern Kentucky.

[Advisory Opinion 23-02](#)

Upon review of the job requirements by the Executive Branch Ethics Commission ("the Commission") for the Department of Juvenile Justice position, "Facilities Regional Administrator", it is determined, by the Commission, that the job specifications indicate that Facilities Regional Administrator is a position considered to be "major management" as that term is used in KRS 11A.010(7) and therefore defined as an "officer".

2022

[Advisory Opinion 22-01](#)

Executive Orders issued in 2008-454 and 2020-423 that include Members of the Kentucky Fish and Wildlife Commission are not enforceable by the Executive Branch Ethics Commission. Only the Governor has the authority to enforce Executive Orders that he or she issues.

[Advisory Opinion 22-02, Gift Exception 2022-01](#)

The Executive Branch Ethics Commission grants an exemption pursuant to KRS 11A.040(5) to allow employees of the Kentucky Transportation Cabinet to participate in the Safety Recognition Program and receive prizes valued between \$15 - \$25.

[Advisory Opinion 22-03](#)

Commonwealth Attorneys and their employees are subject to the provisions of KRS Chapter 11A. Commonwealth Attorneys are considered to be public servants as defined in KRS 11A.010(9) and officers as defined in KRS 11A.010(7). The employees of the Commonwealth's Attorneys are public servants as defined by KRS 11A.010(9).

[Advisory Opinion 22-04, Gift Exception 2022-02](#)

The Executive Branch Ethics Commission grants the exemption pursuant to KRS 11A.045(1) for the Executive Director of the Office of Senior Protection within the Attorney General's Office to receive funds from a donation account established by her friends to supplement her medical costs.

[Advisory Opinion 22-05](#)

In addition to the penalties set out in KRS 11A.100, the salary of a merit employee may be held, pursuant to KRS 11A.990(2), for his failure to timely file the Statement of Financial Disclosure required of him as a former officer.

[Advisory Opinion 22-06](#)

The decision to allow an employee of the Kentucky Housing Corporation ("KHC"), currently running for a partisan office, and if elected, serve in both that elected political office and continue employment with KHC lies with the employer, Kentucky Housing Corporation.

[Advisory Opinion 22-07, Gift Exception 2022-03](#)

The Executive Branch Ethics Commission grants a gifts exemption pursuant to KRS 1 IA.045(1). for the Chief Communications Officer in the Office of the Commissioner of the Kentucky Department of Education to receive funds from a donation account established by her friends to assist with payment of emergency veterinary costs.

2021

[Advisory Opinion 21-01 Exception 2021-1](#)

The Executive Branch Ethics Commission grants an exemption to The Commonwealth Office of Technology pursuant to KRS 11A.040(5) so that it may offer a program in which public servants are enrolled into a drawing to win a prize of monetary value greater than \$25 when they enroll into the Self Service for Password reset.

[Advisory Opinion 21-02](#)

The Board of Cosmetology may, within its discretion pursuant to KRS 11A.040(10), choose to deny permission for a field inspector to engage in outside employment by opening a salon in their own home. However, in the alternative, the Board may also, in its discretion, choose to allow the field inspector for the Board to engage in the proposed outside employment if the Board sets up parameters to ensure that the inspector does not perform inspections in a geographical region of the state as determined by the board to ensure that the field inspector is not inspecting the competitors of their own salon.

[Advisory Opinion 21-03](#)

A Constitutional Officer may use state resources, including attorneys – whether employed by the Commonwealth or retained under a personal service contract with the Commonwealth – to defend the allegations filed in a petition for impeachment against that Constitutional Officer.

[Advisory Opinion 21-04](#)

The Commission provides a review of the conflict of interest provisions in the Executive Branch Code of Ethics and approves the Department for Behavioral Health, Developmental and Intellectual Disabilities for the Cabinet for Health and Family Services intended course of action to limit and mitigate conflicts of interest in two scenarios concerning one of its employees related to outside entities for which the spouse of the employee works that have contracts with or receive grants from the Department.

[Advisory Opinion 21-05](#)

Within limits, a public servant in a non-officer position may accept employment with a company that has a contract with his former agency without violating the post-employment provisions contained in KRS 11A.040(6)-(9). Within limits, a public servant in a non-officer position may serve as an expert witness for his former agency through a contract with his new employer who has other current contracts with the public servant's former agency.

[Advisory Opinion 21-06](#)

A Property Valuation Administrator (PVA) may use their real estate license to market and sell their own personal property and purchase a personal residence in the county where they serve as the PVA. However, the PVA should not use the real estate license in the marketing and selling of real estate beyond the sale and purchase of their personal residence and furthermore, the Commission recommends the PVA create their own brokerage rather than affiliating with another existing brokerage to limit a potential conflict of interest.

[Advisory Opinion 21-07](#)

A former public servant in an officer position may work for a company that has a current contract with the public servant's former agency if the contract does not result in the contractor receiving

state funds. Because the contractor is not “doing business with” the former public servant’s agency, the post-employment provisions in KRS 11A.040(7) would not prohibit the former public servant from accepting the employment during the first year after state service. However, the public servant must limit his contacts with his former agency in compliance with the provisions of KRS 11A.040(9).

[Advisory Opinion 21-09 Gift Exception No. 2021-1](#)

The Executive Branch Ethics Commission grants an exemption to KRS 11A.045(1) for a non-merit employee of the Department of Veterans Affairs to receive induction into the Kentucky Veterans Hall of Fame which includes receipt of a plaque and dinner worth more than \$25. That same employee should follow a planned six-month moratorium on any decision-making concerning the Kentucky Veterans Hall of Fame to avoid any conflicts of interest as provided in KRS 11A.020(3) and KRS 11A.030.

[Advisory Opinion 21-10](#)

In light of the proposal to amend 101 KAR 1:365, upon which Advisory Opinion 93-21 was originally based, the Executive Branch Ethics Commission revisits Advisory Opinion 93-21 and issues guidance allowing for a public servant to use state time and resources for the limited purpose of engaging in communications with the staff of the Kentucky Personnel Board and appellee state agencies with written permission from the public servant's employing agency appointing authority.

[Advisory Opinion 21-11 Gift Exception 2021-2](#)

The Department of Worker's Claims, Labor Cabinet is granted an exemption to KRS 11A.045(1) for a non-merit employee to receive funds from a donation account established by his family to supplement his medical costs.

[Advisory Opinion 21-12](#)

Employees of the Kentucky Department of Agriculture (KDA), their spouse and their child are prohibited from accepting grants from the Kentucky Agricultural Development Board (KADB) (KRS 11A.040(4)); however extended family of KDA employees may apply and accept grants from KADB as long as the grants will not benefit the KDA employee in whole or in part. A KDA employee or their family member may apply for and accept grants from a county program run by a county administrator group that is independent from KADB but receives KADB funds.

[Advisory Opinion 21-13](#)

Department of Corrections staff are prohibited from using state time and state resources to conduct limited fundraising and administrative activities associated with managing outside bank accounts to support the staff canteen funds. Additionally, the Department of Corrections should follow the recommendations of the Finance and Administration Cabinet to avoid using correctional facility names in the name of the outside bank accounts associated with the staff canteen fund.

[Advisory Opinion 21-08](#)

In light of a compelling argument made by the Kentucky Board of Education (KBE) that Advisory Opinion 01-27 sets a much more restrictive standard for members of the KBE than it does for public servants and members of other boards and commissions covered by the complete provisions of the Executive Branch Code of Ethics in similar circumstances, the Executive Branch Ethics Commission reconsiders Advisory Opinion 02-37 as it applies to members of the Kentucky Board of Education and VOIDS Advisory Opinion 02-37.

FINANCIAL DISCLOSURE OF ELECTED OFFICIALS AND OFFICERS

One of the Ethics Commission's principal responsibilities is to administer the financial disclosure provisions of KRS Chapter 11A. State elected officials and appointed officers, as defined by KRS 11A.010(7), in the executive branch of state government are required by statute to file a statement of financial disclosure. Statements of Financial Disclosure must be filed with the Ethics Commission no later than April 15 for the previous calendar year. They must also be filed within 30 days of termination of employment and newly hired or appointed officers must file an initial statement within thirty (30) days of their start date. Candidates for executive branch constitutional 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.

For the first time in 2023, members of Transition Teams for Constitutional Officers must also file Statements of Financial Disclosure. The Executive Branch Ethics Commission drafted regulations and forms to facilitate the process for this registration. Prior to the election information about transition team registration was sent to all candidates and it was sent again to the electees following the election. Information regarding transition team registration is also available on the Commission website.

During the 2021-2023 Biennium, filings of Statement of Financial Disclosures were up 20%, while delinquencies were brought down 20%.

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.

ELECTRONIC FORMS

The Ethics Commission's website at <http://ethics.ky.gov/> has an online portal through which "officers" may complete their annual Statement of Financial Disclosure, with an electronic submission of the form. Officers may also download a blank Statement of Financial Disclosure form from the Ethics Commission's website and complete the blank Statement of Financial Disclosure form electronically, print a paper copy and forward it with an original signature to the Ethics Commission. Paper forms are provided upon request.

STATEMENTS OF FINANCIAL DISCLOSURE

Statements of Financial Disclosure (SFD) are filed by “officers” as defined by KRS 11A.010(7) in accordance with requirements of KRS 11A.050 and 9 KAR 1:010.

NEW FORMS: The Statement of Financial Disclosure can now be submitted on one (1) of four (4) forms depending on the reason for filing.

NEW HIRES: Beginning in 2019, Newly hired, appointed, or detailed public servants serving in an officer position shall file an SFD within 30 days of their start date. This does not apply to a current officer who merely transfers into another officer position with no break in service. The form is to be completed by someone who has not served in an officer position in the previous month.

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NEW HIRE FORM: EBEC-SFD-103 (Rev. 5/2020)

COMMONWEALTH OF KENTUCKY
EXECUTIVE BRANCH ETHICS COMMISSION
1025 Capital Centre Drive, Suite 104
Frankfort, KY 40601
PHONE: 502-564-7954, FACSIMILE: (502) 696-5091, or EMAIL: ethicsfiler@ky.gov

STATEMENT OF FINANCIAL DISCLOSURE
NEW HIRE FORM

NEWLY HIRED OFFICERS:
NEWLY APPOINTED OR ACTING EXECUTIVE BRANCH OFFICERS* AS DEFINED BY KRS 11A.010(7) SHALL SUBMIT THIS FORM WITHIN 30 DAYS OF THEIR START DATE IN AN OFFICER POSITION. (KRS 11A.050(1)(A)). "Start date" means the first date of employment with a state agency in the executive branch. 9 KAR 1:010, Section 1(13).

*CONSTITUTIONAL OFFICERS DO NOT COMPLETE THIS FORM.

"REPORTING PERIOD" means the time from your start date until the date you sign the form. Do not provide information from prior to your start date unless the question specifically instructs you to do so. **ANSWER EVERY QUESTION OR YOUR FORM WILL NOT BE ACCEPTED.**

CANDIDATES FOR OFFICE FOR POSITIONS LISTED IN KRS 11A.010(9)(a)-(g): Candidates for Constitutional Office who are not incumbents or currently serving public servants are required to file this form by February 15 in the year in which they are to be on the ballot.

NEWLY ELECTED CONSTITUTIONAL OFFICERS: Within 10 days of taking the oath of office, newly elected constitutional officers (not returning incumbents) must file the ANNUAL SFD for the previous calendar year in which the election was held.

CURRENT OFFICERS FILING ANNUALLY: Officers file annually on or before April 15. The form can be submitted any time between January 1 and April 15. Officers complete the questions with information that applies for the entire previous calendar year during which he or she served in an officer position.

COMMONWEALTH OF KENTUCKY
 EXECUTIVE BRANCH ETHICS COMMISSION
 1025 Capital Centre Drive, Suite 104, Frankfort, KY 40601
 PHONE: 502-564-7954, FACSIMILE: (502) 696-5091, or EMAIL: ethicsfiler@ky.gov

STATEMENT OF FINANCIAL DISCLOSURE
ANNUAL FORM
Calendar Year _____

CONSTITUTIONAL OFFICERS AS DEFINED BY KRS 11A.010(9)(A)-(G) AND OFFICERS AS DEFINED BY KRS 11A.010(7) MUST FILE THIS FORM BETWEEN JANUARY 1 AND APRIL 15 FOR EACH CALENDAR YEAR YOU SERVE IN SUCH POSITION. (KRS 11A.050(1)(A)). OFFICERS AND CONSTITUTIONAL OFFICERS WHO ARE CANDIDATES FOR CONSTITUTIONAL OFFICE MUST FILE THIS FORM BY THE FEBRUARY 15 THAT FALLS AFTER FILING FOR OFFICE.

“REPORTING YEAR” MEANS THE CALENDAR YEAR PRIOR TO THE CURRENT APRIL 15. ANSWER EVERY QUESTION OR YOUR FORM WILL NOT BE ACCEPTED.

LEAVING OFFICERS FILING WHEN THEY SEPARATE: Officers who leave state service, regardless of the reason for departure, must file within thirty (30) days of leaving state service. Former officers will complete the questions with information that applies for the entire current calendar year during which he or she served in an officer position.

COMMONWEALTH OF KENTUCKY
 EXECUTIVE BRANCH ETHICS COMMISSION
 1025 Capital Centre Drive, Suite 104, Frankfort, KY 40601
 PHONE: 502-564-7954, FACSIMILE: (502) 696-5091, or EMAIL: ethicsfiler@ky.gov

STATEMENT OF FINANCIAL DISCLOSURE
LEAVER FORM
Calendar Year _____

CONSTITUTIONAL OFFICERS AS DEFINED BY KRS 11A.010(9)(A)-(G) AND OFFICERS AS DEFINED BY KRS 11A.010(7) MUST FILE THIS FORM WITHIN 30 DAYS OF LEAVING STATE SERVICE AS AN OFFICER. (KRS 11A.050(1)(a)).

“REPORTING YEAR” MEANS THE PORTION OF THE CURRENT CALENDAR YEAR IN WHICH YOU SERVED AS AN OFFICER PRIOR TO LEAVING THE OFFICER POSITION. ANSWER EVERY QUESTION OR YOUR FORM WILL NOT BE ACCEPTED.

DELINQUENTS: Delinquent filers may have their salary withheld until the proper form is submitted and may face further penalties under KRS 11A.100(3).

HOW TO DETERMINE “MAJOR MANAGEMENT”: The Ethics Commission can review the job responsibilities and make a determination that the individual public servant is “Major Management” pursuant to KRS 11A.010(7).

ADVISORY OPINION 17-05: When the Ethics Commission reviews the job duties of potential officers, it looks for factors such as the employee has responsibility for managing a division, department or Cabinet, supervises a geographical region, oversees a state facility, coordinates a state program, makes decisions concerning how state funds are spent or dispersed, or makes decisions on setting state policy. The Ethics Commission may also determine that any public servant who is in a position that could require him or her to step into the role of the decision-makers in the event such individual cannot fulfill his or her role, such as an assistant executive director, then that public servant may also be an officer.

DISCLOSURE FILING STATISTICS

	2021 SFD Filers	2022 SFD Filers	*2023 SFD Filers
Total SFD's filed	1,811	1,891	133*
Annuals	1,420	1,416	N/A**
Leavers	168	202	35
New Hires	223	273	80
Filed via E-file	1699 (94%)	1775 (94%)	129 (97%)
Filed via paper, email or fax	250 (16%)	382 (25%)	4 (3%)

Statements filed timely	1,730 (96%)	1,775 (94%)	N/A
Statements filed delinquent	81 (4%)	113 (6%)	N/A
Officers/Candidates investigated	0	1	0
Officers/Candidates charged	0	1	0

*Indicates Officers who filed their 2023 SFD form between 01/01/2023 – 06/30/2023

**Annual forms for 2023 are due April 15, 2024.

AUDITS

Upon receipt of the Statements of Financial Disclosure, each are reviewed to determine whether it is complete and whether the instructions have been followed. The Ethics 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 Ethics Commission and investigations may be initiated. This is accomplished by staff review of the forms.

MONTHLY NOTICES

The Ethics Commission has worked with the Personnel Cabinet to initiate a process whereby the Personnel Cabinet notifies the Ethics Commission monthly of officers who have left their positions during the previous month. This enables the Ethics Commission staff to remind the former officers of the 30-day filing requirement for those leaving during the calendar year. This process has proven very helpful in reducing the number of former officers, who file late. Each month, the Personnel Cabinet provides the Ethics Commission with a list of monthly new hires. This process allows the Ethics Commission to contact the newly hired officers and remind them of the 30-day hire filing requirement.

INVESTIGATIONS, ADMINISTRATIVE PROCEEDINGS, AND LITIGATION

COMPLAINTS OR INFORMATION (KRS 11A.080(1) AND 9 KAR 1:015)

The Executive Branch Ethics Commission must investigate an alleged violation of KRS Chapter 11A upon receiving a complaint signed under penalty of perjury. The Ethics Commission may also investigate an alleged violation upon its own motion. The Ethics Commission considers information received by the Ethics Commission staff in person, by telephone, by letter, or through the media. Commission staff will take complaints from anonymous complainants if the alleged conduct is specifically defined. If the information Commission staff receives indicates that a public servant may have violated the Ethics Code, the Ethics Commission will determine whether to initiate a preliminary investigation upon its own motion at its next regularly scheduled meeting.

The complaint, whether under penalty of perjury, informal, or anonymous, remains confidential. All records relating to the Ethics Commission's investigations, unless used as part of an administrative hearing, remain confidential. See 97-ORD-70, 02-ORD-44, 07-ORD-201, 07-ORD-202.

PRELIMINARY INVESTIGATIONS (KRS 11A.080(2) AND (3), KRS 11A.070, AND KRS 11A.990)

Within ten days of the initiation of the preliminary investigation, the Ethics Commission must forward to the alleged violator a copy of the complaint (if applicable) and a general statement of the law violated. Thus, the Ethics Commission will notify a public servant by certified letter if he or she is under investigation.

Unless an alleged violator publicly discloses the existence of the preliminary investigation, the Ethics Commission is required to keep confidential the fact of the preliminary investigation. This confidentiality remains until the Ethics Commission determines probable cause of a violation and initiates an administrative proceeding to determine whether there has been a violation. However, the Ethics Commission may inform a referring state agency of the status of, or any action taken on, an investigative matter referred to the Ethics Commission by the agency. It may also, for investigative purposes, share evidence, at its discretion, with the Auditor of Public Accounts, the Personnel Board, and other agencies with the authority to review, audit, or investigate the conduct. These entities are covered by the confidentiality requirement of KRS 11A.080 when working with the Ethics Commission on a preliminary investigation. 94-ORD-81.

The Ethics Commission has the power to subpoena witnesses and evidence, as well as use the facilities of other agencies in carrying out its investigations. The Ethics Commission views its investigations as fact-finding missions. The Ethics Commission does not desire to bring charges without sufficient evidence. If the Ethics Commission determines that evidence is not sufficient to show probable cause of a violation during the preliminary investigation, the public servant is confidentially informed that the investigation is terminated, and such notification remains confidential. This confidentiality is designed to protect the reputation of an employee who is falsely accused of a violation or against whom there is insufficient evidence to warrant further action.

THE CONFIDENTIAL REPRIMAND (KRS 11A.080(4)(A))

The Ethics Commission may find probable cause of a violation during a preliminary investigation, but find mitigating circumstances, such as lack of financial gain to the employee, lack of loss to the state, and lack of impact on public confidence. In such situations, the Ethics Commission may confidentially reprimand the alleged violator rather than initiate an administrative proceeding. A confidential reprimand is merely a letter from the Ethics Commission sent to the public servant by certified mail. A copy is also sent to the appointing authority with instructions that the letter remain confidential.

CHARGES OF THE ETHICS COMMISSION (KRS 11A.080(4)(B), KRS 11A.100(1), (2), AND (3))

If the Ethics Commission finds probable cause that a public servant may have violated the Ethics Code, and no mitigating factors exist that would justify a confidential reprimand, the Ethics Commission will vote to issue charges against the violator. These charges come in the form of a document called the **INITIATING ORDER**. This is the first public document in the Ethics Commission's record. This document begins the administrative proceedings process. The Ethics Commission's charges are civil in nature but can lead to criminal prosecution for violations of KRS 11A.040.

The person charged in the Initiating Order has twenty (20) days in which to file an answer to the charges. If they fail to do so, the Ethics Commission may enter a default judgement pursuant to KRS 11A.080(4)(b), KRS 11A.100, and 13B.050(5).

After charging an alleged violator with a violation of the Ethics Code, the Ethics Commission must prove by clear and convincing evidence during an administrative hearing that the public servant has violated the Ethics Code. This is a high standard and requires the Ethics Commission to ensure that it has good, solid evidence to bring charges against a violator.

The Ethics Commission's administrative hearings follow the KRS Chapter 13B process, except the Ethics Commission may designate its own hearing officers by contract. KRS 13B.020(7). The Ethics Commission maintains a roster of qualified hearing officers pursuant to 9 KAR 1:030, Section 6. During the administrative hearing, the alleged violator has due process rights to be represented by counsel, call witnesses, introduce exhibits, and cross-examine witnesses. The Ethics Commission's General Counsel serves as the "prosecutor" of these actions. The Hearing Officer will hear all evidence and issue a recommended order to the Ethics Commission. The Ethics Commission ultimately makes a final determination whether a violation occurred.

The Ethics Commission may settle matters with an individual if the individual will admit to the conduct and pay a reduced penalty.

PENALTIES
(KRS 11A.100(3), (4), AND (5), AND KRS 11A.990)

The Ethics Commission, upon clear and convincing proof of a violation of the Ethics Code, may:

- Issue a cease-and-desist order;
- Require a public servant to file a report, statement, or other information;
- Issue a written, public reprimand which will be forwarded to the public servant's appointing authority;
- Recommend to the appointing authority that the public servant be removed from office or his or her position; and
- Order the public servant to pay a civil penalty of not more than **\$5,000** for **each** violation.

In addition:

- If the violation has substantially influenced the action taken by any state agency in any particular matter, such shall be grounds for voiding, rescinding, or canceling the action on such terms as the interest of the state and innocent third persons require.
- If the Ethics Commission determines that a violation of this chapter has occurred in a case involving a contract with state government, the secretary of the Finance and Administration Cabinet may void any contract related to that case.
- If the Ethics Commission determines that a violation of the provisions of KRS 11A.001 to 11A.130 has occurred, an employer of a former officer or public servant may be subject to a fine of up to \$1,000 for each offense.
- The Ethics Commission **shall** refer to the Attorney General all evidence of violations of KRS 11A.040 for prosecution – violations are Class D felonies punishable by one to five years in jail and additional fines.
- An employee who fails to file with the Ethics Commission his Statement of Financial Disclosure by the due date will have his salary withheld until the statement is filed.
- Any person who maliciously files with the Ethics Commission a false charge of misconduct on the part of any public servant or other person shall be fined not to exceed \$5000, or imprisoned in a county jail for a term not to exceed one year or both.

APPEALS
(KRS 13B.140)

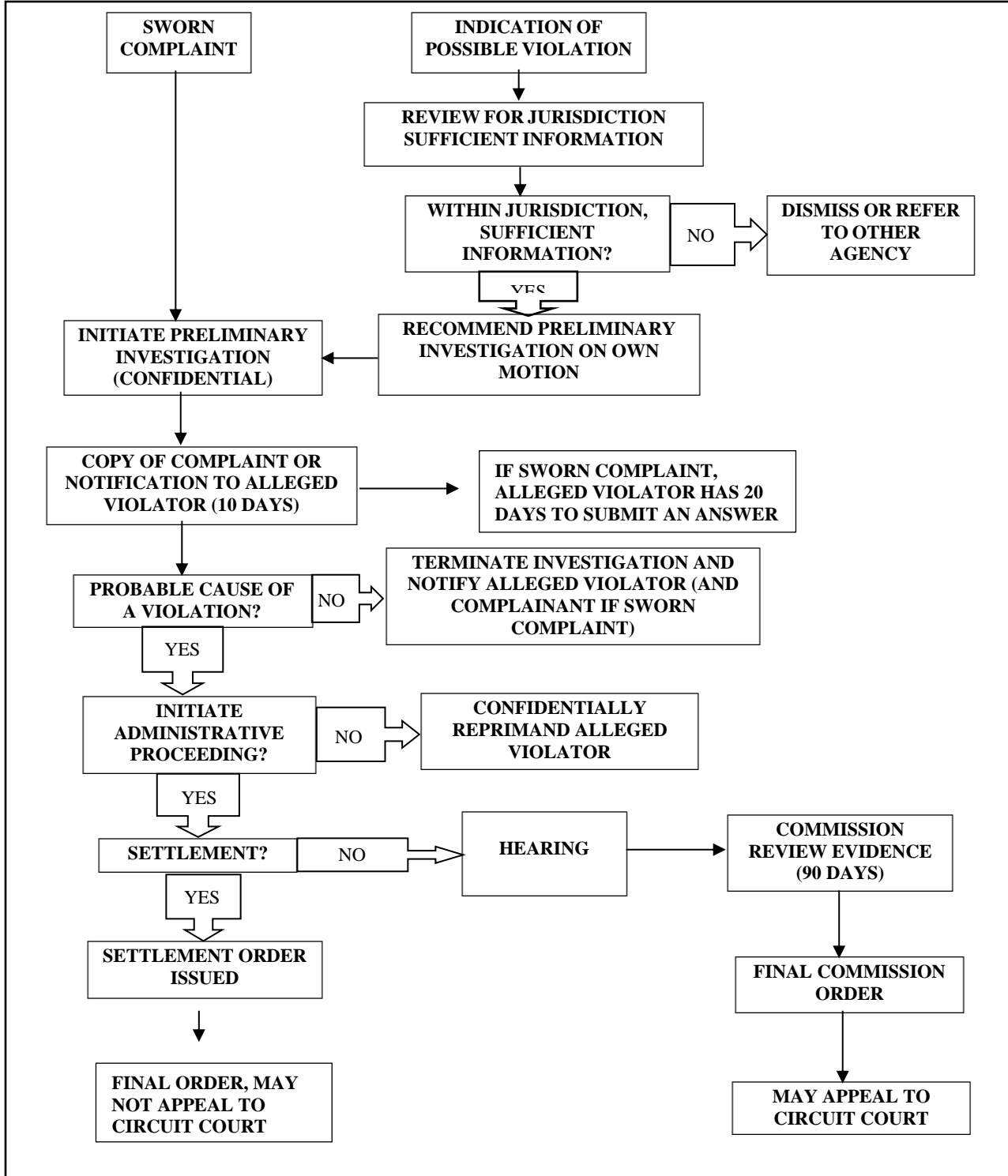
The Ethics Commission's final orders may be appealed to the circuit court pursuant to KRS 13B.140.

COLLECTION OF PENALTIES

In fiscal year 2022-23 the Executive Branch Ethics Commission began discussions with the Department of Revenue to have EBEC's delinquent accounts pursued by Enterprise Collections. This project has been approved and will be fully implemented within the next biennium.

INVESTIGATIVE FLOW CHART

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



If the Ethics Commission finds, during a preliminary investigation, that probable cause of a violation has occurred, the Ethics Commission may, pursuant to KRS 11A.080(4):

- (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, except the Ethics Commission may designate its own administrative hearing officers through contract. If, during an administrative hearing, the Ethics 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 Ethics Commission must refer to the Attorney General for prosecution any violations of KRS 11A.040 for possible criminal prosecution. Final action by the Ethics Commission may be appealed to the Circuit Court upon petition of any party in interest.

STATISTICS

	<u>2021--2022</u>	<u>2022—2023</u>	Total
Possible Violations Reviewed	50	44	94
Investigations Initiated	32	29	61
Investigations Ongoing from Previous FY	44	39	83
Terminated Without Charges	27	20	47
Confidential Reprimands	2	0	2
Administrative Proceedings Initiated	9	7	16
Employees Penalized	5	9	14
Administrative Hearings	6	3	9
Investigations Active at Fiscal Year End	39	41	80

DISPOSITION OF INVESTIGATIONS

Informal complaints received by the staff were researched and either brought to the Ethics Commission, referred to another agency, or dismissed for lack of jurisdiction. Of the preliminary investigations initiated during this biennium forty-seven (47) 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. Two (2) investigations showed probable cause of a violation; however, due to mitigating circumstances, the alleged violators were confidentially reprimanded during the biennium. Thirty-nine (39) investigations remained active as of June 30, 2022, and forty-one (41) investigations remained active as of June 30, 2023. In sixteen (16) other investigations, the Ethics Commission found probable cause of violations and issued initiating orders for administrative proceedings during the biennium.

The following details proceedings that were final either through a full administrative hearing or a settlement agreement during the biennium. Current ongoing litigation is also referenced.

Executive Branch Ethics Commission v. Jessica Sanderson

Year: 2023 | Case Number: 23-003

In a Settlement Agreement approved by the Commission, Ms. Sanderson admitted to one (1) count of violating the Code of Ethics. Specifically, Ms. Sanderson, an Education Administration Program Consultant II, Kentucky Department of Education, used her state-issued laptop for personal use and to conduct private, for-profit activities. Pursuant to the Settlement Agreement, Ms. Sanderson agreed to pay a \$250.00 civil penalty, receive a public reprimand, and waive any right to appeal.

Executive Branch Ethics Commission v. Jennifer Linton

Year: 2023 | Case Number: 23-001

In a Settlement Agreement approved by the Commission, Ms. Linton admitted to two (2) counts of violating the Code of Ethics. Specifically, while employed as the Executive Director, Office of Facility Development and Efficiency, Finance Cabinet, Ms. Linton engaged in a financial transaction with a subordinate employee for an amount greater than \$100.00. Pursuant to the Settlement Agreement, Ms. Linton agreed to pay a \$2,000.00 civil penalty, receive a public reprimand, and waive any right to appeal.

Executive Branch Ethics Commission v. Christi Struening

Year: 2023 | Case Number: 22-004

The Commission found Ms. Struening violated the Code of Ethics in two (2) separate counts. Specifically, during the course of her employment as a Nurse Aide State Registered II, at the Thomas Hood Veterans Center, KDVA, Ms. Struening used her position as a nurse aide to obtain personal checks in the amount of \$800.00 and \$650.00 from a resident/patient of her place of employment. Pursuant to a Final Order of Default, Ms. Struening must pay a \$10,000.00 civil penalty and received a public reprimand.

Executive Branch Ethics Commission v. Alison Lundergan Grimes

Year: 2023 | Case Number: 21-011

In a Final Order issued by the Commission, Ms. Grimes, while serving as Secretary of State for the Commonwealth of Kentucky, was found to have violated the Code of Ethics in two (2) separate counts. In both counts Ms. Grimes violated KRS 11A.020(1)(a) and (d), by using her position and influence to download voter information for an improper personal purpose and to download and improperly distribute voter lists to others without following the processes of government. Her actions conferred a benefit and advantage on herself and others, circumvented the process of government, and were in conflict with and in derogation of the public interest. In the Final Order, the Commission publicly reprimanded Grimes for her conduct in violation of KRS 11A.020(1)(a) and (d) and ordered her to pay a civil penalty in the amount of \$10,000.00. Ms. Grimes has appealed to the Franklin Circuit Court Circuit Court

Executive Branch Ethics Commission v. Howard Stanley "Stan" Head, Jr.

Year: 2023 | Case Number: 21-008

In a Settlement Agreement approved by the Commission, Mr. Head admitted to fourteen (14) counts of violating the Code of Ethics. Specifically, during the course of his employment as a Systems Consultant II, Commonwealth Office of Technology, Finance and Administration Cabinet Mr. Head used state time and/or resources to order, to discuss, and to arrange the distribution of scheduled (prescribed) and controlled substances, and he used state time and resources to engage in activities related to gambling that were not part of his job duties or for work-related purposes. In a Settlement Agreement approved by the Commission, Mr. Head admitted to fourteen (14) counts of violating the Code of Ethics and agreed to pay a \$5,000.00 fine.

Executive Branch Ethics Commission v. Jason Reed

Year: 2022 | Case Number: 22-007

During the course of his employment as a Staff Attorney III, Ombudsman and Administrative Review, Administrative Hearings, Cabinet for Health and Family Services, Mr. Reed used state time, resources and equipment to benefit himself and others. Specifically Mr. Reed used his state-issued email to discuss matters regarding his representation of a private-party, outside those of his official state duties; engaged in conduct involving use of state property, and resources to conduct a private, for-profit business by drafting legal memoranda on a word-processing program on his state-issued computer outside the scope of his official state duties; engaged in conduct involving use of state time to conduct private, for-profit legal activities not related to his employment; and finally, engaged in conduct involving use of state property, state time, and resources to conduct a private, for-profit business by utilizing a state-provided legal research database ("Westlaw") to conduct research for other entities outside the scope of his official state duties all of which to fulfill his own financial interests. In a settlement agreement approved by the Commission, Mr. Reed admitted that he committed four (4) Counts in violation of the Executive Branch Code of Ethics codified at KRS11A.020(1)(a), and (d) and agreed to pay a \$9,000.00 civil penalty and to receive a public reprimand. The fine was offset by two thousand dollars due to his 10-day suspension without pay for this conduct.

Executive Branch Ethics Commission v. Michael Williams

Year: 2022 | Case Number: 22-006

During his course of employment as an Internal Affairs Captain, Kentucky State Reformatory, Department of Corrections, Mr. Williams used a state issued cell phone for non-work prurient interests. In a Settlement Agreement approved by the Commission, Mr. Williams admitted to one (1) count of violating the Code of Ethics and agreed to pay a \$2,000.00 civil penalty and receive a public reprimand.

Executive Branch Ethics Commission v. Matthew "Adam" Humphrey

Year: 2022 | Case Number: 22-005

During the course of his employment as an Environmental Control Supervisor, Abandoned Mine Lands, Construction Branch I, KMAC Contracting LLC, a company employing his wife and owned by his wife's father, was awarded construction contracts directly overseen by the Construction Branch. Humphrey did not abstain from decisions regarding the contracts or the bids for the contracts, and he did not advise his supervisors of any conflict until 2021. After being advised by his supervisor to refrain from being involved in projects involving KMAC Consulting LLC, Humphrey disregarded that directive and continued to play an active role in those matters. His actions included sending an email to agency staff in which he included KMAC Consulting LLC as a potential contractor on a new project; sending an email to his father-in-law inviting him to bid on the new project; attending a pre-bid meeting with his father-in-law; and sending other emails regarding contracts awarded to KMAC Consulting. KMAC Consulting LLC, his father in law's company and his wife's employer, was chosen as the contractor for the new project. In a settlement agreement approved by the Commission, Mr. Humphrey acknowledged violation of three counts of KRS 11A.020(1)(a) and (c) and agreed to pay a \$6,000.00 civil penalty and to receive a public reprimand.

Executive Branch Ethics Commission v. Denise Cason

Year: 2022 | Case Number: 22-002

During the course of her employment as Case Management Specialist II, Department for Community Based Services, Jefferson Service Region, Cabinet for Health and Family Services Ms. Cason was charged with multiple counts of fraud through intentional fabrication of state paperwork that resulted in the issuance of EBT and SNAP benefits. She then engaged in conduct to steal those same EBT and SNAP benefits for personal benefit and the benefit of her friends. Furthermore, she failed to perform her job duties and used state time, programs, and equipment for personal benefit. Ms. Cason admitted to the conduct during a recorded interview with her agency's investigators but did not choose to participate in the proceedings. The Commission issued a Final Order of Default in which Ms. Cason received a public reprimand, and was ordered to pay a fine of \$5,000 on each of four counts.

Executive Branch Ethics Commission v. Jennie Fisk

Year: 2022 | Case Number: 22-001

Ms. Fisk admitted that during her employment as a Paralegal for the Department of Public Advocacy, she used her agency's confidential, unrecorded phone line, which was designated for official purposes, to have personal conversations with her son, who was not a client of her agency. Fisk engaged in over 400 phone calls with her son and spent approximately 45 hours of state work time on these personal calls with her son. Ms. Fisk further admitted that she used her access to an agency database to assist her son and one other inmate in discovering confidential information about other inmates, including bed locations within the state's correctional facilities. Pursuant to a Settlement Agreement, Ms. Fisk agreed to pay a \$1,500 civil penalty.

Executive Branch Ethics Commission v. Jodi L. Williams

Year: 2022 | Case Number: 21-009

While employed at the Kentucky State Reformatory, Department of Corrections, Ms. Williams used her position to copy and remove secured documents from her place of employment for personal use. In a Settlement Agreement approved by the Commission, Ms. Williams admitted to one (1) count of violating the Code of Ethics, agreed to pay a \$1,000.00 civil penalty, and to receive a public reprimand.

Executive Branch Ethics Commission v. William Fay

Year: 2022 | Case Number: 21-006

Mr. Fay admitted that he used his position as a Correctional Officer at the Kentucky State Penitentiary, and his access to that state correctional facility to introduce narcotics to inmates of the facility in exchange for money. Fay did so to fulfill his own private, for-profit interests, which conflicted with his duties in the public interest. Fay used his position and access to inmates to engage in conduct that was criminal in nature in violation of law and his agency's policies. By engaging in such conduct, Fay failed to avoid conduct that would lead the public to conclude that he was using his official position to further his own private interest. Taking into account the criminal penalties imposed on Mr. Fay, a settlement agreement was reached wherein Mr. Fay agreed to pay the Commission a \$500 civil penalty and to refrain from seeking employment with the Commonwealth.

Executive Branch Ethics Commission v. Joseph Sanders

Year: 2021 | Case Number: 21-010

Mr. Sanders, while serving as a Highway Superintendent I, Department of Highways, Transportation Cabinet, admitted to two (2) counts of violating the Code of Ethics by using his access to a state vehicle and state time to travel to a medical appointment for personal reasons and to a private business, socializing with employees of the business for over 13 hours over a two week timeframe, when Sanders had no work-related reason for being at the business. Pursuant to the Settlement Agreement, Mr. Sanders paid a \$4,000 civil penalty.

Executive Branch Ethics Commission v. Shannon Anson

Year: 2021 | Case Number: 21-005

In her position as a Social Service Specialist with the Department of Juvenile Justice, JPS Cabinet, from August 2013 through July 2015, on twenty-three (23) separate occasions Ms. Anson used her official position to corruptly accept payments totaling approximately \$50,500 from various individuals at a non-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code. Anson accepted the payments in return for placing youth under the supervision of the Department of Juvenile Justice with the non-profit corporation pursuant to a contract between the non-profit corporation and the Department of Juvenile Justice. Pursuant to the Settlement Agreement, Ms. Anson agreed to pay a civil penalty of forty-six thousand dollars (\$46,000). However, this amount will be completely offset by the criminal restitution to be paid by Ms. Anson. Further, Ms. Anson agreed to abstain from seeking employment with the Commonwealth of Kentucky.

INTRODUCTION

All final orders of the Ethics Commission issued pursuant to an administrative hearing are appealable to circuit court. The Ethics 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 Ethics Commission.

COURT REVIEW

A. Circuit Court

1. ***Albert Dixon v. Executive Branch Ethics Commission***, Madison Circuit Court, Case No. 22-CI-00167. (EBEC file 20-021)

Al Dixon appealed the Commission's Final Order to the Madison Circuit Court.

10/10/2023-Dixon Brief filed.

10/20/2023-EBEC Brief filed.

12/4/2023-Dixon Reply Brief Due.

2. ***Albert Dixon v. Executive Branch Ethics Commission***, Madison Circuit Court, Case No. 22-CI-00377. (EBEC file 21-007)

Petition for Appeal has been filed. EBEC filed its answer on September 14, 2022.

3. ***Alison Lundergan Grimes v. Executive Branch Ethics Commission***, Franklin Circuit Court, Hon. Phillip Shepherd, Case No. 23-CI-00544.

Ms. Grimes found to have violated KRS 11A.020(1)(a) and (d) on two counts, by using her position and influence to download voter information for an improper personal purpose and to download and improperly distribute voter lists to others without following the processes of government, and ordered to pay a civil penalty in the amount of \$10,000.00. Ms. Grimes has filed an appeal of the Final Order in the Franklin Circuit Court. 2/6/2024-Oral Argument.

B. Court of Appeals

1. **Notices of Appeal** (from *Andy Beshear, et al., v. Legislative Research Commission, et al.*, Jefferson Circuit Court, Case No. 22-CI-002228; A challenge to recently passed HB 334. Seeking a declaration of rights and a temporary and permanent injunction.)

22-CA-0837- Daniel Cameron, etc., et al. v. Andy Beshear, etc., et al.

22-CA-0838- Ryan Quarles, etc., et al. v. Andy Beshear, etc., et al.

11/29/2023: Oral Argument

AND

22-CA-0991- LRC v. Andy Beshear, etc.

11/29/2023: Oral Argument

Note: EBEC is not named as a party to this appeal.

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 Ethics Commission, along with his employer, and real party in interest, if applicable, as an Executive Agency Lobbyist (“EAL”) within ten 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 such attempts are made involving state funds of over \$5,000. Upon registration, an executive agency lobbyist is issued a registration card.

Provisions relating to Lobbying:

- KRS 11A.201 through KRS 11A.246
- 9 KAR 1:040
- Penalties: KRS 11A.990

What is Professional Lobbying?

Any person who receives compensation for his or her efforts to influence legislators, elected officials, or executive agency decision-makers on behalf of a client or employer is a professional lobbyist. A lobbyist of executive branch agencies is called an Executive Agency Lobbyist or EAL.

What is Executive Agency Lobbying?

Anyone attempting to promote, advocate, or oppose the passage, modification, defeat, or executive approval or veto of any legislation or otherwise influence the outcome of an executive agency decision if the decision will result in the expenditure of state funds of \$5000 or more or would financially impact the person's client. The person does this by engaging in direct communication with:

1. An elected executive official;
2. The secretary of any cabinet listed in KRS 12.250;
3. Any executive agency official whether in the classified service or not; or
4. A member of the staff of any one of the officials listed in this paragraph.

What is an Executive Agency Decision?

An *executive agency decision* means a decision of an executive agency regarding the expenditure of state funds or funds of an executive agency with respect to the award of a contract, grant, lease, or other financial arrangement under which such funds are distributed or allocated. This shall also include decisions made concerning:

- (a) The parameters of requests for information and requests for proposal;
- (b) Drafting, adopting, or implementing a budget provision;
- (c) Administrative regulations or rules;
- (d) An executive order; or
- (e) Legislation or amendments thereto.

However, Executive Agency Decisions must result in the expenditure of state funds of \$5,000 or more or would financially impact the person's client.

What does financial impact mean?

The term “financial impact” is not defined by statute or regulation. As such, we must use the ordinary definitions of those terms. Therefore, an executive agency decision that financially impacts the EAL’s client would be a decision that would have an effect on the financial position of the client.

Who should register as an EAL?

An EAL is any individual who is engaged by an employer *on a substantial issue*, as one of his or her main purposes, to influence executive agency decisions or to conduct executive agency activity by direct communication. This includes representing public interest entities formed for the purpose of promoting or otherwise influencing executive agency decisions.

Definition of “on a substantial issue”: Any lobbying activity which includes direct contacts with an executive agency during a calendar year for the purpose of influencing an executive agency decision involving state funds of at least \$5,000 per year or any budget provision, administrative regulation or rule, legislative matter or other public policy matter that financially impacts the executive agency lobbyist or his or her employer.

Definition of “engaged” or “engagement”: *Engage* means to make any arrangement, and *engagement* means any arrangement made, whereby an individual is employed or retained for *compensation* to act for or on behalf of an employer to influence executive agency decisions or to conduct any executive agency lobbying activity.

Contingency Arrangements

Pursuant to KRS 11A.236, no person shall engage any person to influence executive agency decisions or conduct executive agency lobbying activity for compensation that is contingent in any way on the outcome of an executive agency decision, including payment based on the awarding of a contract or payment of a percentage of a government contract awarded. No person shall accept any engagement to influence executive agency decisions or conduct executive agency lobbying activity for compensation that is contingent in any way on the outcome of an executive agency decision, except for certain sales commissions, including payment based on the awarding of a contract or payment of a percentage of a government contract awarded. An employer who pays an executive agency lobbyist based on the awarding of a contract or payment of a percentage of a government contract awarded shall be barred from doing business with the Commonwealth for a period of five (5) years from the date on which such a payment is revealed to the Executive Branch Ethics Commission. Violation is a Class D felony.

Who is an Employer of an EAL?

An *employer* means any *person* who employs or engages an executive agency lobbyist.

- A “person” is defined as an individual, proprietorship, firm, partnership, joint venture, joint stock company, syndicate, business, trust, estate, company, corporation, association, club, committee, organization, or group of persons acting in concert.

What is a Real Party in Interest?

A *Real Party in Interest* is the person or organization on whose behalf the EAL is acting, if that person is not the employer.

- For example, if the ABC Corporation engages XYZ Consulting Company which, in turn, hires John Smith to influence decisions or conduct executive agency lobbying on behalf of ABC Corporation: (a) John Smith is the EAL; (b) XYZ Consulting Company is the “employer;” and (c) ABC Corporation is the “real party in interest.”

Who is exempt from filing?

- 1) Unpaid lobbyists.
- 2) A person who is attempting to influence a decision of an executive agency **that does not involve** the expenditure of state funds or the award of a contract, grant, lease, or other financial arrangement under which such funds are distributed or allocated.
- 3) A person whose job does not include lobbying as a “main purpose.” Example: An engineer for a public utility who sometimes is in contact with state highway officials about moving utility lines, but whose main duties do not include lobbying.
- 4) A person whose state contacts do not involve “substantial” state spending. Decisions involving state spending of less than \$5,000 per year are not considered “substantial.”
- 5) A firm or individual merely submitting a bid or responding to a Request for Proposal for a contract.
- 6) A person whose contacts with state officials are for the sole purpose of gathering information contained in a public record. Example: A businessman who seeks a fuller explanation of bidding specifications, but makes no effort to change or otherwise influence a state decision on the bids.
- 7) News, editorial, and advertising statements published in newspapers, journals, or magazines, or broadcast over radio or television;
- 8) The gathering and furnishing of information and news by bona fide reporters, correspondents, or news bureaus to news media;
- 9) Publications primarily designed for, and distributed to, members of bona fide associations or charitable or fraternal nonprofit corporations;
- 10) Professional services in preparing executive agency decisions, preparing arguments regarding executive agency decisions, or in advising clients and rendering opinions regarding proposed or pending executive agency decisions, if the services are not otherwise connected to lobbying; or
- 11) Public comments submitted to an executive agency during the public comment period on administrative regulations or rules;
- 12) A person whose lobbying is done only during appearances before public meetings of executive agencies.
- 13) A person whose contacts are limited to those employees whose official duties do not include policy formulation, administrative or supervisory authority, or expenditure authorization. To be considered lobbying, contacts must be with: an elected official; a cabinet secretary; officials whose principal duties are to make policy or participate in the preparation or award of state contracts or other financial arrangements, or the staff of any of the above officials. (See KRS 11A.201(9), (10) and (14) for complete details.)
- 14) Officers or employees of federal, state or local governments or of state colleges and universities when acting within their official duties.
- 15) Persons exercising their constitutional right to assemble with others for their common good and petition state executive branch agencies for redress of grievances.

- 16) Persons acting to promote, oppose or otherwise influence the outcome of a decision of the Cabinet for Economic Development or any board or authority within or attached to the Cabinet relating to the issuance or award of a bond, grant, lease, loan, assessment, incentive inducement, or tax credit pursuant to KRS 42.4588, 103.210, Chapter 154 or Chapter 224A, or otherwise relating to another component of an economic incentive package.

Registration Fee

Each Employer of one or more lobbyists, and each Real Party in Interest, must pay a registration fee of **\$500** upon the filing of an **Updated Registration Statement** due by **July 31** each year.

When should the EAL register?

Each EAL, employer, and, if applicable, real party in interest, is required to file, jointly, an Initial Registration Statement **within ten (10) days** of the engagement of the EAL.

How to register?

File an Initial Registration Statement with the Ethics Commission. The Initial Registration Statement can be filed electronically or can be downloaded from the Ethics Commission's website and completed and **delivered by email, fax, mail, or hand-delivery** to the Ethics Commission's office. Do not send fee payment at this time.

How long is a registration valid?

After the Statement is processed, the EAL will be issued a registration card by the Ethics Commission effective from the date of its issuance until the proceeding July 31. Until an EAL files a Termination Notification with the Ethics Commission, the lobbyist and his/her employer and real party interest are considered "active" and are required to file Updated Registration Statements between July 1 through July 31 of each year. A reporting year runs from July 1 through June 30. Updated Registration Statements are due between July 1 and July 31 for the previous reporting period. Updated Registration Statements filed before July 1 will be rejected.

Are the Forms Audited?

The lobbyist filing forms are audited and compared with the Statements of Financial Disclosures filed by Executive Branch Officers. If there are discrepancies between the filings, for instance the officer indicated a gift valuing over \$200 from a lobbyist and the lobbyist did not disclose the expenditure on his or her update filed with the Ethics Commission, the Ethics Commission may open an investigation pursuant to KRS 11A.080 and any penalties may apply under KRS 11A.100 and KRS 11A.990.

What are the Penalties?

- Any executive agency lobbyist, employer, or real party in interest who violates any provision in KRS 11A.206 shall for the first violation be subject to a civil penalty not to exceed \$5,000. For the second and each subsequent violation, he shall be guilty of a Class D felony.
- Any executive agency lobbyist, employer, or real party in interest who fails to file the initial registration statement or updated registration statement required by KRS 11A.211 or 11A.216, or who fails to remedy a deficiency in any filing in a timely manner, may be fined by the Ethics Commission an amount not to exceed \$100 per day, up to a maximum total fine of \$1,000.

- Any executive agency lobbyist, employer, or real party in interest who intentionally fails to register, or who intentionally files an initial registration statement or updated registration statement required by KRS 11A.211 or 11A.216 which he knows to contain false information or to omit required information shall be guilty of a Class D felony.
- An executive agency lobbyist, employer, or real party in interest who files a false statement of expenditures or details of a financial transaction under KRS 11A.221 or 11A.226 is liable in a civil action to any official or employee who sustains damage as a result of the filing or publication of the statement.

EALs, Employers, and real parties in interest registered with the Ethics Commission must update their registration between July 1-31 of each year and report to the Ethics Commission annually any expenditures made to or on behalf of an executive branch employee for activities during the previous fiscal year. 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 Ethics Commission. EALs are required to identify on their registration statements the type of industry that they represent.

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* and training are also available on the Ethics Commission's website at <http://ethics.ky.gov/>. The Ethics Commission also conducts one-on-one training with new EALs upon request.

KRS 11A.241(1) requires that the Commission computerize registration statements so that the information contained in them is fully transparent and readily accessible to the general public. To fully comply with those statutory requirements, during the 2022-23 fiscal year the Executive Branch Ethics Commission sought funding for an up-to-date computer system for lobbyist registration and reporting. Currently reports are hand prepared by Commission staff. EBEC has secured a Legacy grant from funds provided to the executive branch by the Legislature and is seeking additional funding from the Legislature to fully fund this project.

The table below shows the type of industries represented as of June 30, 2022, and June 30, 2023.

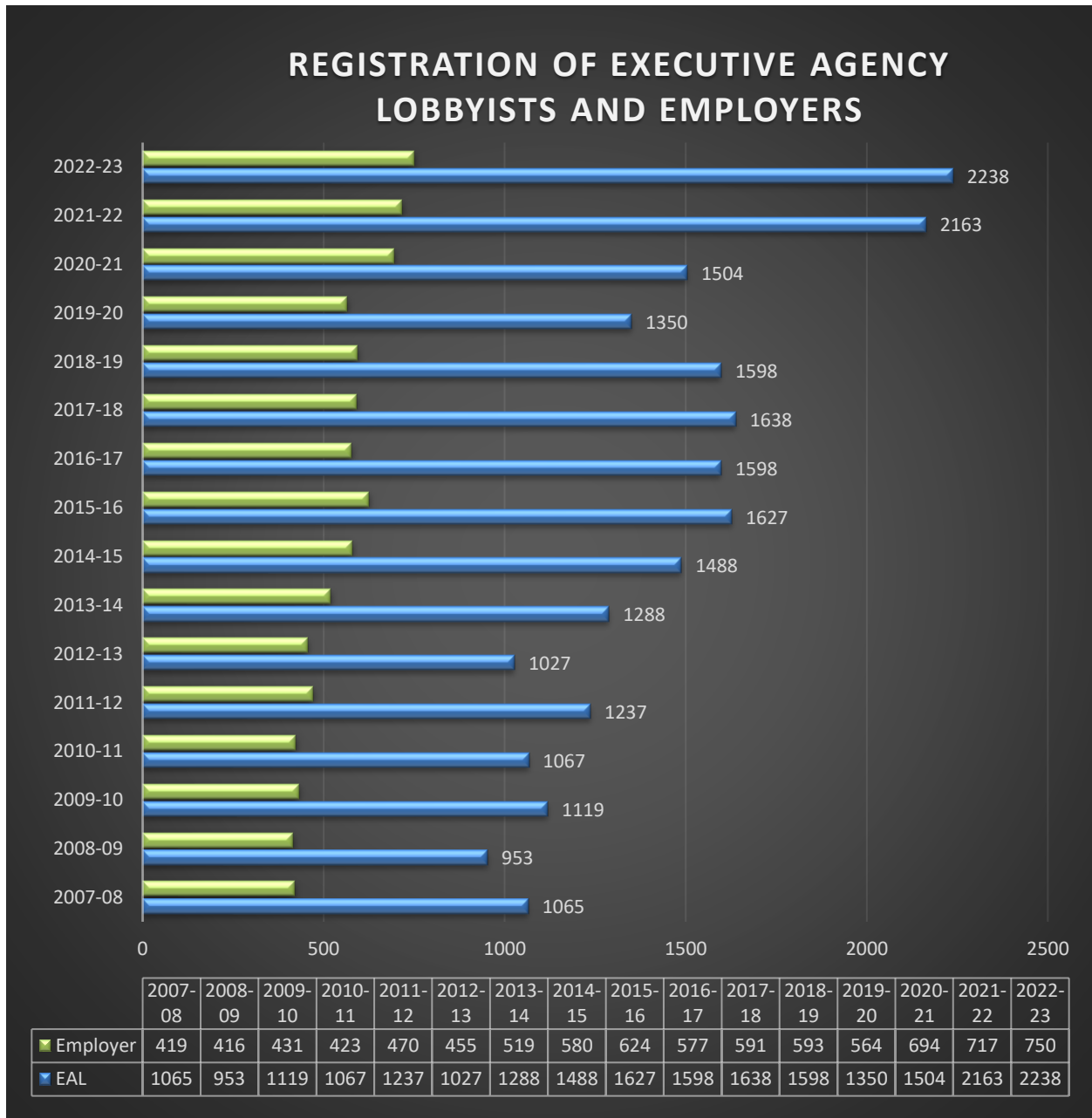
TYPE OF INDUSTRY	2021-2022		2022-2023	
	NUMBER OF LOBBYISTS	NUMBER OF EMPLOYERS	NUMBER OF LOBBYISTS	NUMBER OF EMPLOYERS
Advertising/Media/Public Relations	16	5	16	5
Advocacy/ Non-Profit/Social Services	179	43	177	49
Agriculture/Equine/Tobacco	59	18	48	16
Architects/Construction/Engineers	152	36	175	38
Arts/Tourism	39	10	40	10
Criminal Justice/Corrections/Public Safety	51	22	49	20
Economic Development/Manufacturing/Retail	158	53	137	51
Education/Workforce Training	134	41	175	51
Entertainment/Gaming /Hospitality/Alcohol Industry	92	29	100	32
Environmental Protection & Services/Energy Efficiency	29	19	43	23
Financial Services/Insurance/ Investments	362	148	362	151
Health Care/Pharmaceuticals/Bio Tech	447	151	490	170
Legal/Law Firm/Consulting	6	1	6	1
Local Government	33	11	38	10
Minerals/Petroleum/Utilities/Energy	104	35	80	29
Technology/Broadband/Data Analysis	217	67	205	64
Transportation/Shipping	85	28	97	30
TOTAL²	2163	717	2238	750

The Ethics Commission maintains all registration statements filed by EALs, 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 EALs, employer, and real party in interest and is available to the public. As of June 30, 2022, 2163 EALs representing 717 employers/real parties were registered with the Ethics Commission; on June 30, 2023,

² These numbers represent the total number of industries that the EALs, Employers, and Real Parties in Interest represent or for which they are actively engaged in lobbying. For example, one lobbyist may be involved in representing multiple types of industries.

2238 EALs representing 750 employers were registered.

A comparison of registered lobbyists and employers for the past 16 years is shown below.



ENFORCEMENT ACTION

Any EALs, employer or real party in interest who fails to file an initial or updated registration statement or, in the case of an employer or real party in interest, fails to pay the \$500 registration fee as required by the lobbying laws may be fined by the Ethics Commission an amount not to exceed \$100 per day, up to a maximum fine of \$1,000. During fiscal year 2021-22 and 2022-23, the Ethics Commission levied no fines for the failure to file timely statements or pay the \$500 registration fee.









PUBLIC INFORMATION

MEETINGS







The Ethics Commission holds bi-monthly meetings to consider advisory opinion requests, conduct business, and issue orders related to administrative proceedings. Discussions of investigations and litigation reviews are conducted in closed, executive session. Notice of Open Meetings is posted on the EBEC website pursuant to Kentucky's Open Records Law, KRS 61.810. The public is welcome to attend the open meeting in person or to attend by Zoom, also posted on the EBEC website.

PUBLIC RECORDS

The Ethics 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 Ethics Commission
-  Commission Meeting Minutes (open session only)
-  Executive Agency Lobbyist, Employer, and Real Party in Interest Registrations
-  Executive Agency Lobbyist Listings
-  Economic Development Incentive Disclosure Statements
-  Gift Disclosure Statements
-  Outside Employment Reports

EDUCATIONAL MATERIALS

-  *Biennial Reports*
-  *Guide to the Executive Branch Code of Ethics*
-  *Advisory Opinions*
-  *Executive Agency Lobbying Handbook*
-  *Ethics Officer Guide*
-  Brochures:
 - *Acceptance of Gifts*
 - *Post-Employment*
 - *Political Activities*
 - *Ethical Guidelines for Boards and Commission Members*
 - *Executive Branch Ethics Commission (general information)*

COMMONWEALTH OF KENTUCKY

EXECUTIVE BRANCH ETHICS COMMISSION

**Capital Complex East
1025 Capital Center Drive, Suite 104
Frankfort, Kentucky 40601**

**Telephone: (502) 564-7954
FAX (502) 695-5939**

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