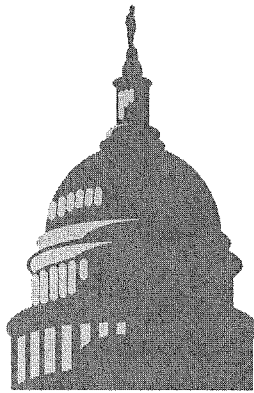
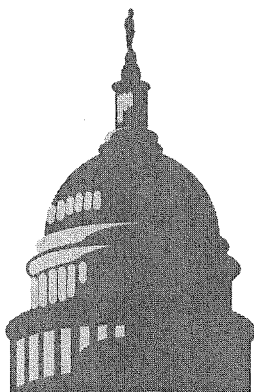


Kentucky Legislative Ethics Commission

ANNUAL REPORT



FY 2009-2010



Kentucky Legislative Ethics

Commission Members

George Troutman, Chair

Pat Freibert, Vice Chair

Bob Fulkerson

Ann Henn

Rebecca Tomblinson

Deborah Jo Durr

Paul Gudgel

Norma Scott

Ray B. White

Commission Staff

Anthony Wilhoit, Executive Director

John Schaaf, Assistant Director

Donnita Crittenden, Principal Assistant

Connie Evans, Staff Assistant

Michael Malone, Enforcement Counsel

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FOREWORD


I am pleased to submit the 17th Annual Report of the Kentucky Legislative Ethics Commission to the members of the Legislative Research Commission.

Over the past year, the Commission has again been impressed by the cooperation it has received from the members of the General Assembly and their leadership, as well as the legislative agents and their employers to whom the Code of Legislative Ethics applies.

The frequency with which advice is sought by those covered by the Code, and their compliance with that advice, continues to be outstanding.

No doubt this explains, in part, why Kentucky legislators are not experiencing some of the ethical problems found in more than a few of our sister states.

We respectfully submit this report of activities of the Legislative Ethics Commission as required by KRS 6.666(16).


George C. Troutman, Chair

Legislative Ethics Commission Member Profile

George C. Troutman - Mr. Troutman is the Chairman of the Commission. The Speaker of the House appointed him to the Commission in 1994. Mr. Troutman graduated from St. Xavier High School and Bellarmine University where he majored in accounting. He is currently self-employed as a Certified Public Accountant, a member of the American and Kentucky Society of CPAs and the American Board of Forensic Accounting. Mr. Troutman served on the Registry of Election Finance from 1992 to 1994. He and his wife, Mary, reside in Louisville.

Rebecca Parker Tomblinson - Mrs. Tomblinson was the Vice-Chair until May, 2010 of the Commission. The Speaker of the House appointed her in 1996. Mrs. Tomblinson graduated from Madisonville High School and attended Western Kentucky University. She is a former member and Chairman of the Board of the Bowling Green City Schools. She works with her husband in a privately owned business. She and her husband, Ben, reside in Bowling Green.

Ann B. Henn - Mrs. Henn is the Legislative Research Commission's appointee to the Commission. She has served on the Commission since 1997. Mrs. Henn was an attorney for the Court of Appeals for nine years. She received a B.S. from Northern Kentucky University and graduated from the University of Kentucky College of Law. She is licensed to practice law in Kentucky and Ohio, and is a member of the state and local bar associations. She and her husband, Bob, reside in Edgewood.

Bob Fulkerson – Mr. Fulkerson was appointed to the Commission by the President of the Senate in 2004. He is a graduate of Owensboro Senior High School and attended Southwestern College in Dallas, Texas. He is a retired manager of General Electric Appliance Park in Louisville. Currently, he devotes his time to community service and religious activities. In the past, he has been an active participant in politics, both as a candidate for elected office and party official. He and his wife, Edna, reside in Louisville.

Judge Paul D. Gudgel – Judge Gudgel was appointed by the Speaker of the House in 2002. Judge Gudgel received both his BA and LLB degrees from the University of Kentucky. After practicing law in Lexington, he entered judicial service in 1970, serving as a trial commissioner in the municipal and quarterly courts, and as Chief District Judge. In 1979, he was appointed to the Court of Appeals and served on that court until 2002, including five years as Chief Judge. He retired from the Court in November 2002. Judge Gudgel earned a Master of Laws degree from the University of Virginia and also served as a member of the Judicial Conduct Commission for 22 years. He and his wife, Katherine, reside in Lexington.

Pat Freibert - Mrs. Freibert has been the Vice-Chair of the Commission since May, 2010. She was re-appointed to the Commission by President of the Senate in 2008. She previously served on the Ethics Commission from 2000-2004. She is a former member of the House of Representatives. Mrs. Freibert has a long record of involvement in political, civic, educational, and charitable affairs for which she has received local, state and national recognition. She is also a free lance writer for several publications. In 2004, Mrs. Freibert was appointed to the Kentucky Commission on Women and served as Chairwoman. She and her husband, David, reside in Lexington, Kentucky.

Norma Scott - Mrs. Scott was appointed to the Commission by the President of the Senate in 2005. She graduated from Earlington High School and Western Kentucky University, where she received a B.A. in Elementary Education. A former school teacher, Mrs. Scott is president of Fugate Lumber Co., which has locations in Madisonville, Eddyville, and Powderly. She and her husband, Gerald, reside in Madisonville, Kentucky.

Deborah Jo Durr – Ms. Durr was appointed to the Commission by the Speaker of the House in July, 2009. She is President of Richwood Manor, a horse farm in northern Kentucky. Ms. Durr has an extensive record of civic and educational service, including serving on the Gateway Community & Technical College Board of Directors, Boone County Education Foundation, Kentucky Commission on Volunteerism, and as President of the Northern Kentucky District of the Parent/Teacher Association. She earned a Master's degree in Career Counseling from Morehead State University, and a B.S. in Biology from Northern Kentucky University. She resides in Richwood, Kentucky.

Ray B. White - Mr. White was appointed to the Commission by President of the Senate in July, 2009. Mr. White served four years in the State Senate, and was Minority Whip in 1972. He was a candidate in the 1979 Republican gubernatorial primary. Mr. White is an attorney and a lifetime member of the Western Kentucky Alumni Association. He lives in Bowling Green, Kentucky.

Legislative Ethics Commission Staff Profile

Anthony M. Wilhoit - Executive Director. Judge Wilhoit joined the Legislative Ethics Commission in 1997. He joined the Court of Appeals in 1976, was appointed Chief Judge in 1996. His other employment experience includes police judge, city attorney, county attorney, state public defender, and deputy justice secretary. He received an AB from Thomas More College, a law degree from the University of Kentucky, and an LLM from the University of Virginia.

H. John Schaaf – Assistant Director. Mr. Schaaf joined the Legislative Ethics Commission in 2004. Prior to that, he was the General Counsel and staff attorney for the Legislative Research Commission for 16 years. His other employment experience includes practicing law in Louisville, and working as editor of a weekly newspaper. He received a journalism degree from the University of Kentucky and a J.D. from the University of Louisville School of Law.

Donnita B. Crittenden- Mrs. Crittenden is the Principal Assistant in the Commission office. She is a graduate of Franklin County High School, and has a BA in Public Administration from Kentucky State University. Mrs. Crittenden joined the Commission in 1993. Her previous experience includes a three-year internship with the Kentucky Department of Education, specifically assigned to the State Board of Education.

Connie Y. Evans - Mrs. Evans is the Staff Assistant in the Commission office. She is a graduate of Lebanon High School, Lebanon, Kentucky. Her previous experience includes legal secretary for 15 years, elementary school secretary for 11 years, and judicial secretary for 3 1/2 years in the Court of Appeals. She joined the Commission in 1998.

P. Michael Malone - Mr. Malone is the Enforcement Counsel for the Commission. He was an Assistant Commonwealth's Attorney in Fayette County from 1978 until his retirement in 2006. He was the first Assistant Commonwealth's Attorney beginning in 1987. In addition to trying over 350 felony cases, including approximately 60 murder trials, he worked closely with homicide detectives investigating major violent crimes. Mr. Malone served in the United States Coast Guard before entering the University of Kentucky where he majored in Political Science, and the University of Kentucky School of Law, from which he received a J.D.

Education and Training
FY 2009-2010

November, 2009	Anthony Wilhoit and Donnita Crittenden, Presentation Lobbyist Retreat at Jenny Wiley State Park
December, 2009	Donnita Crittenden, John Schaaf and Judge Anthony Wilhoit attended the Council on Governmental Ethics Laws Conference in Phoenix, AZ
January, 2010	Current Issues Seminar for Members of the General Assembly conducted by LEC Staff, Peggy Kerns and Norman Ornstein
January, 2010	Donnita Crittenden and Anthony Wilhoit Employer and Legislative Agent Training Session
June, 2010	John Schaaf, Ethics Presentation at the Legislative Research Commission's Continuing Legal Education Seminar

During the fiscal year, we provided various in-house training as requested, issued 57 written informal advisory opinions, gave approximately 200 verbal informal advisory opinions as well as answering numerous filing and procedural questions, emailed monthly Ethics Reporters to all General Assembly members, news media, legislative agents and employers.

**Legislative Ethics Commission
Registration of Lobbyists and Employers**

FY 2009-2010

Number of Employers: 663

Number of Legislative Agents: 640

Reports were filed on September 15, 2009, January 15, 2010, February 15, 2010, March 15, 2010, April 15, 2010, and May 15, 2010.

The Kentucky Legislative Ethics Commission (KLEC) has continued to enhance its database and web site, making more information available to the public regarding legislative agents (lobbyists) and their employers.

By accessing KLEC's web site, citizens can review a variety of reports, including legislator and candidate financial disclosure forms, a list of legislative agents and their employers, legislative agent compensation, employer expenses sorted by the employer's name, and employer expenses sorted by industries, such as "gaming" or "health care."

In May, 2009, with the outstanding work of the Commonwealth Office of Technology, the Legislative Ethics Commission offered to lobbyists and employers the opportunity to file reports online by completing a form and clicking "Submit". Mailing, postage, faxing or hand-delivering will no longer be necessary.

Complaints and Administrative Actions

FY 2009-2010

Complaints:

Two complaints were filed, both against a member of the General Assembly. The two complaints were dismissed for lack of probable cause.

Administrative Fines Levied by the Commission:

Legislative Agents	\$1,100.00
Employers	\$6,000.00
Total Fines Assessed	\$7,100.00

These fines were assessed due to failure to file updated registration statements by the designated filing deadlines. Filers are cautioned that chronic late filing of forms results in additional penalties and possible action by the Commission.



KENTUCKY LEGISLATIVE ETHICS COMMISSION

George Troutman, Chair
Rebecca Tomblinson, Vice Chair

Norma Scott
Deborah Jo Durr
Paul Gudgel
Pat Freibert

Anthony M. Wilhoit, Executive Director

Ann Henn
Ray B. White
Bob Fulkerson

OPINION

OLEC 09 - 01

December 1, 2009

QUESTION PRESENTED:

Whether a legislative agent may direct or consult with a political organization which is exempt from federal taxation under Section 527 of the Internal Revenue Code? If not, may the legislative agent do so if he ceases to be a registered legislative agent?

DISCUSSION:

KRS 6.811(5) provides that a legislative agent may not serve as a campaign treasurer or fundraiser as set out in KRS 121.170(2) for a legislator or candidate for the Legislature. Subsection (6) of that same statute provides that a legislative agent shall not make a campaign contribution to a legislator, legislative candidate or the campaign committee of either. The Commission has ruled that this latter provision also precludes a legislative agent from exercising control over a campaign contribution from a PAC (political action committee) and directing it to a legislator, legislative candidate or his or her campaign committee. A legislative agent may not physically deliver such a contribution or serve as an officer of a PAC that makes such contributions. See OLEC 93-44.

Therefore, it would not be proper for a legislative agent to direct or serve as an officer of a 527 organization if it raises and expends funds in support of or in opposition to the election of an individual to the General Assembly. Also it would not be proper for the legislative agent to exercise any control over such funds.

A particular 527 organization may be organized for the purpose of engaging only in issue advocacy as opposed to candidate advocacy. If however, it expends funds which under the surrounding circumstances would amount to advocacy for the election or defeat of a specific legislative candidate or candidates that organization would be considered, for purposes of the Ethics Code, to be contributing to a legislative candidate or candidates.

The Commission has also held that a legislative agent may make contributions to a PAC which makes contributions to legislators, legislative candidates or their campaign committees so long as these contributions are not earmarked for a specific legislator or candidate. See OLEC 93-44. Also, a legislative agent may provide a wide range of information to a PAC about a legislator, so that the PAC can determine who to support, etc. See OLEC 93-64. The same would be true with providing information about a legislative candidate. It follows that a legislative agent may consult with a 527 organization on such matters even if that organization engages in advocacy for the election or defeat of a legislator or legislative candidate.

If a legislative agent ceases to be a registered legislative agent through termination of his/her registration with the Ethics Commission then he/she is no longer subject to the stricture set out above from the date of termination.

OPINION:

A legislative agent may not direct or serve as an officer of a 527 organization which raises or expends funds in support of or in opposition to the election or re-election of an individual to the General Assembly. Whether the organization engages in such activity depends on the circumstances surrounding its raising and expenditure of funds.

A legislative agent is not precluded from consulting with such an organization and providing it with information about candidates for election or re-election even if the organization raises or expends funds in support of or in opposition to such candidates.

A legislative agent whose registration with the Commission is terminated ceases to be bound by the provisions of the Code of Legislative Ethics with respect to campaign contributions to candidates for election or re-election to the General Assembly from the time his registration is terminated.

LOBBYING EXPENSES AS REPORTED 1994 - 2010

YE A R	EMP. FB	EMP. RME	EMP EXP	LA FB	LA RME	LA EXP	LA COMP	TOTAL
2010	\$95	\$129,602	\$725,337	\$0	\$18,130	\$518,391	\$9,600	\$1,401,155
2009	\$236	\$135,943	\$462,256	\$0	\$19,126	\$985,833	\$13,659,283	\$15,262,677
2008	\$434	\$248,463	\$691,801	\$82	\$35,100	\$1,196,922	\$14,729,726	\$16,902,528
2007	\$160	\$160,087	\$530,195	\$0	\$18,175	\$1,025,796	\$11,951,309	\$13,685,722
2006	\$423	\$227,190	\$803,103	\$157	\$19,631	\$1,061,624	\$13,362,476	\$15,474,604
2005	\$420	\$214,397	\$615,303	\$268	\$24,663	\$902,410	\$10,808,709	\$12,566,170
2004	\$561	\$204,701	\$819,692	\$150	\$10,003	\$213,134	\$10,836,866	\$12,085,107
2003	\$542	\$193,663	\$848,670	\$0	\$4,639	\$0*	\$8,141,073	\$9,188,587
2002	\$262	\$188,446	\$1,008,768	\$20	\$8,248	\$0*	\$9,088,595	\$10,294,339
2001	\$160	\$136,819	\$608,853	\$73	\$4,201	\$0*	\$6,132,887	\$6,882,993
2000	\$95	\$136,032	\$857,075	\$0	\$13,424	\$0*	\$8,295,998	\$9,302,624
1999	\$248	\$30,082	\$411,981	\$0	\$1,562	\$0*	\$3,989,617	\$4,433,490
1998	\$20	\$82,741	\$939,643	\$10	\$4,500	\$0*	\$7,086,054	\$8,112,968
1997	\$14	\$22,072	\$420,529	\$0	\$4,019	\$0*	\$3,137,175	\$3,583,809
1996	\$589	\$40,822	\$880,518	\$301	\$3,939	\$341,893	\$6,037,002	\$7,305,064
1995	\$177	\$15,692	\$318,105	\$107	\$534	\$144,098	\$2,254,114	\$2,732,827
1994	\$852	\$34,117	\$1,356,719	\$350	\$2,305	\$514,701	\$4,557,014	\$6,466,058
Totals	\$5,288	\$2,200,869	\$12,298,548	\$1,518	\$192,199	\$6,904,802	\$134,077,498	\$155,680,722

Guide to Abbreviations:

EMP.FB (Employer Food and Beverage)

LA.FB (Legislative Agent Food and Beverage)

EMP.RME (Employer Reception, Meals & Events)

LA. EXP (Legislative Agent Expenses)

EMP.EXP (Employer Expenses)

LA. RME (Legislative Agent Reception, Meals & Events)

LA. COMP (Legislative Agent Compensation)

* Employer forms were amended to delete section dealing with reimbursed expenses to legislative agents.

Staff discovered that employers were listing amounts reimbursed to legislative agents for expenses and legislative agents were reporting these figures during the same period.

Double reporting resulted.

**2010 figures include totals through April 30, 2010.

NOTE: Numbers have been rounded up to next dollar for convenience.

**MONEY SPENT ON LEGISLATIVE ACTIVITY SINCE THE ENACTMENT OF
THE LEGISLATIVE ETHICS CODE - January 1994**

Legislative Year	Money for food and beverages for legislators and their families.	Money for food and beverages at recognized events.	Total expenses/ expenditures for lobbying. (Includes legislative agent salary.)
1994	\$1,202	\$36,422	\$6,466,058
1995	\$284	\$16,226	\$2,732,827
1996	\$890	\$44,761	\$7,305,064
1997	\$14	\$26,091	\$3,583,809
1998	\$30	\$87,241	\$8,112,968
1999	\$248	\$31,644	\$4,433,490
2000	\$95	\$149,456	\$9,302,624
2001*	\$233	\$141,020	\$6,882,993
2002	\$282	\$196,694	\$10,294,339
2003	\$542	\$198,302	\$9,188,587
2004	\$711	\$214,704	\$11,871,973
2005	\$688	\$239,060	\$11,663,760
2006	\$580	\$245,725	\$14,411,884
2007	\$160	\$160,087	\$12,658,586
2008	\$434	\$248,463	16,902,528
2009	\$236	\$135,943	15,262,677
2010	\$95	\$129,602	1,401,155

*2001 Reflects totals from the first annual session in an odd-numbered year.

**2010 figures include totals through April 30, 2010.

From 1994 to 2010, \$155,680,722 was reported.

Of that figure, \$134,077,498 was attributed to salaries of legislative agents and \$21,603,224 was for other lobbying expenses.

Thank you for visiting the Kentucky Legislative Ethics Commission (KLEC) Web site. We hope the information you find here will be helpful.

KLEC has jurisdiction over:

- Legislative agents (lobbyists),
- Employers (individuals or entities who engage legislative agents), and
- Members of the General Assembly.

The legislative ethics law covers four broad subject matters:

- Registration of legislative agents and employers;
- Statements by legislative agents and employers of:
 - lobbying expenditures and expenses, and financial transactions;
- Conduct of members of the General Assembly; and
- Financial disclosure statements of the General Assembly, legislative candidates, and key legislative staff.

FILE FORMS ONLINE

(The next report covers 9/1/2010 to 12/31/2010 and is due on 1/15/2011)

Lobbyist & Employer Lists

Employers of Legislative Agents (Lobbyists)

[pdf format](#)
[word format](#)

The next meeting of the Kentucky Legislative Ethics Commission is scheduled for Tuesday, December 14, 2010 at 10:30 a.m.

Today's Ethics News Stories From Across America (Click Here)

Kentucky tops national ethics study. View a copy of Honest Enforcement: What Congress Can Learn From Independent State Ethics Commissions

See Also...

[Ky. Executive Branch Ethics Commission](#)

The Executive Branch Code of Ethics establishes the ethical standards that govern the conduct of all executive branch employees.

[Ky. Legislative Research Commission](#)

A fact finding and service body for the legislature consisting of a 16 member panel of Democrats and Republican leaders from the General Assembly.

[Ky. Registry of Election Finance](#)

The Kentucky Registry of Election Finance administers and enforces the laws regulating the financing

Legislative Agents (Lobbyists)

[pdf format](#)
[word format](#)

SEARCHABLE REGISTER

You may now search our entire database including expense records for employers and their legislative agents. Records are updated as they are entered into the database. All viewable reports are updated at 5:00 p.m. daily.

Searchable Register

If you have questions regarding our searchable register, please contact [Donnita Crittenden](#).

CONTACT US

US MAIL:

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22 Mill Creek Park
Frankfort, Kentucky 40601**

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For directions, see the "[About Us](#)" section of this site.

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Staff Assistant: connie.evans@lrc.ky.gov

of state and local elections in Kentucky.

Link Disclaimer

Some of the links on this site may resolve to non-governmental agencies. The information on these pages is not controlled by the Kentucky Legislative Ethics Commission or the Commonwealth of Kentucky.

External links are identified with the following icon: 

Last Updated 11/10/2010