

RICHARD D. FARMER, II
INITIATING ORDER SUMMARY
AGENCY NO. 13-01

COUNT I: Farmer influenced the creation of four special assistant positions, with no specific job duties, and placed his friends in these positions. Farmer used some of these special assistants to perform personal errands for him during work hours. These facts constitute violations of KRS 11A.020(1)(a), (b), and (d).

COUNT II: Farmer used his influence to interfere with the hiring of merit employees, often in contravention to the recommendations of the appropriate staff and the interview panels, frequently influencing the Department to hire individuals with political or personal connections to himself, without regard to the individual's merit. These facts constitute violations of KRS 11A.020(1)(a), (b), and (d), and KRS 11A.020(2).

COUNT III: Farmer influenced the placement of individuals into higher paying non-merit positions while commandeering the duties and responsibilities of lesser paying merit positions for these non-merits. Oftentimes, Farmer let the individuals in the non-merit positions fail to perform at their assigned duties. These facts constitute violations of KRS 11A.020(1)(a), (b), and (d).

COUNT IV: Farmer allowed individual employees to claim work time without the employees actually performing work-related activities for the Department. Farmer allowed these employees to continue to falsely claim work time over long intervals over the objection of management within the Department. Against the protests of management personnel, Farmer directed management to sign timesheets for these individuals even though Farmer and management had knowledge that these employees were not performing state work during the time claimed on the timesheets or had no proof of work-product to support the time claimed by these individuals on their time sheets. These facts constitute violations of KRS 11A.020(1)(a), (b), and (d).

COUNT V: Farmer used the Department employees to chauffeur him and his family to doctors' appointments, personal shopping trips, and hunting trips. Farmer also directed Department employees to chauffeur the family dog from the Kentucky State Fair to Farmer's home in Frankfort. Oftentimes, these employees performed these personal services for Farmer during state time and using state resources. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d).

COUNT VI: Farmer used Department employees to perform personal work for him at his personal residence, including building a basketball court and retaining wall in his back yard, moving furniture to and from his personal residence, doing landscaping and yard work, cleaning his garage, and laying tile and building shelves. Oftentimes, these employees performed these personal services for Farmer during state time and using state resources. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d).

COUNT VII: Farmer used state time and resources to have the Department provide his extended family with hotel rooms while attending the Kentucky State Fair. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2).

COUNT VIII: Farmer used his position to influence Department employees to fraudulently reserve hotel rooms in Louisville during the time of the Kentucky State Fair in the names of Department employees he knew would not be utilizing the rooms in order for his extended family to occupy those rooms. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d) and KRS 11A.020(2).

COUNT IX: Farmer used his position to abuse a state contract when he gave tickets to the Kentucky High School Athletic Association's Sweet Sixteen Basketball Tournament ("Sweet Sixteen"), which were provided to the Department pursuant to the terms of the agreement, to his extended family members. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2).

COUNT X: Farmer used state time and resources to have the Department provide his extended family with hotel rooms to attend the Sweet Sixteen tournament. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2).

COUNT XI: Farmer solicited donations for the Southern Association of State Departments of Agriculture ("SASDA") conference to be held in Kentucky in 2008 from entities that the Department regulated, from entities with which the Department had a business relationship, and from entities that represented groups that the Department regulated. Farmer and his Department accepted these donations that equaled to amounts greater than \$25 in a calendar year. SASDA was not an IRS Section 501(c)(3) recognized entity, and the SASDA conference was not conducted for crime prevention, for drug and alcohol abuse prevention, or for a traffic safety program. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.045(1), and KRS 11A.055.

COUNT XII: Farmer directed Department employees, often during state time and using state resources, to solicit donations for the 2008 SASDA conference to be held in Kentucky from entities that the Department regulated, from entities with which the Department had a business relationship, and from entities that represented groups that the Department regulated. SASDA was not an IRS Section 501(c)(3) recognized entity, and the SASDA conference was not conducted for crime prevention, for drug and alcohol abuse prevention, or for a traffic safety program. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.055.

COUNT XIII: Farmer used his position to influence employees within the Department to spend state funds comingled with solicited funds from outside entities for the 2008 SASDA conference to purchase excessive and lavish gifts for the visiting Agriculture Commissioners and himself in excess of \$25 and in derogation of the public interest and the state at large. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), KRS 11A.040(2) and (5), and KRS 11A.045(1).

COUNT XIV: Farmer used his position to influence employees within the Department to spend state funds comingled with solicited funds from outside entities for the 2008 SASDA conference to take the visiting Agriculture Commissioners wives on shopping trips to Fayette Mall, giving them \$50 gift cards as spending money, on a children's program for only Farmer's children in which Department employees took Farmer's children to a water park and other activities for the

entire conference, on a trip totaling in excess of \$30,000 to Millionaire's Row at Churchill Downs for gambling on races named for the visiting Agriculture Commissioners, and on opulent meals and entertainment all in derogation of the state interest. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), KRS 11A.040(2) and (5), and KRS 11A.045(1).

COUNT XV: Farmer used his position to influence employees within the Department to spend exorbitant amounts of state funds comingled with solicited funds from outside entities on the gifts for the 2008 SASDA conference, forcing these employees to take desperate measures to find supplemental funds to pay for the SASDA conference in derogation of the state interest. The measures taken by these employees included charging the Department for employee registrations to the conference for employees who did not actually attend the conference, granting money to a commodity group with the requirement that the commodity group use the majority of the grant money to pay for SASDA expenses incurred by the Department, and to continue soliciting funds for SASDA from outside groups months after the SASDA conference occurred. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2).

COUNT XVI: Farmer directed Department staff and a vendor arranging the sale of the firearms to give him four firearms and carry cases, which were purchased with state funds and funds donated for the 2008 SASDA conference, that were meant as gifts for visiting Agriculture Commissioners either who did not ultimately attend the SASDA conference or who declined to accept the gift. Farmer took possession of these firearms for his own personal benefit. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XVII: Farmer directed Department staff to use state resources and funds donated for the 2008 SASDA conference to order eight extra firearms and carry cases, in excess of the seventeen (17) firearms and cases ordered as gifts for visiting Agriculture Commissioners. Farmer took possession of these extra firearms from the firearms vendor for his own personal benefit. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XVIII: Farmer directed Department staff to use state resources and funds donated for the 2008 SASDA conference to order approximately thirty-five (35) extra Case knives, in excess of the seventeen (17) knives ordered as gifts for visiting Agriculture Commissioners. Farmer took possession of these extra knives for his own personal benefit. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XIX: Farmer directed Department staff to use state resources and funds donated for the 2008 SASDA conference to order approximately thirty-three (33) extra cigar boxes, in excess of the seventeen (17) cigar boxes ordered as gifts for visiting Agriculture Commissioners. Farmer took possession of these extra cigar boxes for his own personal benefit. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XX: Farmer directed Department staff to use state resources and funds donated for the 2008 SASDA conference to purchase excessive amounts of food, candy, alcohol, and other items over and above the amount of items necessary for the registered attendants at the SASDA conference, and, after the conference ended, directed Department Staff to relinquish these extra items to his spouse who took possession of these items for Farmer's personal benefit. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XXI: Farmer used his position to solicit outside entities to donate items for the 2008 SASDA conference including alcohol, and other items meant for the registered attendants at the SASDA conference and, after the conference ended, directed Department employees to relinquish the remainder of these items to his spouse who took possession of these items for Farmer's personal benefit. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(5).

COUNT XXII: Farmer used state time and resources to provide his extended family members with hotel rooms at the hotel where SASDA was held and waived registration fees for his family members to participate in the conference. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2).

COUNT XXIII: Farmer used his position to acquire, for his personal use, the hotel rewards points for a conference held by the Department that were accrued by the Department from the rooms occupied by employees and out-of-state travelers to the conference. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(5).

COUNT XXIV: Farmer directed Department staff, after the SASDA conference, to use state resources and donated funds devoted for the SASDA conference to purchase approximately one hundred and eleven (111) extra watches, in excess of the approximately sixty-four (64) watches ordered as gifts for the Department employees who worked on the conference. Farmer took possession of these extra watches for his own personal benefit. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XXV: Farmer used his position to influence a Kentucky Proud vendor, who was making wooden hats as gifts for the visiting Agriculture Commissioners attending the SASDA Conference, to make additional hats, valued at \$600 each, for free for his family members and himself, as well as wooden bowls for his family members, promising the hat maker that Farmer would give the hat maker special treatment within the Gubernatorial administration in return. These facts constitute violations of KRS 11A.020(1)(c) and (d).

COUNT XXVI: Farmer used his position, on two different occasions, to direct a Department employee to use donated and purchased Kentucky Proud items to make over a dozen total gift baskets for Farmer's personal benefit. Farmer directed the employee to relinquish these gift baskets to his spouse who picked them up from the Department. The employee was required to use state time and resources, as well as her personal funds, to make these gift baskets for Farmer. On the second occasion, the Department submitted to Farmer an invoice for the cost of the gift baskets, which Farmer never paid to the Department. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XXVII: Farmer used his position to direct a Department employee to use a state Procurement Card (“ProCard”) to purchase a refrigerator that he gave to his former spouse to use at her workplace outside of state government. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XXVIII: Farmer used his position on multiple occasions to direct Department employees to use state funds to purchase in excess of 50 shirts for his own personal benefit from a Department vendor. These shirts ranged in price from \$30 to \$78 a piece. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XXIX: Farmer used his position to direct Department employees to deliver to his home three laptop computers that had been purchased by the Department for the use of three Department employees. Farmer gave these computers to his then current spouse and children for their personal use and benefit. Farmer directed a Department employee to install software on one of the laptops for Farmer’s then current wife’s direct sales business. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XXX: Farmer used his position to direct Department employees to purchase filing cabinets in excess of \$600 with locks, which were delivered to his home. These filing cabinets were never returned to the Department after Farmer’s term in office was complete. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), and KRS 11A.040(2) and (5).

COUNT XXXI: Farmer received gifts when he attended annual SASDA conferences. Farmer also received gifts he solicited from Kentucky Proud vendors. Some of the gifts Farmer received included a wooden cowboy hat with the Kentucky Proud Logo, valued at \$1200-\$1500, and a firearm, priced at \$449, from attending the 2008 SASDA conference in Kentucky, as well as a wooden “UK” baseball cap, valued at \$1200-\$1500, and wooden hat stand with “32” engraving, valued at \$250, from a Kentucky Proud vendor. Farmer failed to report receiving any gifts in excess of \$200 dollars in a given year on his Statements of Financial Disclosure filed with the Executive Branch Ethics Commission during each of his eight years in office. These facts constitute violations of KRS 11A.020(2) and KRS 11A.050.

COUNT XXXII: Farmer received complimentary tickets for various functions through his position as Commissioner, including, but not limited to, tickets to the Kentucky Oaks and Derby, the Sweet Sixteen tournament, and events held at the Kentucky Exposition Center. Farmer oftentimes sold these tickets for an amount greatly exceeding the face value of the ticket, and in the case of the Derby tickets, received in excess of \$1000 for these tickets. Farmer failed to report receiving these sources of income beyond his salary as Commissioner on his Statements of Financial Disclosure filed with the Executive Branch Ethics Commission during each of his eight years in office. These facts constitute violations of KRS 11A.020(2) and KRS 11A.050.

COUNT XXXIII: Farmer failed to file a timely and complete 2011 Statement of Financial Disclosure within the time period required by statute for calendar year 2011 during which he served as the Commissioner of Agriculture. Farmer belatedly filed an incomplete 2011

Statement of Financial Disclosure with the Commission on June 15, 2012, in which he failed to properly respond to the request concerning disclosure of any gifts valuing over two hundred dollars (\$200) received during the calendar year and the request concerning disclosure of any business opportunity, investment opportunity, or other benefit, tangible or intangible, Farmer or his family members received that may reasonably be construed as being offered in return for favorable treatment or any other benefit, tangible or intangible, from state government during the calendar year. These facts constitute a violation of KRS 11A.020(2) and KRS 11A.050 (1), (2), and (3).

COUNT XXXIV: Farmer interfered with the Department's grant-giving process by instructing Department employees to award the remainder of outstanding grant money to a grantee, which was a business managed by a former University of Kentucky basketball player, that was not performing according to the terms of the grant agreement. These facts constitute violations of KRS 11A.020(1)(a), (b), and (d), and KRS 11A.020(2).

COUNT XXXV: Farmer used his position to influence a private business to give him two all-terrain vehicles for his personal use in exchange for the promise of grant money from the Department. These facts constitute violations of KRS 11A.020(1)(c) and (d), and KRS 11A.020(2).

COUNT XXXVI: Farmer used his position to influence a private business to give his father one all-terrain vehicle for his personal use in exchange for the promise of grant money from the Department. These facts constitute violations of KRS 11A.020(1)(c) and (d), and KRS 11A.020(2).

COUNT XXXVII: Farmer used his position to attempt to influence employees of the Department to grant a for-profit business state funds in the form of grant money as compensation for three all-terrain vehicles that the business had given Farmer for his and his father's personal use. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2).

COUNT XXXVIII: Farmer used his position to influence his Department to use \$20,000 in Kentucky Proud funds to sponsor a racing team owned by a member of his family. These facts constitute violations of KRS 11A.020(1)(a), (b), (c) and (d), and KRS 11A.020(2).

COUNT XXXIX: Farmer used his position to influence Department management personnel to give an employee, who was a Department inspector and an extended family member of Farmer, a vehicle without a GPS unit despite the employee's supervisor showing Farmer evidence that this employee had tampered with his GPS unit on multiple occasions and was using his Department vehicle for his personal business and otherwise failing to perform his job duties. These facts constitute violations of KRS 11A.020(1)(a), (b), and (d).

COUNT XL: Farmer submitted to the Kentucky Registry of Election Finance ("the Registry"), in response to an audit being conducted by the Registry of Farmer's campaign account for his second bid for Commissioner, copies of receipts that were not his own, but were incurred by his family member who was a current employee of the Registry, which had been used by Farmer to gain reimbursement for himself from his campaign account in derogation of the state at large.

The receipts were for gas and food expenses incurred by Farmer's family member on her personal time and not by Farmer for any campaign-related expenses. These facts constitute violations of KRS 11A.020(1)(b) and KRS 11A.020(2).

COUNT XLI: Farmer submitted to the Registry, in response to an audit being conducted by the Registry of Farmer's campaign account for his second bid for Commissioner, a letter, that he knew had been drafted by his family member who was a current employee of the Registry, which was misleading concerning the legitimacy of his campaign reimbursements and in derogation of the state at large. These facts constitute violations of KRS 11A.020(1)(b) and KRS 11A.020(2).

COUNT XLII: During November and December 2011, Farmer influenced the Department to hire an individual with whom he had an ongoing intimate relationship and placed her under Farmer's direct supervision. This individual was placed into a position with a significantly higher salary than the previous holder of the position. Farmer allowed this individual to claim work time without the individual actually performing work-related activities for the Department. Farmer allowed this individual to continue to falsely claim work time over a six-week interval over the objection of management within the Department. Farmer directed management to sign timesheets for this individual even though Farmer and management had knowledge that she was not performing state work during the time claimed on her timesheets and was not present at her assigned work station for long intervals during which she claimed state time on her timesheets. These facts constitute violations of KRS 11A.020(1)(a), (b), and (d).