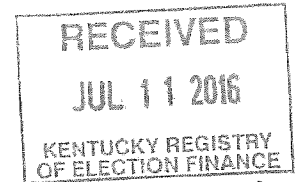


KENTUCKY REGISTRY OF ELECTION FINANCE
CASE NO. 2011-190



In re: Campaign Fund of Steven L. Beshear/Jerry E. Abramson, a/k/a Beshear-Abramson 2011, M. Melinda "Lindy" Karns, CPA, Treasurer; Steven L. Beshear, Candidate for Governor; Jerry E. Abramson, Candidate for Lt. Governor; and Charles R. Geveden

PAID

CK. NO. 502872
DATE 07-11-2016

CONCILIATION AGREEMENT

This Conciliation Agreement, entered into by and between the Kentucky Registry of Election Finance (Registry) and Charles R. Geveden (Geveden), arises from a sworn complaint filed by Steve Robertson (Robertson), Chairperson of the Republican Party of Kentucky, on August 2, 2011. Robertson's complaint alleged that the Gubernatorial Slate Campaign Fund of Steven L. Beshear/ Jerry E. Abramson 2011 (Beshear-Abramson 2011), Governor Steven L. Beshear (Beshear), and Geveden, then Deputy Secretary of the Justice and Public Safety Cabinet, acting on behalf of Beshear and Beshear-Abramson 2011 (collectively "Respondents"), threatened to terminate certain state employees unless they made significant contributions to Beshear-Abramson 2011, in violation of KRS 121.150(22).

Respondents received notice of Robertson's allegations pursuant to KRS 121.140 and 32 KAR 2:030. Beshear and Beshear-Abramson 2011 responded, by counsel, on August 18, 2011, arguing that the complaint contained no factual allegations or evidence against Beshear, Beshear-Abramson 2011, or Jerry Abramson (Abramson), the gubernatorial slate candidate for Lieutenant Governor. In a separate response filed on August 18, 2011, Geveden admitted to making follow-up phone calls to persons invited to a December 14, 2010 fundraiser for Beshear-Abramson 2011, but denied that any state employee was directly targeted for solicitation of contributions.

On February 18, 2016, the General Counsel issued a Staff Report and Recommendations (“Staff Report”), finding reason to believe and recommending the Registry find probable cause to believe that Geveden unknowingly violated KRS 121.320(1) by assigning campaign contribution amounts he expected subordinate state employees to give to Beshear-Abramson 2011 based on these employees’ respective salaries, then soliciting the employees for those contributions. The Staff Report also found no reason to believe and recommended dismissal of the allegations that Geveden and other named Respondents violated KRS 121.150(22), as there was no evidence that Beshear, Abramson, or Beshear-Abramson 2011 directed Geveden to make calls soliciting campaign contributions from state employees.

In response to the Staff Report, Geveden, by counsel, argued that the General Counsel’s recommendation was in error and the matter was more appropriately dealt with as an ethical violation. Using an on-line dictionary definition of “assessment,” Geveden claimed that the term “assessment” - as used in KRS 121.320(1) - infers the ability of an employee to require a contribution of a fixed amount, which Geveden did not have the authority to require. Finally, Geveden stated that his settlement agreement with the Executive Branch Ethics Commission does not establish or present probable cause for a violation of KRS 121.320(1).

On March 15, 2016, a Supplemental Staff Report and Recommendations (Supplemental Staff Report) was issued, again recommending that the Registry find probable cause to believe Geveden unknowingly violated KRS 121.320(1) by assigning amounts, to be given in money by Justice Cabinet employees based on their respective salaries, and soliciting those amounts from the employees to be given to Beshear-Abramson 2011. Thereafter, at its March 23, 2016 regular meeting, the Registry approved the General Counsel’s recommendation. The Registry therefore

directed that the non-knowing violation be referred to the Executive Director and General Counsel to begin conciliation as a civil matter including a civil penalty as set forth below.

NOW, THEREFORE, the Registry and Geveden, having duly entered into conciliation pursuant to KRS 121.140(2), do hereby agree as follows:

1. The Registry has jurisdiction over Geveden and the subject matter of this administrative action.

2. Geveden received a reasonable opportunity to demonstrate that no action should be taken in this matter and waives the right to further hearings.

3. Geveden enters voluntarily, with full knowledge and understanding, into this Conciliation Agreement with the Registry.

4. The pertinent facts and law in this matter are as follows:

a. Charles R. Geveden (Geveden) was Deputy Secretary of the Justice and Public Safety Cabinet (Justice Cabinet) when the alleged acts forming the basis of this complaint occurred.

b. Robertson's complaint alleged that Beshear-Abramson 2011, a gubernatorial slate, gubernatorial candidate Beshear, and Geveden, acting on behalf of Beshear and Beshear-Abramson 2011, threatened to terminate certain state employees unless they made significant contributions to Beshear-Abramson 2011, in violation of KRS 121.150(22). Geveden specifically denied all allegations of Robertson's complaint, including this allegation.

c. KRS 121.150(22) prohibits a candidate, slate of candidates, committee, or anyone on their behalf, from soliciting money or services from a state employee.

- d. Beshear and Beshear-Abramson 2011 argued that Roberson's complaint alleged no violations by them individually or as a campaign, and there was no evidence to prove a violation of KRS 121.150(22), as Robertson offered no proof that the gubernatorial slate campaign directly solicited state employees or instructed others to do so.
- e. Geveden also denied directly targeting any state employees for contributions or threatening state employees with job termination unless they made contributions to Beshear-Abramson 2011. However, a separate investigation by the Executive Branch Ethics Commission (Commission) revealed that Geveden contacted and solicited contributions to Beshear-Abramson 2011 from multiple Justice Cabinet employees during the final months of 2010, using privately-listed home or personal cell phone numbers to which Geveden gained access through Justice Cabinet records. The contributions were solicited in specific amounts, depending on the individual employee's position or salary, and Geveden also requested a subordinate employee to assist him with the solicitations.
- f. KRS 121.320(1) provides, in relevant part, "(n)o person shall obtain or attempt to obtain money by assessment . . . from any state . . . employee with the purpose of using the money to promote or aid the candidates of any person."
- g. KRS 121.320(2) states, in relevant part, "(t)he term 'assessment,' as used in this section, means the fixing of any amount, to be given in money by any

employee, and the soliciting of that amount or any amount in money from a person so assessed.”

- h. KRS 121.320(3) provides, “(t)he term, ‘state or federal employee,’ as used in this section, means any person who holds any appointive office in any department of the state or federal government, and who receives wages or salary for his work from the funds of the state or the United States.”
- i. The Registry’s General Counsel recommended that the Registry dismiss the alleged violations of KRS 121.150(22) against all named Respondents, but further recommended that the Registry find probable cause to believe that Geveden violated KRS 121.320(1).
- j. At its March 23, 2016 regular meeting, the Registry approved the General Counsel’s recommendations, specifically finding probable cause to believe that Geveden unknowingly violated KRS 121.320(1), by attempting to assign an amount, to be given in money by Justice Cabinet employees based on their respective salaries, and soliciting those amounts from state employees.
- k. For purposes of settlement, Geveden acknowledges and understands that the Registry has found probable cause to believe that Geveden’s solicitations of contributions to Beshear’s re-election campaign from multiple Justice Cabinet employees in specific amounts, depending on the individual employee’s position or salary, his request that a subordinate employee solicit campaign contributions from employees under the subordinate’s supervision, and his attempt to provide the subordinate with a list of employees, the employees’

respective salaries, and an expected contribution amount per employee, violates KRS 121.032(1).

5. Pursuant to KRS 121.140(2), Geveden agrees to remit herewith a civil penalty in the amount of \$3,000.00 by check or money order made payable to the Kentucky State Treasurer for the above-referenced violation.

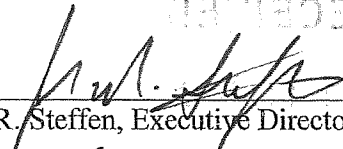
6. The Registry reserves the right to review compliance with this Conciliation Agreement. If the Registry believes that Geveden has not complied with the terms and/or conditions of this Conciliation Agreement, the Registry may institute a civil action in Franklin Circuit Court pursuant to KRS 121.140(3).

7. Upon execution of this Conciliation Agreement by the parties herein, payment of the assessed civil penalty, and approval of the Conciliation Agreement by the Registry, this Conciliation Agreement shall become effective and this complaint will be dismissed with prejudice.

8. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

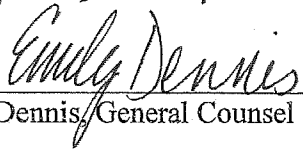
9. It is agreed and understood that the specific terms of this Conciliation Agreement are deemed confidential until executed by the parties hereto. Upon execution of this Conciliation Agreement by all parties hereto and approval by the Registry, this Conciliation Agreement shall become a matter of public record and the statutory requirement of confidentiality shall no longer apply to this Conciliation Agreement in accordance with 32 KAR 2:050, Section 2.

FOR THE KENTUCKY REGISTRY OF ELECTION FINANCE:



John R. Steffen, Executive Director


9/29/16
Date



Emily Dennis, General Counsel

29 Sept 2016
Date

FOR RESPONDENT CHARLES R. GEVEDEN:



Charles R. Geveden

7-5-16
Date