



April 2014

Attorney General Conway to Assist Students Following Mid-Continent Closure

Mid-Continent University (MCU), a private, non-profit school operating in Mayfield, Ky., will shut down operations by June 30. The school, which has about 2000 students enrolled online, at its campus in West Kentucky and at other locations across the state, made the announcement April 16.

“My office is closely monitoring this situation and is working with the Kentucky Council on Postsecondary Education, U.S. Department of Education and MCU’s accreditor, the Southern Association for Colleges and Schools (SACS), to ensure that every effort is made for students to graduate or finish out the semester,” General Conway said. “If the school cannot meet its obligations to students, my Consumer Protection Division will work with students who may have concerns about the transfer of their credits to other institutions, their legal rights and student loans.”

Attorney General Conway also directed his staff to send letters to administrators with MCU informing them that they have an affirmative obligation to maintain all records during dissolution and that they are subject to criminal liability for the intentional destruction of any records.

The Office of the Attorney General has set up a website to assist students, and the website will be updated with the latest information available for students. For more information, visit ag.ky.gov/mcu. A dedicated hotline, 502-696-5485, has also been set up for students. Students may also send an email to mcu@ag.ky.gov.



Former NKU Athletic Director Pleads Guilty to Theft Charge

Former Northern Kentucky University (NKU) Athletic Director Scott Eaton has agreed to serve a maximum term of 10 years in prison and repay NKU more than \$311,000 in restitution after pleading guilty to stealing funds from the university over a six-year period. On April 17, Eaton, 50, was charged in Campbell Circuit Court with one count of theft by unlawful taking between \$10,000 and \$1 million.



“At a time when higher education institutions are being asked to accomplish more with smaller tuition increases and declining state funding, the reckless behavior exhibited by Scott Eaton is unconscionable,” Attorney General Conway said during a press conference held on NKU’s campus to announce Eaton’s guilty plea.

Last year, NKU President Geoffrey Mearns terminated Eaton’s employment as NKU’s Athletic Director when Mearns discovered Eaton had engaged in inappropriate relationships with employees and a student. NKU retained an external firm to audit athletic department accounts under Eaton’s control. The audit confirmed suspicions that Eaton had also stolen funds from NKU.

“I want to commend NKU for immediately contacting the Office of the Attorney General about this issue,” Attorney General Conway said. “The university’s cooperation and assistance helped lead to the successful prosecution of this case.”

Eaton stole the funds by defrauding NKU utilizing several different schemes from January 2007 until March 2013. First, he used his NKU-issued credit card to purchase Kroger gift cards. He then utilized those gift cards to purchase items for his own personal use. This amount totaled \$262,106. Additionally, he purchased items for his own personal use on his NKU credit card. This amount totaled \$32,919. Furthermore, he used NKU resources to print and charge postage for items for the Massachusetts Basketball Coaches Association (MBCA), of which he was a member. When he sought and received reimbursement for these costs from MBCA, he kept the money for his own personal use instead of returning it to

NKU. This amount totaled \$16,190. In all, the defendant took \$311,215 from NKU.

This case was investigated by General Conway's Department of Criminal Investigations. The prosecution of this case was handled by General Conway's Office of Special Prosecutions, with the assistance of Campbell County Commonwealth's Attorney Michelle Snodgrass.

"I am grateful to Attorney General Jack Conway and to Campbell County Commonwealth's Attorney Michelle Snodgrass for their diligent and responsible actions," Mearns said.

Eaton's sentencing date is scheduled for May 22 in Campbell Circuit Court.

Owner of Louisville Baby Store Pleads Guilty to Theft Charges

The owner of the now-closed USA Baby in Louisville, Ky., has pleaded guilty to five counts of theft by deception over \$500, a class D felony. Lisa Marie Burden, 44, entered the plea on April 22 in Jefferson Circuit Court. Burden was sentenced to two years in prison, which will be diverted for three years. She was also ordered to repay a total of \$6,300 to the victims.

While operating USA Baby, Burden took payments from customers on baby furniture she was ordering for them through her business. She then shut the business down and refused to refund the money. Burden advised customers who paid by credit card to file for a refund through their banks; however, five customers who paid by check or debit card were unable to obtain a refund.

"My investigators immediately began reviewing this case after receiving complaints from several consumers who realized they were being taken advantage of when USA Baby abruptly shut down and locked its doors," General Conway said. "My Office of Consumer Protection works tirelessly keeping consumers safe from unfair and unethical business practices, and I am pleased that we were able to recover restitution for each of the victims."

For additional information on General Conway's Office of Consumer Protection or to file a consumer protection complaint, call the Consumer Protection Hotline at 1-888-432-9257 or visit ag.ky.gov/consumer.

General Conway Announces Guilty Plea by Fraudulent Roofing Contractor



A roofing contractor accused of failing to perform repair services for Kentucky residents, despite being paid to do so, has pleaded guilty to one count of theft by deception under \$10,000, a class D felony. James Twaddle, 41, entered the plea in Scott Circuit Court on April 4. His two-year prison sentence was suspended for five years after Twaddle repaid \$3,700 to the victim.

Twaddle was previously indicted on 26 counts of theft by deception in Jefferson, LaRue, Bullitt, and Grayson counties. On March 18, Twaddle pleaded guilty to one count of theft by deception under \$10,000 in Bullitt Circuit Court. Many of the remaining cases are still pending and involve victims who were solicited following storm events.

Twaddle was the president of Restore-IT USA, a roofing company located in Columbus, Ohio. Twaddle operated his business in Kentucky from an office located on Forest Green Blvd., in Louisville. From May 2012 until August 2012, Restore-IT USA employees would visit neighborhoods and sign residents up for roof repairs, collecting payments prior to any work being completed. Twaddle allegedly deposited the money into a company bank account and transferred the funds to his personal account; however, the roof repairs were never performed. Twaddle has also been indicted in Ohio on 42 counts of theft and insurance fraud related to the same scheme in the Columbus area.

Attorney General Conway encourages consumers needing storm repair work or cleanup services to follow these important tips:

- ▶ Never pay in advance for labor. Scam artists often take advance payments from consumers and never return to complete the work. If an advance is needed to purchase materials, offer to purchase the materials yourself.
- ▶ Use local, reputable contractors for repairs, if possible. If local contractors bring in out-of-town workers, ask who will be responsible for their work if it is not satisfactory.
- ▶ Ask if the contractor is licensed, bonded (if required by the city or county), and insured.
- ▶ Check unknown companies out with the Better Business Bureau or call the Attorney General's Office of Consumer Protection to see if information is available about the company.
- ▶ Demand a written contract. If possible, get estimates from several contractors.
- ▶ Be suspicious of unfamiliar, out-of-state vehicles and those who offer repair work at unreasonably low prices. Contact local law enforcement about your suspicions.

General Conway Announces Guilty Pleas in Patient Neglect Investigation

Three former employees of Oakwood Manor in Somerset have pleaded guilty to felony charges of abuse and neglect.

Twenty-two-year-old Coty King, of Pine Knot, pleaded guilty April 9 to two counts of abusing or neglecting an adult; 21-year-old Cody Burton, of Burnside, pleaded guilty March 28 to one count of abusing or neglecting an adult; and 22-year-old Timothy James Ball, of Pine Knot, pleaded guilty February 23 to one count of abusing or neglecting an adult.

Both King and Burton were first arrested in September 2013 after King allegedly enticed a developmentally disabled adult patient at Oakwood Manor to hit another patient while King used his cell phone to record the incident. Burton was accused of participating in the incident and failing to report it. Further forensics review of video recovered from the cell phone also led to the indictment of Ball for his involvement in another incident staged by King.

Commonwealth's Attorney Eddy Montgomery handled the prosecution of this matter. King was sentenced to four years imprisonment with the sentence diverted for four years. Burton was sentenced to three years in prison, which will be diverted for three years. Ball was sentenced to two years in prison, which will be diverted for a two-year period. Additionally, all three individuals were ordered not to volunteer or work in any capacity involving the supervising of developmentally disabled persons. The Office of the Attorney General has reported these convictions to federal authorities. As a result of federal law, all three will be prohibited from working in any federally-funded health care capacity.

"Protecting Kentucky's most vulnerable citizens is one of my top priorities, and I am pleased that we have brought this case to a successful close and that these three individuals will no longer be permitted to work with the developmentally disabled," General Conway said. "As always, I encourage anyone who suspects abuse of a patient in a nursing home, Medicaid facility or personal care home to immediately report it to our office using our tip line at **1-877-ABUSE TIP.**"

This case was investigated by General Conway's Medicaid Fraud and Abuse Control Unit. The OAG Department of Criminal Investigations also assisted with the case.

General Conway Participates in "Real Men Read" Program



On April 14, Attorney General Conway visited Goldsmith Elementary School in Louisville to participate in the annual "Real Men Read" program. "Real Men Read" is an initiative that encourages students to read at an early age.

General Conway read "Testing the Ice: A True Story About Jackie Robinson" to approximately 100 students at Goldsmith Elementary. He also talked with the students about why reading is important in their daily lives. The "Real Men Read" program was held in conjunction with Louisville's "Give A Day" week of community service.

Track Jack



Attorney General Conway joined Bloomberg West on April 8 to discuss the for-profit college industry and steps that attorneys general are taking to protect consumers across the country. Watch the interview: <http://bloom.bg/OzcRqY>



General Conway speaks with attendees at the National Rx Drug Abuse Summit about Kentucky's efforts to stop prescription drug abuse.



On April 10, Attorney General Conway and his Office of Victims Advocacy hosted the annual Victims' Rights Day Service and the Kentucky Homicide Memorial dedication of names at Resthaven Cemetery in Louisville.



General Conway, during the annual Kentucky Victims Assistance Conference, thanks attendees for the tireless work they do every day assisting victims of crime and their families.



General Conway speaks at the Family & Children's Place Building Brighter Futures Breakfast on April 17 about the importance of public-private partnerships.

Dawn at the Downs



AG Conway catches up with friends Scooter and Myla with WBVR at the AT&T Morning Line.



General Conway talks with Tony Cruise on 84WHAS.



AG Conway holds the PGA Tour Championship Trophy at the AT&T Morning Line.



AG Conway handicaps horses with WAVE 3's John Boel at Dawn at the Downs.



General Conway visits with WLKY's Lexy Scheen at Dawn at the Downs.



General Conway catches up with WHAS 11's Andy Treinen and Kelsey Starks on the backside