



KENTUCKY

General News



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Attorney General Conway Helps Shut Down Deceptive Website Preying on Veterans



Flanked by four U.S. Senators, fellow state Attorneys General, a top military consumer protection advocate and the deputy secretary of the Department of Veterans Affairs, Attorney General Conway announced a major win for veterans against predatory practices being employed by the for-profit college industry.

At a June 27 press conference in Washington, D.C., General Conway announced that California-based QuinStreet, Inc. will turn over the website GIBill.com to the Department of Veterans Affairs. The company will also pay \$2.5 million to Kentucky and 19 other states to resolve allegations that it violated the states' consumer protection laws.

The settlement is the result of a bipartisan effort led by General Conway as part of his investigation into the questionable business practices of some for-profit colleges.

“This company preyed on our veterans who received educational benefits as a result of their military service to our country,” General Conway said. “The actions were unconscionable and purposefully drove veterans to for-profit colleges who were perhaps more interested in getting their hands on the federal benefits than in educating our soldiers and their families.”

With images of men and women in uniform, GIBill.com looked like it could be owned and operated by the U.S. government. The colleges listed as “GI Bill Schools” on the website were all for-profit colleges, giving the impression that these were the only schools that accepted GI Bill benefits. The states found that for-profit colleges were paying QuinStreet to generate leads for their recruiters.

“I applauded the state Attorneys General for the settlement announced today to protect servicemembers from misleading and deceptive websites that target their GI Bill benefits,” said Holly Petraeus, assistant director for servicemember Affairs at the Consumer Financial Protection Bureau.

In addition to giving up ownership of GIBill.com, QuinStreet will shut down and cease to use any domain names that include the term “GI Bill.” The Department of Veterans Affairs will use GIBill.com to promote the GI Bill program and educate servicemembers about the program's benefits.

More information:

<http://migration.kentucky.gov/Newsroom/ag/quinstreetavc.htm>



Attorney General Conway with Illinois Senator Dick Durbin

Eastern Livestock Victims Receive Second Restitution Payment of \$300,000

Kentucky farmers who were swindled out of nearly \$1 million by the now-defunct Eastern Livestock have received their second restitution checks. The Office of the Attorney General in June issued 170 checks totaling \$300,000 to farmers who received cold checks from Eastern after selling livestock at a Metcalfe County auction site. This brings to \$600,000 the total amount of restitution collected and distributed by the Attorney General's Office to Eastern Livestock victims.



"I am proud to say that we are on the road to recovering nearly every dollar lost by Kentucky farmers and have ensured that those responsible for this deception are being held accountable," General Conway said.

Following the collapse of Eastern Livestock, General Conway's investigators and prosecutors worked with the FBI to piece together the details of the ongoing criminal fraud that had sustained Eastern's operations since at least 2009.

On June 12, Barren-Metcalfe Circuit Judge Phil Patton sentenced three top Eastern executives, 58-year-old Steve McDonald, 43-year-old Darren Brangers and 48-year-old Grant Gibson for their roles in the criminal collaboration. The sentences included court-ordered restitution that is expected to return nearly all of the losses accounted for by the Attorney General's Office in the indictment issued in September of 2010.

On June 26, Eastern Livestock founder and Chief Executive Officer Thomas "Tommy" Gibson was sentenced in Metcalfe Circuit Court to 10 years in prison, probated to run concurrently with any federal sentence received. Tommy Gibson and McDonald, were indicted on a single charge of mail fraud in U.S. District Court in Louisville. Gibson remains out of jail and under federal supervision while his case is pending in U.S. District Court.

More information: <http://migration.kentucky.gov/Newsroom/ag/easternceosentenced.htm>

Kentucky Receives \$28.2 Million in Historic Multistate Healthcare Fraud Settlement

Attorney General Conway and his Office of Medicaid Fraud and Abuse Control announced Kentucky's participation in one of the largest healthcare fraud settlements in U.S history. Kentucky joined 44 other states, the District of Columbia and the federal government in reaching an agreement in principle with GlaxoSmithKline (GSK). GSK has agreed to pay \$3 billion to resolve drug marketing and pricing claims.

Under the settlement, Kentucky will receive more than \$28.2 million in recoveries from GSK. After reimbursing the federal government for its share, the Commonwealth will retain more than \$8.5 million for reimbursement of the state Medicaid program.

"I am pleased that Kentucky is able to participate in this historic settlement," General Conway said. "Drug companies that operate outside of the law, engaging in deceptive marketing and pricing of their products, put the public's health at risk and lay a heavy burden on taxpayers as they reap enormous profits."

Additional Drug Company Settlements

General Conway also recovered more than \$9 million for the Kentucky Medicaid program as a result of settlements in so-called Average Wholesale Price (AWP) lawsuits. The Attorney General's Office announced a \$7 million settlement with the Johnson & Johnson family of companies on June 13 for publishing false, inflated and deceptive AWP's.

General Conway also recovered another \$2.29 million for the Kentucky Medicaid program as a result of a settlement with Aventis Pharmaceuticals, Inc. and Aventis Behring, LLC. Both companies are now owned by Sanofi-Aventis U.S. LLC, which manufactures brand drugs, including the popular drugs Allegra and Nasacort (allergic rhinitis) and Azmacort and Slobid (asthma).



Former Breathitt County Sheriff Admits Role in Vote Buying Conspiracy

Former Breathitt County Sheriff John L. Turner pled guilty in U.S. District Court on June 13, 2012 to conspiracy to buy votes. According to a plea agreement, former Breathitt County Schools Superintendent Arch Turner provided money to John Turner for the purpose of buying votes.

Turner is the ninth individual who has either been convicted by jury or pled guilty to a vote buying conspiracy in the May 2010 primary election in Breathitt County. The charges against John Turner were the result of a joint investigation between General Conway's office and the FBI. The U.S. Attorney's office handled the prosecution of this case.

Retired Florida Teacher Receives 30-Year Prison Sentence in Cybercrimes Sting Operation

A Florida man arrested by General Conway's Cybercrimes investigators after he traveled to Lexington to have sexual relations with two juveniles received a 30-year prison sentence. U.S. District Judge Karen Caldwell sentenced 60-year-old Dale Chisena on June 14 for interstate travel to engage in sex with a person under 12 years of age.

"I am pleased to say that my Cybercrimes investigators, working the U.S. Attorney's Office and the Florida Department of Law Enforcement, have taken another child predator off of the streets," General Conway said.

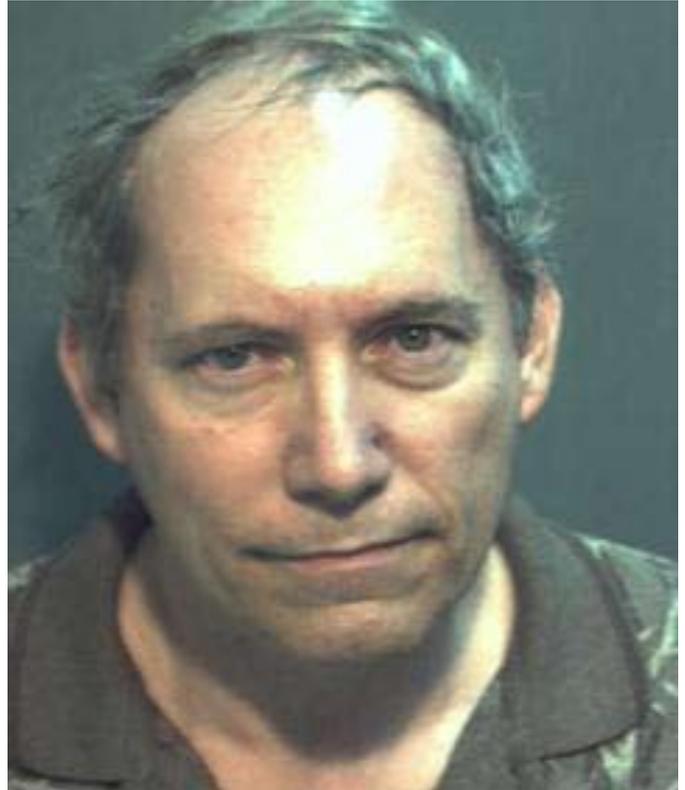
Chisena previously admitted that in July of 2011 he engaged in numerous online chats with a person he thought was the mother of nine and 11-year-old daughters. In reality, Chisena was talking to one of General Conway's cybercrimes investigators.

"Mr. Chisena had every intention of sexually exploiting young children," said U.S. Attorney Kerry Harvey. "We were fortunate that he was chatting with an undercover officer and not vulnerable children."

Since its creation in June of 2008, General Conway's Cybercrimes Unit has launched more than 270 child pornography investigations and seized more than 300,000 child pornographic images and videos from the Internet.

More information:

<http://migration.kentucky.gov/Newsroom/ag/chisenasentenced.htm>



Keep Your Kids Cybersafe This Summer

Attorney General Conway reminds Kentucky families about the importance of staying safe online. With many kids at home over the summer months, parents are encouraged to talk to their children about dangers on the Internet and follow these cybersafety tips.

Online Safety Checklist:

- ▶ Google your children (and yourself) often for your child's contact information.
- ▶ Keep the computer in a family room, kitchen or open area.
- ▶ Teach your children they should never meet an online friend in person unless you are with them.
- ▶ Friend your children on social-networking sites, like Facebook.
- ▶ Consider installing monitoring and filtering software via www.safefamilies.com or www.K9webprotection.com.



Former State Social Worker Accused of Falsifying Records in Abuse Case

A former state social worker is under indictment for allegedly making false entries in a report involving an abuse and neglect case. A Christian County grand jury indicted 41-year-old Donna Currey on June 15, 2012, on one count of tampering with public records, a Class D felony. The charges follow an investigation by General Conway's Department of Criminal Investigations.

Currey allegedly made false entries in a report involving three-year-old Alayna Adair. Currey was the on-call social worker who responded to a call to the Cabinet's Abuse Hot Line related to injuries Adair suffered on June 13, 2011. The toddler suffered additional trauma on July 3 and later died at Nashville's Vanderbilt Hospital. Adair's father was indicted in connection with her death.

Currey resigned her position as a social service clinician with the Cabinet for Health and Family Services in October of 2011.

An indictment is an accusation only. All defendants are presumed innocent unless and until proven guilty.

Former Corydon Sewer Clerk Receives 10-Year Sentence for Theft of City Funds



The former Sewer Clerk for the city of Corydon, Ky. is serving a 10-year prison sentence for stealing city funds. Henderson Circuit Judge Karen Wilson sentenced Melissa Clark on June 19 and ordered her to pay \$75,000 in restitution and \$155 in court costs following her guilty plea to a charge of theft by unlawful taking over \$10,000. The charges against Clark were the result of an investigation by General Conway's Department of Criminal Investigations (DCI).

"During a time of strained resources for communities across Kentucky, I am pleased that Ms. Clark's sentence includes restitution," General Conway said. "I appreciate the work of my investigators, the Henderson County Commonwealth's Attorney's Office and the State Auditor's office in bringing this case to a successful close."

The Attorney General's investigation found that Clark was writing checks to petty cash, or to herself, and then depositing the cash into her personal bank account. On several occasions,, Clark wrote checks from the city sewer account to pay for personal items she ordered out of gift and home goods catalogs.

Former Montgomery County Jailer Sentenced for Stealing County Funds

Another investigation by the Attorney General's Office has resulted in the sentencing of a former Montgomery County jailer for theft of county funds.

U.S. District Judge Karl Forester sentenced 51-year-old Everett Dewayne Myers on June 29 to five months in prison to be followed by five months of home incarceration for the offense of theft from a county agency that receives federal funds. Myers paid nearly \$67,000 in restitution at his sentencing, representing the amount of money he misappropriated.

The Attorney General's office began investigating Myers after receiving a referral from the State Auditor's office in March of 2011.

Prosecutors in Kentucky, Tennessee Attend Inter-state Vehicular Homicide Training

Alcohol-related traffic fatalities dropped for an eleventh consecutive year, down 4.9 percent from 2009 to 2010, according to the National Highway Traffic Safety Administration (NHTSA). Unfortunately, they still account for a disproportionate number of traffic fatalities. One in five traffic fatalities in Kentucky last year involved alcohol. While alcohol-related crashes in the Commonwealth were a mere 3.5 percent of the total collisions in 2011, they still accounted for 20 percent of the fatalities.

In June, prosecutors from Kentucky and Tennessee attended a training event hosted by the Attorney General's office that focuses on the effective prosecution of vehicular homicide cases, many of which involve drunk drivers. The training also featured a live staged crash conducted by Kentucky State Police.

"The exchange of information and hands-on training between law enforcement, reconstruction experts and prosecutors is beneficial for everyone involved," General Conway said. "Prosecutors have a unique opportunity to learn what they can reasonably expect from officers at the arrest scene, which can help them prosecute vehicular homicide cases to the fullest extent."

The annual training is funded in part through the Kentucky Office of Highway Safety with grant funds provided by the National Highway Traffic Safety Administration (NHTSA).

