



KENTUCKY

General News

April 2010

Attorney General Conway Issues Price-Gouging Warning

Attorney General Jack Conway says his office stands ready to investigate and prosecute anyone who seeks excessive profits during times of emergency. General Conway issued his price-gouging warning after Gov. Steve Beshear declared a state of emergency in the wake of deadly thunderstorms that resulted in flooding, four deaths, and widespread damage across Kentucky.

“Those who have fallen victim to this storm should not be victimized again by unscrupulous price-gougers,” said General Conway. He also stressed that his thoughts and prayers are with the families who lost loved ones as a result of the severe weather.

The emergency declaration issued by Gov. Beshear triggers several consumer protection measures and empowers the attorney general to investigate and prosecute, where appropriate, those who sell gasoline, generators, building supplies, chain saws, hotel rooms and other necessary goods and services at exorbitant prices in a time of disaster.

General Conway urges Kentucky consumers who suspect price-gouging to email pricecomplaints@ag.ky.gov or to call his Consumer Protection Hotline at **888-432-9257**. Please provide the name and address of the business, date you noticed the price increase, current and previous price of the product, as well as your name and telephone number.



photo by Flickr user Zepfanman.com

Officials Join Forces to Ensure Honest, Fair Primary Election

Attorney General Conway, Secretary of State Trey Grayson and the chief election fraud prosecutors from the U.S. Attorneys’ offices in the eastern and western districts of Kentucky have sent a clear message about the upcoming primary election - voter fraud will not be tolerated in Kentucky.

Officials from each agency have been meeting in recent weeks to prepare for the May 18th primary election.

“Investigators from my office will be patrolling precincts and polling places, but we need citizens to join with us to ensure that all Kentuckians have a chance to make their votes count on Election Day,” General Conway said.

Because federal races are on the ballot, the offices of the U.S. Attorneys in Kentucky will conduct their traditional Voting Integrity Initiatives. The State Board of Elections will field calls about the election from now through Election Day. General Conway’s Election Fraud Hotline, 1-800-328-8683, will also be available on May 18 from 6 a.m. EST until 7 p.m. EST.



“Together, we will work to ensure that every citizen can participate in a fair and honest election,” said Secretary Grayson.

The Office of the Attorney General investigates and prosecutes violations of Kentucky election laws. Because federal elections are on the ballot, U.S. Attorneys in Kentucky will take the lead on any potential prosecutions in this election cycle. The Office of the Attorney General administers programs to observe the conduct of elections and conducts post-election audits based on random selection in counties throughout Kentucky.

More information — <http://tinyurl.com/2cjzu7o>



*Kentucky Attorney
General
Jack Conway*

Remembering Kentucky's Crime Victims

Attorney General Conway and representatives from several victim advocacy groups marked Crime Victims' Rights Day with a moment of silence and tree planting at Frankfort's Cove Spring Park on April 21, 2010.

"I hope all Kentuckians will take a moment to remember the families who have lost loved ones or been affected by violent crime," said General Conway. "Through my Office of Victim Advocacy, we will continue to work to ensure that Kentucky's crime victims have a voice."

General Conway's Office of Victim Advocacy served more than 1,755 victims in 2008 and provided \$200,000 in grants to victim advocates across Kentucky in 2009/2010.

More information — <http://tinyurl.com/29yq3ta>



Attorney General Conway speaks with Earl Pruitt whose two sons were murdered and who, along with his wife, founded Kentuckians' Voice For Crime Victims.

CPSC Announces Recall of Graco-Branded Drop Side Cribs

Attorney General Conway and his KY Kids Alert partners want to alert Kentucky consumers to the recall of more than 200,000 Graco-branded drop side cribs, manufactured by LaJobi. The U.S. Consumer Product Safety Commission (CPSC) announced the recall on April 29, 2010 due to entrapment and suffocation hazards.

"As a father, I know there is nothing more important than the safety of our children," General Conway said. "That's why I want to encourage Kentucky parents and child care providers to make sure they sign up to receive important child product recall alerts from the CPSC."

In February, General Conway joined with the Kentucky Cabinet for Health and Family Services and CPSC to launch KY Kids Alert, a statewide initiative to educate Kentucky parents and child care providers about the importance of child product recall information. As part of this initiative, nearly 3,000 Kentucky child care centers and certified family child care homes now receive these potentially lifesaving recall alerts from the CPSC.

More information — <http://tinyurl.com/26ndwy3>

Governor Beshear Signs Consumer Protection Measure



Attorney General Conway has hailed the enactment of HB 166 as an important consumer protection law. General Conway joined Gov. Steve Beshear as the measure was signed into law on April 13. HB 166 addresses the debt-adjusting contracts that are often entered into by desperate homeowners who have fallen behind on their mortgage payments and are seeking a quick, easy solution to their financial problems.

"This new law will better protect Kentucky families who are facing foreclosure from scams that prey on their sense of desperation and hopelessness," General Conway said. "There will now be strict limits on upfront fees charged by these companies, tougher civil penalties against debt adjusters who violate the Consumer Protection Act and consumers will have a clear right to sue on their own."

General Conway says passage of HB 166 is the result of the hard work of numerous agencies and members of the Kentucky General Assembly working together to better protect Kentucky families during these tough economic times.

For more information and the provisions of HB 166, please see our press release — <http://tinyurl.com/2d89bod>



CYBERCRIMES

Shelby County Man Indicted for Possession of Child Pornography

An investigation by Attorney General Conway's Cybercrimes Unit resulted in an indictment against 50-year-old Ronald Craig Hornback of Shelbyville, Ky. for possession of child pornography. A Shelby County grand jury indicted Hornback on April 21, 2010 on four counts of possession of matter portraying a sexual performance by a minor.

Investigators from General Conway's Cybercrimes Unit, with assistance from Kentucky State Police, arrested Hornback on February 26, 2010 after executing a search warrant several days earlier at Hornback's home. His arrest and indictment are the result of a nearly five-month investigation by the Cybercrimes Unit, a member of the Internet Crimes Against Children Task Force.

A charge is merely an accusation and a defendant is presumed innocent until and unless proven guilty.

Kenton County Man Pleads Guilty to Receipt of Child Pornography

Attorney General Jack Conway and United States Attorney for the eastern district of Kentucky, E.J. Walbourn, jointly announced the guilty plea of a Kenton County man to receipt of child pornography on April 16.

In the course of his guilty plea, 30-year-old Robert Powers, of Bromley, admitted that he used the Internet in September 2007 to download images of children engaged in sexually explicit conduct. He also admitted that some of the more than 600 images he downloaded depicted children under 12 years old, and some involved sadistic or violent conduct.

More News From General Conway's Cybercrimes Unit

- ▶ Robert A. Walker of Jessamine County was arrested on April 16 and charged with possession of child pornography following an investigation by the Attorney General's Cybercrimes Unit.
- ▶ Attorney General Conway, the Federal Bureau of Investigation (FBI) and U.S. Attorney's Office jointly announced the guilty plea of 32-year-old Ronald Peed Jr., of Augusta, Ky., to receipt of child pornography. Peed admitted downloading more than 600 images of children engaged in sexually explicit conduct.
- ▶ Two Glasgow men were indicted for possession of child pornography. A Barren County grand jury indicted 25-year-old Gregory Dale Fields and 28-year-old James Anthony Taylor on multiple counts of possession of matter portraying a sexual performance by a minor.

Attorney General Conway Warns Kentucky Parents About Chatroulette

Attorney General Conway warned Kentucky parents about a popular new website that could connect their children with cyberpredators. The warning followed an investigation by General Conway's Cybercrimes Unit that resulted in some disturbing findings about the video chat website, Chatroulette.

During a one-hour session, a Cybercrimes investigator was connected to 96 other participants from all over the world. Of those, 31, or approximately 30%, were engaged in some form of sexual exhibitionism or graphic sexual conduct.

"I strongly encourage parents to keep their kids away from this website," said General Conway.

Chatroulette users are supposed to be at least 16 years old; however, it does not appear the rule is enforced, which makes parents' preventative measures particularly important.

More information — <http://tinyurl.com/2umd3qg>

Former Letcher County Personal Care Home Director and Board Chair Indicted on Theft Charges

A seven-month investigation by Attorney General Conway's Department of Criminal Investigations (DCI) resulted in a 74-count indictment against 68-year-old James F. "Chum" Tackett for allegedly stealing federal and state funds totaling nearly \$500,000. The money was to be used for the care of disabled residents at the Golden Years Rest Home in Jenkins, Ky. where Tackett served as the director.

A Letcher County grand jury also indicted Tackett's daughter, 42-year-old Kimberly Price of Booneville, Ky. on one count of complicity to theft by failure to make required disposition of property over \$10,000, three counts of complicity to theft by failure to make required disposition over \$500 and two counts of complicity to knowing exploitation of an adult over \$300. Price served as chairperson of the board of directors at Golden Years.

The Letcher County Sheriff's department arrested Tackett in Jenkins on April 21, 2010, and he was lodged in the Letcher County Detention Center on \$500,000 cash bond. Price was arrested on April 23, 2010 by the Owsley County Sheriff and released upon posting a \$25,000 bond.

The case will be prosecuted by the Attorney General's Office of Special Prosecutions at the request of the Letcher County Commonwealth's Attorney.

Attorney General Conway Joins Lawsuit Against Johnson & Johnson

Attorney General Conway and his Office of Medicaid Fraud and Abuse Control have moved to join a pending lawsuit in federal district court in Boston against drug manufacturer Johnson & Johnson (J&J) of New Brunswick, N.J., and two of its subsidiaries, Ortho-McNeil-Janssen Pharmaceuticals Inc. and Johnson & Johnson Health Care Systems Inc.

The lawsuit alleges that these companies paid millions of dollars in kickbacks to Omnicare Inc., the nation's largest pharmacy that specializes in dispensing drugs to nursing home patients. In November 2009, the United States, numerous states, including Kentucky, and Omnicare entered into a \$98 million settlement agreement that, among other things, resolved Omnicare's civil liability under the False Claims Act for taking kickbacks from J & J.

"The allegations set out by the Department of Justice are disturbing, and I will not allow pharmaceutical companies to come into the Commonwealth and interfere with the health and safety of Kentucky seniors," said General Conway. "The complaint, released by the Justice Department, describes a kickback scheme that distorted the judgments of doctors and put the bottom line ahead of patient need."

Since Attorney General Conway took office in January 2008, his Office of Medicaid Fraud and Abuse Control has recovered or been awarded more than \$100 million dollars for the state and federal Medicaid programs. These cases range from lawsuits and settlements against pharmaceutical companies to cases against individual providers who have overbilled the Medicaid program.