



KENTUCKY

General News

September 2009

Attorney General Conway Receives \$3.94 Million Grant To Expand Kentucky's eWarrants System

An American Resource & Recovery Grant awarded to the Office of the Attorney General will help improve public safety in rural communities across Kentucky. The \$3.94 million grant will be used to expand Kentucky's electronic warrant management (eWarrants) system into virtually all of the state's rural counties. It will also create approximately 20 new jobs in Kentucky.

"For those of us in law enforcement who work day-in and day-out to improve public safety in Kentucky, I am very pleased to announce that our grant proposal was accepted," said General Conway. "This grant will help law enforcement agencies as we combat the scourge of illegal drugs in communities across Kentucky and work to protect crime victims, particularly those in domestic violence cases."



General Conway's office will work closely with the Administrative Office of the Courts (AOC), Kentucky Office of Homeland Security, Kentucky State Police and Kentucky's County Attorneys, all of which worked jointly on the initial implementation of the eWarrants system in Kentucky.

"I am very pleased that the Attorney General's Office has received this grant which will provide much needed computer equipment for County Attorney offices," said Greg Vincent, Edmonson County Attorney and President of the Kentucky County Attorneys Association. "The enhanced eWarrants systems will be a tremendous asset for rural counties like mine."

Kentucky's eWarrants system was implemented to address a backlog of nearly 300,000 unserved warrants in the state. It is currently operating in Jefferson, Campbell, Scott, Bourbon, Fayette and Woodford counties. A backlog in the service of warrants, or a misplaced or lost warrant, could allow a person charged with domestic violence, or another violent crime, to continue to victimize. The eWarrants system has increased the service rates of warrants nearly six-fold in less than a year.

CybersafeKY Welcomes New Partner

Attorney General Conway has welcomed a new partner to the CybersafeKY Internet safety partnership. ConnectKentucky will join the Office of the Attorney General and Kentucky Department of Education in expanding and launching new programs this school year to educate parents and help keep children safe online. Parents are invited to attend two free CybersafeKY regional workshops in Hazard and Bowling Green on Oct. 15 and Oct. 22 to learn more about cybersafety. Register online at <http://ag.ky.gov/cybersafety/>. Lexmark Printers and a Dell laptop computer will be given away at both events.



Kentucky Attorney General
Jack Conway



ConnectKentucky Executive Director René True and Attorney General Conway with kids from Frankfort's Kings Center

Settlement Agreement Between Attorney General Conway and Columbia Gas Reduces Proposed Rate Hike by \$5 Million

A settlement agreement between Attorney General Conway's Office of Rate Intervention and Columbia Gas has dramatically reduced a proposed rate increase by Columbia. The agreement reduces Columbia's proposed rate hike by \$5 million, nearly 50%, and eliminates the company's request for a rate mechanism that would have nearly tripled customers' monthly natural gas bills and eliminated conservation as an option to lower customers' bills.

"Under this agreement, Columbia's customers will experience a much smaller increase in their natural gas rates," said General Conway. "I will continue to closely examine all proposed utility rate increases to protect consumers from overcharging."

General Conway's office worked closely with the Community Action Council, Lexington's Urban County Council and the American Association of Retired Persons (AARP) to reduce the proposed rate increase for Columbia's 91,000 customers in 33 counties.

"Seniors would have been among the hardest hit under Columbia's proposal," said Cathy Allgood Murphy, Associate State Director for Advocacy for AARP Kentucky. "The settlement is a far better outcome for seniors, low and fixed-income households, who typically use less energy."

More information — <http://tinyurl.com/ybl2qr8>



Cathy Allgood Murphy, Associate State Director for Advocacy for AARP Kentucky

Conway Sues Merck Over Alleged Deceptive Marketing of Vioxx

When Merck & Co. began aggressively marketing its anti-inflammatory drug Vioxx in 1999, the pharmaceutical giant failed to disclose the potential for dangerous cardiovascular side effects, including heart attack and stroke.

On Sept. 28, 2009, Attorney General Conway filed suit in Franklin Circuit Court against Merck alleging violations of Kentucky's Consumer Protection Act related to Vioxx. The lawsuit seeks injunctive relief, civil penalties and other equitable relief, as a result of Merck's marketing of Vioxx.

"Consumers have a right to know all of the risks associated with the prescription drugs they take," said General Conway. "Merck relied on an aggressive marketing campaign to lure consumers into taking Vioxx and then concealed the increased health risks associated with the drug. This kind of deception puts consumers at risk and will not be tolerated in Kentucky."

General Conway's lawsuit also accuses Merck of engaging in an elaborate scheme to create or publish scholarly articles under fake or ghost authors in order to further develop support for Vioxx.

More information — <http://tinyurl.com/y96y5fr>

Pfizer To Pay Kentucky \$5.4 Million For Medicaid Fraud, Consumer Protection Violations

Attorney General Conway has joined other states and the federal government in announcing an historic \$2.3 billion agreement with Pfizer Inc., the world's largest pharmaceutical manufacturer. This unprecedented agreement settles civil and criminal allegations that the Pfizer and its subsidiaries paid kickbacks and engaged in off-labeling marketing campaigns that improperly promoted numerous drugs.

Kentucky's total state and federal recovery for the Medicaid Program, as part of this settlement, was \$16 million. The state's share of the restitution and additional recoveries was nearly \$4.8 million.

General Conway also joined with 42 other state attorneys general in reaching an agreement with Pfizer over violations to the consumer protection laws related to the off-label marketing of its drug Geodon. Kentucky received an additional \$663,000 from that settlement, bringing the total amount recovered by the state to \$5.4 million.

More information — <http://tinyurl.com/lxzugq>

OAG Drug Diversion Task Force Participates in Drug Round-Up

A joint effort between General Conway's newly created statewide prescription drug abuse task force; Operation Unlawful Narcotics Investigations, Treatment and Education (UNITE); and police departments from Prestonsburg and Martin, Ky. resulted in the arrests of three Floyd County residents on charges of trafficking in a controlled substance.

This marked the first drug round-up for the task force, created by General Conway to investigate drug trafficking, overprescribing physicians, doctor shopping and illegal out-of-state pharmacies across Kentucky.

"Getting illegal prescription drugs off of the streets and out of the hands of those who are abusing them, particularly our youth, remain top priorities of mine," General Conway said.

Arrested as part of the drug round-up were:

- ▶ Teresa Rowe, 49, of Prestonsburg — trafficking in a controlled substance, 1st degree. Arrested in Johnson County, Rowe also faces charges of possession of a controlled substance in that county.
- ▶ Mencie Bentley, 57, of Martin — 2 counts of trafficking in a controlled substance, 1st degree and 2nd degree
- ▶ Clinton Thomas, 34, of Prestonsburg — 2 counts of trafficking in a controlled substance, 2nd degree.

The drug round-up was the result of a seven-month investigation by the OAG and Operation UNITE.

More information — <http://tinyurl.com/kqmk12>

Bracken County Man Faces 485-Count Indictment in Child Pornography Case



A joint investigation between the Office of the Attorney General's Cybercrimes Unit and the Westerville, Oh. Police Department has resulted in the indictment of a Bracken County man on 485 counts of distribution and possession of child pornography. All are Class D felony charges.

Attorney General Conway and Kathryn Hendrickson, Commonwealth's Attorney for the 19th Judicial Circuit, jointly announced the Sept. 17, 2009 indictment of Ronald Peed Jr., 32, of Foster. Peed entered a not guilty plea at his arraignment in Bracken Circuit Court.

After identifying a computer IP address in Kentucky that was actively possessing and trading suspected child pornography in April and May 2009, Westerville Police contacted the Office of the Attorney General's Department of Criminal Investigations to provide information needed to move forward with a search warrant. Peed was arrested on May 19, 2009. Prosecution of the case is being handled by the office of Commonwealth's Attorney Kathryn Hendrickson.

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

More News from General Conway's Cybercrimes Unit

- Jessamine County man indicted for allegedly trying to lure a child for sex via the Internet — <http://tinyurl.com/yhxng7x>
- Knott County man pleads guilty in child pornography case — <http://tinyurl.com/yg5fk7w>

Western Kentucky Dentist Pleads Guilty To Medicaid Fraud

A Muhlenberg County dentist pled guilty and has been sentenced for defrauding the Kentucky Medicaid Program. Attorney General Conway and his Office of Medicaid Fraud and Abuse Control reached a plea agreement with Dr. Timothy Underwood, 58, of Central City, on charges he presented false claims to the Kentucky Medicaid Program.

Under the terms of the agreement, Underwood received a 12-month sentence that will be conditionally discharged on the condition he pay more than \$7,000 in restitution to the Kentucky Medicaid Program and \$3,500 in investigative costs to the Office of the Attorney General. Underwood has further agreed to never again be a provider in the Kentucky Medicaid Program.

On March 8, 1998 and continuing through March 31, 2003, Underwood submitted duplicate bills to the Kentucky Medicaid Program — giving the perception that procedures were performed by two dentists, while they were actually performed by one.

