



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: **Michael Goins**
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Auditor Harmon Announces 11 Findings from Special Examination of Kentucky Department of Fish and Wildlife Resources

Report details failure of agency to create an atmosphere of transparency, accountability of public funds

FRANKFORT, Ky. (December 18, 2018) – Today, Auditor Mike Harmon released the results of a special examination by his office of the Kentucky Department of Fish and Wildlife Resources (KDFWR) for the past several fiscal years. Auditor Harmon’s office began the examination of KDFWR after receiving a letter from Don Parkinson, Secretary of the Tourism, Arts and Heritage Cabinet asking for a special examination of the agency, which is part of the cabinet. The report details 11 findings and recommendations for the cabinet and KDFWR leadership.

“The Kentucky Department of Fish and Wildlife Resources promotes the agency receives no General Fund tax dollars. But given that a large portion of their funding comes from the sale of hunting and fishing licenses, along with federal grants, which are funded by taxpayers, our exam details the greater need for KDFWR to act in a responsible and transparent fashion in following state laws and regulations when it comes to the use of these dollars,” said Auditor Harmon. “Our exam finds many past and current problems at KDFWR, and that a change in culture is needed.”

In Fiscal Year 2017, KDFWR received more than \$70 million in funding. In fiscal year 2016, 57 percent of their revenue came from license sales for fishing and hunting and boating registrations, and 35 percent came from federal tax dollars through grants.

Among the 11 findings detailed in the exam released by Auditor Harmon’s office are:

- Co-mingling of restricted funds between the Kentucky Wetland and Stream Mitigation Fund, and the Fish and Game Fund. Since Fiscal Year 2013, KDFWR has transferred approximately \$1 million on an annual basis from the Mitigation Fund to the Fish and

Game Fund, which is not in compliance with state law and an agreement with the U.S. Army Corps of Engineers.

- Use of the Kentucky Fish and Wildlife Foundation, which is a charitable organization for promotion of wildlife education and wetlands preservation, to circumvent state procurement laws. Among the purchases identified by auditors included the purchase of \$750 of alcohol by a KDFWR employee, who was reimbursed by the Foundation, for an event. State law prohibits the purchase of alcohol with public dollars, and is one of several examples auditors found that appeared to be attempts to circumvent procurement laws, including KDFWR funding the salary of the Foundation's executive director.
- More than \$20,000 was spent on pre-paid debit cards for volunteers in KDFWR's hunting education program. Some of the money used to purchase the cards came from federal tax dollars, which could be a violation of federal law.
- Thousands of dollars spent on meals for KDFWR staff, land owners, and volunteers for several award banquets, including the Commissioner Awards Banquet held each December.
- Special commission elk permits were awarded with poorly maintained documentation, and some applications were not disqualified even though they did not meet the requirements of administrative regulations.
- Failure to properly monitor contracts to determine whether the public dollars being spent were efficient and effective, including paying a total of \$550,000 from Fiscal Year 2008 to 2017 to a conservation group toward a breeding ground for ducks in Canada. Data from that conservation group showed that only 10 percent of the ducks that migrate to Kentucky come from that Canadian location.
- Prepayments of more than \$70,000 between Fiscal Year 2015 and 2017 to an outside marketing and advertising firm without determining services were received.

"In many of the issues we identified, the agency justified expenditures by stating that no taxpayer dollars were used," Auditor Harmon said. "This type of reasoning is illogical, especially when it comes to the use of public funds. All public funds must be spent in compliance with state and federal law. I thank Secretary Parkinson for requesting we do a special examination, and my office is hopeful the leadership at KDFWR will exercise greater transparency and accountability in the future."

In response to Auditor Harmon's examination, Tourism, Arts and Heritage Cabinet Secretary Don Parkinson said, "Thank you very much for the work of your team. The Tourism, Arts, and Heritage Cabinet supports and embraces the general findings and recommendations of this audit, which reinforce our determination that KDFWR's culture must change, and its transparency, accountability, and responsiveness must dramatically improve."

The full report, along with the separate Fiscal Year 2017 audit of KDFWR, can be found on the [auditor's website](#).

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.



www.auditor.ky.gov