



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

March 12, 2020

Governor Andy Beshear
700 Capitol Avenue, Suite 100
Frankfort, KY 40601

RE: Review of State Aircraft Use by the Former Governor

Dear Governor Beshear:

In October 2019, our office requested the documents maintained on state aircraft flights by the Kentucky Governor's Office. The purpose of this review was to assess public concerns regarding the personal use of state aircraft by Kentucky governors. Our intent was to review the records related to the use of state aircraft for the period January 2012 through October 2019. We believed this timeframe would permit us to assess the procedures utilized by two governors, which would provide a better view of how statutes concerning the use of state aircraft are being interpreted and implemented.

Upon reviewing the documentation provided by former Governor Bevin's staff in October 2019, it was determined that adequate detail existed to review the flights taken during his administration through the time of the request. However, the documentation available for former Governor Beshear was not sufficient for us to perform a complete comparable review. Due to the length of time that had passed since the end of former Governor Beshear's administration, we did not contact any administration staff to determine whether other documents were available or should have been available at the time of our review.

From the documentation provided, each state aircraft flight billed to the Governor's Office from January 1, 2016 until September 30, 2019 was analyzed. The details of the flight documentation were then reviewed for compliance with applicable statutory requirements as to the use of state aircraft.



This information included state aircraft flights with two separate state agencies: Kentucky State Police (KSP) Aircraft Branch and the Kentucky Transportation Cabinet's Capital City Airport Division (CCAD). Therefore, any available supporting documentation was also requested and provided by these agencies during our review.

The following tables provide details related to the use of state aircraft administered by each of these agencies:

**Table 1: Passenger Details Related to Flights Billed to the Governor's Office
January 1, 2016 through September 30, 2019**

	KSP Aircraft	CCAD Aircraft	Totals
Total Number of Flights	289	20	309
Flights with Governor	246	7	253
Flights with Both the Governor and Lt. Governor	8	0	8
Flights with Lt. Governor without the Governor	32	13	45
Flights without the Governor or Lt. Governor	11	0	11

Source: Auditor of Public Accounts based on documents provided by the former Governor Bevin's administration, Kentucky State Police Aircraft Branch, and the Capital City Airport Division.

**Table 2: Cost and Reimbursement of Flights Billed to the Governor's Office
January 1, 2016 through September 30, 2019**

	KSP Aircraft	CCAD Aircraft	Totals
Charge for Flights	\$803,790	\$24,556	\$828,346
Total Number of Flights	289	20	309
Number of Flights With Reimbursement	126	2	128
Amount Reimbursed by a Non-State Entity	\$341,245	\$842	\$342,807
Percent of Flight Costs Reimbursed	42.5%	3.4%	41.3%

Source: Auditor of Public Accounts based on documents provided by the former Governor Bevin's administration, Kentucky State Police Aircraft Branch, and the Capital City Airport Division.

**Table 3: Documentation Available for Flights Billed to the Governor's Office
January 1, 2016 through September 30, 2019**

	KSP Aircraft	CCAD Aircraft	Totals	Percent of Total
Total Number of Flights	289	20	309	N/A
Number of Flights with a Documented Flight Request	0	16	16	5.2%
Number of Flight Requests with a Documented Purpose	0	16	16	5.2%
Number of Flight Requests with a Documented Personal Business Allocation	0	5	5	1.6%
Allocation Form from Governor's Office Documents Personal Business Percentage	250	16	266	86.1%

Source: Auditor of Public Accounts based on documents provided by the former Governor Bevin's administration, Kentucky State Police Aircraft Branch, and the Capital City Airport Division.

Based on our review of the documentation provided, the following issues were identified:

1. Due to the use of KSP aircraft, neither a purpose nor a personal business allocation was statutorily required to be provided for 289 of the 309 flights reviewed.

For flights taken January 1, 2016 through September 30, 2019, it was determined that 289 of the 309 total flights were on KSP aircraft. Because the definition of state aircraft in KRS 174.500(2) specifically excludes KSP aircraft, only 20 flights, including seven taken by former Governor Bevin, documented flight information such as the flight purpose and whether the flight was for personal business. Under the current statutory language, any flight taken by Kentucky's governors using KSP aircraft is excluded from the requirements to document its purpose or whether the flight was for personal business.

KRS 174.500(2) excludes any and all aircraft with KSP from the statutory requirements on the use of state aircraft. The following is the definition of state aircraft per KRS 174.500(2):

"State aircraft" means aircraft owned by the Commonwealth, leased by the Commonwealth, or otherwise under the control of the Commonwealth and administratively assigned to the department. It shall also include air charters by the department. However, this shall not include or apply to any and all aircraft assigned to, owned, leased, operated, or controlled by the Department of Kentucky State Police, or otherwise under the control or direction of the Department of Kentucky State Police. The operation, maintenance, scheduling, and care of Department of Kentucky State Police aircraft shall not be included under or affected by KRS 174.500 to 174.510

Law enforcement flight activities need to remain confidential and undisclosed, but flights transporting government officials do not require the same level of privacy. Though these flights are not law enforcement missions, KSP flights transporting officials, including the Governor and Lieutenant Governor, are not explicitly required to comply with statutory flight information requirements.

According to an official with the KSP Aircraft Branch, a request is "made verbally from the Executive Security Branch Commander or his designee to the Aircraft Branch Commander or his designee. They are then scheduled and completed as requested. This request line is fluid in nature as there have been several cases that these flights have been requested and conducted within a span of an hour after normal business hours."

The statutes regulating the use of state aircraft make allowances for verbal requests, but again, these statutes exclude KSP aircraft from the definition. KRS 174.508(2) requires the following:

Verbal requests for state aircraft transportation may be honored. However, all requests for state aircraft shall be provided in writing to the Capital City Airport Division within five (5) working days of the date of the flight.

KRS 174.508(4) requires that flight requests to use state aircraft contain the following information:

- (a) Cabinet or agency name;
- (b) Department name with appropriate billing account number;
- (c) Purpose of the trip;
- (d) Destination, including any planned stopovers and the reason for them;
- (e) Names of all passengers on the flight; and
- (f) Identification of any percentage of the flight that is for personal business in cases of the Governor or Lieutenant Governor as allowed under KRS 174.506.

The KSP monthly flight activity reports already provide much of the same information required in KRS 174.508(4), except for the purpose of the trip, the reason for any planned stopovers, and the identification of any percentage of the flight that is for personal business (only applicable for the Governor and Lieutenant Governor).

We recommend the General Assembly enact legislation to make clear that the flight requirements provided in KRS 174.500 through 174.510 also apply to KSP aircraft when transporting state government officials. If flights with state officials pertain to KSP's law enforcement mission, those flights should remain exempt.

2. While not required per statute, an Allocation Form, documenting the percentage of official and non-official flight time, was created and used by former Governor Bevin's staff during his administration.

Except for one CCAD flight taken by the Lieutenant Governor on June 22, 2017, an Allocation Form was on file for each of the flights taken after September 2016, regardless of whether a CCAD or KSP aircraft was used. However, the allocation forms created by the former governor's office were not submitted to the KSP Aircraft Branch or CCAD. Although there is no requirement in statute to provide internal allocation forms to KSP or CCAD, doing so would increase transparency and enable a review by those agencies to ensure consistency with other flight records.

Prior to September 2016, 45 flights were taken and only three had an Allocation Form. Former Governor Bevin's staff stated this was due to a previous practice to only create an Allocation Form if the flight was non-official. However, 12 of the 42 flights without Allocation Forms were reimbursed for 100% of the flight costs by a non-state entity. The three Allocation Forms created during this period were for flights designated as part-official and part-personal.

Though the percentage of any personal business is statutorily required for flights on CCAD aircraft, 11 of the 16 flight requests reviewed were blank as to what percent of the flight was

business or personal. Of these 11 flights, eight had an Allocation Form created by the Governor's Office that was not shared with CCAD.

Without documenting the percentage of personal business for each flight, reimbursement may not be requested and flight costs could be paid by taxpayers rather than the appropriate entity. While the former administration created an Allocation Form to document this information, the form was for internal purposes only. Though it is the responsibility of the Governor's Office to request reimbursement of personal business flights, it would improve the transparency of this process if this information was provided to KSP and CCAD for each flight. Additionally, we again recommend the General Assembly approve legislation to make the requirements of KRS 174.508 applicable to the use of KSP aircraft when transporting government officials so the same information will be required regardless of the aircraft used.

3. The purpose of the flight was only documented for 16 out of 309 flights.

Of the 309 flights taken during this time period, only 20 were taken on CCAD aircraft for which a flight request is required per KRS 174.508(4). Of those 20 flights, only 16 flight requests documented the flight's purpose and the reasons for any stopovers. While the purpose was only statutorily required for an additional four CCAD flights, none of the 289 KSP flights, costing \$803,790, had a documented purpose.

KRS 174.506 evinces a clear intent by the General Assembly to allow for personal use of state aircraft by the Governor, Lieutenant Governor, or their immediate families in recognition of their unique role, which may involve a need for such travel based on "reasons of security, protocol, ceremonial functions or overall demands of time." However, it is unclear whether the General Assembly contemplated the vast majority of this travel would occur on KSP aircraft and be exempt from the documentation requirements of KRS 174.508.

Under the current law, significant expenses can be incurred by state officials using KSP aircraft without providing a purpose or other documentation required under KRS 174.508. Regardless of whether the aircraft belongs to KSP or CCAD, we recommend that all flights have a documented purpose to support the need for the cost incurred and resources used.

4. Reimbursement requests for personal business flights do not include KSP overnight crew fees.

Overnight flight crew fees incurred for KSP flights were not included when a non-state entity reimbursed for personal business flights. Prior to 2017, KSP noted these fees in their monthly memo to the Governor's Office, but the attached activity reports only documented the flight cost. After 2017, there was no mention of these fees in the memo or the activity report. Therefore, any overnight flight crew fees incurred for personal travel on a KSP aircraft were the responsibility of Kentucky's taxpayers.

The requests for reimbursement made by the Governor's Office to the non-state entities were based solely on the monthly activity report provided by KSP and CCAD. CCAD's monthly reports included a column for incurred crew fees so that they are included in the total cost of the flight, but KSP's monthly report did not. Consequently, the flight charges for KSP aircraft reported in Table 2 do not include crew fees, while the CCAD flights do include these costs.

According to KSP, overnight crew fees are no longer reported to the Governor's Office because they are now billed to KSP as a cost of executive security. Previously, KSP pilots attached their travel expenses to the Governor's Office activity report if there was overnight lodging. This amount was then included in the cover memo that stated the total cost billed to the Governor's Office for the month. Beginning in 2017, any additional crew fees were absorbed by KSP as an executive protection expense and no longer billed to the Governor's Office.

For KSP flights taken prior to 2017, a combined total of \$8,363 in flight crew fees were noted in seven of the monthly cover memos, with \$5,200 incurred for flights reimbursed by a non-state entity. As discussed within Issue 2, Allocation Forms were not routinely created until after September 2016 so there is no document stating these flights were for personal business. However, 100% of the flight costs for these flights were reimbursed by a non-state entity. Therefore, these flights do not appear official, and the \$5,200 in flight crew fees should have been reimbursed by a non-state entity as well.

Without KSP providing the cost of applicable flight crew fees, it is unlikely that any reimbursement of a personal business flight included these additional costs since 2017. This means that Kentucky's taxpayers have been responsible for paying KSP flight crew fees even if the flight is documented and reimbursed as personal business.

We recommend KSP include any associated flight crew fees in the total cost of each flight on the detailed activity report to ensure complete reimbursement of any personal flights. If a flight is being taken for personal reasons, we also recommend that including the security cost be considered so that taxpayers are not responsible for any expenses related to these flights.

Thank you for your attention to these matters. If you have any questions regarding this letter, please contact me or Jason Johnson, Executive Director at 502-564-5841.

Thanks and God Bless,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal flourish extending to the right.

Mike Harmon
Auditor of Public Account