

April 26, 2023

**VIA Hand Delivery**

Chairman Judge Roger L. Crittenden  
Vice Chair Sen. David Karem  
Executive Branch Ethics Commission  
Capital Complex East  
1025 Capital Center Drive, Suite 104  
Frankfort, Kentucky

**RE: Request for Ethics Investigation of Attorney General & Candidate for Governor Daniel Cameron**

Dear Messrs. Crittenden and Karem,

Kentucky's ethics rules are designed to prevent public officials from abusing the public trust and acting on behalf of personal financial interests instead of the people of Kentucky. Unfortunately, that appears to be what Mr. Cameron has done, and I write to request the Executive Branch Ethics Commission initiate an Investigation and take any and all appropriate action to remedy at least 2 suspected violations of the Executive Branch Code of Ethics. Daniel Cameron, the Attorney General, by his failure to abstain and recuse himself and the office of attorney General in pending civil matters wherein a substantial conflict of interest exists jeopardizing his ability to objectively act in the best interests of the Commonwealth of Kentucky will continue to commit open and flagrant violations of **Ky. Rev. Stat. §§ 11A.020 (1)(a) and (1)(d)**.

I. Background

a. **Signing of House Bill 594**

- i. On March 16, 2023, Governor Beshear signed House Bill 594 (see Appendix A) into law, with an effective date of July 2023. In summary, the law, known here as the 'Skill Game Amendment':
  1. Amends **Ky. Rev. Stat. § 528.010** to define "coin-operated amusement machine," "skill," "skill-based contests," and "skill

- game"; amend the definitions of "advancing gambling activity," "gambling," "gambling device," and "something of value";
2. Amends **Ky. Rev. Stat. § 528.100** to authorize the Attorney General, the Commonwealth's attorney for any locality, or the county attorney for any locality to establish a civil penalty not to exceed \$25,000 for each device for any person who conducts, finances, manages, supervises, directs, or owns a gambling device in violation of KRS Chapter 528;
  3. Authorizes the Attorney General, the Commonwealth's attorney for any locality, or the county attorney for any locality to cause an action in equity to be brought in the name of the Commonwealth, to enjoin the operation of a gambling device in violation of KRS Chapter 528, and request an attachment against all devices and any moneys within those devices.

**b. Political Contributions Received (reference Appendix C)**

- i. According to the website of the company, "Pace-O-Matic is a software company which develops revenue producing games and innovative technology that players love to play and can use their skills to win every time" (see Appendix B). Under the newly amended law, these machines will be illegal in Kentucky as of July of 2023.
- ii. Following passage of House Bill 594 and its commitment to law, the Kentucky Registry of Election Finance reports that Bluegrass Freedom Action, an Unauthorized Campaign Committee formed in support of Attorney General Cameron's gubernatorial candidacy, received \$100,000 from Pace-O-Matic (POM) and employees of the company directly:
  1. \$50,000 from POM of Kentucky LLC on March 21, 2023.
  2. \$25,000 from POM Chairman Michael Pace on March 22, 2023.
  3. \$25,000 from POM President and Chief Executive Officer Paul Goldean on March 22, 2023.
- iii. Following passage of House Bill 594 and its commitment to law, the Kentucky Registry of Election Finance reports that Attorney General Cameron's gubernatorial campaign committee received at least \$29,100 in contributions from Pace-O-Matic Incorporated (POM) employees and family, and other purveyors of 'gray machines' on March 27, 2023:

1. \$2,100 from POM Chairman Michael Pace of Hartwell, Georgia.
2. \$2,100 from Karmin Pace of Hartwell, Georgia; an apparently unemployed member of Mr. Michael Pace's household.
3. \$100 from POM President and Chief Executive Officer Paul Goldean of Charlotte, North Carolina, who had previously contributed \$2,000 on September 29, 2022, for a total of \$2,100.
4. \$2,100 from Stacy Goldean of Charlotte, North Carolina; an apparently unemployed member of Mr. Paul Goldean's household.
5. \$2,100 from POM Chief Financial Officer Daniel Jones of Solebury, Pennsylvania.
6. \$2,100 from POM Chief Public Affairs Officer Michael Barley of Suwanee, Georgia.
7. \$100 from POM Sales / Government Affairs professional Thomas Sankey III of Houtzdale, Pennsylvania, who had previously contributed \$2,000 on September 29, 2022, for a total of \$2,100.
8. \$1,600 from Ashley Sankey, a member of Mr. Thomas Sankey III's household who had previously contributed \$500 on September 29, 2022, for a total of \$2,100.
9. \$2,100 from Frank Fina of Middleburg, Pennsylvania, who listed himself as a self-employed attorney, and as recently as December of 2022 represented POM before the Kentucky General Assembly as the company's Chief Administrative Officer.
10. \$2,100 from Kimberly Fina of Middleburg, Pennsylvania; an apparent member of Mr. Frank Fina's household whose employer/occupation is not listed on the report.
11. \$2,100 from Andrew Thompson of Richmond, Virginia, listed as Owner of Dependable Services, a purveyor of 'gray machines'.
12. \$2,100 from April Thompson of Richmond, Virginia; an apparent member of Mr. Andrew Thompson's household whose employer/occupation is not listed on the report.
13. \$2,100 from Nathan Thompson of Henrico, Virginia, listed as Manager of Dependable Services, a purveyor of 'gray machines'.

14. \$2,100 from Sarah Thompson of Henrico, Virginia; an apparent member of Mr. Nathan Thompson's household whose employer/occupation is not listed on the report.
  15. \$2,100 from Alan Joseph of Suwanee, Georgia, listed as a Marketing professional at Brewer Amusement, a purveyor of 'gray machines'.
  16. \$2,100 from Dawn Joseph of Suwanee, Georgia; an apparently unemployed member of Mr. Michael Barley's household.
- iv. In total, Attorney General Cameron's campaign directly received a minimum of \$33,600 from either Pace-O-Matic Incorporated employees and family and/or those directly benefitting from the 'gray machine' industry.
  - v. In summary, between contributions to Attorney General Cameron's campaign committee and the unauthorized committee supporting his candidacy, at least \$133,600 was pulled in from the 'gray machine' industry on or prior to March 27, 2023.
- c. **Civil Action No. 23-CI-00282 (*Arkk Properties, LLC et al. v. Daniel Cameron, et al.*)**
- i. On March 28, 2023, a large group of Plaintiffs including Pace-O-Matic of Kentucky brought forth a lawsuit against Attorney General Daniel Cameron in his official capacity as chief law enforcement officer of the Commonwealth of Kentucky seeking to:
    1. Strike down the "Skill Game Amendment" as unconstitutional, and;
    2. Temporarily and permanently injunct the Attorney General and all law enforcement and government officials in Kentucky from enforcement of the "Skill Game Amendment" (see Appendix D).
  - ii. Following action taken by the Office of the Attorney General in accordance with the recently passed Venue Transfer Amendment, the suit has been expanded to test the constitutionality of that Amendment as well.
  - iii. On April 17, 2023, The Hon. Judge Phillip J. Shepherd of the Franklin Circuit Court, Division 1, authored an opinion which affirmed the suit has been brought against the Attorney General himself in his official capacity, not the Commonwealth, and forwarded the case on to the Supreme Court of Kentucky, in anticipation that the case will likely result in precedent being set by the Court on both recently passed Amendments to the law (see Appendix E).

- iv. These being the circumstances, it is clear Attorney General Cameron, acting in his official capacity, does not intend to recuse himself nor his office from this case.

## II. Failure to Seek Advisory Opinion Or Take Remedial Action to Remedy Potential Appearance of Impropriety

- a. **Ky. Rev. Stat. § 11A.030** provides important guidance for elected officials to make an affirmative determination of whether to abstain from an official decision. They include:
  - 1) *Whether a substantial threat to his independence of judgment has been created by his personal or private interest;*
  - 2) The effect of his participation on public confidence in the integrity of the executive branch;
  - 3) Whether his participation is likely to have any significant effect on the disposition of the matter;
  - 4) The need for his particular contribution, such as special knowledge of the subject matter, to the effective functioning of the executive branch;
  - or
  - 5) *Whether the official decision will affect him in a manner differently from the public or will affect him as a member of a business, profession, occupation, or group to no greater extent generally than other members of such business, profession, occupation, or group.* A public servant may request an advisory opinion from the Executive Branch Ethics Commission in accordance with the commission's rules of procedure. (emphasis added)
- b. Further, Attorney General and candidate Cameron's campaign and his ethics or professional integrity counsel<sup>1</sup> in the Office of Attorney General should have been in coordination to monitor any political contributions made by individuals directly to the candidate or any independent expenditure to Bluegrass Freedom to ensure that under no circumstance

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<sup>1</sup> It is a best practice for an Attorney General to have an "ethics counsel" or "professional integrity counsel" to identify, address, and manage potential conflicts. E.g., Ohio Attorney General David Yost created a special office, Office of Professional Integrity, naming a former Court of Appeals Judge to head that effort in his office. [Ohio Attorney General Dave Yost Announces New Office of Professional Integrity - Ohio Attorney General Dave Yost](#), Last Review April 26, 2023.

could there be an appearance of impropriety due to the Attorney General's decision to simultaneously run for another public office.

c. Immediately upon becoming aware of the intent of Pace-O-Matic's political contributions, Attorney General Cameron could have sought an advisory opinion from the Executive Branch Ethics Commission to determine appropriate next steps to remedy any potential, perceived, or appearance of impropriety in litigation involving direct and indirect political donors and litigation he is charged with defending.

d. This Commission has offered other Attorneys General advisory opinions cautioning them to withdraw the Office of Attorney General in its entirety in matters of public concern where there may be even the slightest appearance of impropriety.

**See KY Exec. Br. Ethics Comm'n A17-07** (on the issue of an investigation, "will a recusal by the Attorney General from the investigation cure any conflict of the staff of office of Attorney General to conduct the investigation if sufficient "firewalls" are in place to shield the Attorney General from the investigation of his potential political opponent. This question contemplates that the Attorney General may have his office investigate the current Governor and still seek to run for office as governor in the next election cycle as long as he personally abstains from participating in the investigation. Unfortunately, a recusal would not absolve the Office of the Attorney General from the perception that it is being used for political purposes, in line with the Commission's previous decisions).

**See also KY Exec. Br. Ethics Comm'n. 03-5**, "KRS 11A.020(1)(a) states clearly that no public servant can use his influence in a matter that involves a substantial conflict between his private interest (in this case, the Attorney General's potential candidacy for political office) and his duties in the public interest (in this case, the Attorney General's mandate to enforce the law in Kentucky.)" **See also *Finley v. Ky. Bar Ass'n.*, 378 S.W.3d 313 (Ky. 2012)(public attorney found to have violated executive branch ethics also violated Rules of Professional Conduct).**

e. The General Assembly grants Attorney General and candidate Cameron the ability and power to appoint "special attorneys" to perform duties he or she may designate independently from the Attorney General or the Office of Attorney General. Ky. Rev. Stat.. § 15.100(2). To date, General Cameron has not invoked this provision to remove his office as counsel of record in the pending litigation involving his political donors from Pace-O-Matic.

f. Upon information and belief, Attorney General Cameron has not, and does not intend, to take any remedial action to remove the perceived or

actual conflict, *leaving no other means for a remedy other than filing this complaint.*

### III. Alleged Violations of Statute

- a. **Ky. Rev. Stat. § 11A.020(1): No public servant, by himself or through others, shall knowingly: (a) Use or attempt to use his influence in any matter which involves a substantial conflict between his personal or private interest and his duties in the public interest;**
  - i. A significant financial incentive has been provided by the Plaintiffs in the aforementioned civil lawsuit which directly and tangibly benefits the personal political interest of the Attorney General, who is using his influence in the matter by failing to recuse himself and his office.
- b. **Ky. Rev. Stat. § 11A.020(1): No public servant, by himself or through others, shall knowingly: (d) Use or attempt to use his official position to secure or create privileges, exemptions, advantages, or treatment for himself or others in derogation of the public interest at large.**
  - i. By merit of being the chief law enforcement official in the Commonwealth of Kentucky, charged with carrying out the letter of the law as created by the "Skill Game Amendment", Attorney General Cameron knowingly secured advantages for himself in and his political campaign by accepting tens of thousands of dollars in contributions from interested parties in a lawsuit the very day before those same parties filed suit against him.

### IV. Conclusion

- a. Attorney General Cameron is incapable of objectively discharging the duties of his office and stands in violation of Kentucky Revised Statute by failing to abstain from action and recuse himself in this situation wherein:
  - i. The duties of the Attorney General are defined in Ky. Rev. Stat. § 15.020 and provide that he shall appear for the Commonwealth in all cases and proceedings in which the Commonwealth has an interest.
  - ii. As the chief law enforcement officer charged with defending statutes and laws passed by the General Assembly, it is paramount the Attorney General act in a way that would cause any appearance of any professional impropriety. And that any conduct that may create any appearance be avoided by the Attorney General, himself, to promote public confidence in our systems of government.
  - iii. The people of the Commonwealth are entitled to the independent, professional judgement of the Attorney General concerning the

manner in which he shall perform his duties absent any appearance of favoritism toward litigants for whom he may receive any public or pecuniary benefit.

- iv. A substantial threat to his independence of judgement has been created by his personal political interests and aspirations,
- v. The effect of his continued discharge of duty in the matter is likely to shake public confidence in the integrity of the executive branch, and;
- vi. His continued participation will have a significant effect on the disposition of the matters in question

Unfortunately, outside interests are attempting to influence Attorney General Daniel Cameron while he simultaneously chooses to seek higher office. The General Assembly was compelled to promptly ban the "gray-machines" as a threat to the peace and dignity of the Commonwealth. The Attorney General now has had several weeks to determine the best course of action to remedy the substantial conflict between his private interest, candidacy for political office and his duties in the public interest, to zealously defend a law prohibiting Pace-O-Matic's products that unlawfully invaded the Commonwealth.

He had the following options, none of which have been taken to-date:

- 1) Seek an Advisory Opinion from this Commission to get guidance on appropriate next steps on whether a conflict of interest exists caused by the thousands of dollars of Pace-O-Matic related persons to support his private interest;**
- 2) Immediately seek leave from the Franklin Circuit Court to hold the pending Pace-O-Matic litigation in abeyance so he could appoint a "special attorney general" independent from the Office of Attorney General outlined in Ky. Rev. Stat. § 15.100(2) to remove any appearance of a conflict due to the six-figure political donations either to candidate Cameron's campaign or Bluegrass Fund and defend constitutionality of the "gray-machine" ban;**
- 3) Direct his campaign treasurer to return any campaign contributions from any person or family member affiliated with Pace-O-Matic;**
- 4) Issue a public statement requesting the unauthorized campaign committee, Bluegrass Fund, return the tens of thousands of campaign contributions received to support Attorney General and candidate Cameron from any Pace-O-Matic employee or family member; AND**
- 5) All of the above.**



As it appears from the public record and upon information and belief, Attorney General and candidate Cameron do not intend to take any of these remedial steps to ensure public confidence in those holding the highest positions of the public trust, the only remaining action is to seek the remedies this commission is empowered to levy as proscribed by law. Failure to act erodes the public trust.

I submit these facts with the hope that your investigation will render an advisory opinion which results in action that will restore the public trust in the executive branch that has been violated by Attorney General Daniel Cameron.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Steven J. Megerle". The signature is fluid and cursive, with the first name "Steven" being particularly prominent.

Steven J. Megerle, Esq.

I declare under penalty of perjury under the laws of the United States of America and the Commonwealth of Kentucky that the foregoing is true and correct.

Name: Steven J. Megerle

Date: April 26, 2023

COMMONWEALTH OF KENTUCKY            }  
  }  
COUNTY OF Fayette                    }            SCT.

The foregoing declaration was made under oath before me, a Notary Public, by Steven J. Megerle on this 26 day of April, 2023.



[Signature]

Notary Public, State-at-Large  
My Commission Expires:  
05/19/2026