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Auditor Mike Harmon Announces Results of Special Examination of Kentucky Fire Commission
Report documents six findings related to commission and Kentucky Firefighters Foundation Program Fund

FRANKFORT, Ky. (May 3, 2018) – Mike Harmon, Kentucky’s 47th Auditor of Public Accounts, announced today the results of a special examination of the Kentucky Fire Commission and the Kentucky Firefighters Foundation Program Fund (KFFPF). The examination of the Fire Commission and KFFPF resulted in six findings, which came about after Auditor Harmon’s examination of the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) in 2016 and several legislators requested a similar exam of KFFPF.

“Among the six findings is one also cited in our special examination of KLEFPF noting that an increase in the insurance surcharge to fund KFFPF did not follow state law requirements. By not following state law, there was no way to determine what surcharge rate was necessary,” said Auditor Harmon. “In addition, we also found some examples of what could be considered wasteful spending that is not in line with what KFFPF is designated for.”

The KFFPF funding comes from a surcharge tax on casualty and property insurance premiums paid by Kentuckians. KFFPF receives all funding generated by the surcharge from insurance companies based in Kentucky, and 28 percent of funds that come from insurance companies based outside the Commonwealth.

According to the law that established KFFPF in 1980, the monies generated by the surcharge are to be used for strengthening fire protection by attracting highly qualified men and women to become firefighters, retaining them through an annual funding supplement, and ongoing education and training.
Among the questionable expenditures cited in the Auditor’s special examination are:

- $150,000 for an annual Firefighter Combat Challenge between July 2014 and March 2017, which included hotel and meals for Fire Commission employees, and entry fees in 2015 and 2016 for Kentucky fire departments to attend the World Combat Challenge. Auditors found less than two percent of fire departments in the Commonwealth sent a team to participate in the challenge.

- $51,000 in KFFPF funds were spent between July 2014 and March 2017 for Fire Commission employees, honor guards and families of firefighters to attend the National Firefighter Memorial Weekend in Maryland, including nearly $22,000 on chartered buses, over $26,000 on lodging, and $1,800 for snacks and drinks.

- More than $1,800 in KFFPF funds spent on chili ingredients for a Kentucky Community and Technical College System (KCTCS) charitable fundraiser. KCTCS provides oversight to the Kentucky Fire Commission on training and education programs for firefighters.

- $3,000 on a special event baseball sponsorship promoting emergency services.

- $540 to cater a KCTCS annual area meeting for 45 attendees.

“While we recognize the goodwill shown by the Fire Commission to honor firefighters who gave the ultimate sacrifice, and their families, these expenses do not fall within the areas specified in statute for use of KFFPF funds,” Auditor Harmon said. “It would be more appropriate for expenses to attend a memorial weekend to be paid by a non-profit foundation rather than improperly using taxpayer dollars that are subject to specific restrictions designated by the General Assembly.”

The insurance surcharge generated more than $42.2 million for the KFFPF funding in Fiscal Year 2015, and $44.2 million in Fiscal Year 2016. Roughly $39.7 million of the Fire Commission’s funds were swept into Kentucky’s General Fund between 2013 and 2016. Auditor Harmon’s examination of the Law Enforcement Foundation Program Fund found that an additional $56 million in KLEFPF funds were swept into the General Fund during that same time period.

The full report can be found on the auditor’s website.

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