

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
CENTRAL DIVISION
FRANKFORT**

CRIMINAL ACTION NO. 3:13-CR-6-GFVT

UNITED STATES OF AMERICA

PLAINTIFF

V.

PLEA AGREEMENT

RICHARD DWIGHT FARMER, JR.

DEFENDANT

* * * * *

1. Pursuant to Federal Rule of Criminal Procedure 11(c), the Defendant will enter a guilty plea to Counts 1 and 4 of the above-styled Indictment charging a violation of U.S.C. § 666(a)(1)(A). Pursuant to Rule 11(c)(1)(A), the United States will move at sentencing to dismiss Counts 2, 3, and 5. Further, the United States agrees not to pursue additional prosecutions against the Defendant for any conduct referenced in the Sealed Supplement to Plea Agreement (the "Related Conduct"). Pursuant to Rule 11(c)(1)(C), the United States and the Defendant agree to a sentencing guidelines calculation, which binds the Court to a sentencing range of 21 to 27 months upon acceptance of the Plea Agreement. Pursuant to Rule 11(c)(4), if the Court accepts this plea agreement, the agreed disposition will be included in the judgment.

2. The essential elements of Counts 1 and 4 are:

- (a) The defendant was an agent of the Kentucky Department of Agriculture (KDA).

(b) The KDA received in a 12 month period more than \$10,000 from a federal program or grant.

(c) During an overlapping 12 month period the defendant misappropriated more than \$5,000 worth of money or property that was in the care, custody or control of the KDA.

3. As to Counts 1 and 4, the United States could prove the following facts that establish the essential elements of the offense beyond a reasonable doubt, and the Defendant admits these facts:

The Defendant was the elected Commissioner of the Kentucky Department of Agriculture (KDA) during the calendar years 2008 and 2011. The KDA receives hundreds of thousands of dollars from the federal government every year pursuant to various federal programs. As the Commissioner of KDA, the defendant had the authority to hire non-merit employees, spend funds, and allocate resources of the KDA. During each of the two years in question, the defendant misappropriated over \$5,000 of KDA funds and property.

In 2008, he purchased excessive gifts for a conference sponsored by the KDA, including rifles, rifle cases, knives, watches and gift cards. The Defendant then took excess items home for his personal use. The value of these items was approximately \$19,500. In addition, two non-merit employees he had hired based upon friendship, and with the knowledge that they would not fully earn their salaries from KDA, caused the KDA to lose approximately \$45,500 in labor cost. In total that year the defendant caused the misappropriation of approximately \$65,000 of KDA funds.

In 2011, those same employees did not perform work for the KDA to justify their full salaries, costing the KDA approximately \$45,500 in labor costs. In addition that year, the defendant hired a close personal friend whom he knew would not be performing substantial work to benefit KDA, resulting in a loss of approximately \$10,000. In total, the defendant misappropriated approximately \$55,500 that year from the KDA.

A mandatory special assessment of \$100 per count applies, and the Defendant will pay that amount at the time of sentencing.

4. The United States and the Defendant agree to the following sentencing guidelines calculations, which bind the Court upon acceptance of this plea agreement.

- (a) United States Sentencing Guidelines (U.S.S.G.), November 1, 2012, manual, determines the Defendant's guidelines range.
- (b) Pursuant to U.S.S.G. § 1B1.3, the Defendant's relevant conduct includes only that conduct in Counts 1 and 4.
- (c) Pursuant to U.S.S.G. § 2B 1.1, the base offense level is 6.
- (d) Pursuant to U.S.S.G. § 2B 1.1(b)(1), increase the offense level by 10 levels for a loss in excess of \$120,000.
- (e) Pursuant to U.S.S.G. § 3B 1.3, increase the offense level by 2 levels for abuse of a position of trust.
- (f) Pursuant to U.S.S.G. § 3E1.1 and unless the Defendant commits another crime, obstructs justice, or violates a court order, decrease the offense level by 2 levels for the Defendant's acceptance of responsibility.
- (g) The Defendant's total offense level is level 16.
- (h) The Defendant has 0 criminal history points, which places the Defendant in criminal history category I.
- (i) Based on offense level 16 and criminal history category I, the guidelines range for imprisonment is 21 to 27 months.
- (j) The Defendant's term of supervised release shall be 1 year.
- (k) A fine shall not be imposed because the Defendant is unable to pay a fine, because he will be subject to an order of restitution.
- (l) Pursuant to U.S.S.G. § 5E1.1, restitution is \$120,500, and the victim is the Commonwealth of Kentucky.

5. The Defendant waives the right to appeal the guilty plea, conviction, and sentence. Except for claims of ineffective assistance of counsel, the Defendant also waives the right to attack collaterally the guilty plea, conviction, and sentence.

6. The United States will recommend releasing the Defendant on the current conditions for future court appearances if the Defendant does not violate the terms of the order setting conditions of release. The United States further agrees that the Defendant may voluntarily surrender to the facility designated by the Bureau of Prisons.

7. The Defendant agrees to return to the KDA all KDA property that he misappropriated that is still in his possession, and to assist the United States in locating such property that has been transferred to others. The Defendant agrees to cooperate fully with the United States Attorney's Office by making a full and complete financial disclosure. The Defendant agrees to complete and sign a financial disclosure statement or affidavit disclosing all assets in which the Defendant has any interest or over which the Defendant exercises control, directly or indirectly, including those held by a spouse, nominee, or other third party, and disclosing any transfer of assets that has taken place within three years preceding the entry of this plea agreement. The Defendant will submit to an examination, which may be taken under oath, but only in the event there is good reason to believe that the financial disclosure statement is not accurate or incomplete. The Defendant will not encumber, transfer, or dispose of any monies, property, or assets under the Defendant's custody or control without written approval from the United States Attorney's Office, with the exception of normal living expenses. If the Defendant is ever

incarcerated in connection with this case, the Defendant will participate in the Bureau of Prisons Inmate Financial Responsibility Program, regardless of whether the Court specifically directs participation or imposes a schedule of payments.

8. The Defendant understands and agrees that, pursuant to 18 U.S.C. § 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States. If the Court imposes a schedule of payments, the Defendant agrees that it is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. The Defendant waives any requirement for demand of payment on any fine, restitution, or assessment imposed by the Court and agrees that any unpaid obligations will be submitted to the United States Treasury for offset. The Defendant authorizes the United States to obtain the Defendant's credit reports at any time. The Defendant authorizes the U.S. District Court to release funds posted as security for the Defendant's appearance bond in this case, if any, to be applied to satisfy the Defendant's financial obligations contained in the judgment of the Court.

9. This document and the sealed supplement contain the complete and only Plea Agreement between the United States Attorney for the Eastern District of Kentucky and the Defendant. The United States has not made any other promises to the Defendant.

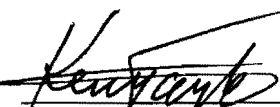
10. This Agreement does not bind the United States Attorney's Offices in other districts, or any other federal, state, or local prosecuting authorities. The United States agrees, however, that to the extent any of the conduct alleged in the above-styled

Indictment, in this Plea Agreement, in the Sealed Supplement, or any of the Related Conduct, occurred in the Western District of Kentucky, this Agreement binds the United States and the Office of the United States Attorney for the Western District of Kentucky.

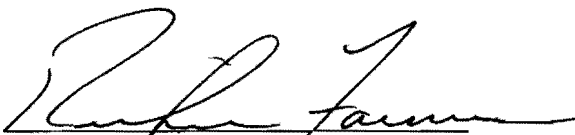
11. The Defendant and the Defendant's attorney acknowledge that the Defendant understands this Agreement, that the Defendant's attorney has fully explained this Agreement to the Defendant, and that the Defendant's entry into this Agreement is voluntary.

KERRY B. HARVEY
UNITED STATES ATTORNEY

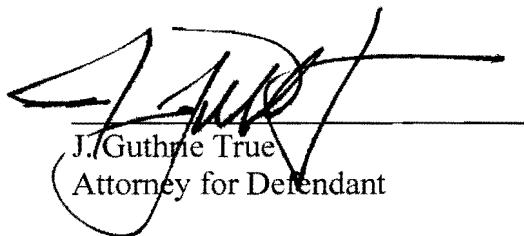
Date: 9/13/13

By: 
Kenneth R. Taylor
Andrew T. Boone
Assistant United States Attorneys

Date: 9/4/13


Richard Dwight Farmer
Defendant

Date: 9/4/13


J. Guthrie True
Attorney for Defendant

APPROVED, this _____ day of _____, _____.

UNITED STATES DISTRICT JUDGE