

■ FRANKFORT

State auditor uncovers some unbridled spending

By Joe Biesk

The Associated Press

State agencies spent thousands of dollars in federal funds, some from the Department of Homeland Security, on Kentucky's "Unbridled Spirit" marketing campaign, according to an audit released Tuesday.

Seven government agencies combined to spend more than \$75,000 in federal grant money toward the campaign, according to the audit.

Money came from different grants that the federal government intended to fund things such as a summer food service program for children and a state domestic preparedness equipment support program, the report said.

"Payments made by these agencies using federal dollars were not appropriately accounted for," the report said.

The conclusion came as part of a wide-ranging annual audit by the state auditor's office for the federal government on the state's spending practices. Auditors had more than 69 "reportable findings" outlined in the report.

State Auditor Crit Luallen said the findings are sent to a national

clearinghouse where federal agencies would review whether the state was spending money appropriately.

Last year, a review by the state Finance and Administration Cabinet found that state agencies had overpaid more than \$611,000 toward the "Unbridled Spirit" campaign, according to the report. Of that amount, \$75,132 came from federal grants.

"It does not appear to be fraud. It just appears to be administrative mistakes that were made," Luallen said.

Chris Gilligan, a spokesman for

the Commerce Cabinet, said all the agencies that were owed money have already been "paid in full."

Other findings included:

■ The Finance and Administration Cabinet had not verified on paper whether Pepsi has been fulfilling its part of an exclusive contract with the state.

■ The Health and Family Services Cabinet paid Artemetrix, a healthcare-related company, \$1 million before it had fulfilled its state contract.

■ The Department of Revenue had failed to properly secure Kentucky's cigarette tax stamps.