

# **Summary: Investigation of former Kentucky State Inspector and former State Representative for bribery allegations**

**Report Date: July 12, 2016**

The OIG and the FBI concluded a joint investigation into bribery allegations involving Kelly Shortridge, former Environmental Inspector for the Kentucky Division of Mine Reclamation and Enforcement, and Keith Hall, former Kentucky State Representative. We initiated this investigation at the request of the Director of the Department of the Interior's Office of Surface Mining Reclamation and Enforcement (OSMRE).

We found that from 2009 through 2010, Shortridge, who was responsible for inspecting several coal mines owned, operated, or associated with Hall, was paid directly from Hall, or through associates, approximately \$46,000 in order to give favorable treatment on mining violations. Shortridge admitted to overlooking mining violations during his inspections.

To conceal the bribes, Shortridge established DKJ Consulting, LLC, with the assistance of Hall's secretary. Hall claimed the payments to Shortridge were consulting fees, even though Shortridge never performed any consulting work for Hall.

Our investigation also revealed that from 2009 through 2013, Shortridge solicited and accepted approximately \$15,000 in check payments purportedly for the Millard Little League from various coal companies and businesses and instead used the money for his own personal use. The U.S. Attorney's Office for Eastern District of Kentucky prosecuted this case. A Federal grand jury indicted both Hall and Shortridge on bribery charges, and Shortridge was also indicted on charges of false statements and extortion.

In a plea deal, Shortridge pled guilty to bribery. He was sentenced to 2 years in prison, an additional 3 years of supervised release, and received a court fine of \$2,000. The DOI Suspension and Debarment Official (SDO) also issued a Default Debarment Determination to Shortridge debaring him from participation in Federal procurement and non-procurement programs until 2019.

A trial jury convicted Hall of bribery. He was sentenced to 7 years in prison, and 2 additional years on supervised release. The Judge also ordered him to pay a fine of \$25,000. The SDO issued a Debarment Determination to Hall and his business Beech Creek Coal Company, debaring him from doing business with the Federal government until 2019.

This is a summary of an investigative report that was issued to OSMRE for information.

