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COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
DIVISION _____

MEDIA5042-1

HANNAH HODGES RIVERA
485 Madison Point Drive
Lexington, KY 40515

PLAINTIFF

COMPLAINT

v.

KENTUCKY COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

DEFENDANT

**SERVE: Chelsea Young
General Counsel
Kentucky Community And
Technical College System
300 N. Main St.
Versailles, KY 40383**

* * * * *

The Plaintiff, Hannah Hodges Rivera (hereafter “**Rivera**”), for her claim against the Kentucky Community and Technical College System (hereafter “**KCTCS**”), states as follows:

A. INTRODUCTION

1. This is a claim for breach of contract and wrongful termination in violation of the Kentucky Whistleblower Act, KRS 61.101, *et seq.* Rivera’s contract is clear that she was to be employed in her role as Vice President and Chief of Staff through June 30, 2026, yet KCTCS has breached that contract and falsely represented that Rivera resigned from her employment. Further, during her employment with KCTCS, Rivera made numerous good faith reports of waste, mismanagement, and violations of the laws of the Commonwealth of Kentucky, for which she was retaliated against with termination from her employment through machinations of KCTCS President Ryan Quarles and Board Chairman Barry Martin.

B. JURISDICTION

2. This Court has jurisdiction over the subject matter of this action pursuant to KRS 45A.245 and the amount in controversy exceeds this Court’s jurisdictional minimum.

C. PARTIES

3. Rivera served in numerous positions with KCTCS including Manager of Government Affairs, Assistant Chief of Staff, Board Liaison, Government Liaison, and Chief of Staff , and Vice President over the years since November 2014.

4. KCTCS is a duly organized Kentucky institution for postsecondary education as defined in KRS 164.001, further described in KRS 164.580, and a state agency headquartered in Versailles, Woodford County, Kentucky.

D. FACTUAL BACKGROUND

5. Rivera was a faithful employee of KCTCS beginning in November 2014 and served in the KCTCS headquarters, known as the System Office.

6. Rivera’s most recent position (“Chief of Staff”) was governed by a written employment contract which included a term of employment from October 5, 2023, through June 30, 2026.

7. Each of the executive-level positions (known as Cabinet positions) at the KCTCS office are controlled by a rolling contract, signed annually and extended each period for an additional year (three years in total). Rivera has signed rolling contracts since 2017 when she first joined the Cabinet.

8. KCTCS has undergone extensive leadership changes in recent years. As Chief of Staff, Ms. Rivera has been responsible for serving as a de facto acting leader through the turmoil, often having to make difficult decisions and question existing practices. As an attorney, she

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could not sit idly by when it became apparent to her that KCTCS was engaging in waste, mismanagement, and numerous violations of the laws of the Commonwealth of Kentucky.

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9. No prior administration took any retaliatory steps against her for the good faith reports under the Whistleblower statutes, but that soon changed once President Quarles tenure began in January 2024.

10. As both Chief of Staff and Board Liaison, Rivera was responsible for the national search for the KCTCS President and handled all aspects of it, from the Request for Proposals to finding a national firm for the search, as well as arranging travel plans and interviews for the final candidates.

11. Rivera worked on the search for over a year, but became at odds with the Board Chairman Barry Martin as the search was concluding due to his political interference. Martin was extremely upset that Quarles, a well-known Republican who served in the House of Representatives and ran for the Republican gubernatorial ticket just months prior, was chosen as one of three finalists for the presidency position. Martin had been appointed to the Board of Regents for a six-year term by Governor Beshear, a Democrat, and was intent on keeping Quarles from getting the position.

12. During deliberations about the final candidates, Chairman Martin tried numerous ways to avoid Quarles being named as President, including asking Duncan to call it a “failed

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search” and claiming Open Meeting Laws had been violated. Duncan advised that no such reason for ending the search existed and a president must be named, as other Regents agreed.

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13. The day following the election, Rivera was responsible for issuing a statewide press release announcing Quarles as president. She had provided a draft of the release to Martin the evening of the election, but he would not sign off on it. She tried to obtain his approval for the release several times the following day, but he stalled. Rivera stated KCTCS was being contacted by news outlets asking for the information and she had to release it. Immediately after the release hit the news cycle, Martin called Rivera furious and stated he was waiting on the Governor’s approval of the release and she had ruined the plan. He instructed Rivera to pull back the release and to not announce the presidency. Rivera stated she would not do such a thing and the Governor had no say in the Board’s decision, nor in approving the release, and withholding the Board’s decision from the public was fraudulent. At the end of the phone call, Martin stated he was irate with Rivera and would not forget this. Rivera reported the demand to pull the press release both to then acting KCTCS General Counsel Pam Duncan as well as to Quarles prior to his assumption of the presidency.

14. Shortly after President Quarles assumed the presidency, he asked Rivera and then General Counsel Pam Duncan (“Duncan”) to provide him with a written list of all of KCTCS’s “dirty little secrets,” but to not share the document with anyone else. Quarles asked Rivera and Duncan to be his “trusted advisors” in his early months as president.

15. Rivera and Duncan complied with President Quarles directions and provided him a document titled “A Timeline of Unfortunate Events” attached hereto as EXHIBIT 1.

16. During the early months of President Quarles’ tenure, Rivera had raised numerous concerns about Martin’s interference and overstepping as the Board Chairman. Quarles would often leave important meetings to take calls with Martin and spoke with him daily. Quarles

complained of hours-long evening talks with Martin, which he called “Barry-epy sessions.” Rivera and Duncan stated that a Board chairman should not be so involved in day-to-day operations nor have a direct say in decisions. Quarles agreed to this many times, but said he was helpless to tell Martin otherwise and said he must “play along” to be in his good graces.

17. In addition to raising concerns about Martin’s interference, Rivera and Duncan both raised concerns about a contract which KCTCS had with the Cabinet for Health and Family Services and Primary Care Associates. KCTCS Board Chairman Barry Martin is also on the Primary Care Associates Board and never disclosed his conflict of interest, which he was advised to do as a Regent. Rivera and Duncan repeatedly asked President Quarles to address the contract issue with Chairman Martin, especially concerning whether Primary Care Associates was benefiting financially from the contract, to no avail.

18. Also during the early months of President Quarles’ tenure, Rivera continued to raise concerns outlined in her “Timeline of Unfortunate Events” related to the Huron initiative, a study in which KCTCS was examined extensively before Quarles became president which cost over \$1.2 million to complete. The study resulted in dozens of widespread needed changes to KCTCS, but on which KCTCS had only acted minimally. Rivera had been personally instructed by members of the General Assembly that KCTCS should implement the recommendations, but Quarles refused to act on those instructions. Before Quarles’ presidency, Rivera was called to testify to the General Assembly about KCTCS progress, or lack thereof, on Huron implementation. After the testimony, Rivera was contacted by Martin who told her that she should not go to Frankfort for testimony without him again and that he would do a better job in “focusing on the positives.”

19. Also during the early months of President Quarles’ tenure, Rivera raised concerns about the need for a detailed forensic audit, as recommended by a prior audit conducted by the State Auditor which had resulted in several trouble findings. Rivera, Duncan, and then-acting Chief Financial Officer Buddy Combs (“Combs”) authored the Request for Proposals for finding

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a search firm to conduct the audit which outlined all internal issues needing forensic examination.

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Quarles approved the outline, but there was significant hesitation from college presidents and others about the negative attention the audit would bring to the System and concern that Rivera was “opening Pandora’s box.” **MEDIA 5042-1**

20. Rivera and Duncan raised concerns about Quarles’ hiring of several employees in his early tenure. There was a clear message from the Huron study and the General Assembly that administration at the System Office should be downsized, but Quarles hired four individuals in his first three months as President with whom he had a personal relationship. None of the positions had been posted as open positions through KCTCS or public job posting forums. In addition, none of the positions complied with the practices of KCTCS related to the creation of new executive level employment positions. The hiring of the four individuals imposed over an additional one million dollars in expenses to KCTCS. Rivera was responsible for “finding places” for them and “making up job descriptions,” to which she expressed concern about mismanagement and waste of finances to both Quarles and Duncan.

21. During the 2024 General Assembly, Quarles and Rivera had many meetings with legislators in which Quarles would state that “KCTCS is a complete mess.” He privately agreed that college leadership was out of control, nothing was being done related to Huron, and the System needed a complete reset. As a result of these meetings, it was determined that the General Assembly would pass a Senate Joint Resolution directing Quarles to take bold action in reviewing several specific items. Rivera wrote this legislation verbatim herself for Quarles’ approval and then hand-delivered it to legislators so that they could put it into the bill (known as “SJR 179”). The resolution passed in April 2024 and, as a result, mandates a report due to the General Assembly by December 2024. Quarles repeatedly told Rivera to never mention that she or Quarles had a role in drafting the resolution, as he feared retaliation from Chairman Martin and the college presidents.

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Rivera stated she was loyal to the institution, rather than any one person or group and she would not lie about her role in SJR 179.

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22. As work began to meet the requirements of SJR 179, Chairman Martin instructed Quarles the Board should have a direct role in the work of SJR 179, which Rivera advised against, as it could create conflicts and mismanagement. Despite having intimate knowledge of the General Assembly’s interests and working with national leaders on the items outlined in SJR 179, Rivera was denied any role in the SJR 179 work.

23. Quarles began telling Rivera that Martin wanted her gone, she had too much power and influence, did not know how to stay in her lane, and repeatedly told Rivera he had to “figure out what to do with her.”

24. In spring 2024, Duncan and Quarles had an argument in which Quarles told Duncan, “You, Hannah [and Jessie Schook] have too much power...I’ve got to do something with you three.” As a result of this interaction and the months of turmoil leading up to it, Duncan took leave. She ultimately reached a Voluntary Separation Agreement with Quarles and left KCTCS.

25. After Duncan’s departure, Rivera became fearful she was going to be dismissed any day, despite having nothing but top performance reviews, working three distinct roles, and having exemplary work product. She became increasingly pushed out – was left out of key meetings in which she had historically been included; was told at the same time as her colleagues that she would no longer be Chief of Staff; was not given a job title or description despite her repeated requests to both Quarles and HR for such.

26. Quarles arranged for a six-month performance review of his Cabinet. In preparation for this, Rivera asked that HR Vice President Bridget Canter be present so as to bring clarity to her role. This meeting occurred on July 3. Also present at his meeting was new Chief of Staff, Shannon Rickett, who was supposedly acting as Rivera’s superior despite Rivera having to train her for her

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duties.

27. At the July 3 meeting, Rivera provided President Quarles a letter attached hereto as EXHIBIT 2, further detailing the retaliation she had been experiencing in the months since President Quarles' had been selected as the President of KCTCS. Rivera stated that she knew she was being pushed out and, rather than continue to endure the retaliation from KCTCS leadership, she made an offer to tender a voluntary separation agreement (as Duncan had done) in exchange for the terms set forth in her letter and a draft separation agreement.

28. Once Rivera provided Quarles the documentation requested, because she continued to document problems during Quarles' own tenure, he immediately put her on administrative leave and ultimately terminated her.

29. KCTCS terminated Rivera's employment on July 23rd, 2024, by falsely claiming that Rivera resigned from her employment.

COUNT I – BREACH OF CONTRACT

30. Rivera restates the allegations contained in the paragraphs above as if fully reincorporated herein.

31. Rivera and KCTCS had a valid written contract for Rivera's employment as Vice President of KCTCS ("Chief of Staff") which included a term of employment from October 5, 2023, through June 30, 2026.

32. By falsely representing that Rivera resigned and unilaterally terminating her employment on July 23rd, 2024, KCTCS breached the written employment contract for Rivera's employment as Vice President and Chief of Staff of KCTCS.

33. Rivera has been damaged by the above identified breached in an amount exceeding the jurisdictional minimums of this Court.

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WRONGFUL TERMINATION IN VIOLATION OF THE KENTUCKY WHISTLEBLOWER ACT, KRS 61.101, et seq.

34. This is an action for damages and relief pursuant to KRS § 61.101 *et seq.* (“the Kentucky Whistleblower Act”), which provides, generally, protection from reprisal and/or retaliation to public employees who disclose or report, or support the disclosure or report by another, of suspected mismanagement, waste, fraud, abuse of authority, and violations of law and statute occurring within and in the course of the employer’s operation to appropriate authorities. Rivera was at all times relevant hereto each an “employee” within the scope of the definition of the term “employee” set forth in KRS § 61.101(1), and KCTCS was an “employer” within the scope of the definition of the term “employer” as set forth in KRS § 61.101(2).

35. As described above, Rivera reported and disclosed, in good faith, facts and information relative to actual or suspected mismanagement, waste, fraud, abuse of authority, and violations of law and statute occurring within and in the course of the operation of KCTCS to “appropriate authorities,” as required under the Kentucky Whistleblower Act. These reports constituted “protected activities” under the Kentucky Whistleblower Act.

36. Rivera’s protected activities under the Kentucky Whistleblower Act was a contributing factor in the aforementioned adverse employment actions taken against her.

37. As a direct result of the conduct described above, Rivera has been damaged in an amount exceeding the jurisdictional requirements of this Court and is entitled to injunctive relief and punitive damages against the Defendants.

38. Plaintiff is entitled to punitive damages for the intentional, willful, wanton, oppressive, malicious, reckless, and/or grossly negligent unlawful conduct of the Defendant, as set forth above.

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WHEREFORE, the Plaintiff demands as follows:

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- A. An award of damages;;
- C. Immediate injunctive relief;
- D. Reasonable attorney’s fees;
- E. A trial by jury;
- F. Her costs herein expended; and
- G. All other relief to which he may appear entitled.

Respectfully submitted,

/s/ Garry R. Adams
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