

**BEFORE THE INDEPENDENT ETHICS COMMISSION
STATE OF COLORADO**

CASE NO. 21-25

In the Matter of

RICK PALACIO

RESPONSE

Rick Palacio ("Mr. Palacio"), through his undersigned counsel, submits this Response to Complaint 21-25 (the "Complaint") and states:

INTRODUCTION

The Complaint is based on incorrect conclusions drawn from incomplete information and legal arguments inconsistent with precedent established by the Independent Ethics Commission (the "Commission"). This Response will fill in the factual record and identify the flaws in Complainant Defend Colorado's ("DC") legal reasoning. It will lead to the conclusion that Mr. Palacio's conduct raises no ethical concerns and that the Complaint must be dismissed.

DC alleges three ethical violations. First, DC alleges that Mr. Palacio approved a consulting contract with his company, Palacio Strategies Group, LLC ("PSG"), while he was employed as the interim chief of staff to Governor Polis. This is false. Mr. Palacio relinquished his role as interim chief of staff shortly after the Governor's Chief of Staff, Lisa Kaufmann, returned from maternity leave in early November 2020. Ms. Kaufmann, not Mr. Palacio, approved and executed the contract with PSG, on December 1, 2020, three weeks after she resumed the chief of staff position and after Mr. Palacio's employment with the Governor's Office had ended.

Second, DC alleges that Mr. Palacio worked as an employee of the Governor's Office for the first four days of December 2020, while PSG was paid to provide consulting services for the same four days. Again, this is false. Mr. Palacio's last day as an employee of the Governor's Office was November 30, 2020. The consulting contract with his company commenced the next day, December 1, 2020. Due to a clerical error (not committed by Mr. Palacio), he was paid as an employee for the full two-week pay period ending on December 4, 2020, instead of for only the first ten days (6 working days) of the pay period. Once the Governor's Office and Mr. Palacio became aware of this error, he repaid the State for the period from December 1 through December 4, 2020.

Third, DC alleges that Mr. Palacio violated two statutes that limit State employees' ability to move from State employment to the private sector and then use knowledge gained at the State to its detriment. This allegation ignores the fact that Mr. Palacio did not "move to the other side of the

table” to take advantage of knowledge obtained as a state employee for the benefit of himself or his company and to the detriment of the State. Instead, his status as a worker for the State simply transitioned from employee to contractor. The Commission has considered this very issue in the past and has determined that a simple change from employee to contractor does not constitute a violation of these statutes or other ethical obligations.

RESPONSE TO CLAIMS AND ALLEGATIONS IN COMPLAINT

1. Mr. Palacio did not approve nor execute a consulting contract between the Governor’s Office and PSG.

Mr. Palacio did not approve a consulting contract between the Governor’s Office and PSG while he was employed as interim chief of staff to Governor Polis. DC’s allegation to the contrary is demonstrably false. First, the purchase order, which is essentially the State’s agreement to pay PSG for consulting services, was signed on December 1, 2020, by Ms. Kaufmann, in her capacity as chief of staff. December 1, 2020 Purchase Order, Exhibit E to the Complaint. Second, by that date, Ms. Kaufmann had been back in the chief of staff role for approximately 3 weeks, since November 9. See Affidavit of Rick Palacio, attached as Exhibit 1, ¶¶ 2; Affidavit of Kaylen Higgins-Davis, attached as Exhibit 2, ¶¶ 3-7.

DC’s allegation that Palacio authorized a consulting contract with his own company is based entirely on a single, erroneous conclusion, based on a single document that does not reflect the facts as they actually transpired. That erroneous conclusion, that Palacio was chief of staff through December 4, 2020, and thus must have authorized the PSG purchase order, is based solely on payment records that indicate he was employed by the Governor’s Office through that date. However, the undisputed fact, proven by affidavit and documentary evidence, is that Ms. Kaufmann returned from maternity leave in early November 2020 and resumed her role as chief of staff on November 9. Palacio Affidavit, Ex. 1, ¶ 2 and Higgins-Davis Affidavit, Ex. 2, ¶¶ 3-7. When Ms. Kaufmann resumed her role as chief of staff, Mr. Palacio relinquished the role and authority as interim chief of staff. Moreover, Ms. Kaufmann did in fact sign the PSG purchase order, listing her title as “Chief of Staff,” on December 1, as can be plainly seen on the purchase order which was attached to DC’s Complaint. Purchase Order, Exhibit E to the Complaint. DC erroneously concluded that Mr. Palacio’s service as interim chief of staff was his sole role on staff when, in fact, that role was not coterminous with his employment as a staff member for the Governor. The fact that Mr. Palacio’s tenure as interim chief of staff ended on November 8 is undisputed. Indeed, Mr. Palacio’s employment with the Governor’s office ended on November 30, 2020, the day before Ms. Kaufmann executed the PSG purchase order. Palacio Affidavit, Ex. 1, ¶¶ 3, 5; Higgins-Davis Affidavit, Ex. 2, ¶¶ 2, 4. For these reasons, DC’s claim based solely on records indicating he was employed through December 4, and thus must have approved the PSG contract, must be dismissed.

2. Mr. Palacio's roles as an employee and contractor did not overlap. Mr. Palacio's employment with the Governor's Office ended prior to the effective date of the PSG contract.

DC incorrectly concludes Mr. Palacio was an employee of the Governor's Office until December 4, 2020. In fact, Mr. Palacio's employment ended on November 30, 2020, before the PSG contract was signed and took effect on December 1, 2020. Palacio Affidavit, Ex. 1, ¶¶ 3, 5; Higgins-Davis Affidavit, Ex. 2, ¶¶ 2, 4; Purchase Order, Exhibit E to the Complaint. His employee benefits were terminated as of November 30, 2020. Affidavit of Sarah Bolt, attached as Exhibit 3, ¶ 4. Unknown to Mr. Palacio and the Governor's Office, a payroll error occurred that resulted in Mr. Palacio being paid through December 4, the last day of a two-week pay period, instead of through November 30, the actual end date of his employment. *Id.* at ¶ 6. Once the Governor's Office learned of the error, it notified Mr. Palacio of the amount of the overpayment and he promptly paid that sum, \$1,940.79, back to the Governor's Office. Bolt Affidavit, Ex. 3, ¶¶ 7 and 8; Palacio Affidavit, Ex. 1, ¶ 4.

While an accidental overpayment occurred, that does not constitute a violation of C.R.S. § 24-18-108 by Mr. Palacio. First, the error was not his. See Bolt Affidavit, Ex. 3, ¶ 6. The check at issue included payment for unused paid time off, which meant that the check was larger than usual, masking the erroneously issued additional pay. Palacio Affidavit, Ex. 1, ¶ 4; Bolt Affidavit, Ex. 3, ¶ 6. Palacio neither sought nor had knowledge of the overpayment, and once he learned of it, he paid back the excess amount. DC's claim alleging an intentional "double dip" is factually inaccurate and must be dismissed. Bolt Affidavit, Ex. 3, ¶¶ 7 and 8; Palacio Affidavit, Ex. 1, ¶ 4.

3. Mr. Palacio did not violate C.R.S. § 24-18-201 or C.R.S. § 24-18-105.

DC's claims that Mr. Palacio violated C.R.S. § 24-18-201 and C.R.S. § 24-18-105(3) are baseless and inconsistent with the Commission's interpretation of these statutes.

In interpreting these statutes, the Commission considers whether the former employee would be "on the other side of the table" from the State on the same matters he was involved in as a State employee. See *Letter Ruling 17-02*, at 2-3. In evaluating possible violations of these statutory provisions, the Commission looks to the circumstances of each case to identify *whether a conflict of interest* exists such that post-government employment poses a more than a technical matter but, instead, puts the integrity of governmental decision making in question. See *generally, Letter Ruling 17-02, Advisory Opinion 10-08, Letter Ruling 10-02, and Advisory Opinion 13-05*. In analyzing the unique circumstances of each case, the Commission evaluates as dispositive whether the post-government employment creates a conflict of interest. Significantly, the Commission recognizes that the state agency is in a far better position to analyze potential conflicts of interest and the duties of loyalty owed by the employee than is the Commission. As the Commission stated in *Letter Ruling 10-02*, pages 4-5 "[i]n general, absent clear facts to the contrary, the Commission is inclined to rely on the position of the state agency involved, given their superior understanding of the duties performed by the state employee involved." *Advisory Opinion 13-13*.

Here, the state agency (the Governor's Office) perceives no conflict. Affidavit of Kara Veitch, attached as Exhibit 4, ¶¶ 4 and 5. Indeed, Mr. Palacio did not move to "the other side of the table" from the State. Instead, he continued to serve the Governor's Office and the State in a different capacity, not as an employee but as a consultant working on the State's COVID-19 response. *Id.* The only change that resulted from the PSG contract was the status of his service—from employee to contractor. Unlike cases in which a former employer is provided a six month "cooling off period" during which to reevaluate their internal position and policies in light of the former employee's departure, Mr. Palacio's contractual role did not require this reevaluation. *See Letter 14-02*, at 5.

Mr. Palacio's situation is very similar to the one considered by the Commission in Complaint Nos. 15-31, 15-32, 15-33, and 15-34 (the "Archuleta County Matter"). There, the Complainant alleged, *inter alia*, violations of C.R.S. § 24-18-201 and C.R.S. § 24-18-105(3) based on the Archuleta County Attorney's change in status from full-time County employee to outside legal counsel representing the County on a contract basis. *See Findings of Fact and Conclusions of Law in Complaint Nos. 15-31, 15-32, 15-33, and 15-34* (<https://iec.colorado.gov/sites/iec/files/Final%20Order%2015-31%20-%2015-34%20.pdf>). The Commission found no violation of C.R.S. § 24-18-105(3) for several reasons. First, this section of statute "is for guidance only, and does not constitute prohibited conduct." *Id.* at 4. Second, the Commission noted that the attorney "did not 'switch sides' or use information from his former employer in a manner adverse to his former employer." Third, following the reasoning of its own Letter Ruling 10-02, the Commission noted that it was "inclined to rely on the position of the agency involved, given its superior understanding of the duties performed by the employee involved and potential conflicts of interest." *Id.* The County, of course, took the position that the change in the employee's status created no conflict of interest. *Id.*

As in the Archuleta County matter cited above, here Mr. Palacio did not "switch sides" or use information from the Governor's Office in a manner adverse to the State. Indeed, Mr. Palacio was engaged, through PSG, to use his knowledge and skills, for the benefit of the Governor's Office and the State, as a consultant on the State's efforts to respond to the COVID-19 pandemic. As in the Archuleta County Matter, the Commission should rely on the position of the Governor's Office, with its awareness of the clear public interest served by the PSG contract and its position that the PSG contract in no way created a conflict of interest. Veitch Affidavit, Ex. 4, ¶¶ 4 and 5.

In the Archuleta County Matter, the Commission also found no violation of C.R.S. § 24-18-201, holding that the statute "recognizes the violation of the public trust when a former government employee acts in a manner that is adverse or potentially adverse to the interests of the government agency" and finding no such risk under the circumstances of the matter. *Id.* at 5. As in that matter, here, Mr. Palacio's actions were not adverse or potentially adverse to the interests of the Governor's Office. The opposite is true; Mr. Palacio provided essential services when the State of Colorado was in the midst of the COVID-19 pandemic. Again, he remained on the same side of the table and continued to work for the State, not against it.

Mr. Palacio's contractual role with the Governor's Office in no way posed a conflict of interest. The Governor's Office entered into the contract with PSG because it believed the State would

benefit from Mr. Palacio's continued service. The contract was not improper and in no way compromised the public trust.

DC's claim that Mr. Palacio has violated C.R.S. § 24-18-201 and C.R.S. § 24-18-105(3) is based on a flawed understanding of these statutes and the Commission's interpretations of them. Clearly, Mr. Palacio's actions have not violated either statute and DC's claims to the contrary must be dismissed.

CONCLUSION

Mr. Palacio respectfully requests that the Commission reconsider its non-frivolous determination and dismiss the Complaint as frivolous based on the facts and the law presented above.

Respectfully submitted this 25th day of March 2022.

RECHT KORNFELD P.C.



Thomas M. Rogers III, Reg. No. 28809

Andrew E. Ho, Reg. No. 40381

1600 Stout Street, Suite 1400

Denver, CO 80202

trey@rklawpc.com

andrew@rklawpc.com

STATEMENT OF RESPONDENT

I, Rick Palacio, Respondent, do hereby state that, to the best of my knowledge, information and belief, the statements in the foregoing **RESPONSE** are true.

DocuSigned by:

Rick Palacio

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Rick Palacio

CERTIFICATE OF SERVICE

I, Andrew Ho, hereby certify that on this 25th day of March, 2022, I transmitted via e-mail and first class mail, postage prepaid, the foregoing **RESPONSE** to the following:

Defend Colorado
9615 E County Line Rd, Ste. B-294
Centennial, CO 80112

Via E-mail To: gbrauchler@mavenlawgroup.com

/s Andrew E. Ho

AFFIDAVIT OF RICK PALACIO

I, Rick Palacio, state and affirm:

1. Since he assumed office in 2019, I have served Gov. Polis in several capacities. From May 19, 2020, through July 31, 2020, I worked as a contract lead on Federal Affairs for the Governor's office as his lead was on maternity leave. In that capacity I provided interim federal consulting services for the Governor's office. During the summer of 2020, the Governor asked me, and I agreed, to serve as his interim Chief of Staff while his Chief of Staff, Lisa Kaufmann, took maternity leave. Her leave began on August 1, 2020, and I assumed the position of interim Chief of Staff on that day.
2. As Ms. Kaufmann prepared to return from maternity leave in early November, she asked me stay on for a few weeks to help her transition back into the Chief of Staff position. I agreed. She returned to work on Monday, November 2, 2020. We worked to bring her up to speed on the status of various matters for a week, then I stepped out of the interim role on November 8, and she took over on Monday, November 9. She sent me, the Governor's cabinet, and the Governor's senior staff an e-mail announcing that she would resume her position on the evening of November 8. E-mail from Lisa Kaufmann to Rick Palacio and others, attached as Exhibit A.
3. Once she returned to work, she and Governor Polis asked if I would consider continuing my service to the Governor as an outside consultant on various aspects of the State's COVID-19 response. I agreed. Through the month of November, Ms. Kaufmann and I discussed scope of work, compensation, and when I would transition from employee to contractor. Late in the month, Ms. Kaufmann had a work order prepared that set out the terms of my engagement. It provided for a December 1, 2020, state date. We agreed that my employment with the Governor's office would end on November 30. December 1, 2020 Purchase Order, attached as Exhibit B.
4. I was not aware that the Office of the Governor overpaid my final paycheck until I saw the Defend Colorado complaint against me. Once I confirmed with the Governor's office that I had been paid for the first four days of December 2020, I asked for a calculation of the overpayment so that I could repay the excess amount. On January 6, 2022, Sarah Bolt, who handles payroll for the Governor's office provided me with the amount of the overpayment and I immediately paid that sum back. Letter from Sarah Bolt to Rick Palacio, January 6, 2022, attached as Exhibit C.
5. My company Palacio Strategies Group, LLC ("PSG") began contractor services to the Office of the Governor on December 1, 2020.
6. I did not approve the PSG consulting contract while employed as interim Chief of Staff to Governor Polis.

7. Lisa Kaufmann approved and signed the PSG consulting contract on December 1, 2020, in her capacity as Chief of Staff. December 1, 2020 Purchase Order, Ex. A.
8. The PSG consulting contract required me to continue to serve the Governor's office and the State of Colorado. Id.

FURTHER AFFIANT SAYETH NOT.



Rick Palacio

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

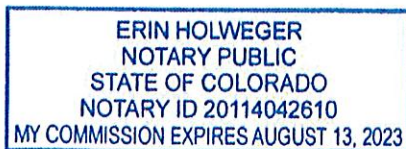
The foregoing was subscribed and sworn to before me this 22 day of March, 2022
by Richard Palacio.



Notary Public Signature

My commission expires: 8/13/2023

(SEAL)



STATE OF
COLORADO

Oliveto - GOVOffice, Danielle <danielle.oliveto@state.co.us>

Thank you Rick!!

4 messages

Kaufmann - GOVOffice, Lisa <lkaufmann@state.co.us>

Sun, Nov 8, 2020 at 7:30 PM

To: Rick Palacio - GOVOffice <rick.palacio@state.co.us>, GOV_Cabinet <Gov_Cabinet@state.co.us>, GOV_SeniorStaff@state.co.us

Hello All,

I am officially resuming my role as Chief of Staff starting tomorrow, very excited to be back in the saddle! There are no words to express the depth of mine and the Governor's gratitude to Rick for serving as Chief of Staff during my leave. Rick did such an amazing job that we don't want to let him go, so Rick is staying on in a newly created role on the COVID response and recovery for the Governor's office. Below is a full description of the role, I think I can speak for the team that we are excited to have this added new capacity to deal with this enormous challenge that COVID continues to present.

Looking forward to seeing you on cabinet in the morning,

Lisa

Position Title: Strategic Consultant to the Governor**Summary of Functions:**

Advisor to the Governor and executive staff for COVID 19 Response, Resiliency and Recovery.

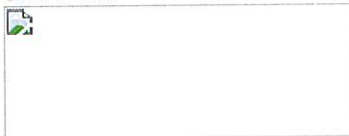
This contractor will utilize their federal and state government experience and in-depth relationships with federal, state, and local elected officials and stakeholders to provide strategic advice to the Governor, Chief of Staff, and other executive staff focusing on COVID response, economic recovery, and maximizing federal funds related to these issues.

Essential Duties and Responsibilities:

- Provide strategic expertise and input for COVID response
- Provide strategic expertise and input for Economic Recovery
- Advise the Governor, Chief of Staff or other designees as appropriate for coordination of State and Federal efforts of Economic Recovery
- Advise the Governor, Chief of Staff or other designees on strategically identifying spending priorities of anticipated federal funds to align with economic and COVID response
- Provide strategic expertise and input to Governor's communications office as it relates to COVID response and recovery
- Coordinate with other contractors and federal liaison to federal partners.

Organizational Relationships: This contract position reports to the Chief of Staff, will advise the Governor and assist members of the Governor's staff as needed and will participate in meetings as appropriate to carry out the functions of their contract. This contractor will work the appropriate number of hours to complete the projects assigned to them, but will not be supervised on a day to day basis, except for issues related to performance of work product. The contractor will use their own equipment, including but not limited to their own office space, telephone, and computer. This contract position is intended to last at least 6 months with an assessment of ongoing need.

--
Lisa Kaufmann
Chief of Staff



P 570.954.1672
136 State Capitol, Denver, CO 80203
LKaufmann@state.co.us | www.colorado.gov/governor

**Exhibit A to
Affidavit of
Rick Palacio**

 <https://www.facebook.com/jaredpolis/>  

Under the Colorado Open Records Act (CORA), all messages sent by or to me on this state-owned e-mail account may be subject to public disclosure.

Lisa Kaufmann - GOVOffice <lkaufmann@state.co.us>

Sun, Nov 8, 2020 at 7:45 PM

To: kaylen.higginsdavis@state.co.us, danielle.oliveto@state.co.us, ali.cox@state.co.us

Kaylen & Ali

Rick is going to be staying on in this consulting role to give extra capacity on the COVID response, let's discuss how this effects scheduling tomorrow during our meeting.

Thanks

Lisa

Sent from my iPhone

Begin forwarded message:

From: "Kaufmann - GOVOffice, Lisa" <lkaufmann@state.co.us>

Date: November 8, 2020 at 7:30:50 PM MST

To: Rick Palacio - GOVOffice <rick.palacio@state.co.us>, GOV_Cabinet <gov_cabinet@state.co.us>, GOV_SeniorStaff@state.co.us

Subject: Thank you Rick!!

[Quoted text hidden]

Cordova - DOR, Lu <lu.cordova@state.co.us>

Sun, Nov 8, 2020 at 7:46 PM

To: "Kaufmann - GOVOffice, Lisa" <lkaufmann@state.co.us>

Cc: Rick Palacio - GOVOffice <rick.palacio@state.co.us>, GOV_Cabinet <gov_cabinet@state.co.us>, GOV_SeniorStaff@state.co.us

Rick has been great. So glad to see him staying (seems to be a trend that we just cannot leave the Governor!) 🤔

And happy to have to back, Lisa!

Lu M. Córdoba
Governor's Advisor on Efficiencies
& Digital Transformation
Lu.Cordova@state.co.us

[Quoted text hidden]

[Quoted text hidden]

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You received this message because you are subscribed to the Google Groups "GOV_Cabinet" group.

To unsubscribe from this group and stop receiving emails from it, send an email to gov_cabinet+unsubscribe@state.co.us.

To view this discussion on the web visit https://groups.google.com/a/state.co.us/d/msgid/gov_cabinet/CAPgSrHiNcbGD7_A7jUm%2BJCN1WRves3mUOBo0m8DE6CSwQvrmqw%40mail.gmail.com.

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You received this message because you are subscribed to the Google Groups "GOV_Cabinet" group.

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To view this discussion on the web visit https://groups.google.com/a/state.co.us/d/msgid/gov_cabinet/CAGhhaoVY1b3WrlW0J6YPkej4oUynxq81jyJi6K5zcvjongU0EQ%40mail.gmail.com.

Oliveto - GOVOffice, Danielle <danielle.oliveto@state.co.us>

Mon, Nov 23, 2020 at 11:57 AM

To: Jonathon Bray - GOVOffice <jonathon.bray@state.co.us>

[Quoted text hidden]

--

Danielle Oliveto

Deputy Chief of Staff



COLORADO
Governor Jared Polis

C 303.913.3276 P 303.866.6452
200 E Colfax, State Capitol, Denver, CO 80203

11/17/21, 11:39 AM

State.co.us Executive Branch Mail - Thank you Rick!!

Danielle.Oliveto@state.co.us | www.colorado.gov/governor 

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STATE OF COLORADO

Office of the Governor

Page 1 of 1

ORDER**Number:** PO,EAAA,202100007088**Date:** 12/1/20**Description:**

Strategic Consultant

Effective Date: 12/01/20**Expiration Date:** 05/31/21**BUYER****Buyer:****Email:****VENDOR**

Palacio Strategies Group LLC

Contact: Rick Palacio**Phone:** 000-000-0000**VENDOR INSTRUCTIONS*********IMPORTANT*******

The order number and line number must appear on all invoices, packing slips, cartons, and correspondence.

BILL TO

COLORADO STATE CAPITOL

200 E. COLFAX AVE. #136

DENVER, CO 80203

SHIP TO

COLORADO STATE CAPITOL

136 State Capitol

DENVER, CO 80203

SHIPPING INSTRUCTIONS**Delivery/Install Date:** -**FOB:****EXTENDED DESCRIPTION**

Contractor shall complete the work as outlined in Exhibit A, the Statement of Work, attached hereto and incorporated by reference herein.

Line Item	Commodity/Item Code	UOM	QTY	Unit Cost	Total Cost	MSDS Req.
1	91800		0	0.00	\$85,000.00	<input type="checkbox"/>

Description: CONSULTING SERVICES**Service From:** 12/01/20**Service To:** 05/31/21**TERMS AND CONDITIONS**<https://www.colorado.gov/osc/purchase-order-terms-conditions>**DOCUMENT TOTAL = \$85,000.00**

Exhibit B to
Affidavit of
Rick Palacio

Exhibit A - Palacio Strategies Group Strategic Consultant - Statement of Work

I. Project Description

Palacio Strategies Group (hereinafter called “Vendor” or “Contractor”) will provide contractor services to the office of the Governor and serve as Strategic Consultant to the Governor. This contractor will utilize their federal and state government experience and in-depth relationships with federal, state, and local elected officials and stakeholders to provide strategic advice to the Governor, Chief of Staff, and other executive staff focusing on COVID response, economic recovery, and maximizing federal funds related to these issues.

II. Work Tasks, Deliverables and Timeline

Essential duties and responsibilities of the office include:

- Provide strategic expertise and input for COVID response,
- Provide strategic expertise and input for economic recovery,
- Advise the Governor, Chief of Staff or other designees as appropriate for coordination of State and Federal efforts of economic recovery,
- Advise the Governor, Chief of Staff or other designees on strategically identifying spending priorities of anticipated federal funds to align with economic and COVID response,
- Provide strategic expertise and input to Governor’s communications office as it relates to COVID response and recovery, and
- Coordinate with other contractors and federal liaison to federal partners.

The Contractor shall use their own equipment, including but not limited to their own office space, telephone, and computer.

This contract position is intended to last through the end of May, 2021 or at least six months, with an assessment of ongoing need.

IV. Reporting

- This contract position reports to the Chief of Staff, will advise the Governor and assist members of the Governor’s staff as needed and will participate in meetings as appropriate to carry out the functions of their contract.
- Contractor will work the appropriate number of hours to complete the projects assigned to them.
- Project Manager Lisa Kaufmann, Chief of Staff, will monitor project work performance to ensure conformance to timeline & scope of work.

V. Budget

- The budget for this project is a total of \$85,000.

VI. Payment


Payment will be made at the close of the month upon receipt and acceptance of an invoice from the vendor based on the following schedule:

- December, 2020: \$15,000
- January, 2021 – May, 2021: \$14,000 per month

VII. Purchase Order Term

The Vendor shall begin work upon the later of the P.O. Service From Date as shown on the cover page of this P.O. or upon Vendor's acceptance of this Purchase Order. This Purchase Order shall terminate on May 31, 2021, unless sooner terminated or further extended as specified elsewhere herein.

Authorized Signature:

DocuSigned by:

7E39870D1025441...

Lisa Kaufmann, Chief of Staff

RICHARD A PALACIO

155

23-7501/3020

PAY TO THE
ORDER OF

Treasurer State of Colorado \$ 1,940.79

nineteen hundred forty and 79/100 DOLLARS

BELCO

303-689-7800
Bellco.org

Banking for Everyone



Photo
ID
Required
for
Cash Service

FOR

over payment

Taylor

MP

Exhibit B to
Affidavit of Sarah
Bolt



COLORADO
Governor Jared Polis

January 6, 2022

[REDACTED]
[REDACTED]
[REDACTED]

Mr. Palacio,

A review of the Governor's Office payroll indicates that you were overpaid in December of 2020. The total amount due for this overpayment is \$1940.79.

We are required by State Statute and State Fiscal Rule to recover any monies owed to the State.

Please send a personal check or money order in the exact amount of \$1940.79, payable to the **Treasurer, State of Colorado** to the address below:

Office of the Governor
Attn: Sarah Bolt
200 Colfax Ave Room 115
Denver, CO 80203

If you have any questions, please contact me at [REDACTED] or [REDACTED].

Thank you for your cooperation in resolving this matter.

Sincerely:

Sarah Bolt
Payroll Officer and HR Coordinator
Sarah.bolt@state.co.us

**Exhibit C to
Affidavit of
Rick Palacio**

AFFIDAVIT OF KAYLEN HIGGINS-DAVIS

I, Kaylen Higgins-Davis, state and affirm:

1. I served as the Executive Assistant to the Chief of Staff in the Office of Governor Polis between early 2020 and February 2022. In this position, I worked for Lisa Kaufmann in her role as Chief of Staff and for Rick Palacio when he served as interim Chief of Staff.
2. Ms. Kaufmann relinquished her duties as Chief of Staff when she left on maternity leave on August 1, 2020. On that same day, Mr. Palacio assumed the role of Interim Chief of Staff.
3. Mr. Palacio served as Interim Chief of Staff from August 1, 2020, until he relinquished this position on Sunday, November 8, 2020.
4. Ms. Kaufmann had returned to the office on November 2, 2020, but did not resume the position of Chief of Staff until Monday, November 9, 2020.
5. As the Executive Assistant, I provide a daily schedule to the Chief of Staff. On Thursday, November 5, 2020, I emailed Mr. Palacio his schedule for the next day. In the email, I acknowledged it being the last time I would send him the schedule as he would be relinquishing his position as Interim Chief of Staff. E-mail from Kaylen Higgins-Davis to Rick Palacio, November 5, 2020, attached as Exhibit A.
6. On Sunday, November 8, 2020, I received an email from Ms. Kaufmann. Ms. Kaufmann's email included her announcement that she was "officially resuming [her] role as Chief of Staff starting tomorrow." E-mail from Lisa Kaufmann to Kaylen Higgins-Davis and others, November 8, 2020, attached as Exhibit B.
7. I witnessed Ms. Kaufmann resume her duties as Chief of Staff on November 9, 2020.

FURTHER AFFIANT SAYETH NOT.


Kaylen Higgins-Davis

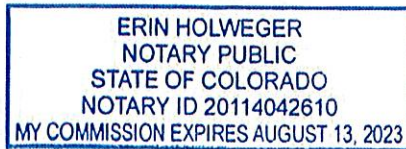
STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing was subscribed and sworn to before me this 22 day of March, 2022
by Kaylen Higgins-Davis.

Erin Holweger
Notary Public Signature

My commission expires: 8/13/2023

(SEAL)





STATE OF
COLORADO

Oliveto - GOVOffice, Danielle <danielle.oliveto@state.co.us>

11/6 THE LAST SCHEDULE

1 message

Higgins-Davis - GovOffice, Kaylen <kaylen.higginsdavis@state.co.us>

Thu, Nov 5, 2020 at 6:59 PM

To: Rick Palacio - GOVOffice <rick.palacio@state.co.us>

Cc: "Oliveto - GOVOffice, Danielle" <danielle.oliveto@state.co.us>

Evening Rick,

Sorry this is late, I was hosting Gov's Office Trivia. This is the last time I'll be sending you your COS schedule-- it's bitter sweet! Thank you for everything, it's been terrific working with you.

Let me know if you have any questions for this last day!

Daily Schedule, Friday 11/6/20

TO: Rick Palacio, Interim COS

FROM: Kaylen Higgins-Davis

DATE: November 5, 2020

FYIs: [LEG] New Legislator Orientation - Phase One

Kacey Wulff Out of Office

Marcus Howell's Birthday

8:30am - 9am [MEET] Response Policy Group Meeting

Video call: <https://meet.google.com/ked-hwgb-xuk>

Phone number: tel:+1-575-342-8738 PIN: 681733694

Who: Eric France, Lisa Kaufmann, Kevin Klein, Jill Hunsaker Ryan, Kacey Wulff, Claire Whitehead, Stan Hilkey, Mike Nugent, Rick Palacio, Mara Brosy-Wiwchar

9am - 9:30am UCC Decision Brief to Policy Group

Phone number: Call In Information: 720-513-7948 (no pin)

Who: Scott Bookman, Mike Willis, Lisa Kaufmann, Kevin Klein, Jill Hunsaker Ryan, Claire Whitehead, Stan Hilkey, Eric France, Rachel Herlihy, Patricia Billinger, Micki Trost, Mike Nugent, Jessica Bralish, Kacey Wulff, Emily Reece, Serena Woods, Rick Palacio, Sean Foster

9:30am - 10am [INTERNAL] RICK AND MARIA CALL

Where: 720-464-7211 no pin

Who: Maria De Cambra, Rick Palacio, Danielle Oliveto

10am - 10:30am [PHONE CALL] FEDERAL DELEGATION

Phone number: 720-513-7964 (no pin required)

Who: Jared Polis, Lisa Kaufmann, Eve Lieberman, Rick Palacio, Sam Bahrami, PiperHolliday

10:30am - 11:15am [INTERNAL] BEN + RICK CHECK IN

Video call: <https://meet.google.com/yke-xqpf-uzo>

Phone number: tel:+1-413-752-0066 PIN: 429103666

Who: Benjamin Henderson, Rick Palacio

1pm - 1:30pm [INTERNAL] RICK AND JACKI BI-WEEKLY CHECK-IN

Where: Rick to call Jacki

Exhibit A to
Affidavit of
Kaylen
Higgins-Davis

1:30pm - 2pm [INTERNAL] RECURRING VACCINE CALL**Where:** <https://zoom.us/j/91573877405?pwd=dCtRdzdxcmF5Z0VjQU9oQjSaUppUT09>

Meeting ID: 915 7387 7405

Passcode: 923080

Who: Scott Bookman, Rick Palacio, Sarah Tuneberg, Kevin Klein, Diana Herrero, Greg Stasinos, Mara Brosy-Wiwchar, Jill Hunsaker Ryan, Kacey Wulff, Mike Nugent, Stan Hilkey, Mike Willis, Rachel Herlihy, Maria De Cambra, Serena Woods, Emily Reece**3:30pm - 4:10pm WEEKEND SEOC DISCUSSION****Where:** 720-513-7948**Who:** Eric France, Scott Bookman, Mike Willis, Kevin Klein, Jill Hunsaker Ryan, Stan Hilkey, Mike Nugent, Rick Palacio, Kacey Wulff**4:15pm - 4:30pm [INTERNAL] COS DAILY PRESS INQUIRIES REVIEW****Video call:** <https://meet.google.com/ojo-ojsh-bkg>**Phone number:** tel:+1-318-433-2029 PIN: 534034444**Who:** Conor Cahill, Lisa Kaufmann, Maria De Cambra, Elizabeth Kosar

--

Kaylen Higgins-Davis

Executive Assistant to the Chief of Staff

Currently Reading: *Celestial Bodies*, by Jokha Alharthi

P 303.866.6290

136 State Capitol, Denver, CO 80203

kaylen.higginsdavis@state.co.us | www.colorado.gov/governor

Under the Colorado Open Records Act (CORA), all messages sent by or to me on this state-owned e-mail account may be subject to public disclosure.

**RP Daily Schedule 20201106.pdf**

68K

STATE OF
COLORADO

Oliveto - GOVOffice, Danielle <danielle.oliveto@state.co.us>

Thank you Rick!!

4 messages

Kaufmann - GOVOffice, Lisa <lkaufmann@state.co.us>

Sun, Nov 8, 2020 at 7:30 PM

To: Rick Palacio - GOVOffice <rick.palacio@state.co.us>, GOV_Cabinet <Gov_Cabinet@state.co.us>, GOV_SeniorStaff@state.co.us

Hello All,

I am officially resuming my role as Chief of Staff starting tomorrow, very excited to be back in the saddle! There are no words to express the depth of mine and the Governor's gratitude to Rick for serving as Chief of Staff during my leave. Rick did such an amazing job that we don't want to let him go, so Rick is staying on in a newly created role on the COVID response and recovery for the Governor's office. Below is a full description of the role, I think I can speak for the team that we are excited to have this added new capacity to deal with this enormous challenge that COVID continues to present.

Looking forward to seeing you on cabinet in the morning,

Lisa

Position Title: Strategic Consultant to the Governor**Summary of Functions:**

Advisor to the Governor and executive staff for COVID 19 Response, Resiliency and Recovery.

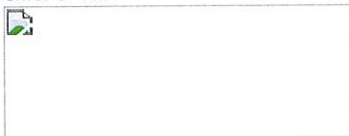
This contractor will utilize their federal and state government experience and in-depth relationships with federal, state, and local elected officials and stakeholders to provide strategic advice to the Governor, Chief of Staff, and other executive staff focusing on COVID response, economic recovery, and maximizing federal funds related to these issues.

Essential Duties and Responsibilities:

- Provide strategic expertise and input for COVID response
- Provide strategic expertise and input for Economic Recovery
- Advise the Governor, Chief of Staff or other designees as appropriate for coordination of State and Federal efforts of Economic Recovery
- Advise the Governor, Chief of Staff or other designees on strategically identifying spending priorities of anticipated federal funds to align with economic and COVID response
- Provide strategic expertise and input to Governor's communications office as it relates to COVID response and recovery
- Coordinate with other contractors and federal liaison to federal partners.

Organizational Relationships: This contract position reports to the Chief of Staff, will advise the Governor and assist members of the Governor's staff as needed and will participate in meetings as appropriate to carry out the functions of their contract. This contractor will work the appropriate number of hours to complete the projects assigned to them, but will not be supervised on a day to day basis, except for issues related to performance of work product. The contractor will use their own equipment, including but not limited to their own office space, telephone, and computer. This contract position is intended to last at least 6 months with an assessment of ongoing need.

--
Lisa Kaufmann
Chief of Staff



P 570.954.1672
136 State Capitol, Denver, CO 80203
LKauffmann@state.co.us | www.colorado.gov/governor

**Exhibit B to
Affidavit of
Kaylen
Higgins-Davis**

 <https://www.facebook.com/jaredpolis/>  

Under the Colorado Open Records Act (CORA), all messages sent by or to me on this state-owned e-mail account may be subject to public disclosure.

Lisa Kaufmann - GOVOffice <lkaufmann@state.co.us>

Sun, Nov 8, 2020 at 7:45 PM

To: kaylen.higginsdavis@state.co.us, danielle.oliveto@state.co.us, ali.cox@state.co.us

Kaylen & Ali

Rick is going to be staying on in this consulting role to give extra capacity on the COVID response, let's discuss how this effects scheduling tomorrow during our meeting.

Thanks

Lisa

Sent from my iPhone

Begin forwarded message:

From: "Kaufmann - GOVOffice, Lisa" <lkaufmann@state.co.us>

Date: November 8, 2020 at 7:30:50 PM MST

To: Rick Palacio - GOVOffice <rick.palacio@state.co.us>, GOV_Cabinet <gov_cabinet@state.co.us>, GOV_SeniorStaff@state.co.us

Subject: Thank you Rick!!

[Quoted text hidden]

Cordova - DOR, Lu <lu.cordova@state.co.us>

Sun, Nov 8, 2020 at 7:46 PM

To: "Kaufmann - GOVOffice, Lisa" <lkaufmann@state.co.us>

Cc: Rick Palacio - GOVOffice <rick.palacio@state.co.us>, GOV_Cabinet <gov_cabinet@state.co.us>, GOV_SeniorStaff@state.co.us

Rick has been great. So glad to see him staying (seems to be a trend that we just cannot leave the Governor!) 🙄

And happy to have to back, Lisa!

Lu M. Córdova
Governor's Advisor on Efficiencies
& Digital Transformation
Lu.Cordova@state.co.us

[Quoted text hidden]

[Quoted text hidden]

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You received this message because you are subscribed to the Google Groups "GOV_Cabinet" group.

To unsubscribe from this group and stop receiving emails from it, send an email to gov_cabinet+unsubscribe@state.co.us.

To view this discussion on the web visit https://groups.google.com/a/state.co.us/d/msgid/gov_cabinet/CAPgSrHiNcbGD7_A7jUm%2BJCN1WRves3mUOBo0m8DE6CSwQvrnqw%40mail.gmail.com.

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Oliveto - GOVOffice, Danielle <danielle.oliveto@state.co.us>

Mon, Nov 23, 2020 at 11:57 AM

To: Jonathon Bray - GOVOffice <jonathon.bray@state.co.us>

[Quoted text hidden]

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Danielle Oliveto

Deputy Chief of Staff



COLORADO
Governor Jared Polis

C 303.913.3276 P 303.866.6452
200 E Colfax, State Capitol, Denver, CO 80203

11/17/21, 11:39 AM

State.co.us Executive Branch Mail - Thank you Rick!!

Danielle.Oliveto@state.co.us | www.colorado.gov/governor 

[Quoted text hidden]

AFFIDAVIT OF SARAH BOLT

I, Sarah Bolt, state and affirm:

1. I have served as a Payroll Officer and Human Resources Coordinator in the Office of the Governor's Payroll and Human Resources department since June 2019. In this capacity, I administer benefits and payroll for the Office of Governor Polis. When an employee leaves the Governor's Office, it is my responsibility to terminate their employment benefits and prepare their final paycheck as of their last day of employment.
2. I administered benefits and payroll for Rick Palacio when he served as interim Chief of Staff to Governor Polis in 2020. I was responsible for terminating his benefits and for preparing his final paycheck as of the last day of his employment, November 30, 2020.
3. I learned in late November 2020 that Mr. Palacio's employment with the Governor's Office would end on November 30, 2020. I took the necessary steps to terminate Mr. Palacio's employment benefits as of November 30, 2020. I have attached a printout from the State computer system showing that his benefits were terminated on November 30, 2020. Printout from benefits system showing termination of benefits on November 30, 2020, attached as Exhibit A.
4. By the end of his employment on November 30, Mr. Palacio had accrued forty hours of earned but unused vacation time. The Governor's Office was required to compensate Mr. Palacio for his unused vacation time, as it does for all employees. Mr. Palacio's final paycheck included the forty hours of unused vacation time.
5. While I knew that Mr. Palacio's employment ended on November 30, I erroneously calculated his final paycheck as though his employment ended on December 4. The only explanation I can offer for this error is that December 4 was the last day of a two-week pay period. In our computer system, the default when preparing a payroll check is to pay the employee for a full pay period. I should have changed the setting to calculate his final paycheck through November 30, the last day of his employment. I failed to do so, so his final check incorrectly included compensation for an additional four days, December 1 through 4.
6. Once I became aware of the error, I sent a letter to Mr. Palacio, on January 6, 2021, requesting reimbursement for the overpayment in the amount of \$1,940.79.

7. Mr. Palacio reimbursed the State of Colorado the full amount of the overpayment on the same day I notified him of the error. I have attached a copy of the check Mr. Palacio gave me in the amount of the overpayment. Richard A. Palacio check No. 155, attached as Exhibit B.

FURTHER AFFIANT SAYETH NOT.


Sarah Bolt

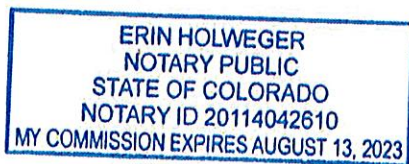
STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing was subscribed and sworn to before me this 22 day of March, 2022
by Sarah Bolt.


Notary Public Signature

My commission expires: 8/13/2023

(SEAL)





Employees - View

RICK PALACIO 

Please select an action

History

MM/DD/YYYY



Cases

Personal Information -

Name

RICK PALACIO


Address



Address Alternate



 Delete Alt Address

 Show Additional Fields...

Social Security Number



Gender

Male

Benefit Status

Active

Date of Birth



Email Address

RICK.PALACIO@STATE.CO.US

Disabled

No Disability



Employment Information -

Date of Hire

08/03/2020

Employment Status

Terminated - Voluntary

Employee Number



Structure

SOC :: EAA :: Governor's Office :: All

Date of Rehire

08/03/2020

Employment Zip

80220

Payroll Frequency

Semi-Monthly

Date of Termination

11/30/2020

ACA Reporting Override

No Override



Dependent Information -

Exhibit A to
Affidavit of
Sarah Bolt

No Dependents Listed

Election Information - Current


Medical Election - Coverage Terminated

This member dropped the [Great West Open Access 1500 - Employee Only plan](#).

Member(s)	Covered	Effective Date	Term Date	
RICK PALACIO	No	07/01/2006	07/01/2006	


Dental Election - Coverage Terminated

This member dropped the [Delta Dental Basic - Short Plan Year - Employee Only plan](#).


Member(s)	Covered	Effective Date	Term Date	
RICK PALACIO	No	12/29/2004	06/30/2005	

Basic Life Election - Coverage Terminated


This member dropped the [Basic Life/AD&D Plan - Employer Paid - 50,000 plan](#).

Member(s)	Covered	Effective Date	Term Date	
RICK PALACIO	No	09/01/2020	11/30/2020	

Optional Life Election - Coverage Waived

Member(s)	Covered	Effective Date	Term Date	
RICK PALACIO	No			

Spouse Optional Life Election - Coverage Waived

Member(s)	Covered	Effective Date	Term Date	

Dependent Life Election - Coverage Waived

Coverage:



Member(s)	Covered	Effective Date	Term Date
RICK PALACIO	No		

⊘ Short Term Disability Election - Coverage Terminated

This member dropped the [Short Term Disability plan](#).

Member(s)	Covered	Effective Date	Term Date
RICK PALACIO	No	09/01/2020	11/30/2020



⊘ Long Term Disability without EOI Election - Coverage Waived

Coverage:



Member(s)	Covered	Effective Date	Term Date
RICK PALACIO	No		

⊘ Healthcare Flexible Spending Account (FSA) Election - Coverage Waived

Member(s)	Covered	Effective Date	Term Date
RICK PALACIO	No		



Annual Contribution	Per Pay Contribution	Contribution Eff Date	Change Eff Date	Contribution Term Date
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AFFIDAVIT OF KARA VEITCH

I, Kara Veitch, state and affirm:

1. I serve as Chief Legal Counsel to the Office of Governor Polis (the "Governor's Office").
2. I am authorized to provide the position of the Governor's Office on the issue of whether its December 1, 2020 Purchase Order (the "Purchase Order") with Palacio Strategies Group, LLC, after Mr. Palacio's service as interim Chief of Staff to the Governor's Office, created a conflict of interest or ethical concern under C.R.S. § 24-18-201 or C.R.S. § 24-18-105 as interpreted by the Independent Ethics Commission ("IEC") through its various advisory opinions and orders.
3. As stated in the Purchase Order's scope of work, Mr. Palacio was engaged to provide services directly to the Governor's Office and "to utilize [his] federal and state government experience and in-depth relationships with federal, state, and local elected officials and stakeholders to provide strategic advice to the Governor, Chief of Staff, and other executive staff focusing on COVID response, economic recovery, and maximizing federal funds related to these issues."
4. It is the position of the Governor's Office that: 1) neither the Purchase Order, nor Mr. Palacio's work as a consultant under the Purchase Order, created a conflict of interest or potential for unfair advantage in Mr. Palacio's favor; 2) Mr. Palacio remained on the "same side of the table" as his former employer, working with the Governor's Office on issues related to the COVID pandemic; 3) Mr. Palacio's contractual role as set out in the Purchase Order did not compromise the interests of the Governor's Office in any way; and 4) on the contrary, Mr. Palacio's service under the Purchase Order was intended to benefit the Governor's Office and the people of Colorado.

FURTHER AFFIANT SAYETH NOT.


Kara Veitch

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing was subscribed and sworn to before me this 22 day of March 2022
by Kara Veitch.


Notary Public Signature

My commission expires: 8/13/2023

(SEAL)

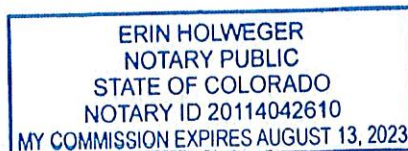


Exhibit 4 to
Response