

In the Matter of:
Withheld

Respondent.

No. 08-027
STIPULATED FACTS, CONCLUSIONS AND ORDER

## BEFORE THE WASHINGTON STATE EXECUTIVE ETHICS BOARD



## I. STIPULATION

THIS STIPULATION is entered into under WAC 292-100-090(1) between the Respondent, Withheld and Board Staff of the WASHINGTON STATE EXECUTIVE ETHICS BOARD (Board) through MELANIE DeLEON, Executive Director. The following stipulated facts, conclusions, and agreed order will be binding upon the parties if fully executed, and if accepted by the Board without modification(s), and will not be binding if rejected by the Board, or if the Respondent does not accept the Board's proposed modification(s), if any, to the stipulation.

## Section 1: Procedural Facts

1.1. The Executive Ethics Board (EEB) received this complaint on October 23, 2007. The complaint alleges that Withheld a former employee of the Washington State Department of Ecology (Ecology), violated the Ethics in Public Service Act when she accepted a job with a private contractor, CH2M Hill - Hanford Group, Inc. (CH2M). The complaint
alleges a conflict of interest pertaining to Ms. Withheld Administrator and her participation in negotiations of portions of the TPA with the United States Department of Energy (USDOE) and federal Environmental Protection Agency (EPA) and her present position with CH 2 M .
1.2. On September 12, 2008, upon receiving the Board staff's investigative report and recommendation, the Board made the determination that there was reasonable cause to believe that, although acceptance of employment with CH 2 M was not a violation, Withh Withheld had committed one or more violations of chapter 42.52 RCW after accepting employment with CH 2 M , and that the potential penalty for these violations is in excess of $\$ 500.00$.
1.3. The Board is authorized under RCW 34.05 .060 to establish procedures for attempting and executing informal settlement of matters in lieu of more formal proceedings under the Administrative Procedures Act, including adjudicative hearings: The Board has established such procedures under WAC 292-100-090.
1.4. Withheld understands that if Board staff proves any or all of the alleged violations at a hearing, the Board may impose sanctions, including a civil penalty under RCW $42.52 .480(1)(b)$ of up to $\$ 5,000$, or the greater of three times the economic value of anything received or sought in violation of chapter 42.52 RCW , for each violation found. The Board may also order the payment of costs, including reasonable investigative costs, under RCW 42.52.480(1)(c).
1.5. Without admitting to any of the allegations upon which the reasonable cause determinations were made Withheld nevertheless recognizes that based on the evidence before it, the Board may conclude that Ms. Withheld
expeditious resolution of this matter, the parties agree to entry of the stipulated findings of fact, conclusions of law and agreed order set forth below.
1.6. Withheld waives the opportunity for a hearing, contingent upon acceptance of this stipulation by the Board, or her acceptance of any modification(s) proposed by the Board, pursuant to the provisions of WAC 292-100-090(2) which provides in part:

The board has the option of accepting, rejecting, or modifying the proposed stipulation or asking for additional facts to be presented. If the board accepts the stipulation or modifies the stipulation with the agreement of the respondent, the board shall enter an order in conformity with the terms of the stipulation. If the board rejects the stipulation or the respondent does not agree to the board's proposed modifications to the stipulation, the normal process will continue. The proposed stipulation and information obtained during formal settlement discussions shall not be admitted into evidence at a subsequent public hearing.
1.7. If the Board accepts this stipulation, the Board will release and discharge Withheld out of the facts contained in the complaint in this matter and in this stipulation and agreed order, subject to payment of the full amount of the civil penalty due and owing, any other costs imposed, and compliance with all other terms and conditions of the agreed order. Ms.Withheld in turn agrees to release and discharge the Board, its officers, agents and employees from all claims, damages, and causes of action arising out of this complaint and this stipulation and agreed order.
1.8. If this Stipulation is accepted, this Stipulation and Order does not purport to settle any other claims betweerWithheld and the Washington State Executive Ethics Board, the State of Washington, or other third party, which may be filed in the future.
1.9. If this Stipulation is accepted, this Stipulation and Order is enforceable under RCW 34.05.578 and any other applicable statutes or rules.
1.10. If the Board rejects this stipulation, or if
 does not accept the Board's proposed modification(s), if any, Ms. Withheld waives any objection to participation at any subsequent hearing by any Board member to whom this stipulation was presented for
approval under WAC 292-100-090(2). Further, Ms. Withheld understands and agrees that this proposed stipulation and information obtained during any formal settlement discussions held between the parties shall not be admitted into evidence at a subsequent public hearing, unless otherwise agreed by the parties.

## Section 2: Findings Of Fact

2.1.
 was an employee of Ecology from January 9, 1995 to September 7, 2007. From March 12, 2003 to September 7, 2007. Ms. Withhe was the Section Manager of the Tank Waste Treatment and Tri-Party Agreement Section (TWT \& TPA) in Ecology's Nuclear Waste Program (NWP).
2.2. In 1989, the US Department of Energy (USDOE), the Washington Department of Ecology (DOE) and the Environmental Protection Agency (EPA) reached an agreement on how the Hanford site would be cleaned up. This agreement became known as the "Tri-Party Agreement" and provided a roadmap of how the numerous regulatory schemes would interface on the cleanup effort.
2.3. The USDOE, under the oversight of the EPA and Ecology, manage the cleanup of the Hanford site. USDOE hired many contractors to work different parts of the cleanup effort. Bechtel National Inc. is the prime contractor for tank waste treatment and the waste treatment plant. CH2M is another contractor. The Tri-Party agreement has been changed over 400 times for a variety of reasons since 1989.
2.4. As Section Manager of TWT \& TPA, Ms. Withheld was responsible for regulatory activities pertaining to the final treatment of tank waste, including the permitting and construction oversight of the Waste Treatment and Immobilization Plant (WTP), as well as being designated as Ecology NWP's "TPA Administrator."
2.5. $\mathrm{Ms}{ }^{\text {Withheld }}$ was the TPA Administrator for approximately the last 4 years of her tenure at Ecology. Ms Withheld was a lead negotiator for issues with USDOE under the
provisions of the TPA including cleanup milestones. She also worked on certain milestone revisions. One of the milestones revised during her tenure was the $\mathrm{M} 45-55$ milestone, which set a date for revising a particular report.
2.6. On September 7, 2007, Ms.

Withheld resigned from her Ecology position to accept a position with CH2M as the Senior Technical Advisor of Environmental Programs. As such, she was an advisor to the Vice President of Environmental Programs. Her duties focused on providing direction to improve the quality of CH 2 M 's products and developing regulatory and integration strategies. She also advised CH 2 M and its clients on hazardous waste permitting and compliance matters.
2.7. Ms Withheld in her position at Ecology, did not have direct oversight over permitting which involves her current scope of work at CH 2 M . She was involved with permitting the Waste Treatment Plant (WTP), which is carried out by Bechtel--not CH2M.
2.8. Ms. Withheld did not play a substantial role in developing the new site-wide permit. The Waste Management Section did that work under the oversight of Ron Skinnarland. Ms ${ }^{\text {Withheld }}$ never had any role in those sections of the permit in which CH 2 M would have involvement regarding the Single Shell Tank and Double Shell Tank units.
2.9. Although Ms. Withheld was the TPA Administrator, Ms. Withheld did not work directly on the majority of activities agreed to under the TPA.

## Employment Offer

2.10. Ms. Withheld sought to clarify the limitations on her post-employment prospects with former EEB Executive Director, Susan Harris, through a series of e-mail messages from January 19, 2007 through April 2, 2007.
2.11. Ms Withheld informed her supervisor, Jane Hedges, the Program Manager of the NWP, about her interest in seeking other employment before the TPA negotiations were
scheduled to commence. Ms ${ }^{\text {Withheld }}$ a lead negotiator for the state.
2.12. CH2M made an offer of employment to Ms. Withheld on August 20, 2007. Ms Withheld accepted the offer on August 21, 2007. Ms. Withheld ${ }_{\text {notified her supervisor of her }}$ acceptance of employment with CH 2 M and subsequently separated from Ecology on September 7, 2007. Ms. Withhel began employment with CH2M on September 10, 2007.
2.13. Ms. Withheld ${ }^{\text {left employment with Ecology while the TPA negotiations were }}$ ongoing.

Screening procedures
Withheld
2.14. CH2M screens Ms from any potential conflicts of interest that could arise, including evaluating and determining which CH 2 M activities Ms Withheld should be barred from participation. CH 2 M bars Ms. Withheld from participation on matters in which she personally and substantially worked on in her position with Ecology.

## M45-55 Milestone - Phase 1 Activities

2.15. The M-45-55 milestone was originally negotiated in the late 1990 s, before Ms. Withheld was the TPA Administrator. Ms. Withheld was not involved in, its development. The milestone pertains to the production of a "Phase 1 RCRA Facility Investigation (RFI) Report," which is a field investigation report, regarding a variety of data gathering and evaluation activities, "including groundwater monitoring and impacts assessment using Hanford Site groundwater models, with conclusions and recommendations." The specific milestone referred to was for a report that would summarize all the Phase 1 activities that would occur between when the milestone was established (about 1998) and when the report was due (January 2007).
2.16. As the TPA Administrator, Ms. Withheld was required to administratively review all change packages prior to agency approval. In 2006 and 2007, Ms Withheld reviewed a
change package that (among other things) adjusted the due date for and consolidated existing milestone requirements into the interim $\mathrm{M}-45-55$ milestone.
2.17. Other Ecology employees handled the negotiations and development of those changes, but Ms. Withheld reviewed this work for consistency with other portions of the TPA. Ms. Withhel had the responsibility to insure that the milestones met DOE's needs by assuring that management considered all of the strategic and policy issues before they made changes. Ms.

Withheld determined that the changes made to the M-45-55 milestone did not present any strategic or policy issues.
2.18. CH2M assigned Ms. Withheld to work on the M-45-55 milestone deliverable in about October 2007 and then again in January 2008. In October 2007, Ms. Withheld reviewed Unit 1, and Chapter 12 of the Tier 1 portion of the RFI report. Starting January 2008, Ms. Withheld provided management oversight to individuals involved in responding to Ecology's questions and comments.
2.19. The RFI document was due to Ecology in January 2008, therefore it had to be delivered to USDOE by December 2007. In October 2007, Ms Withheld while employed by CH2M, reviewed portions of Tier 1 for readability and clarity; she did not review any of Tiers 2 or 3 (the bulk of the technical information).
2.20. In January 2008, CH2M delivered the document to Ecology. Ms Withheld was involved in setting up meetings with the Tribal Nations and the Oregon Department of Energy to present the findings of the document. She provided management oversight to facilitate Ecology's review process because the manager under whose leadership the report was developed had left the Hanford office for another assignment. Her work included ensuring that the correct technical staff were available to answer any questions Ecology might have with their review. Ms. Withheld was involved in the initial briefing to Ecology that lasted
approximately 30 minutes. In about April 2008, the original manager's replacement was identified and the new manager took over facilitating Ecology's review.
2.21. CH 2 M asserts that prior to Ms. Withheld performing any work on this milestone, Ms.

Withheld manager at CH2M evaluated the tasks to be performed and determined that could perform the work at issue, without violation of the state ethics law.

## M45-55 Milestone -- Phase 2 Activities

2.22. Between the fall of 2006 and spring of 2007 , Ms. Withheld participated in technical meetings internal to Ecology in which ambiguities in proposed Phase 2 milestones (which involves a long-term closure plan for single shell waste tanks) were discussed and clarified. Ms. $\qquad$ subsequently supported one technical meeting with the contractor regarding those Phase 2 changes. Specific changes to the scope of work in the Phase 2 activities may have been discussed at these meetings.
2.23. Ms. Withheld stopped working on the Phase 2 changes once she notified Ms. Hedges of her outside employment discussions. The Phase 2 milestones were subsequently reviewed by others and finalized three months after Ms.
 left state employment. Ms. Withheld did not assist CH2M on any Phase 2 activities as a CH2M employee.

## Section 3: Conclusions Of Law

3.1. Pursuant to chapter 42.52 RCW , the Executive Ethics Board has jurisdiction

Withheld
over and over the subject matter of this complaint.
3.2. Pursuant to WAC 292-100-090(1), the parties have the authority to resolve this matter under the terms contained herein, subject to Board approval.

## RCW 42.52.080 Employment After Public Service

3.3. Ethical standards restrict former state officers and employees from accepting certain offers of employment. RCW 42.52.080(3) prohibits acceptance of an offer of employment or the receipt of compensation if a state officer or state employee has reason to
believe that the offer or compensation was intended to influence the employee or to reward for the performance or nonperformance of an official duty while employed by the state. RCW 42.52.080(4) prohibits the offer of employment or the receipt of compensation if a reasonable person would believe that the offer or compensation was for influencing the performance or nonperformance of official duties while employed by the state. RCW 42.52.080(5) prohibits a former state employee from assisting in a transaction in which they participated as a state employee. RCW 42.52.080 states in part:
(1) No former state officer or state employee may, within a period of one year from the date of termination of state employment, accept employment or receive compensation from an employer if:
(a) The officer or employee, during the two years immediately preceding termination of state employment, was engaged in the negotiation or administration on behalf of the state or agency of one or more contracts with that employer and was in a position to make discretionary decisions affecting the outcome of such negotiation or the nature of such administration; ...
(c) The duties of the employment with the employer or the activities for which the compensation would be received include fulfilling or implementing, in whole or in part, the provisions of such a contract or contracts or include the supervision or control of actions taken to fulfill or implement, in whole or in part, the provisions of such a contract or contracts. This subsection shall not be construed to prohibit a state officer or state employee from accepting employment with a state employee organization. ...
(3) No former state officer or state employee may accept an offer of employment or receive compensation from an employer if the officer or employee knows or has reason to believe that the offer of employment or compensation was intended, in whole or in part, directly or indirectly, to influence the officer or employee or as compensation or reward for the performance or nonperformance of a duty by the officer or employee during the course of state employment.
(4) No former state officer or state employee may accept an offer of employment or receive compensation from an employer if the circumstances would lead a reasonable person to believe the offer has been made, or compensation given, for the purpose of influencing the performance or nonperformance of duties by the officer or employee during the course of state employment.
(5) No former state officer or state employee may at any time subsequent to his or her state employment assist another person, whether or not for compensation, in any transaction involving the state in which the former state officer or state employee at any time participated during state employment. ...

Advisory Opinion 98-11. Can a state employee pursue prospective employment with an employer without violating the state's ethics law?
3.4. A state employee may pursue prospective employment; however, the state ethics law restricts prospective employment in circumstances where there is a conflict of interest. In Advisory Opinion 98-11, the Board stated that "prospective employment" begins when a state employee has accepted an interview for a position outside of state government. "Prospective employment" ends when a state employee has accepted or declined an offer of employment, or when the prospective employer has informed the state employee that he or she is no longer under consideration for employment. The opinion further states that to avoid a conflict of interest, the state employee may disclose the fact that he or she is considering prospective employment to a supervisor and ask that he or she be removed from participating in any matter that involves the prospective employer. In choosing to disclose and recuse from participation, the state employee may effectively remove concerns that his or her judgment has been affected, or that prospective employment has influenced the performance of official duties. [Emphasis Added.]

Advisory Opinion 01-01. Are there any precautions a company can follow prior to and during the employment of a former state employee to assure compliance with RCW 42.52.080?
3.5. A company may take precautions during the employment of a former state employee to assure compliance with the provisions of RCW 42.52.080. However, compliance is primarily the responsibility of the former state officer or employee and not the new employer. Once an offer of employment is accepted by the state officer or state employee, the new employer should ensure that the employee does not perform duties that could create a violation of RCW 42.52.080 with regard to contracts or other transactions involving the state that the former officer or employee may have participated in while in state service, or that could involve the disclosure of confidential information gained by reason of state employment.
3.6. In the matter analyzed in Advisory Opinion 01-01, a company that primarily contracts with state agencies was interested in filling a high-level position in marketing with a state employee who has participated in state transactions involving the company. The position for which the employee may be hired would include marketing the company's products to instate and out-of-state clients, including state agencies. The position would develop new contracts, and would not have duties relating to monitoring, fulfilling, or implementing the provisions of any existing contracts, state agency or otherwise.
3.7. RCW 42.52.080(1) does not prohibit a former state officer or employee from working for any particular employer, but it does limit the kind of work that can be performed. Thus, the fact that a prospective employer entered into contracts with the employee's or former officer's agency does not prohibit employment with a post-state employer. However, RCW 42.52.080(1)(c) would not permit a former state officer or employee to perform duties for the new employer that would involve fulfilling or implementing the contracts with his or her former agency, or supervising or controlling actions taken to fulfill or implement those contracts.
3.8. Based on Findings of Fact 2.1 through 2.14, the Board concludes that

Withheld Ms. did not violate the Ethics Act when she merely accepted employment with CH2M. However, the Board further concludes, based on Findings of Fact 2.1 through 2.21, that Ms. Withheld did violate the Ethics Act when she performed duties for CH 2 M that involved fulfillment and implementation of Phase 1 of the M45-55 milestone.

> Advisory Opinion $97-06$. Does RCW $42.52 .080(5)$ prohibit a former state employee from accepting employment assisting a person seeking a water right permit when the employee worked on the same permit application while employed by the state?
3.9. In 1993, the state employee worked on a particular application for a water right preparing three draft reports of examination. However, no permit was issued and the application was put on hold, pending litigation. The employee had no further involvement
with the permit. After the employee left state service the application for the permit was denied. The applicant appealed the denial and the employee asked the Board whether he may assist the applicant in appealing the denial.
3.10. The Board stated that it is clear that an application for a water rights permit is a transaction involving the state. It is an "application" that will be subject to "state action". RCW 42.52.010(17)(a) defines "state action" to include a "decision, determination, finding, ruling, or order". It is true that the employee was involved with the permit during only a part of the process and had left state service by the time the permit application was denied. Nevertheless, the Board concludes that the application for a permit is a single transaction that begins with the application and ends when the permit is finally granted or denied. The Board further stated that this is not to say that everything connected with the permit is a single transaction. After the permit is granted there may be other transactions connected with it, such as issues about compliance with terms and conditions of the permit. However, the Board views the application for a permit as a single transaction.
3.11. Since the former employee participated in the processing of the application while in state service, the employee may not assist the applicant with regard to the permit application process.

## Definitions of Transaction and Participation.

3.12. State ethics law prohibits a former state employee from assisting any person in a "transaction" involving the state in which the employee participated during public employment. RCW 42.52.080(5). The term "transaction involving the state" is defined under state law to mean, among other things, an application, contract, or other similar matter that the former state employee in question believes, or has reason to believe (1) is the subject of a state action; (2) is one to which the state is a party; or (3) is one in which the state has a direct and substantial proprietary interest. RCW 42.52.010(23).
3.13. "Participation" is defined broadly under RCW $42.52 .010(13)$ as follows: ""Participate' means to participate in state action or a proceeding personally and substantially as a state officer or state employee, through approval, disapproval, decision, recommendation, the rending of advice, investigation, or otherwise...."
3.14. Based on Findings of Fact 2.1 through 2.21, the Board concludes that Withheld Ms violated RCW 42.52.080(5) when she assisted CH2M with Phase 1 of the M-4555 milestone after having participated in the development of Phase 1 changes to the same milestone in her capacity as a state employee. Based on findings of fact 2.1-2.13 and 2.222.23, the Board further concludes that Ms. Withheld did not violate RCW 42.52.080(5) in relation to her Phase 2 work at Ecology because she stopped working on Phase 2 as soon as she knew she might become employed by CH2M and because she has not assisted CH 2 M with any Phase 2 activities.
3.15. The Board is authorized to impose sanctions for violations to the Ethics Act pursuant to RCW 42.52.360. The Board has set forth criteria in WAC 292-120-030 for imposing sanctions and consideration of any mitigating or aggravating factors. While intent is not a prerequisite to finding a violation of the Ethics Act, the Board may consider lack of intent as a mitigating factor pursuant to WAC 292-120-030(4)(d). Ms. Withheld communications with the Board's executive director regarding post state employment and with her Ecology supervisor regarding her then-potential employment with CH 2 M demonstrate that Ms. $\qquad$ intended to comply with the Ethics Act. Such actions are therefore mitigating factors. It is also a mitigating factor that Ms. and CH 2 M established and utilized a review process to identify and attempt to avoid potential conflicts of interest and that both appear to have had a good faith belief that it was not a conflict for Ms. Withheld 10 work on the M-45-55 milestone for CH 2 M .

## Section 4: Agreed Order

4.1. For the violation of RCW 42.52.080(5), Withheld will pay a civil penalty in the amount of five hundred dollars $(\$ 500.00)$.
4.2. The civil penalty of $\$ 500.00$ is payable to the state Executive Ethics Board within forty-five (45) days of approval of this Stipulation and Order by the Board.

## CERTIFICATION

I, Withheld hereby certify that I have read this Stipulation and Agreed Order in its entirety; that my counsel of record, if any, has fully explained the legal significance and consequence of it; that I fully understand and agree to all of it; and that it may be presented to the Board without my appearance. I knowingly and voluntarily waive my right to a hearing in this matter; and if the Board accepts the Stipulation and Agreed Order, I understand that I will receive a signed copy.


Stipulated to and presented by:


## II. ORDER

Having reviewed the proposed Stipulation, WE, THE STATE OF WASHINGTON EXECUTIVE ETHICS BOARD, pursuant to WAC 292-100-090, HEREBY ORDER that the Stipulation is
$\qquad$ ACCEPTED in its entirety;
REJECTED in its entirety;
MODIFIED. This Stipulation will become the Order of the Board if the Respondent approves* the following modifications):
$\qquad$


NEIL GORRELL, Chair


LINNAEA JABLONSKI, Vice-Chair


MICHAEL F. CONNELLY, y


MARTIN BIEGELMAN, Member
I, Withheld accept/do not accept (circle one) the proposed modifications).
Withheld

