

1  
2  
3  
4  
5 **BEFORE THE WASHINGTON STATE**  
6 **EXECUTIVE ETHICS BOARD**

7 In the Matter of:

8 [REDACTED]

9  
10 Respondent.

Docket No. 2010-EEB-0002

Complaint No. 09-054

FINDINGS OF FACT,  
CONCLUSIONS OF LAW AND  
FINAL ORDER

11  
12 **I. PROCEDURAL HISTORY**

13 1.1 This case was commenced by a complaint issued by the Board on September  
14 11, 2009, after receipt of a referral from the Office of the State Auditor (Auditor) alleging that  
15 [REDACTED] then an employee with the Evergreen State College (TESC), may have  
16 misappropriated public funds, entered into contracts on behalf of TESC with a company owned  
17 by his family members, received financial gain from his position with the college and used  
18 state resources to benefit himself and his family members.

19 1.2 On July 10, 2010, the Board found reasonable cause to believe that a violation  
20 of Chapter 42.52 RCW occurred. A hearing was scheduled, with an Administrative Law  
21 Judge (ALJ) presiding pursuant to RCW 42.52.500.

22 1.3 On March 11, 2011, after due and proper notice, a hearing was held in the  
23 above-entitled matter before the Executive Ethics Board (Board). The case had been set for  
24 hearing pursuant to a telephonic prehearing conference held on December 28, 2010 in which  
25 all parties participated. An additional status conference was held by telephone on February  
26

1 17, 2011, but [REDACTED] did not appear. No orders were issued as a result of that status  
2 conference.

3 1.4 Prior to the hearing [REDACTED] sent a letter to the Administrative Law Judge  
4 dated February 28, 2011, and received by the Office of Administrative Hearings on March 4,  
5 2011, requesting a continuance on the basis of health issues, the same reason he gave when he  
6 previously requested a continuance of the December 28, 2010 prehearing conference. On  
7 March 4, 2011, the Administrative Law Judge wrote a letter to [REDACTED] advising him that  
8 the request for continuance was received too close to the hearing date to address it in advance  
9 of the hearing, but provided [REDACTED] with a toll free telephone number and WebEx  
10 passcode by which he could call to participate in the hearing. The letter further advised [REDACTED]  
11 [REDACTED] that a failure to participate in any stage of the proceedings may result in a default order  
12 being entered against him.

13 1.5 The hearing was held at the Board offices at Capital Court in Olympia  
14 Washington on March 11, 2011, convening at 9 AM. Administrative Law Judge Thomas  
15 Rack from the Office of Administrative Hearings conducted the proceedings, and Board  
16 members Chair Michael Connelly, Vice Chair Matthew Williams, III, members Neil Gorrell,  
17 and Linnaea Jablonski were present. Also present was Mary M. Tennyson, Senior Assistant  
18 Attorney General, legal advisor to the Board.

19 1.6 Board Staff was represented by Jennifer Elias, Assistant Attorney General, and  
20 the Board's Executive Director Melanie DeLeon. Other Board staff was also present.  
21 Respondent did not appear in person, and no one representing the respondent appeared.

22 1.7 The Administrative Law Judge timely convened the proceedings, and activated  
23 the telephone line. The Board waited for a period of seventeen minutes, but [REDACTED] did  
24 not call in or have a representative call in. The Administrative Law Judge found [REDACTED]  
25 to be in default for his failure to appear, by telephone or in person, and closed the phone line.  
26

1 1.8 The Board staff presented Exhibits 1 through 11, which were admitted into  
2 evidence. The Board was provided copies of documents which were admitted as exhibits:

- 3 1. Executive Ethics Board Complaint No. 2009-0854, received September 18,  
4 2009 (14 pages);
- 5 2. Secretary of State Information for The Field School to Chile, dated June 8, 2010  
6 (3 pages);
- 7 3. Superior Court Case Summary, Case No. 00-3-00562-9, retrieved from  
8 Washington Courts website on June 8, 2010 (8 pages);
- 9 4. March 12, 2010 letter from [REDACTED] to Melanie deLeon (7 pages);
- 10 5. DISAL information from the internet, translated by Google (18 pages);
- 11 6. March 23, 2010 letter from Chief Ed Sorger with attachments (6 pages);
7. Special Investigation Audit Report with Attachments, dated November 10, 2008  
(141 pages);
8. Information regarding the Sports Club Officials of the Comptroller General,  
printed on June 14, 2010 (9 pages);
9. Email from Lorrie Moore to Melanie deLeon, June 14, 2010 (1 page);
10. Letter from Brent Normoyle, dated June 14, 2009, with attachments (31 pages);
11. Settlement Agreement between [REDACTED] and The Evergreen State College,  
dated November 16, 2009 (5 pages).

12 1.9 The proceedings were recorded and open to the public.

13 1.10 The Board heard the testimony of Ed Sorger, who testified by telephone;  
14 Maryam Jacobs; and Melanie deLeon.

15 1.11 On March 14, 2011, Administrative Law Judge Thomas Rack issued an Initial  
16 Order of Default (Failure to Appear at Proceeding), which was served on [REDACTED] at the  
17 last address he had provided to the Office of Administrative Hearings. The Initial Order  
18 notified [REDACTED] of the ability to request the default order be vacated within seven days of  
19 the date of mailing of the default order. [REDACTED] did not move to vacate the Default, or  
20 otherwise contact the Board to request the default be vacated.

21 Based on the evidence presented, the Board enters the following Findings of Fact,  
22 Conclusions of Law, and Final Order:

## 23 II. FINDINGS OF FACT

24 2.1 The Executive Ethics Board (Board) received a referral from the Office of the  
25 State Auditor (Auditor) alleging that [REDACTED] then an employee with the Evergreen State  
26 College (TESC), may have misappropriated public funds, entered into contracts on behalf of

1 TESC with a company owned by his family members, received financial gain from his  
2 position with the college and used state resources to benefit himself and his family members.  
3 The Board reviewed the referral and issued a complaint on September 11, 2009. Board staff  
4 conducted an investigation, including soliciting information and a response from [REDACTED]

5 2.2 [REDACTED] was a faculty member at the Evergreen State College between  
6 1988 and December 2009. As an instructor, he offered courses related to South American  
7 history, politics, economics and his programs offered a trip to Chile in the spring.

8 2.3 [REDACTED] initiated the "Field School to Chile" program in 1995. In  
9 December, 1997, [REDACTED] incorporated a non-profit organization with the Washington  
10 Secretary of State's office, UBI 601839609, using his then wife, Renee Bourbeau, as the name  
11 of the agent and his home address as the business' address. The registration for this  
12 organization expired on December 12, 2008 and it was dissolved on April 1, 2009. (Ex. 2).  
13 Thurston County Superior Court documents indicate that [REDACTED] and Ms. Bourbeau  
14 obtained a dissolution of marriage under Thurston County Docket # 00-03-00562-9 on April  
15 24, 2002. (Ex. 3).

16 2.4 For the times pertinent to this investigation [REDACTED] took trips to Chile that  
17 were associated with his studies abroad program, and took ten (10) students in 2005, eleven  
18 (11) students in 2006, and fifteen (15) students in 2008. Although there was no trip in 2007  
19 that was sanctioned by TESC, [REDACTED] traveled in Chile with five (5) students in 2007.

20 [REDACTED] admits that these numbers of students participated in each of these years (Ex. 4  
21 page 2) and also that 5 students participated in the "informal" trip in 2007. Therefore, the  
22 Board finds that at the number of students participated in each of the years as shown above.

23 2.5 [REDACTED] used a company called "DISAL" to assist him with travel and  
24 lodging arrangements in Chile for his Field School to Chile program. According to [REDACTED]  
25 [REDACTED] he selected DISAL based upon the health and safety of his students, the exclusiveness  
26 of the resort (no other guests occupied it at the time his students were there) and the presence

1 of security guards. (Ex. 4, p. 2). [REDACTED] stated that other considerations were that the  
2 resort also included prohibitions regarding the use of drugs and alcohol by students and  
3 worked with student dietary requirements, including vegetarian diets that are not common in  
4 Chile. (Ex. 4, p. 2).

5 2.6 Information gathered from the DISAL website and other on-line sites indicate  
6 that DISAL is primarily dedicated to the rental and sale of portable chemical toilets, has a  
7 home office in Santiago, Chile and 25 branches throughout Chile as well as subsidiaries in  
8 Peru and Paraguay. There is no indication that this company provides concierge travel  
9 arrangements or any type of lodging arrangements for groups or other tourists. (Exs. 5, 6).

10 DISAL company literature states that the company began in 1969 when Joseph Dieguez  
11 Martinez started the business with the removal of waste from companies and supermarkets  
12 with the aim of using the edible waste to feed pigs. DISAL grew rapidly between 1987 and  
13 1989 to become an important player in the solid waste removal market. In 1981, brothers  
14 Raul and Victor Dieguez Martinez joined the company and began evaluating the idea of  
15 renting portable toilets in Chile. In 1991 the company consolidated with the incorporation of  
16 partners Carmen Dieguez and Sebastian Gilbert Ceballos. Sebastian Gilbert Ceballos is [REDACTED]  
17 [REDACTED] brother. Sebastian Gilbert Ceballos is married to Maria Cristina Dieguez, sister to  
18 the Dieguez Martinez brothers. (Ex. 6).

19 2.7 Information regarding DISAL indicates that [REDACTED] brother, Sebastian  
20 Gilbert Ceballos, is a Director within DISAL. [REDACTED] stated that while his brother works  
21 in the company, he did not consult with him regarding financial matters related to his students.  
22 However, [REDACTED] did work directly with his sister-in-law, who actually signed the 2008  
23 contract between [REDACTED] and DISAL (Ex. 6. pp. 5-6).

24 2.8 On April 4, 2008 Maria Cristina Dieguez, Program Coordinator for DISAL,  
25 and [REDACTED] signed a "Memorandum of Agreement between [REDACTED] and "DISAL-  
26 Chile" delineating that DISAL agreed to operate the educational program know as "Field

1 School to Chile 2008” in Santiago, Chile. This agreement stated that [REDACTED] would  
2 provide the academic portion of the program and DISAL was responsible for making all of the  
3 in-country transportation arrangements, providing room and board for students and faculty for  
4 the period of April 5 – May 5, 2008. (Ex. 6, pp. 5-6).

5 2.9 For the services rendered per this 2008 agreement, [REDACTED] would pay  
6 DISAL \$31,500 (US), which included room and board for 15 students for 30 days, classrooms  
7 and taxes required by Chile; the total cost would be \$70 per student per day. Although the  
8 dates of the trip were April 5 to May 5, and the contract calls for [REDACTED] to pay DISAL  
9 upon receipt of the list of students, bank records for the “Chile Relief” checking account (Ex.  
10 7, p. 72) show the payment to DISAL was made on May 13, 2008, after the trip had ended,  
11 and after [REDACTED] was made aware that TESC was investigating the propriety of his actions  
12 regarding the trips, after students found that their airline tickets had not been purchased, and  
13 the college advanced funds to purchase the tickets.

14 2.10 [REDACTED] directed the students to pay him directly for the cost of the trip,  
15 which was \$3,150 for the 2008 trip, including the cost of the plane ticket. [REDACTED] made it  
16 clear to the students that they should make their deposits to a West Coast Bank account he had  
17 set up, and not to the college. (Ex. 7, p. 124, p. 126). For students making their own flight  
18 arrangements, the cost of the trip was \$2,150. [REDACTED] purchased tickets for the students  
19 from a travel agent of his choosing.

20 2.11 While in Santiago, Chile, the students stayed at the Sports Club Officials of the  
21 Comptroller General, a resort apparently owned through an association of employees of the  
22 Chilean government.

23 2.12 [REDACTED] received \$11,950 via a petty cash voucher from TESC for program  
24 and student expenses for the Field School in Chile program in 2005 (Ex.7, p. 107); \$10,928 in  
25 2006 (Ex. 7, p. 106); and \$13,150 in 2008 (Ex. 7, p. 105). These funds were to pay his  
26 personal travel expenses and provide him with per diem and lodging while he was abroad for

1 the 30-day program. According to TESC, instructors who receive funds for lodging must  
2 provide receipts along with their travel voucher. [REDACTED] did not provide itemized receipts  
3 for his personal lodging and expenses to validate the expenditure of funds.

4 2.13 According to TESC Academic Financial Support Services Manager, the  
5 college collects funds from the students who will be traveling abroad. These funds are  
6 deposited at the Evergreen Cashier's office and are monitored through the college's finance  
7 system. The faculty initiates an agreement with a vendor abroad and the agreement is written  
8 up and sent to the vendor for signature. The agreement is supposed to be returned to  
9 Evergreen where, prior to the 2009-2010 academic year it was signed by the Vice President  
10 for Finance and Administration. Then payment is made according to the terms of the  
11 agreement; most often the payment was made via wire transfer into the vendor's foreign bank  
12 account. (Ex. 9).

13 2.14 [REDACTED] did not prepare written agreements with a foreign vendor for  
14 signature by the Vice President for Finance and Administration for the 2005 through 2008  
15 school years. The only written agreement that [REDACTED] provided to the Board as evidence  
16 of such agreement was an unsigned copy of an agreement covering the "Field School to  
17 Chile" in 1999, and does not apply to the years in question. (Ex. 4, pp. 5-7) [REDACTED] did  
18 personally sign an agreement with DISAL for the 2008 trip (Ex. 6, pp. 5-6) but it was not in a  
19 form approved by the college, did not purport to be an agreement between the college and an  
20 appropriate vendor, and was not signed by any college official.

21 2.15 In years prior to the years in question (2005 through 2008), TESC had allowed  
22 the students to pay the vendor directly because sometimes the charges varied depending on  
23 what the students were doing once they arrived in the foreign country. For example, some  
24 may have had home-stay arrangements and some may not, and the charge for home-stays  
25 could vary. Occasionally the faculty would use a tour company to facilitate the travel and the  
26 students would pay the tour company directly. When questioned in 2008, [REDACTED]

1 informed Ken Tabbutt, Academic Dean for international travel, that the students would be  
2 paying the vendor directly for the services provided. In reality, the students paid [REDACTED]  
3 directly, not the vendor.

4 2.16 On November 13, 2008, TESC commenced a special audit of the academic  
5 travel programs of [REDACTED] because: 1) [REDACTED] did not follow the college's cash  
6 handling policies; 2) [REDACTED] used a travel agency, unbeknownst to the college, to  
7 purchase the students' tickets, but the agency did not buy the tickets, instead the funds were  
8 lost when the agency went bankrupt; and 3) [REDACTED] would not provide documents and  
9 financial records requested by an Academic Dean.

10 2.17 The audit concluded that it appeared that [REDACTED] had overcharged students  
11 for the study abroad program, and that he personally profited from this overcharging in the  
12 amount of \$50,000, and violated the college policies in numerous ways.

13 2.18 The college audit further documented that [REDACTED] had students deposit  
14 travel funds into his personal bank account. College policies allowed students to deposit  
15 funds into third party accounts, but not an instructor's personal account. [REDACTED] did not  
16 provide an itemized listing of travel expenses after repeated requests by the college. Instead,  
17 he produced a one-page invoice from DISAL that listed all costs at a macro-level. (Ex. 7,  
18 pages 108-115). A review of the files in the Academic Budgeting office indicated that [REDACTED]  
19 [REDACTED] used DISAL for all of his trips to Chile. No contracts were found between the college  
20 and DISAL and each year, [REDACTED] always submitted a one-page macro-level invoice from  
21 DISAL. [REDACTED] did not provide TESC with all of the student waivers required for  
22 overseas travel. The Financial Manager of Academic Budget was not aware that [REDACTED]  
23 family was involved in the management and leadership of DISAL, the company he used to  
24 coordinate all of the student's in-county travel, room and board while in Chile.

25 2.19 An audit of [REDACTED] personal financial records revealed four accounts:  
26



1 a) Field School to Chile account. This account was used to deposit student funds  
2 received from Evergreen students and was held at West Coast Bank. The account  
3 was opened 9/24/04 and [REDACTED] was the sole signatory on the account. The  
4 account was registered as tax-exempt. A review of the account records shows that  
5 payments from students were deposited directly into this account in 2005, 2006,  
6 2007 and 2008 (Ex. 7, pp. 60-66).

7 b) Chile Relief Account. [REDACTED] was the acting Chilean Consul in Olympia.  
8 [REDACTED] was the only signatory for the account. It was opened 6/14/02 and  
9 registered as an "unincorporated" business account. A search of Washington  
10 businesses did not reveal any business matching this description. (Ex. 7, pp. 52-  
11 59). This account consisted of deposits of checks written to the "Chile Consulate"  
12 and cash. Withdrawals from this account exactly matched deposits into [REDACTED]  
13 [REDACTED] personal savings and checking accounts. The auditor could not find any  
14 evidence that any of these funds were being sent to the Chilean government or any  
15 other outside party. (Ex. 7, pp. 67-73).

16 c) Personal checking.

17 d) Personal savings. The audit of this account revealed many large deposits and  
18 withdrawals. For example, on 4/19/05 there was an \$85,000 withdrawal to  
19 DISAL. On 5/24/05 there was a \$90,000 withdrawal to an investment account.  
20 On 12/5/05, [REDACTED] withdrew \$100,000 to purchase a certificate of deposit.  
21 On 5/22/06, [REDACTED] transferred \$50,000 to an investment account. On  
22 5/22/07, he withdrew \$8,500 to send to DISAL. As of the date of this  
23 withdrawal, the 2007 trip had not been approved by the college. The last entry on  
24 the account at the time it was audited showed a balance of \$142,873.72 as of  
25 9/17/08. (Ex. 7, pp. 84-88).

26 2.20 A review of three trips to Chile through the academic program revealed that at  
least prior to the 2008 trip [REDACTED] had been told by the Dean's office and Academic  
Budgeting office that he could not collect fees directly from students; that all funds had to be  
deposited to the College. (Ex. 7. P. 38, p. 49). Following these exchanges, in March, 2008,  
[REDACTED] paid \$1200 to the college for all of the deposits he had collected from the students  
(\$150 per student). ( Ex. 7, p. 102). While [REDACTED] indicated that he was not collecting  
monies from the students directly, and that they were instructed to deposit the funds into a  
"DISAL" account, the evidence indicates that the "DISAL" account was really the Field  
School to Chile account managed solely by [REDACTED] [REDACTED] made a payment to

1 DISAL in 2008 for the amount of \$31,500 (\$70 per student (15 students ) per day x 30 days).  
2 (Ex. 7, p. 72).

3 2.21 No contract was found to be in place between DISAL and Evergreen prior to  
4 the trips being taken, in violation of college policy. In 2008, after the trip was over, ██████  
5 ██████ submitted a contract that he had signed, ( Ex. 6, pp. 5-6; Ex. 7, pp. 103-104) although  
6 he was not authorized to enter into such an agreement on behalf of the college. The  
7 agreement had not been signed or reviewed by the Academic Dean's office, the Provost's  
8 office, the Academic Budget office, or the Vice President of Finance as required.

9 2.22 An audit of the financial records for the 2006 trip to Chile indicated that ██████  
10 ██████ received a total of \$42,193.00 from the students and TESC, but there was only one  
11 payment made to DISAL in the amount of \$3,863.00. Other itemized expenses for this trip  
12 totaled \$15,476.97, leaving \$26, 716.03 unaccounted for. (Ex. 7, p. 18, p. 98).

13 2.23 An audit of the financial records for the 2005 trip to Chile showed that ██████  
14 ██████ received \$31,467.00 from the college and students for the trip. He made one payment  
15 to DISAL in the amount of \$2,155.00. Other trip expenses totaled \$9,066.15, leaving  
16 \$20,245.85 unaccounted for. (Ex. 7, pp. 19-20, pp. 99-101, p. 107, p. 114).

17 2.24 On July 14, 2009, eleven Evergreen students who had participated in the 2008  
18 Field School to Chile trip with ██████ sent a letter through a private attorney to TESC  
19 President, Dr. Purce seeking reimbursement from TESC for losses they incurred as a result of  
20 this trip. These students sought a total refund of \$22,816 for excessive daily charges and a  
21 partial tuition refund because they claimed that ██████ had not delivered the academic  
22 content that was promised. (Ex. 10).

23 2.25 On or about November 12, 2009, TESC, the United Faculty of Washington  
24 State, the United Faculty of Evergreen and ██████ entered into a settlement agreement  
25 and release to resolve all disputes and claims relating to ██████ employment as an  
26 Evergreen College faculty member. As a result of this agreement, ██████ agreed to

1 resign and retire, effective December 15, 2009, receiving all salaries and benefits up to that  
2 point. [REDACTED] also reimbursed the college \$23,579 for monies refunded by the college to  
3 the students who had participated in the 2008 Field School to Chile program. (Ex. 11).

4 2.26 The Evergreen State College reimbursed students for duplicate airline tickets  
5 purchased, or TESC directly paid for airline tickets for students in 2008, in the amount of  
6 \$9,900.

### 7 III. CONCLUSIONS OF LAW

8 3.1 The Board has jurisdiction to hear this matter pursuant to RCW 42.52.360(1),  
9 which authorizes the Board to enforce RCW 42.52 with respect to employees in the executive  
10 branch of state government. The complaint was filed in accordance with RCW 42.52.410, the  
11 Board found reasonable cause pursuant to RCW 42.52.420, and the public hearing was  
12 conducted pursuant to RCW 42.52.430 and .500. All the required procedural notices have  
13 been provided.

14 3.2 The Ethics in Public Service Act, chapter 42.52 RCW, governs the conduct of  
15 state officers and employees. A state employee is restricted from having an interest or  
16 engaging in an activity or transaction where there is a conflict with the performance of official  
17 duties, is prohibited from assisting others in transactions with the state, and from being  
18 beneficially interested in contracts, purchases, or grants made by or under the supervision of  
19 the employee, in whole or in part, and from accepting any compensation or reward from any  
20 other person beneficially interested in the transaction.

21 RCW 42.52.020 states:

22 No state officer or state employee may have an interest, financial or otherwise, direct or  
23 indirect, or engage in a business or transaction or professional activity, or incur an obligation  
24 of any nature, that is in conflict with the proper discharge of the state officer's or state  
25 employee's official duties.

26 RCW 42.52.030 states:

1 (1) No state officer or state employee, except as provided in subsection (2) of this section,  
2 may be beneficially interested, directly or indirectly, in a contract, sale, lease, purchase, or  
3 grant that may be made by, through, or is under the supervision of the officer or employee, in  
4 whole or in part, or accept, directly or indirectly, any compensation, gratuity, or reward from  
5 any other person beneficially interested in the contract, sale, lease, purchase, or grant.

6 (2) No state officer or state employee may participate in a transaction involving the state in his  
7 or her official capacity with a person of which the officer or employee is an officer, agent,  
8 employee, or member, or in which the officer or employee owns a beneficial interest, except  
9 that an officer or employee of an institution of higher education or the Spokane intercollegiate  
10 research and technology institute may serve as an officer, agent, employee, or member, or on  
11 the board of directors, board of trustees, advisory board, or committee or review panel for any  
12 nonprofit institute, foundation, or fund-raising entity; and may serve as a member of an  
13 advisory board, committee, or review panel for a governmental or other nonprofit entity.

14 RCW 42.52.040(1) states:

15 (1) Except in the course of official duties or incident to official duties, no state officer or state  
16 employee may assist another person, directly or indirectly, whether or not for compensation,  
17 in a transaction involving the state:

18 In which the state officer or state employee has at any time participated; or

19  
20 (b) If the transaction involving the state is or has been under the official responsibility of the  
21 state officer or state employee within a period of two years preceding such assistance.

22 RCW 42.52.120(1) states:

23 No state officer or state employee may receive any thing of economic value under any  
24 contract or grant outside of his or her official duties. The prohibition in this subsection does  
25 not apply where the state officer or state employee has complied with \*RCW 42.52.030(2) or  
26 each of the following conditions are met:

- 1
- 2 (a)The contract or grant is bona fide and actually performed;
- 3 (b) The performance or administration of the contract or grant is not within the course of the
- 4 officer's or employee's official duties, or is not under the officer's or employee's official
- 5 supervision;
- 6 (c) The performance of the contract or grant is not prohibited by RCW 42.52.040 or by
- 7 applicable laws or rules governing outside employment for the officer or employee;
- 8 (d) The contract or grant is neither performed for nor compensated by any person from whom
- 9 such officer or employee would be prohibited by RCW 42.52.150(4) from receiving a gift;
- 10 (e) The contract or grant is not one expressly created or authorized by the officer or employee
- 11 in his or her official capacity;
- 12 (f) The contract or grant would not require unauthorized disclosure of confidential
- 13 information.

14 3.3 A state officer or employee is prohibited under RCW 42.52.070 from using his

15 or her position to "secure special privileges or exemptions for himself or herself, or his or her

16 spouse, child, parents, or other persons."

17 3.4 [REDACTED] violated the RCW 42.52.020 and RCW 42.52.030 when he

18 directed the students he was supervising to make payments for international study programs to

19 his personal bank accounts, or accounts under his control, and when he accepted payments

20 from those students.

21 3.5 [REDACTED] violated RCW 42.52.020 when he ignored college procedures

22 requiring obtaining waivers for all students travelling abroad, placing the students at risk.

23 3.6 [REDACTED] violated RCW 42.52.120 when he entered into contracts

24 regarding the study abroad program offered through the Evergreen State College without the

25 college's permission or knowledge.

26

1 3.7 [REDACTED] violated RCW 42.52.030 and .040 when he deposited student  
2 funds directly into his personal bank accounts contrary to college policy and benefitting him  
3 financially. Each of the violations regarding the receipt of student funds is a separate and  
4 distinct violation of RCW 42.52.030.

5 3.8 [REDACTED] violated RCW 42.52.070 when he entered into contracts with  
6 companies owned or managed by family members, and did not comply with contracting  
7 requirements of TESC.

8 3.9 Taking into account the facts of this case and mindful of the purpose of the  
9 Ethics in Public Service Act as set out in RCW 42.52.900, the Board concludes that the  
10 undisputed facts in this case support the conclusion that the conduct of [REDACTED] violated  
11 RCW 42.52.020, .030, .040, .070, and .120.

12 3.10 Under RCW 42.52.480, the Board may impose a civil penalty of up to \$5,000  
13 per violation or three times the economic value of any thing received or sought in violation of  
14 RCW 42.52, whichever is greater. The Board may also impose the cost of investigating the  
15 complaint, and order restitution of any damages sustained by the state to be paid by the  
16 respondent.

17 3.11 The Board concludes that [REDACTED] violated the conflict of interest provision  
18 of RCW 42.52.020 in at least four academic years, 2005, 2006, 2007 and 2008. RCW  
19 42.52.020 prohibits state employees from engaging in transactions that conflict with their  
20 official duties. By directing the students to pay money into his personal bank account, [REDACTED]  
21 [REDACTED] violated this provision of law. The Board may impose a fine of up to \$5,000 per  
22 violation, for a total of \$20,000 for these violations, if calculated on the basis of the number of  
23 years. In the alternative, if the penalty was based on the number of students from whom he  
24 collected payments in the years 2005 through 2008, it would be nearly \$250,000. See  
25 paragraph 3.15 below for this alternative calculation.  
26

1           3.12 The Board concludes that [REDACTED] violated the “special privileges provision  
2 of RCW 42.52.070 in at least three academic years, 2005, 2006 and 2008, when he arranged  
3 for DISAL, a company owned by his relatives, to provide services for the study abroad  
4 program that he arranged for the students. [REDACTED] did not arrange for TESC to contract  
5 with DISAL, but instead personally made the arrangements, and signed the 2008 agreements.  
6 [REDACTED] did not solicit competitive bids for the services DISAL provided, and gave the  
7 students no choice but to use the service provider he contracted with. The Board may impose  
8 a fine of up to \$5,000 per violation, for a total of \$15,000 for these violations.

9           3.13 The Board concludes that [REDACTED] violated the “financial interest” provision  
10 of RCW 42.52.030 in at least four academic years, when he received funds that benefitted him  
11 personally, in excess of his wages and benefits due him by reason of his faculty position. The  
12 Board may impose a fine of up to \$5,000 per violation, for a total of \$20,000 for these  
13 violations.

14           3.14 The Board may also calculate the penalty by determining the excess money  
15 [REDACTED] received from students for the trips, over and above the actual cost of the trip.  
16 The Board may impose a penalty of up to three (3) times the amount of excess funds received  
17 by the person violating the Ethics laws. Using conservative figures (the actual amount  
18 received by [REDACTED] is almost certainly larger than that which can be unequivocally  
19 established) these amounts are found to be: in 2008, \$3,317.84; in 2007; \$4,559.77; in 2006,  
20 \$26,716.03, and in 2005, \$20,245.85, for a total of \$54,839.49. Three times this amount  
21 would be \$164,518.47, plus restitution to The Evergreen State College in the amount of  
22 \$9,900.

23           3.15 The Board also considered the option of imposing a penalty based on the  
24 number of students who traveled in each year as a separate violation of the conflict of interest  
25 prohibition in the laws, and imposing the maximum penalty of \$5,000 per violation for these  
26 violations. Based on 41 students who traveled [ten (10) students in 2005, eleven (11) students

1 in 2006, and fifteen (15) students in 2008], this penalty alone adds up to \$205,000. In  
2 addition, the Board can impose the \$5,000 fine for each of the three violations of the "special  
3 privileges" law as outlined in paragraph 3.12 (\$15,000 total) and the four violations of the  
4 financial interest provisions (\$20,000 total) for a grand total of \$240,000 plus restitution in the  
5 amount of \$9,900.

6 3.16 Based on the totality of the facts in the record, and utilizing RCW 42.52.480  
7 and WAC 292-120-030 as a guide, the Board finds that an appropriate monetary penalty for  
8 all violations is \$119,578.98. This penalty equates to two (2) times the excess money  
9 received as provided in paragraph 3.14, plus restitution in the amount of \$9,900.00 to The  
10 Evergreen State College.

11 IV. ORDER

12 4.1 The Initial Order of Default dated March 14, 2011 is hereby adopted by the Board, and  
13 incorporated into this Final Order by this Reference. [REDACTED] is in default for failure to  
14 appear at the March 11, 2011 hearing.

15 4.2 Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby ordered  
16 that [REDACTED] violated the Ethics law as outlined above in paragraphs 3.3 through 3.13  
17 above. [REDACTED] is assessed a monetary civil penalty in the amount of \$109,678.98, and  
18 restitution in the amount of \$9,900. Total payment of \$119,578.98 is due within 180 days of  
19 the date of this order.

20 DATED this 19<sup>th</sup> day of May, 2011.

21  
22 Mike Connelly, Chair

Matthew Williams III, Vice Chair

23   
24 Neil Gorrell, Member

25   
26 Linnaea Jablonski, Member



1 in 2006, and fifteen (15) students in 2008], this penalty alone adds up to \$205,000. In  
2 addition, the Board can impose the \$5,000 fine for each of the three violations of the "special  
3 privileges" law as outlined in paragraph 3.12 (\$15,000 total) and the four violations of the  
4 financial interest provisions (\$20,000 total) for a grand total of \$240,000 plus restitution in the  
5 amount of \$9,900.

6 3.16 Based on the totality of the facts in the record, and utilizing RCW 42.52.480  
7 and WAC 292-120-030 as a guide, the Board finds that an appropriate monetary penalty for  
8 all violations is \$119,578.98. This penalty equates to two (2) times the excess money  
9 received as provided in paragraph 3.14, plus restitution in the amount of \$9,900.00 to The  
10 Evergreen State College.

11 IV. ORDER

12 4.1 The Initial Order of Default dated March 14, 2011 is hereby adopted by the Board, and  
13 incorporated into this Final Order by this Reference. [REDACTED] is in default for failure to  
14 appear at the March 11, 2011 hearing.

15 4.2 Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby ordered  
16 that [REDACTED] violated the Ethics law as outlined above in paragraphs 3.3 through 3.13  
17 above. [REDACTED] is assessed a monetary civil penalty in the amount of \$109,678.98, and  
18 restitution in the amount of \$9,900. Total payment of \$119,578.98 is due within 180 days of  
19 the date of this order.

20 DATED this 30<sup>th</sup> day of May, 2011.

21  
22 Mike Connelly, Chair

*M. Williams III*  
Matthew Williams III, Vice Chair

23  
24 Neil Gorrell, Member

Linnaea Jablonski, Member

1 in 2006, and fifteen (15) students in 2008], this penalty alone adds up to \$205,000. In  
2 addition, the Board can impose the \$5,000 fine for each of the three violations of the "special  
3 privileges" law as outlined in paragraph 3.12 (\$15,000 total) and the four violations of the  
4 financial interest provisions (\$20,000 total) for a grand total of \$240,000 plus restitution in the  
5 amount of \$9,900.

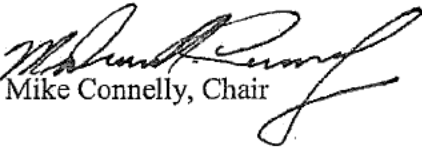
6 3.16 Based on the totality of the facts in the record, and utilizing RCW 42.52.480  
7 and WAC 292-120-030 as a guide, the Board finds that an appropriate monetary penalty for  
8 all violations is \$119,578.98. This penalty equates to two (2) times the excess money  
9 received as provided in paragraph 3.14, plus restitution in the amount of \$9,900.00 to The  
10 Evergreen State College.

11 IV. ORDER

12 4.1 The Initial Order of Default dated March 14, 2011 is hereby adopted by the Board, and  
13 incorporated into this Final Order by this Reference. [REDACTED] is in default for failure to  
14 appear at the March 11, 2011 hearing.

15 4.2 Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby ordered  
16 that [REDACTED] violated the Ethics law as outlined above in paragraphs 3.3 through 3.13  
17 above. [REDACTED] is assessed a monetary civil penalty in the amount of \$109,678.98, and  
18 restitution in the amount of \$9,900. Total payment of \$119,578.98 is due within 180 days of  
19 the date of this order.

20 DATED this 23 day of May, 2011.

21   
22 Mike Connelly, Chair

Matthew Williams III, Vice Chair

23  
24 Neil Gorrell, Member

Linnaea Jablonski, Member

1 **APPEAL RIGHTS**

2 **RECONSIDERATION OF FINAL ORDER – BOARD**

3 Any party may ask the Executive Ethics Board to reconsider a Final Order. The request must  
4 be in writing and must include the specific grounds or reasons for the request.

5 The request must be delivered to Board office within 20 days after the postmark date of this  
6 order.

7 The Board is deemed to have denied the request for reconsideration if, within 20 days from  
8 the date the request is filed, the Board does not either dispose of the petition or serve the  
9 parties with written notice specifying the date by which it will act on the petition. (RCW  
10 34.05.470).

11 The Respondent is not required to ask the Board to reconsider the Final Order before seeking  
12 judicial review by a superior court. (RCW 34.05.470).

13  
14 **FURTHER APPEAL RIGHTS – SUPERIOR COURT**

15 A Final Order issued by the Executive Ethics Board is subject to judicial review under  
16 the Administrative Procedure Act, chapter 34.05 RCW. See RCW 42.52.440. The procedures  
17 are provided in RCW 34.05.510 - .598.

18 The petition for judicial review must be filed with the superior court and served on the  
19 Board and any other parties within 30 days of the date that the Board serves this Final Order  
20 on the parties. (RCW 34.05.542(2)). A petition for review must set forth:

- 21 (1) The name and mailing address of the petitioner;  
22 (2) The name and mailing address of the petitioner’s attorney, if any;  
23 (3) The name and mailing address of the agency whose action is at issue;  
24 (4) Identification of the agency action at issue, together with a duplicate copy,  
25 summary, or brief description of the agency action;  
26

- 1 (5) Identification of persons who were parties in any adjudicative proceedings that
- 2 led to the agency action;
- 3 (6) Facts to demonstrate that the petitioner is entitled to obtain judicial review;
- 4 (7) The petitioner's reasons for believing that relief should be granted; and
- 5 (8) A request for relief, specifying the type and extent of relief requested.

6 Service is defined in RCW 34.05.010(19) as the date of mailing or personal service.

7

8 **ENFORCEMENT OF FINAL ORDERS**

9 If there is no timely request for review or reconsideration, this Initial Order becomes a

10 Final Order. The Respondent is legally obligated to pay any penalty assessed.

11 The Board will seek to enforce a Final Order in superior court and recover legal costs

12 and attorney's fees if the penalty remains unpaid and no petition for judicial review has been

13 timely filed under chapter 34.05 RCW. This action will be taken without further order by the

14 Board.