

BEFORE THE WASHINGTON STATE
EXECUTIVE ETHICS BOARD

In the Matter of:

Jonathan Joudrey
Respondent.

No. 2018-040

STIPULATED FACTS,
CONCLUSIONS OF LAW AND
AGREED ORDER

THIS STIPULATION is entered into by Respondent, JONATHAN JOUDREY, and Board Staff of the WASHINGTON STATE EXECUTIVE ETHICS BOARD (Board) through KATE REYNOLDS, Executive Director, pursuant to chapter 42.52 RCW, chapter 34.05 RCW, and WAC 292-100-090(1). The following stipulated facts, conclusions of law, 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. This stipulation is based on the following:

A. STIPULATED FACTS

1. On July 27, 2018, the Executive Ethics Board (Board) received a referral from the State Auditors Whistleblower program alleging that Jonathan Joudrey (Mr. Joudrey), Worksource Specialist working in the Employment Connection Division of the Employment Security Department (ESD), may have violated the Ethics in Public Service Act in hiring a client of ESD to work in his outside business.
2. ESD collaborates with other agencies and organizations to provide various training and employment services to Washington Residents. One collaboration is a partnership called WorkSource. WorkSource is a partnership of state, local and non-profit agencies to provide employment and training services for clients of ESD and employers in Washington.

3. This case involves an ESD client (Client) of two WorkSource Partners, AmeriCorps and ResCare.

AmeriCorps is a national volunteer service program. Members volunteer at various locations including non-profit organizations, schools and public agencies. AmeriCorps volunteers gain skills, training, and educational benefits.

ResCare assists young people, ages 16-24 years of age, gain work experience and training. The program is federally funded through an ESD grant. ResCare clients work at local businesses or non-profit organizations and are paid through the program's federal grant and not the business. This benefits the client, who receives work experience and the business owner, who does not pay for the client's time/labor.

4. For all times pertinent to this investigation, Mr. Joudrey was employed as a WorkSource Specialist 6 working from the Mason County (Shelton) Office. Mr. Joudrey supervised an office staff of 4-5 ESD employees.

5. Mr. Joudrey also owns and operates Doo's Donuts located in Shelton. A business license filed in 2013 with the Washington State Department of Revenue indicates Doo's Donuts is owned by Jonathon and Gloria Joudrey. Mr. Joudrey told Board staff Gloria Joudrey is his wife and responsible for the day-to-day operation of the stores.

6. In 2013, Mr. Joudrey submitted a "Notification of Outside Employment" to ESD; he indicated he would be working approximately 20 hours per week, making deliveries as well as doing inventory and bookkeeping for the business. The application was approved and signed by his supervisor.

7. Mr. Joudrey told SAO investigators that in late 2016 or early 2017 an AmeriCorps Client approached him and asked if he could help in Mr. Joudrey's outside business.

8. Mr. Joudrey told SAO investigators that he paid the Client to drive a delivery vehicle for about 10 hours per week. This position was not coordinated through the AmeriCorps program.

9. The Client worked as an AmeriCorps volunteer for ESD for two terms. February 16, through August 15, 2016 and September 1, 2016 through July 15, 2017.

10. The AmeriCorps position description indicates that the Client's primary job duty at the ESD WorkSource office was to provide technology assistance to job seekers with a work location at Shelton WorkSource office. Their work schedule was be 8:00 am to 5:00 pm, Monday through Friday, and their direct supervisor was Mr. Joudrey.

11. The Client's AmeriCorps service ended while the Client was still working at Mr. Joudrey's business.

12. On August 9, 2017, the Client signed up for ResCare and was placed in Mr. Joudrey's business.

13. Jessica Hardy (Ms. Hardy), ResCare Case Manager, placed the Client at Mr. Joudrey's business. Ms. Hardy declined to meet with SAO investigators.

14. Mr. Joudrey told SAO investigators that an ESD ResCare representative (Ms. Hardy) placed the Client in his business and that he did not influence or request the placement. According to Mr. Joudrey, a ResCare staff member approached his wife at his business regarding training for the Client.

15. The Client started working at Mr. Joudrey's business under the ResCare program on August 23, 2017 and worked there until October 6, 2017. Client was paid by ResCare at a rate of \$11.50 per hour for 20 hours per week (\$230/week).

16. ESD's Policy 1016, Employee Conduct, Section 2 – Outside Employment/Business Activity states: "An employee's employment with the ESD is considered his/her primary employment.

In accordance with Article 28.5 of the CBA, the provisions of which apply to all ESD employees. “Employees will notify the employer prior to engaging in any off-duty employment. Employees may engage in off-duty employment that will not interfere with the performance of their duties or result in a conflict of interest.” In addition, no employee may use, or cause to be used, state premises, materials, facilities, time, funds, equipment, **clients or personnel in connection with outside employment.** (emphasis added)

17. Anne Goranson (Ms. Goranson), Southwest Regional Director with ESD, told SAO investigators that at the time of the SAO complaint Mr. Joudrey was the supervisor for WorkSource employees located in the Shelton WorkSource office. She further stated that Mr. Joudrey was the “functioning supervisor” of the other ESD staff in the Shelton office, but was not technically in their line of supervision. Indicating that Mr. Joudrey took a more active leadership role and sometimes failed to contact the employee’s actual supervisor giving the impression that he was the their supervisor.

18. Ms. Goranson told SAO investigators that Ms. Hardy is a ResCare youth case manager working out of the Shelton office.

19. Ms. Goranson told SAO investigators that she believes the situation described in the complaint to be a conflict of interest, stating, “ESD Policy “Employee Conduct-Conflict of Interest” lays out very clearly that the employees cannot utilize the services of the partnership for their own benefit.

20. Wilford Yeager (Mr. Yeager), Project Director for ResCare, indicated in a response to Board staff that ResCare was aware of Mr. Joudrey’s position as a WorkSource supervisor for ESD and the owner of Doos Donuts at the time of Client’s placement at his business. Mr. Yeager further stated that he believed that it was “fine” for Mr. Joudrey to accept the placement of the ResCare Client.

21. As a result of the SAO investigation, Mr. Joudrey was demoted from a WorkSource Specialist 6 to a WorkSource Specialist 4 reporting to the WorkSource Rainier Office Effective November 23, 2018.

B. CONCLUSIONS OF LAW

1. The Ethics in Public Service Act, Chapter 42.52 RCW, prohibits state employees from conducting activities incompatible with their public duty (conflict of interest). RCW 42.52.020 states:

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

2. Based on the stipulated facts above, Mr. Joudrey conducted activities incompatible with his official duties when he allowed a ResCare client to be assigned to work at his outside business in which he received the benefit of not having to pay wages to an employee for 20 hours of work per week in violation of RCW 42.52.020.

3. 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.

C. AGGRAVATING AND MITIGATING FACTORS

In determining the appropriateness of the civil penalty, the Board reviewed the criteria in WAC 292-120-030. In the matter at hand, it is an aggravating factor these types of violations significantly reduce the public respect and confidence in state government employees. In the matter at hand, it is a mitigating factor that Mr. Joudrey was demoted from a WorkSource Specialist 6 to a WorkSource Specialist 4 and required to relocate to an office in Rainier, Washington.

D. STIPULATION AND AGREED ORDER

1. Pursuant to chapter 42.52 RCW, the Executive Ethics Board has jurisdiction over Jonathan Joudrey and over the subject matter of this complaint.

2. Under RCW 34.05.060, the Board can 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.

3. 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.

4. Jonathan Joudrey agrees that if any or all of the alleged violations were proven 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).

5. Jonathan Joudrey further agrees that the evidence available to the Board is such that the Board may conclude he violated the Ethics in Public Service Act. Therefore, in the interest of seeking an informal and expeditious resolution of this matter, the parties agree to entry of the stipulated findings of fact, conclusions of law and agreed order.

6. Jonathan Joudrey 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).

7. If the Board accepts this stipulation, the Board agrees to release and discharge Jonathan Joudrey from all further ethics proceedings under chapter 42.52 RCW for any allegations arising out of

the facts in this matter, 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 stipulation. Jonathan Joudrey 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.

8. If the Board accepts this stipulation, it does not purport to settle any other claims between Jonathan Joudrey and the Washington State Executive Ethics Board, the State of Washington, or other third party, which may be filed in the future. No other claims of alleged violations are pending against Jonathan Joudrey at this time.

9. If the Board accepts this stipulation, it is enforceable under RCW 34.05.578 and any other applicable statutes or rules.

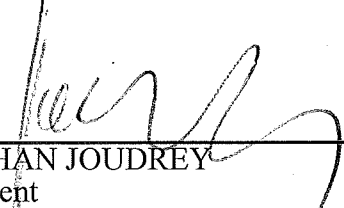
10. If the Board rejects this stipulation, or if Jonathan Joudrey does not accept the Board's proposed modification(s), if any, this matter will be scheduled for an administrative hearing before the Board. If an administrative hearing is scheduled before the Board, Jonathan Joudrey waives any objection to participation by any Board member at the hearing to whom this stipulation was presented for approval under WAC 292-100-090(2). Further, Jonathan Joudrey understands and agrees that this stipulation as well as information obtained during any settlement discussions between the parties shall not be admitted into evidence during the administrative hearing, unless otherwise agreed by the parties.

11. Jonathan Joudrey agrees to pay a civil penalty in the amount of two-thousand dollars (\$2,000) associated with violations of, RCW 42.52. The Board agrees to suspend five-hundred dollars (\$500.00) on the condition that Jonathan Joudrey complies with all terms and conditions of this Stipulation and Order and commits no further violations of RCW 42.52 for a period of two years from the date this agreement is executed.

12. The non-suspended portion of the civil penalty in the amount of one-thousand, five-hundred dollars (\$1,500) is payable in full to the Washington State Executive Ethics Board within forty-five (45) days after this stipulation is signed and accepted by the Board, or as otherwise agreed to by the parties.

II. CERTIFICATION

I, Jonathan Joudrey, hereby certify that I have read this stipulation in its entirety, that my counsel of record, if any, has fully explained the legal significance and consequence of it. I further certify 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, I understand that I will receive a signed copy.



JONATHAN JOUDREY Date
Respondent

Presented by:



KATE REYNOLDS Date
Executive Director

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

 ✓ ACCEPTED in its entirety;


 REJECTED in its entirety;

 MODIFIED. This stipulation will become the order of the Board if the Respondent approves* the following modification(s):


DATED this 11th day of January, 2019


John Ladenburg, Sr, Chair


Shirley Battan, Vice-Chair


Lisa Marsh, Member

 RB
Anna Dudek Ross, Member


Gerri Davis, Member

* I, Jonathan Joudrey, accept/do not accept (circle one) the proposed modification(s).

Jonathan Joudrey, Respondent Date