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7	BEFORE THE WASHINGTON STATE EXECUTIVE ETHICS BOARD		
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9	In the Matter of:	OAH Docket No. 2012-EEB-0003 EEB No. 2010-018	
10.	JOSE DIAZ,	REVISED FINDINGS OF FACT,	
11	Respondent.	CONCLUSIONS OF LAW AND FINAL ORDER	
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13	I. PROCEDURAL HISTORY		
14	1.1 The Executive Ethics Board (Board) staff received an agency referral from the		
15	Office of Minority and Women's Business Enterprises (OMWBE) dated March 16, 2010		
16	alleging that Jose Diaz, Management Analyst 4, violated the Ethics in Public Service Act,		
17	chapter 42.52 RCW, by using state resources (agency time, computer, and email) during work		
18	hours to conduct unauthorized and non-age	ncy related activities from June 2008 to March 2,	
19	2010. The Board reviewed the referral and issued a complaint on May 28, 2010.		
20	1.2 On November 12, 2010, the Board found reasonable cause to believe that a		
21	violation of the Ethics in Public Service Act occurred.		
22	1.3 A prehearing conference, with all parties participating, was held on May 21,		
23	2012 with an Administrative Law Judge (ALJ) presiding pursuant to RCW 42.52.500.		
24	1.4 After due and proper notice, a hearing was held before the Board. The hearing		
25	was held at the Board offices at Bristol Court in Olympia, Washington, convening on March 7,		
26	2013 at 9:00 AM. ALJ Alice L. Haenle from	n the Office of Administrative Hearings conducted	

REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

the proceedings, and Board Chair Lisa Marsh, Vice Chair Anna Dudek Ross, and members Matthew Williams III and Samantha Simmons were present. Also present was Bruce L. Turcott, Assistant Attorney General, legal advisor to the Board.

1.5 Board staff was represented by Chad Standifer, Assistant Attorney General.The Board's Executive Director Melanie de Leon and other Board staff members were present.

1.6 Respondent Jose Diaz was present and represented by Larry King, attorney at law.

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was provided copies of documents that were admitted as exhibits.

1. Executive Ethics Board Complaint dated March 16, 2010 (5 pages);

Board Staff offered Exhibits 1-23. All were admitted into evidence. The Board

2. Personal documents of Jose Diaz (19 pages);

3. Personal documents of Jose Diaz (8 pages);

4. Documents relating to the Hispanic Roundtable (26 pages);

5. Documents relating to the Hispanic Roundtable Youth Summit - 2009 (568 pages);

6. Documents relating to the Hispanic Roundtable Youth Summit – 2008 (313 pages);

7. Jose Diaz Position Description dated September 26, 2008 (5 pages);

- 8. Jose Diaz PDP Expectations signed September 26, 2008 (4 pages);
- 9. Jose Diaz PDP Evaluation signed December 3, 2008 (3 pages);
- 10. Jose Diaz PDP Expectations signed December 3, 2008 (2 pages);

11. Jose Diaz Outside Employment Form dated June 3, 2008 (2 pages);

12. Jose Diaz Outside Employment Form dated July 13, 2010 (2 pages);

- OMWBE Internet Usage, Computer Software Usage and Electronic E-Mail Usage Policies signed by Jose Diaz on June 11, 2008 and May 11, 2009 (8 pages);
 - 14. OMWBE Standards of Ethical Conduct for all OMWBE Employees Policy signed by Jose Diaz on May 11, 2009 (9 pages);

15. OMWBE Summary of Jose Diaz Computer Files (2 pages);

16. Executive Ethics Board Preliminary Investigation and Board Determination dated November 12, 2010 (5 pages);

REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

1		17.	EEB Advisory Opinion 99-02 – Use of State Resources/Non-Profit Entities (4 pages);
2		18.	EEB Advisory Opinion 02-01 – Use of State Resources to Conduct Union Business (4 pages);
4		19.	Deposition Transcripts of Jose Diaz taken on January 24, 2013 and January 31, 2013 (95 pages);
5		20.	Jose Diaz emails relating to Union Business/Activities (8 pages);
6		21.	Hispanic Roundtable website documents (38 pages);
7		22.	OMWBE Outreach Policies dated October 26, 2009 and January 7, 1992 (2 pages); and
8 9		23.	Letter from Jean Wheat to Cynthia Cooper dated March 11, 2010 (1 page).
10	1.8	Mr. Di	az offered no exhibits.
11	1.9	The pa	rties did not submit prehearing briefs.
12	1.10 The proceedings were recorded and open to the public.		
13	1.11 The Board heard the testimony of Melanie de Leon, Cathy Canorro, Les Ling,		
14	Jose Diaz, Tom Zvirdys, and Jenaro Castaneda.		
15	1.12 The hearing was adjourned on March 7, 2013, and the Board issued its decision		
16	on April 16, 2	2013.	
17	1.13 Mr. Diaz subsequently filed a petition for judicial review in Thurston County		
18	Superior Court, Case No. 13-2-01086-8. The Court entered Findings of Fact, Conclusions of		
19	Law, and Order on February 25, 2014, remanding this matter for the Board to issue a new		
20	order in compliance with RCW 34.05.461(3), based on the currently existing administrative		
21	record, or to conduct a new hearing.		
22	1.14	Notice	was given to the parties of an opportunity to address the Board regarding
23	the remand.	Mr. Sta	andifer addressed the Board at its regular meeting on March 14, 2014.
24	Frederick H. Gautschi, III, attorney at law, addressed the Board, representing Mr. Diaz, at the		
25	Board's regular meeting on May 9, 2014.		
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REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

Based on the evidence presented in the currently existing administrative record, the Board enters the following Revised Findings of Fact, Conclusions of Law and Final Order:

П. **FINDINGS OF FACT**

2.1 Jose Diaz has been employed as a Management Analyst 4 in the OMWBE's Agency Support Unit since June 1, 2008. The objective of this position is to provide technical assistance to state agencies to facilitate development, compliance, and execution of their supplier diversity programs, as well as training and technical assistance to firms to increase their access to opportunities and competitiveness. The position also analyzes agency expenditures and prepares statistical reports to facilitate the agency's mission to "help create and sustain an equitable business environment by promoting the participation, in public contracting and procurement, of all qualified and available businesses owned and controlled by minorities, women and all others who may be socially and economically disadvantaged." Exhibit 7.

13 2.2 The Hispanic Roundtable is a private nonprofit corporation. 14 purposes are to improve access to education, community resources and services, 15 economic development, and employment opportunities for the Hispanic population 16 in the South Sound. (Articles of Incorporation, Ex. 21, p.1). The Latino Youth 17 Summit is an annual career, lifestyle, and college conference organized by the 18 Hispanic Roundtable. (Article from The Olympian, Oct. 30, 2008, Ex. 6, p.41)

19 Jose Diaz used agency time and resources, including up to five percent of his work time, 20 agency email, storage of documents on agency computers, and use of the OMWBE logo on 21 fundraising letters, from June 2008 to March 2, 2010, to support, promote, and solicit for outside 22 organizations, the Hispanic Roundtable and its Latino Youth Summits of 2008 and 23 2009. Exhibit 5 contains 568 pages of documents related to planning, organizing, 24 and fundraising for the Latino Youth Summit of 2009 that were stored on Mr. 25 Diaz's computer. Exhibit 6 contains 313 pages of documents related to the similar 26 activities for the Latino Youth Summit of 2008. The OMWBE logo was used on

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REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

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correspondence at Exhibit 5, pages 356-58 and 362 and at Exhibit 6, pages 33, 56, 75, 108-09, 271, 280-82, and 295. Exhibit 4 contains 26 additional pages of email relating to the Hispanic Roundtable and Latino Youth Summit. Mr. Diaz testified regarding his participation in Hispanic Roundtable affairs before and after he was hired by OMWBE, and his deposition was also taken and admitted as an exhibit. (Trans. 86-117 and Ex. 19).

Supporting, promoting, and soliciting for outside organizations was not part of Mr. Diaz's official duties as a state employee, and it would have been outside the authority of his employing agency to authorize the use of state resources in violation of state law. Supporting, promoting, and soliciting for outside organizations is of a different nature than the general "outreach" to the Hispanic community, on behalf of OMWBE, that was reflected as one of the work activities in Mr. Diaz's position description. (Ex. 7, p.2)

2.3 Jose Diaz used agency time and resources, including a state-assigned computer, to store personal and/or private information that was not agency-related on his state computer such as photographs, recipes, personal emails and jokes, and various personal letters. (Exs. 2 and 3).

2.4 Jose Diaz used agency time and resources, including a state-assigned computer, to engage in union activities during work hours without permission. Unauthorized union activities include emails to and from Jose Diaz and Joan Gallager of WFSE regarding:

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b. All-staff meetings (Ex. 20, p.5); and

c. Forwarding the director's email regarding conducting union business without
 permission during working hours (Ex. 20, pp. 2-4).

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2.5 On June 11, 2008, Mr. Diaz signed the OMWBE Policy regarding
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Downgrading a represented position (Ex. 20, p.1);

REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

Computer Software Usage and Electronic E-Mail Usage policy (effective January 29, 2009) indicating that he read and understood the policy. This policy establishes procedures for authorized use of OMWBE computer systems to communicate outside the agency via the Internet, computer software to perform job duties within the agency and communication outside the office using electronic e-mail, and defines limitations on such usage. This policy notes that state property may not be used:

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For the purpose of conducting an outside business, whether or not for profit;

b. For the purpose of assisting the campaign of any candidate for election to any office, or to oppose or promote a ballot proposition;

For commercial purposes such as advertising or selling; or,

d. For illegal activities or activities which are incompatible with a professional workplace, such as, but not limited to, accessing adult-oriented websites, gambling on the Internet, or other inappropriate use.

2.7 OMWBE's Policy on Standards of Ethical Conduct For All OMWBE Employees (Jan. 29, 2009) states at Section II.E.1.c.ii, "Supporting, promoting the interest of, or soliciting for an outside organization or group" is a violation of the Ethical Conduct Policy. (Ex. 14, p.6) All OMWBE employees are required to review and acknowledge receipt of this Policy.

2.8 On May 11, 2009, Mr. Diaz signed the OMWBE policy regarding Standards of Ethical Conduct for All OMWBE Employees (effective January 29, 2009). This policy contains a section entitled "Using State Resources" and states in part that the following private uses of state resources are explicitly prohibited by state law or rules:

Conducting an outside business or private employment;

b. Supporting, promoting the interest of, or soliciting for an outside organization or group except as allowed by law, rule, or OMWBE policy; and

REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

a.

1		c. Desk-to-desk or office-to-office solicitations for profit and/or non-profit
2	organi	izations.
3		III. CONCLUSIONS OF LAW
4	3.1	The Board has jurisdiction to hear this matter pursuant to RCW 42.52.360(1),
5	which author	rizes the Board to enforce the Ethics in Public Service Act, chapter 42.56 RCW,
6	with respect	to employees in the executive branch of state government. The complaint was
7	filed in accordance with RCW 42.52.410, the Board found reasonable cause pursuant to	
8	RCW 42.52.4	420, and an adjudicative proceeding was conducted pursuant to RCW 42.52.430
9	and .500. Al	1 the required procedural notices have been provided.
10	3.2	The Ethics in Public Service Act governs the conduct of state officers and
11	employees.	
12	3.3	A state employee may not use state resources for the private benefit or gain of
13	another unde	r RCW 42.52.160, which states:
14		No state officer or state employee may employ or use any person, money, or property under the officer's or employee's official
15 16		control or direction, or in his or her official custody, for the private benefit or gain of the officer, employee, or another.
17	3.4	The Executive Ethics Board rule relating to use of state resources provides in
18	WAC 292-11	10-010(5):
19		Prohibited uses.
20		(b) Any use for the purpose of supporting, promoting the interests of, or soliciting for an outside organization or group, including, but
21	- -	not limited to, a private business, or a political party, or supporting, promoting the interests of, or soliciting for a nonprofit organization
22		unless provided for by law or authorized by an agency head or
23		designee;
24		(e) Any use related to conduct that is prohibited by a federal or state law or rule, or a state agency policy;
25	3.5	Under RCW 42.52.480, the Board may impose a civil penalty of up to
26	 \$5,000 per vi	iolation or three times the economic value of anything received or sought in
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REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

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violation of the Ethics in Public Service Act, whichever is greater. The Board may also impose the cost of investigating the complaint and order restitution for any damages sustained by the state.

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3.6 RCW 42.52.160 provides that a state employee may not use state resources for the private benefit or gain of himself or another. WAC 292-110-010(5)(b) prohibits the use of state resources to support, promote, or solicit for an outside organization, including a nonprofit. Finally, WAC 292-110-010(5)(e) prohibits any use of state resources in violation of OMWBE policy.

As to Finding of Fact 2.2, regarding support of outside organizations, Mr. Diaz argues that he was hired to do the same work he was doing before he was hired, his job description provided for outreach to the Hispanic community, and he had his supervisor's approval for XYZ. (Respondent's Opening and Closing Statements, Trans. 16-17 and 140)

Mr. Diaz was a state employee, a Management Analyst at OMWBE, while he was engaged in planning, organizing, and fundraising activities on behalf of the Hispanic Roundtable and Latino Youth Summits of 2008 and 2009. These activities included significant amounts of Mr. Diaz's work time, use of agency email, storage of documents on agency computers, and use of the OMWBE logo on fundraising letters, as detailed in Finding of Fact 2.2.

Although Mr. Diaz had been engaged in promotion of the Hispanic Roundtable before he was hired, his role and responsibilities as a state employee during work time were distinct. Mr. Diaz's position description provides that his position "meets customer requirements by providing professional level technical assistance to state agencies to facilitate development, compliance, and execution of their supplier diversity programs; as well as training and technical assistance to firms to increase their access to opportunities and competitiveness." (Ex. 7, p.2) His supervisor Cathy Canorro also testified to these responsibilities at OMWBE. (Test. of Canorro at 56-57)

REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

The position description provided as one of his responsibilities "Hispanic Outreach" (on behalf of OMWBE), but it did not provide for him to use state resources and state time to plan, organize, promote, and support the Hispanic Roundtable and Latino Youth Summits. (Ex. 7, p.2) Mr. Diaz's Performance and Development Plan Expectations and Evaluation did not reference the Hispanic Outreach component of his work duties. (Exs. 8-10) Mr. Diaz submitted outside employment forms noting that he was a Hispanic Roundtable volunteer and they were approved (the 2008 form stated he did not have outside business activity, and the 2010 form stated he did have outside business activity), but the agency approval was for activity <u>outside</u> of work time. (Exs. 11 and 12). In summary, OMWBE did not authorize Mr. Diaz to use state resources to support the Hispanic Roundtable, nor could the agency or his supervisors have authorized him to violate the Ethics in Public Service Act or this Board's rules.

Based on these facts, the Board finds that Mr. Diaz used state resources for the private benefit or gain of outside organizations by supporting, promoting, and soliciting for the Hispanic Roundtable, including the Latino Youth Summits of 2008 and 2009. These actions violated RCW 42.52.160, WAC 292-110-010(5)(b) and (e), and the OMWBE Policies on Internet Usage, Computer Software Usage, and Electronic E-Mail Usage (Jan. 30, 2006 and Jan. 29, 2009) (Ex. 13) and Standards for Ethical Conduct for All OMWBE Employees (Jan. 29, 2009) (Ex. 14).

As to Finding of Fact 2.4, regarding union activities, Mr. Diaz did not address the
alleged use of agency time, resources, and computer to engage in unauthorized union activities.
(*See* Respondent's Opening and Closing Statements, Trans. 15-17 and 139-41)

It is undisputed that Mr. Diaz sent emails to Joan Gallager of Washington Federation of
State Employees regarding downgrading a represented position (Ex. 20, p.1), the director's
email regarding conducting union business without permission during working hours (Ex. 20, p.24), and all-staff meetings (Ex. 20, p.5).

REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

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Therefore, the Board concludes that Mr. Diaz also used state resources to engage in unauthorized union activities during work hours. This violated RCW 42.52.160, WAC 292-110-010(5)(b) and (e), and the OMWBE Policy on Standards of Ethical Conduct for All OMWBE Employees, II.E.1.e (Jan. 29, 2009) (Ex. 14, p. 7).

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3.7 The Board found in Finding of Fact 2.3 that Mr. Diaz stored a limited amount of personal information on his computer—photographs, recipes, personal emails, jokes, etc. Mr. Diaz admits there were personal items stored on his computer but argues that he spent a very limited amount of time over the course of his employment on them. (Respondent's Opening Statement, Trans. 15-17) The Board did not base Conclusion of Law 3.6 or find a violation based on Mr. Diaz's limited storage of personal information on his state computer as found in 2.2(b). Although storage of this personal information was not an appropriate use of state resources, it did not rise to the level of the violations found in Conclusion of Law 3.6.

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3.8 A state officer or employee is prohibited under RCW 42.52.070 from using state property: "Except as required to perform duties within the scope of employment, no state officer or state employee may use his or her position to secure special privileges or exemptions for himself or herself, or his or her spouse, child, parents, or other persons." Mr. Diaz was not charged under this provision of the Ethics in Public Service Act, however the Board notes the evidence may have supported finding a violation of it as well.

3.9 In determining the appropriate sanction, including the amount of any civil penalty, the Board did not find any aggravating circumstances or mitigating factors under WAC 292-120-030.

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IV. ORDER

4.1 Based upon the foregoing Findings of Fact and Conclusions of Law, it is hereby ordered that Jose Diaz is assessed a total monetary civil penalty of \$9,884, payable in full within 90 days of the effective date of this order.

REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

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1	4.2 The amount was calculated as follows: \$5,000 civil penalty for violations of
2	WAC 292-110-010(5)(b) and (e) plus \$4,884 for use of at least five percent of Mr. Diaz's time
3	on Hispanic Roundtable and related matters. His annual salary during the relevant time period
4	was \$53,285, therefore the monthly salary was \$4,440, and five percent of monthly salary was
5	\$222. The relevant time period covered twenty-two months (June 2008 through March 2010).
6	Therefore, $$222 \times 22 \text{ months} = $4,884.$
7	DATED this $15 \frac{-46}{\text{day}}$ of June, 2014.
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9	WASHINGTON STATE EXECUTIVE ETHICS BOARD
10	Airamarch
11	Lisa Marsh, Chair
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REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

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2	APPEAL RIGHTS	
3	RECONSIDERATION OF FINAL ORDER – BOARD	
4	Any party may ask the Executive Ethics Board to reconsider a Final Order. The	
5	request must be in writing and must include the specific grounds or reasons for the request.	
6	The request must be delivered to Board office within 20 days after the postmark date of this	
7	order.	
8	The Board is deemed to have denied the request for reconsideration if, within 20 days	
9	from the date the request is filed, the Board does not either dispose of the petition or serve the	
10	parties with written notice specifying the date by which it will act on the petition.	
11	(RCW 34.05.470).	
12	The Respondent is not required to ask the Board to reconsider the Final Order before	
13	seeking judicial review by a superior court. (RCW 34.05.470).	
14		
15	FURTHER APPEAL RIGHTS – SUPERIOR COURT	
16	A Final Order issued by the Executive Ethics Board is subject to judicial review under	
17	the Administrative Procedure Act, chapter 34.05 RCW. See RCW 42.52.440. The procedures	
18	are provided in RCW 34.05.510598.	
19	Judicial review must be sought with the superior court under Thurston County Case	
20	No. 13-2-01086-8, in accordance with the February 25, 2014 Findings of Fact, Conclusions of	
21	Law, and Order in that case, and served on the Board and any other parties within 30 days of	
22	the date that the Board serves this Final Order on the parties. (RCW 34.05.542(2)).	
23	Service is defined in RCW 34.05.010(19) as the date of mailing or personal service.	
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REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

1	ENFORCEMENT OF FINAL ORDERS		
2	If there is no timely request for reconsideration, this is the Final Order of the Board.		
3	The Respondent is legally obligated to pay any penalty assessed.		
4	The Board will seek to enforce a Final Order in superior court and recover legal costs		
5	and attorney's fees if the penalty remains unpaid and judicial review has not been timely		
6	sought under chapter 34.05 RCW. This action will be taken without further order by the		
7	Board.		
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REVISED FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

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2	CERTIFICATION OF MAILING		
3	This certifies that a copy of the above Final Order was served upon the parties by		
4	depositing a copy of same in the United States mail, postage prepaid, addressed to the		
5	following:		
6			
7 8	Frederick Gautschi, III Gautschi Law Firm, LLC 2200 6 th Ave Ste 1250		
9	Seattle, WA 98121		
10	Bruce L. TurcottChad C. StandiferOffice of the Attorney GeneralOffice of the Attorney GeneralD.O. D. 10110D.O. D. 10110		
11	P.O. Box 40110 P.O. Box 40100 Olympia, WA 98504 Olympia, WA 98504		
12			
13	State of Washington)		
14) ss. County of Thurston)		
15			
16 17	I certify that I have this day served a copy of this document upon all parties in this proceeding, as listed, by mailing a copy thereof, properly addressed and postage prepaid, to each party to the proceeding or his or her attorney or agent.		
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19	Olympia, Washington, this 16th day of June 2014.		
20	RUTHANN BRYANT		
21	RUTHANN BRYANT Administrative Officer		
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	REVISED FINDINGS OF FACT, 14		

CONCLUSIONS OF LAW AND FINAL ORDER

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	5	FILED SUPERIOR COURT THURSTON COUNTY, WA
1		2016 JAN 29 AM 9: 23
1	☑ No Hearing Set	Linda Myhre Enlow
2	☐ Hearing is Set: Date:	Thurston County Clerk
3	Time: The Honorable Anne Hirsch	
4	Errk Prove	
5		
		EX PARTE
6	STATE OF	WASHINGTON
. 7	THURSTON COUN	TY SUPERIOR COURT
8	JOSE DIAZ,	NO. 13-2-01086-8
9	Petitioner,	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ON JUDICIAL REVIEW
10		
11	WASHINGTON STATE EXECUTIVE ETHICS BOARD,	[PROPOSED]
12	Respondent.	
13	This matter came before the Court for trial on August 28, 2015 and December 18, 2015.	
14	on the Second Petition for Judicial Revi	ew filed by counsel for Petitioner Jose Diaz
15	("Petitioner"), who sought review of the Revised Findings of Fact, Conclusions of Law and	
16	Final Order issued by the Washington State Executive Ethics Board ("Respondent"). The	
17	Respondent was represented by Chad C. Standifer, Assistant Attorney General, and the	
18	Petitioner was represented by Frederick H. Gautschi, III, of Gautschi Law Firm, LLC.	
19	The Court, having considered the pleadings filed in this matter, the supporting papers	
20	and the administrative record on file in this matter, and the argument of counsel, hereby makes	
21	the following:	

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FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ON JUDICIAL REVIEW



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ATTORNEY GENERAL OF WASHINGTON 1125 Washington Street SE PO Box 40100 Olympia, WA 98504-0100 (360) 664-9006

I. FINDINGS OF FACT

1.1 Respondent Washington State Executive Ethics Board entered a final administrative order on April 16, 2013, against Petitioner titled Findings of Fact, Conclusions of Law and Final Order, EEB No. 2010-018 ("Final Order").

5 1.2 The Final Order concluded that the Petitioner violated RCW 42.52.160 and
6 WAC 292-110-010(5)(b) and (e) with respect to his use of state resources. The Board assessed
7 a penalty of \$9,884.

The Petitioner filed a petition seeking judicial review of the Final Order. 8 1.3 Following a hearing on that petition for review, the Court concluded that the appropriate 9 remedy was vacate the Final Order and remand the case to the Executive Ethics Board. Upon 10 remand, the Board was ordered to determine whether: 1) it may issue a new Final Order in 11 compliance with RCW 34.05.461(3) based on the administrative record; or 2) a new hearing is 12 required because it deemed issuing a Final Order based on the administrative record not to be 13 14 possible. The Court retained jurisdiction in the event that the Board decided to issue a new Final Order without holding a new hearing in the matter. The Court concluded that the 15 Petitioner had not prevailed with respect to his request for a declaration that Board staff did not 16 meet its burden of proving he violated the Ethics in Public Service Act, RCW 42.52, and 17 related agency policies. 18

19 1.4 Following the remand of his matter by the Court, Respondent Washington State
 20 Executive Ethics Board entered a final administrative order on June 14, 2015, against
 21 Petitioner titled Revised Findings of Fact, Conclusions of Law and Final Order, EEB
 22 No. 2010-018 ("Revised Final Order").

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ON JUDICIAL REVIEW

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ATTORNEY GENERAL OF WASHINGTON 1125 Washington Street SE PO Box 40100 Olympia, WA 98504-0100 (360) 664-9006

1.5 The Revised Final Order again concluded that the Petitioner violated RCW 1 42.52.160 and WAC 292-110-010(5)(b) and (e) with respect to his use of state resources. The 2 Final Order assessed a penalty of \$9,884. 3

Following the issuance of the Revised Final Order, the Petitioner then filed a 1.6 Second Petition for Judicial Review seeking the dismissal of the Board's action. The Petitioner also requested \$25,000 in attorney's fees and expenses in relation to both of his petitions for judicial review in this case.

> II. **CONCLUSIONS OF LAW**

The Court has jurisdiction, pursuant to Chapter 34.05 RCW, over the parties 2.1 9 10 and subject matter.

Petitioner has not established he is entitled to relief pursuant to 11 2.2 RCW 34.05.570(3) with respect to the Findings of Fact and Conclusions of Law contained in 12 13 the Final Order, which relate to Mr. Diaz's violations of RCW 42.52.160 and WAC 292-110-14 010(5)(b) and (e). The Findings of Fact and the Conclusions of Law are supported by substantial evidence and contain no error of law.

2.3 Petitioner has established that he is entitled to relief pursuant to 16 RCW 34.05.570(3) with regard to sections 4.1 and 4.2 of the Final Order. The Respondent 17 18 erred in concluding that the penalty amount should include \$4,884 based on the calculation 19 contained in the Revised Final Order, which did not have an adequate supporting factual basis. 2.4With the exception noted above, sections 4.1 and 4.2 of the Final Order are 20 21 otherwise affirmed, such that a penalty of \$5,000 is imposed upon Mr. Diaz for his violation of RCW 42.52.160 and RCW 42.52.160 and WAC 292-110-010(5)(b) and (e). RCW 42.52.480 22 authorizes Respondent Washington State Executive Ethics Board to order a payment of a civil 23

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ON JUDICIAL REVIEW

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penalty of up to five thousand dollars per violation. The Respondent's assessment of a \$5,000
 penalty in this matter is neither arbitrary nor capricious.

2.5 With respect to the Petitioner's first petition for judicial review, he is entitled to attorney's fees pursuant to RCW 4.84.350(1). By virtue of this Court's remand of the matter to the Board, he is a prevailing party within the meaning of RCW 4.84.350(1). In addition, the Board's action in this matter was not substantially justified. The Petitioner is awarded a total \$15,000 in attorney's fees. The Petitioner is also awarded costs of \$378.50, which includes the \$240 filing fee in relation to his first petition for judicial review, and \$138.50 for the transmittal of the agency record in this case.

2.6 With respect to the Petitioner's second petition for judicial review, he is not
entitled to attorney's fees. The Board's action in this matter was substantially justified, making
attorney's fees unavailable to him pursuant to RCW 4.84.350(1). Although he obtained relief
in the form of a reduction in the amount of \$4,884 in the penalty levied by the Board, the
Board was substantially justified in levying that amount.

III. ORDER

IT IS ORDERED, ADJUDGED AND DECREED that the final decision as set forth in the Revised Final Order of the Washington State Executive Ethics Board, EEB No. 2010-018, made in the above-entitled matter is affirmed with the above stated amendments, and the Petitioner's Second Petition for Judicial Review is hereby dismissed. The Petitioner shall pay

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FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ON JUDICIAL REVIEW

the Respondent a civil penalty of \$5,000. The Respondent shall pay attorney's fees and costs 1 to the Petitioner of \$15,378.50. 2 day of January, 2016. DATED this 3 4 5 IUDGF Errk D. Price 6 Presented by: 7 **ROBERT W. FERGUSON** Attorney General 8 9 10 CHAD C. STANDIFÉR, WSBA #29724 Assistant Attorney General Attorneys for Respondent 11 Approved as to form; notice of presentation waived: 12 13 14 Frederick H. Gautschi, WSBA #20489 Attorney for Petitioner, Jose Diaz 15 16 17 18 19 20 21 22 23 ATTORNEY GENERAL OF WASHINGTON FINDINGS OF FACT, CONCLUSIONS 1125 Washington Street SE OF LAW AND ORDER ON JUDICIAL PO Box 40100

REVIEW

CRIGINAL

Olympia, WA 98504-0100 (360) 664-9006