BEFORE THE SEATTLE ETHICS AND ELECTIONS COMMISSION

In the matter of	)	No. 11-1-0624-1
	)	
	)	
CAROL WIDHALM	)	SETTLEMENT AGREEMENT
	)	
	)	

This settlement is made between Carol Widhalm and the Executive Director of the Seattle Ethics and Elections Commission (the "Director"). Upon approval by the Seattle Ethics and Elections Commission (the "Commission"), the following findings, conclusions and agreements shall be binding upon Carol Widhalm, the Director, and the Commission (the "Parties"), and their successors, heirs and assigns, and shall constitute the complete agreement between the Parties.

Carol Widhalm and the Director agree to the following:

FINDINGS OF FACT

1. Widhalm worked for Seattle Public Utilities (SPU) for twenty-nine years, retiring in the summer of 2011. She most recently was a Utility Service Representative (USR) in the Utility Service Branch. In her official capacity as a City employee, she had access to the City's Consolidated Customer Service System (CCSS).

2. USRs can access both SCL and SPU accounts. Each time a customer account is accessed a unique USR identifier is automatically recorded by the system. The USR identifier is tagged "_01" if the USR works on a SCL account and "_02" for work on a SPU account. Widhalm's identifiers were WIDHALC_01 and WIDHALC _02. Widhalm received training

beginning as early as 2002 regarding use of the CCSS system, and was aware of department policies regarding its use.[1]

3. Widhalm's CCSS access allowed her the ability to make account adjustments, set up payment arrangements, cancel shut-off notices, deduct extra garbage charges or dismiss late payment fees.

4. Additionally, Widhalm was the only employee on the Utility Services Team who had CCSS access and responsibility to process bankruptcy filings, research the affected accounts and submit documentation to SPU Audit and Accounting regarding discharge and eventual write-off of outstanding utility account balances. Widhalm did not have authorization to write-off account balances.

5. Widhalm is the account holder of record for a City residential utility bill.

Payment Arrangements

6. SPU offers payment arrangements to customers who need time to deal with larger-than-expected bills or as a process to reduce and manage monthly payments. A payment arrangement results in deferred income for the utility and defers credit action against a utility customer, including the application of late fees. Payment arrangements extend over a 60-day period. Successfully completing a payment arrangement requires a customer to pay both the payment arrangement amounts and current charges regularly billed.

7. If a customer fails to successfully complete a payment arrangement, the automatic utility billing system will cancel the arrangement, impose late fees, and reinstate the account balance. Customers are not eligible for another payment arrangement if they fail to successfully complete two payment arrangements in any 12-month period.

8. Between June 2008 and June 2010, Widhalm used her access to the CCSS to make nine payment arrangements on her SPU account, seven of which she failed to successfully

[1] SPU's "Expectations for Utility Account Representatives" states: *"Ask a supervisor or Utility Account Representative II to provide maintenance to your account and the accounts of your relatives, friends, and co-workers."*

complete. Widhalm cancelled and created payment arrangements that violated the policy and were therefore not available to the public.

9. Widhalm on many occasion canceled her payment arrangements, rolling over unpaid balances from one payment arrangement into a new arrangement. This effectively deferred payment and avoided the imposition of late fees, interest and penalties, as well as termination of service.

10. Between September 2008 and June 2010, Widhalm also made 12 payment arrangements on her SCL account, eight of which failed. Again, Widhalm rolled balances from failed payment arrangements into newly created arrangements in violation of SPU policy.

Bankruptcy Processing

11. Widhalm filed for personal bankruptcy in March 2008. As the only member of the Utility Service Team processing bankruptcy paperwork, she filed documentation relating to her personal utility account, which was a debt she sought to discharge in bankruptcy. The filings verified the account, the amount due the utility and the amount to be discharged.

12. Widhalm transmitted the final discharge paperwork to a fellow employee in Audit and Accounting Billing Division on July 29, 2008, after the court's discharge order. That employee wrote off the 303.16 owed on Widhalm's utility account, closed Widhalm's old account and opened a new one under a new account number.[2]

CONCLUSIONS OF LAW

1. SMC 4.16.070.1.a states, "A Covered Individual may not participate in a matter in which" a Covered Individual "has a financial interest."

2. SMC 4.16.070.2.a states, "A Covered Individual may not use or attempt to use his other official position for a purpose that is primarily for the private benefit of the Covered Individual …"

[2] A review by SPU verified the accuracy of the court filings and order as well as the amount of overdue utility charges that were discharged.

3. Widhalm was a City employee during the relevant time period, and therefore a Covered Individual.

4. Decisions regarding SPU customer accounts are City matters.

5. When Widhalm participated in transmitting documentation and other information on behalf of SPU to the bankruptcy court in the matter of her personal bankruptcy, she violated SMC 4.16.070.1.a by participating in a City matter in which he had a personal financial interest.

6. When Widhalm accessed her personal SPU and SCL utility accounts and made payment arrangements, she violated SMC 4.16.070.2.a by using her official position for a purpose that was primarily for her private benefit.

AGREEMENT

1. Widhalm acknowledges that she violated the Seattle Ethics Code when she participated in City matters in which she had a financial interest, and when she used her position to provide herself with benefits unavailable to other customers.

2. Widhalm agrees to pay the City of Seattle $1,500 for these violations.

3. The Parties agree that this settlement agreement, upon the Commission's approval, will constitute, insofar as is legally possible, a full and final settlement between the Parties, as to any violation of the Seattle Code of Ethics related to the findings of facts cited above. The Parties, release, acquit and discharge each party, its present or former officials, employees, agents, representatives, heirs and assigns from all present claims, demands, damages, costs (specifically including attorney's fees and costs), actions or causes of action which arise out of the specific facts outlined in this violation of the Ethics Code, and the acts or omissions of the Commission, its members, agents or employees in handling the matter filed under Ethics and Elections Commission Case No. 11-1-0624-1. This release by the Director and the Commission does not preclude actions by other parts of the City of Seattle, including the employee's employing department or any other law enforcement agency.

4. The Parties agree that the Commission's review of this settlement agreement does not preclude the Commission from hearing this case in the event that the Commission rejects this

agreement and calls for a hearing, or in the event that Widhalm rejects any Commission modification of this agreement and requests a hearing.

5. The Parties agree that if Widhalm breaches this agreement, in any respect, the Commission will be entitled to hold a special meeting or a regular meeting to issue a determination that Widhalm has violated the Seattle Ethics Code. Under the municipal code, the Commission may impose a fine of up to $5,000 per violation, and may require costs that do not exceed the amount of any monetary fine.

6. The Parties agree that this settlement incorporates and supersedes any and all other oral and written agreements and assurances of any and all kinds between the parties, and that there are no other written or oral agreements that alter or modify this agreement.

Carol Widhalm

Carol Widhalm
Date: Feb. 2, 2012

Wayne Barnett

Wayne Barnett, Executive Director
Date: Feb. 6, 2012