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BEFORE THE SEATTLE ETHICS AND ELECTIONS COMMISSION

In the matter of	)	No. 14-1-1022-1
	)	
	)	
Sam Houghtaling	)	SETTLEMENT AGREEMENT
	)	
	)	

This settlement is made between Sam Houghtaling 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 Houghtaling, the Director, and the Commission (the "Parties"), and their successors, heirs and assigns, and shall constitute the complete agreement between the Parties.

Houghtaling and the Director agree to the following:

FINDINGS OF FACT

Background

1. Houghtaling is the Fleet Operations Manager in the Department of Financial and Administrative Services (FAS).

2. As the Fleet Operations Manager, Houghtaling manages a group of approximately 106 employees. His responsibilities include managing the warehouse, the repair shops and the engineering staff. His employees oversee the outfitting of new trucks, vans and cars with department specific equipment, such as hoists, light bars and interior shelving. Houghtaling and his staff develop specifications and bid documents, review bids, and approve blanket vendor contracts. Staff place orders, review invoices and approve invoices. . Under rare circumstances, Houghtaling directly approves invoices.

3. Over the last nine years, Houghtaling has developed a personal friendship with the owners of J&D's Hydraulics (J&D), Wes and Bernie Ward. The Wards and Houghtaling own recreational property near Easton, Washington where Houghtaling is building a cabin five lots

away from the Wards. Houghtaling has been the Wards' house guest on several occasions in the past. During the time that his cabin has been under construction, Houghtaling has been an overnight guest of the Wards on occasion. They often snowmobile together and Houghtaling has also stored personal property in the Wards' secured outbuildings at no cost.

4. Houghtaling is an unpaid crew member with Unlimited Racing on a U-11 hydroplane. In 2013 and 2014 he travelled at no expense to hydroplane races, including races in the United States and Qatar. The U-11 boat's racing operation is underwritten by sponsors, one of which was J&D in 2012 and 2013.

5. In December 2013, Houghtaling participated in drafting the specifications for a five-year extension of a Fleet Services vendor contract. J&D was one of four vendors under contract at the time. . J&D successfully bid on the extension and their vendor contract was extended for 5 years. Under the extension, Houghtaling's subordinates continue to place orders with J&D for the outfitting of City vehicles.

6. The 2014 vendor contract allows invoices of up to $49,500 to be approved by Houghtaling's work group. Invoices over that amount are contractually required to be approved by a buyer in FAS Contract Services.

7. On June 2, 2014, Houghtaling approved one invoice submitted by J&D in the amount of $63,459.77. The invoice was originally approved for payment by Fleet Services employee Darrell Davis. The invoice amount exceeded Davis's approval limit. FAS Accounting asked Houghtaling to approve the J&D invoice. Based on Houghtaling's approval, FAS Accounting paid the J&D invoice.

8. Houghtaling disclosed his relationship with J&D to FAS's Director in December 2014 after being contacted by the staff of Ethics and Elections.

CONCLUSIONS OF LAW

1. SMC 4.16.070.A.3states that a Covered Individual may not perform any official duties when it could appear to a reasonable person having knowledge of the relevant circumstances that the Covered Individual's judgment is impaired by a personal or business relationship.

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2. Under SMC 4.16.070. A.3, if a Covered Individual discloses the relationship in writing to their appointing authority and to the Commission, the Covered Individual will not have violated this section unless the appointing authority instructed the Covered Individual not to perform the official action.

3. Houghtaling is a City Employee and therefore a Covered Individual.

4. The personal relationship between Houghtaling and the owners of J&D could cause a reasonable person to believe that Houghtaling's judgment was impaired.

5. The extension of the blanket contract and the approval of a $63,459.77 invoice were both official duties performed by Houghtaling.

6. Houghtaling did not disclose his relationship with the owners of J&D to his appointing authority, FAS Director Fred Podesta, prior to extending the contract or approving the invoice.

AGREEMENT

1. Houghtaling acknowledges that he violated the Seattle Ethics Code when he performed official duties involving J&D without disclosing his personal relationship with the business's owners.

2. Houghtaling agrees to pay the City of Seattle $750 for violating Seattle's Ethics Code.

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. 14-1-1022-1

4. 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.

5. 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 Enciso rejects any Commission modification of this agreement and requests a hearing.

6. The Parties agree that if Houghtaling 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 Houghtaling 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.

7. 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.

Sam Houghtaling
Date: 2/17, 2015

Wayne Barnett, Executive Director
Date: 2-27, 2015