



Edit Referral

H-22-298 Referral Information

Hotline ID: H-22-298

Date of Submission: 8/18/2022

Entity Type: Local

Entity Category Type: County

Entity: Jefferson County

Sub Entity Name:

Category:

1-2 sentence description of concern: Citizen has concerns of conflict of interest, contracting and public spending by the commissioner

Report Issued: No

Reporting Type: Hotline Letter

Report Number:

Investigation Contracted: No

Contract Number:

Contract Name:

Billing Time Code:

Costs:

Public Records Request: Yes

Flag For Annual Report: No

Substantiated: No

ARRA: No

Action: Referred to Audit Team - Consider Next Audit

Audit Team: Port Orchard

Audit Team Contact: strzalkaa@sao.wa.gov

cc:

Referral Date: 8/18/2022

Action Taken: No

Response Date:

Report Date:

Follow Up Date:

Date Closed: 11/15/2023

H-22-298 Contact Information

Hotline ID: H-22-298 **Date of Submission:** 8/18/2022

Submission Method: Letter **Date of Letter:** 8/17/2022

Submission Type: Citizen **Staff:** gillisj

Author(Last, First): Schurman , Rosemary

Address: PO Box 65194

City: Port Ludlow **State:** WA **Zip:** 98365

Home Phone: 425-821-8577

Work Phone:

Mobile Phone:

Email: rbschurman@gmail.com

Contact Home Phone

Preference: Email
Regular Mail

Waived Confidentiality: No

H-22-298 Referral Details

Hotline ID:

H-22-298

What state or local organization is involved?

Jefferson County

Please identify the specific concerns you are hoping the audit will address.

Citizen has concerns of conflict of interest, contracting and public spending by the commissioner

Please provide a detailed description of the assertion or outstanding achievement, including who, when, where, what, how and how much.

How did this issue come to your attention?

**What employee(s), contractors, etc., were involved in the assertion or achievement?
Please include employee titles if possible.**

Please provide the names of any witnesses to the assertion or achievement, if possible.

Please provide any additional details or comments that would help us understand your assertion or achievement.

H-22-298**Activity
Log****Hotline ID:** H-22-298

Entry Date ▼	Log Entry
01/16/2024	Referral updated by 'JEANA Gillis (gillisj)'. --strzalkaa
11/15/2023	Referral updated by 'JEANA Gillis (gillisj)'. --strzalkaa
11/15/2023	Referral updated by 'AMY Strzalka (strzalkaa)'. --strzalkaa
11/15/2023	Emailed hotline letter to citizen. Letter and email attached in supporting documents. --strzalkaa
09/06/2023	Emailed citizen to let her know AI had reviewed her concerns and would be happy to discuss via phone. --strzalkaa
08/18/2023	Citizen reached to inquire as to status of concern. Let her know we'd be considering during AC audit of the county later this year. Correspondence attached in supporting docs. --strzalkaa
10/12/2022	Referral updated by 'TINA Watkins (watkinst)'. --watkinst
10/12/2022	Spoke with Citizen today to share that we received the addendum. I indicated that I appreciated the research and that we would consider the concern and likely include it in our next regularly scheduled audit in 2023. While she would prefer that we look at it now she appeared to understand our process. She also indicated that she had procurement concerns and would forward them to my email. If received. I will attach in this hotline for consideration. --watkinst
10/05/2022	Referral updated by 'JEANA Gillis (gillisj)'. --strzalkaa
10/03/2022	Received mailed addendum to complaint on 9/30/22. (Identical addendum was received 9/28 via email). Added mail version to supporting docs as well. --strzalkaa
09/28/2022	Received addendum to complaint -added in supporting docs. --strzalkaa
09/09/2022	Received phone call from citizen. She received email and was concerned because we aren't going to be looking at this until next accountability audit, which is summer 2023. I explained the way our audit schedule works and that we don't change that based on citizen concerns except in extreme circumstances (like fraud). She was not happy with that answer, but it is what it is. I also gave her some suggestions about what she can do in the meantime (attend board meetings and express her concerns, etc.). --strzalkaa
08/22/2022	Referral updated by 'AMY Strzalka (strzalkaa)'. --strzalkaa
08/22/2022	Emailed citizen to let her know we'd consider her concerns during the next audit. (Attached in supporting documents). --strzalkaa
08/18/2022	Referral updated by 'JEANA Gillis (gillisj)'. --strzalkaa
08/18/2022	Task assigned to 'strzalkaa@sao.wa.gov'. Team notification email sent to: strzalkaa@sao.wa.gov
08/18/2022	Referral updated by 'JEANA Gillis (gillisj)'. Action changed from (not set) to Referred to Audit Team - Consider Next Audit.

From: [Strzalka, Amy \(SAO\)](#)
To: [Rosemary Schurman](#); [Watkins, Tina \(SAO\)](#)
Cc: [McCarthy, Pat \(SAO\)](#)
Subject: RE: PREVIOUS Ethics Complaint re: Greg Brotherton, Jefferson Co
Date: Friday, August 18, 2023 11:34:00 AM
Attachments: [image001.png](#)

Hi Ms. Shurman,

I am the Audit Manager for the team responsible for Jefferson County's audit, so can best respond to this inquiry. We are currently conducting the financial and federal audits for the County, and will be starting to plan the accountability audit for the County later this month.

Your concern will be considered and addressed as part of the accountability audit. At the conclusion of the audit, we will send you a letter communicating the results of our review. I anticipate that work will be completed and the results shared with you by end of October or early November of this year.

Best,



[Amy Strzalka, CPA](#)

Team Port Orchard Audit Manager, Fire Protection District Program Manager

[Office of the Washington State Auditor](#)

(360) 845-1476 | Pronouns: she/her/hers

We are hiring! Go to sao.wa.gov/jobs to see our openings.

From: Rosemary Schurman <rbschurman@aol.com>
Sent: Friday, August 18, 2023 11:28 AM
To: Watkins, Tina (SAO) <watkinst@sao.wa.gov>
Cc: Strzalka, Amy (SAO) <strzalkaa@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: PREVIOUS Ethics Complaint re: Greg Brotherton, Jefferson Co

External Email

Dear Ms. Watkins: We spoke on October 12, 2022 and you advised that my ethics complaint re: Commissioner Brotherton's conduct would be considered at the time of the summer audit of Jefferson County. Attached is the original memo sent last September and the addendum filed in October with your office. I am inquiring as to whether the audit occurred and whether the complaint was considered? Please advise of the status. Thank you for your consideration. Rosemary Schurman
Port Ludlow, WA 98365
425-260-4097

August 17, 2022

Ms. Pat McCarthy, Washington State Auditor
Insurance Building, P.O. Box 40021
Olympia, WA 98504-0021

Re: Conflict of Interest Contracting and Public Spending by Jefferson County Commissioner
Greg Brotherton in Violation of RCW Chapter 42.23

Dear Ms. McCarthy:

I am an attorney and a concerned citizen of Jefferson County Washington. I am reporting a conflict of interest by County Commissioner Greg Brotherton. The conflict arises from his dual roles as the Chair of the Board of Olympic Community Action Programs ("OlyCap") and as a Jefferson County Commissioner, and specifically, the manner in which Mr. Brotherton has participated in awarding millions of dollars in grant agreements and service contracts from Jefferson County to OlyCap. These actions violate RCW Chapter 42.23.

Greg Brotherton's Dual Positions

Mr. Brotherton was elected as Jefferson County Commissioner in 2018 and took office on January 1, 2019. [Board of County Commissioners | Jefferson County, WA](#). OlyCap is a Non-Profit 501(c)(3) Organization. [About OlyCap | OlyCAP](#). Mr. Brotherton has served as Chair of the Board of OlyCap since 2019. [Board of Directors | OlyCAP](#). My concern is *only* with the actions of Mr. Brotherton, as opposed to OlyCap, which does substantial good work in our community.

Jefferson County Funds Awarded and Paid to OlyCap During Mr. Brotherton's Dual Tenures

Jefferson County awarded a total of \$2,709,163.70 in grant agreements and service contracts to OlyCap from 2019 through the first quarter of 2022, during which period Mr. Brotherton served as both a County Commissioner and as Chair of the Board of OlyCap. See Exhibits A-E, which are documents received from Jefferson County in response to a public records request. In addition, in September 2019, Jefferson County sold a parcel of land (at 7th and Hendricks streets, Port Townsend), which was assessed at \$362,280, at the below-market price of \$36,200, or a discount of at least \$326,080. [County funds new housing project | Port Townsend Leader \(ptleader.com\)](#) In 2021, Jefferson County purchased another parcel of land (on Mill Road, Port Townsend) for a price of \$602,000, which has been dedicated exclusively to use by OlyCap without charge since that time. [Jefferson County to spend another \\$500k on open-air homeless shelter | Port Townsend Leader \(ptleader.com\)](#)

The following table summarizes the total contributions by Jefferson County to OlyCap :

Year	Amount Paid	Land Contributed	
2019	\$552,053.01	\$326,080.00	
2020	\$730,963.61		
2021	\$1,094,978.02	\$602,000.00	
1Q 2022	\$331,169.15		
Subtotals	\$2,709,163.79	\$928,080.00	
Total			\$3,637,243.79

The amounts awarded to OlyCap from 2019 through the first quarter of 2022 reflect a steady increase from the historic level of payment by Jefferson County to OlyCap such as \$552,808.94 awarded to OlyCap in 2018. Exhibit A.

Mr. Brotherton has routinely voted, as part of a three-member board of county commissioners, in favor of the award of service contracts and grant agreements to OlyCap. Mr. Brotherton has not recused himself from OlyCap funding votes over the past year and, to the best of the undersigned's knowledge, has not recused himself from voting on any of these awards.

Legal Prohibition

a. Prohibition against contractual conflicts of interest

RCW Chapter 42.23 provides a code of ethics for municipal officers concerning contract interests. RCW 42.23.010 recites the purpose and intent of the chapter as "to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict".

RCW 42.23.020 defines the term "Municipality" as including "all counties", and defines the terms "Municipal officer" and "officer" as "each include all elected and appointed officers of a municipality".

RCW 42.23.030 prohibits conflicts of interest in contracting by municipal officers:

No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein.

RCW 42.23.030 also provides certain exemptions which do not appear to be applicable to the instant situation, and then provides:

A municipal officer may not vote in the authorization, approval, or ratification of a contract in which he or she is beneficially interested even though one of the exemptions allowing the awarding of such a contract applies. The interest of the municipal officer must be disclosed to the governing body of the municipality and noted in the official minutes or similar records of the municipality before the formation of the contract. (Emphasis added).

RCW 42.23.030 prohibits Mr. Brotherton's vote to award grant agreements and service contracts to OlyCap while he serves on the board of OlyCap.

b. Exception for certain "remote interests"

RCW 42.23.040 excludes certain "remote interests" from the conflicts prohibited by RCW 42.23.030, providing:

A municipal officer is not interested in a contract, within the meaning of RCW [42.23.030](#), if the officer has only a remote interest in the contract and the extent of the interest is disclosed to the governing body of the municipality of which the officer is an officer and noted in the official

minutes or similar records of the municipality prior to the formation of the contract, and thereafter the governing body authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer having the remote interest. As used in this section "remote interest" means:

- (1) That of a nonsalaried officer of a nonprofit corporation;
- (2) That of an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary;
- (3) That of a landlord or tenant of a contracting party;
- (4) That of a holder of less than one percent of the shares of a corporation or cooperative which is a contracting party.

None of the provisions of this section are applicable to any officer interested in a contract, even if the officer's interest is only remote, if the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract. (Emphasis added).

c. The "remote interest" exception does not apply to Mr. Brotherton

RCW 42.23.040 defines "remote interests" as including serving as a nonsalaried officer of a nonprofit corporation. It does not appear that Mr. Brotherton receives a salary from OlyCap.

RCW 42.23.040 requires a municipal officer to disclose a remote interest to the municipality, and the undersigned understands that Mr. Brotherton has disclosed his position on the board of Olycap annually to Jefferson County. The undersigned is not aware whether any disclosure is made in connection with each funding award to OlyCap or whether a disclosure is reflected in the official minutes.

RCW 42.23.040 requires that "the governing body authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer having the remote interest". This requirement is not consistent with Mr. Brotherton routinely voting in favor of and not recusing himself from commissioner votes approving the award of grant agreements and service contracts to OlyCap.

Finally, the RCW 42.23.040 exception for a "remote interest" fails, and the prohibition against an officer being interested in a contract applies, "if the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract". RCW 42.23.040. This is where Mr. Brotherton clearly runs afoul of RCW Chapter 42.23. Notably, the Municipal Research and Services of Washington states:

It is accordingly recommended that the officer with a remote interest should not participate, or even appear to participate, in any manner in the governing body's action on the contract.

Knowing the Territory: Basic Legal Guidelines for Washington City, County and Special Purpose Districts, January 2022 located at : <https://mrsc.org/getmedia/1e641718-94a0-408b-b9d9-42b2e1d8180d/Knowing-The-Territory.pdf.aspx?ext=.pdf>

Mr. Brotherton Routinely Influences or Attempts to Influence other County Commissioners to Award Contracts to OlyCap, In violation of RCW 42.23.030 and RCW 42.23.040

Below are some examples during 2022 of Mr. Brotherton influencing or attempting to influence the other two county commissioners in connection with the award of grant agreements or service contracts to OlyCap. These are only the most recent examples, and the undersigned assumes that this behavior was a continuation of prior years' actions.

1. During a January 3, 2022 workshop between the Jefferson County Commissioners and OlyCap concerning additional funding for the "Caswell Brown" tent shelter being run by OlyCap, as reported by the newspaper the Port Townsend Leader on January 12, 2022. [Jefferson County to spend another \\$500k on open-air homeless shelter | Port Townsend Leader \(ptleader.com\)](#)

"Commissioner Greg Brotherton requested the special workshop around funding for Caswell-Brown Village. He advocated for spending \$500,000 more of American Rescue Plan Act funding toward Phase 2, which would provide sewer infrastructure to the site. Phase 3 would see the installation of showers and a kitchen area."

...

Commissioners continued their discussion after the workshop ended, with a focus on funding.

[The January 12, 2022 Port Townsend Leader article continued as follows:]

"[This] is a very high value property," mused Commissioner Kate Dean. "Is this the highest and best use?"

"There is a groundswell of funding for housing and affordable housing right now," Brotherton said.

Dean probed a bit more, asking a question the county still hasn't answered: "Who should be holding the title on this property?"

Regardless, Brotherton noted the site was still lacking in critical amenities.

"We can't leave folks without flushing toilets and everything," Brotherton said. "I think we should be willing to spend up to another \$500,000 to get the infrastructure squared away."

"Finishing the first permanent emergency shelter is something that I think we should commit to," he added.

"Outdoor emergency shelter," he corrected himself."

2. During a March 28, 2022 meeting of the Jefferson County Commissioners, shortly after 4:00 pm. The following is an excerpt from the transcript of that meeting accessed at [Board of County Commissioners | Jefferson County, WA](#) by selecting the link to past meeting recordings and transcripts at [AV Capture All](#). Mr. Brotherton's comments are shown in bold font and obvious typographical transcript errors have been corrected.

[01:50:46.000 --> 01:50:51.076] So now we're gonna have a workshop on the Caswell Brown Village and this was an item [01:50:51.076 --> 01:50:55.059] that Commissioner Brotherton brought to the agenda. Do you want to tee this up after [01:50:55.059 --> 01:50:59.096] we get our sure. [Commissioner Brotherton commences speaking:] **You know, I think we've all been waiting with baited breath for kind** [01:50:59.096 --> 01:51:05.007] **of a budget for what? Phase two A and two B look like for this**

kind of audacious [01:51:05.071 --> 01:51:11.013] and large program, which is critically needed. And I'll just remind folks of [01:51:11.013 --> 01:51:15.037] where we were before we started this, which was an unmanaged encampment which was [01:51:15.037 --> 01:51:19.028] still costing us quite a bit of money at the Jefferson County fairgrounds and the [01:51:19.076 --> 01:51:26.058] um, that the impacts have been dramatic, both in the quality of life of the, of the [01:51:26.058 --> 01:51:31.075] residents who really have no other place to go as well as for the surrounding neighborhood [01:51:31.075 --> 01:51:37.042] and the fairgrounds and this is, I'm still proud of. This is a, as a visionary project [01:51:37.042 --> 01:51:41.081] which, which steps up and takes responsibility for a problem that doesn't necessarily [01:51:41.081 --> 01:51:45.098] fall on our shoulders, but that is part of our community and so does fall on your [01:51:45.098 --> 01:51:53.078] shoulders. Thank you.

3. During an April 4, 2022 meeting of the Jefferson County Commissioners. The following is a transcription of an audio-visual recording of that meeting, starting at time stamp **1:49-1:59** accessed at [Board of County Commissioners | Jefferson County, WA](#) by selecting the link to past meeting recordings and transcripts at [AV Capture All](#).

[Greg Brotherton speaking:] "So can I just restate the ask to understand kind of where we are. The way that I see it, the million dollars that we committed so far is eaten. And we have operations to consider which are right around 30K a month, \$875K, say a million dollars to get to the end of the year, and into the RFP process and for recording fees, and housing fund board funds for operations and potentially other funding mechanisms for ongoing operations. And I really like the possibility of a sale to recoup funds to help supplement this. I think we've got some other funding mechanisms that are, you know, that could do part of it, you know, I think this would be a really good candidate for 1590 funds, we still have no process yet and its, and we of course committed to a collaborative process with our housing fund board on figuring out that process. But you know projects like this and the Evans Vista work force housing project and habitat's project, we've got some big projects in front of us, that look like. I mean I feel like we could really move the needle on some of these projects with those funds. So that's just my personal and I have not talked about that with the housing fund board or anything. And as I say, that is a collaborative decision, we might have the final pen on paper but the whole idea is that we make those in partnership with our city and citizen representatives. But, to me, moving this project forward again, is really critical, a \$500K lifeline right now to get this going and talking about what we want with the property, I'd be willing to certainly carve out those additional parcels and maybe even the Larry Scott trail piece that has more potential for future development down the line and then selling what's left for phase 2A and phase 3 at the very least to Olycap would be kind of my starting point for consideration."

[The meeting continued. Following deliberation, in which both other County Commissioners expressed concerns over this additional spending, Greg Brotherton moved for and the Commissioners approved the award of the additional \$500K funding to OlyCap.]

4. During an April 25, 2022 meeting of the Jefferson County Commissioners, Mr. Brotherton argued for use of ARPA funding to further support the Caswell-Brown shelter operated by OlyCap, in the face of concerns by the other commissioners. The following is an excerpt from the transcript of that meeting accessed at [Board of County Commissioners | Jefferson County, WA](#)

by selecting the link to past meeting recordings and transcripts at [AV Capture All](#). The identity of the individuals speaking has been added in brackets, obvious typographical transcription errors have been corrected, and Mr. Brotherton's comments have been bolded. Otherwise what follows was copied and pasted as it appears on the County website, and an audiovisual playback of the recording of the meeting on the county website is recommended for greater accuracy and more depth.

[04:53:24.049 --> 04:53:32.011] *[Commissioner Eisenhour speaking:]* so that's what Mark and I did last week is just okay. True. Mm hmm. *[Commissioner Brotherton speaking:]* **But we could** [04:53:32.011 --> 04:53:39.009] **use that 262 would make a big dent on Caswell Brown.** *[County Administrator speaking:]* Well, right. I mean when Heidi [04:53:39.009 --> 04:53:43.081] and I were Monkeying with this sheet, I put 18 in there for mill road and then we [04:53:43.081 --> 04:53:51.073] went To -37000 down below. And then Heidi consulted with Kate. Okay. They [04:53:51.074 --> 04:53:55.073] take out that 300 because we haven't committed it yet. So that's the only reason [04:53:55.073 --> 04:54:02.015] we have the 262 at the bottom. *[Commissioner Eisenhour speaking:]* Yeah, this is what's committed. *[Commissioner Brotherton speaking:]* **Well, I mean we don't** [04:54:02.015 --> 04:54:05.001] **have something else to use it will have that money and we needed, it would start** [04:54:05.001 --> 04:54:12.021] **the project again. If we could get this,** *[Commissioner Dean speaking:]* we could also take um, you know, commit [04:54:12.022 --> 04:54:18.007] a chunk of capital funds to the Hadlock sewer instead of ARPA *[Commissioner Brotherton speaking:]* **Oh right.** [04:54:21.025 --> 04:54:27.008] **Mhm. I mean if we could get, you know, 400 that would turn everything on again.** [04:54:29.014 --> 04:54:36.004] **They just finished Phase two a.** *[Commissioner Eisenhour speaking:]* So when is it gonna stop though? I mean [04:54:36.041 --> 04:54:41.001] we've spent, well if we do that we'll have spent two million of our funds on it and [04:54:41.001 --> 04:54:45.033] then it was that enough *[Commissioner Brotherton speaking:]* **That's enough to get Phase two a. And they're looking for** [04:54:45.034 --> 04:54:49.011] **housing trust fund and other funds.** *[Commissioner Eisenhour speaking:]* So that would be other sources of funding [04:54:49.011 --> 04:54:55.073] that get mobilized for it *[Commissioner Brotherton speaking:]* **or for any future development. That's what yeah, that's** [04:54:55.073 --> 04:54:58.078] **what OlyCap has presented to us and that's the plan. So yeah, that would** [04:54:58.078 --> 04:55:05.007] **be the end of the infrastructure investment from us. There's a operations, they think** [04:55:05.007 --> 04:55:07.099] **they can get some funds for operations and shift stuff around but if they're not** [04:55:07.099 --> 04:55:11.018] **moving to permanent supportive housing for years, which is what I think will happen.** [04:55:11.019 --> 04:55:17.013] **It's I don't I'm not sure if this operation funds are actually realistic. Um So but** [04:55:17.014 --> 04:55:21.086] **you know, we have other revenue streams, you know, our normal Um you know, recording** [04:55:21.086 --> 04:55:26.054] **fees and everything that we have RFPs for already. So they'll look for** [04:55:26.054 --> 04:55:31.087] **it but you know, 400 would finish phase two a. Mhm.** [04:55:37.024 --> 04:55:37.045] **Mhm.** [04:55:41.014 --> 04:55:41.046] **Yeah** [04:55:58.024 --> 04:56:01.012] **and capital funds could be used for the sewer. Right, that's not a problem.** [04:56:07.004 --> 04:56:08.006] **What do you guys think about that?** [04:56:11.094 --> 04:56:16.096] *[Commissioner Eisenhour speaking:]* I don't know, I would love to see us putting more money into other segments of housing, [04:56:20.056 --> 04:56:24.059] *[Commissioner Dean speaking:]* which will be an ask from the city to they're really wanting a commitment on Evans [04:56:24.059 --> 04:56:30.028] vista. *[Commissioner Brotherton speaking:]* **We gave him a commitment, didn't we?** *[Commissioner Eisenhour speaking:]* Well, it's in revenue sharing and it's [04:56:30.028 --> 04:56:36.005] down in the funding candidates category. Right? [04:56:38.083 -->

04:56:44.079] *[County Administrator speaking:]* I mean, right. And I think the reason we had funding candidates was because we didn't 04:56:44.079 --> 04:56:52.055] know when or how much we were going to receive, *[Commissioner Eisenhour speaking:]* but we actually have a contract now 04:56:53.003 --> 04:56:55.036] habitat for mason street.

Penalties

RCW 42.30.520 provides that a contract made in violation of the chapter “is void” and an officer violating the chapter will owe the county \$500.00, in addition to possibly being subjected to other civil or criminal penalties. Violations may also “be grounds for forfeiture of his or her office.”.

Community Action Agencies

OlyCap is a Community Action Agency (CAA). All CAAs receiving federal community service block grants are required to be governed by a community-selected board consisting of one-third public elected officials or their representatives. See, Community Services Block Grant · Washington State Community Action Partnership (wpartnership.org) and the statute and the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

However, this elected official board requirement on the part of CAAs is in connection with the administration of federal block grants. Nowhere do these provisions require that the elected officials be officials who award state or local funding to a CAA or excuse such a conflict of interest.

If Mr. Brotherton simply served on the board of OlyCap without Jefferson County awarding local grant agreements and services contracts to OlyCap, there would not be a conflict. But by awarding Jefferson County funding to the non-profit CAA on which he serves as board chair and in the manner in which he does, he exceeds the requirement for CAA federal block grants and is in violation of Washington State Law regarding municipal conflicts of interest.

Mr. Brotherton clearly has an “interest” in the grants/contracts and land awarded to OlyCap because he is also a member of OlyCap’s Board of Directors, which gives him control over how the awarded funds and land are used by OlyCap. Mr. Brotherton’s statements during Jefferson County Commission meetings, acting in his role as a Commissioner, display a pattern of exerting influence over decisions to award land and funds to OlyCap. It is within the power of the State Auditor’s office to subpoena the necessary financial records to determine if Mr. Brotherton receives any financial benefits (including payment of expenses, or via his spouse) from OlyCap, which would make him a “beneficially interested” party. Regardless of that determination however, he has exerted influence over decisions and his status does not fall within the “remote interest” exception. At a minimum he is a party with an “interest,” potentially a “beneficial interest,” and is in violation of Washington State Law regarding municipal conflicts of interest.

Please advise if you have any questions and thank you for your consideration.

Very truly yours,
s/ Rosemary Schurman
Rosemary Schurman, Esq.
PO Box 65194, Port Ludlow, WA 98365
425-821-8577; rbschurman@gmail.com

Expenditure by Vendor

Ex. A

VENDOR	ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
OL300	0	OLYMPIC COMMUNITY ACTION PROGRAMS-OLYCAP 823 COMMERCE LOOP	PORT TOWNSEN	W	98368			
			167729	1/22/2018	8220.36	20601712	2060 GF DECEMBER 2017 BILLING	148000010.55150.41.0020
			167729	1/22/2018	21275.48	2163-1712	2163 GF DECEMBER 2017 BILLING	148000010.55150.41.0030
			168212	2/12/2018	70.00	JAN 2018 SEPTIC	SEPTIC CLASS ROOM RENTAL 5/18	127000010.56210.45.0010
			168495	2/20/2018	13375.97	CDBG 1712	CDBG 17-62210-007 12/17 WA DOC	123000010.55720.41.0000
			168627	2/26/2018	493.95	20601801	2060 GF BILLING JAN 2018	148000010.55150.41.0020
			168627	2/26/2018	22172.07	2163-1801	2163 GF BILLING JANUARY 2018	148000010.55150.41.0030
			169038	3/12/2018	11429.00	COMMSERV1801	COMM SRV AGREEMENT JAN. 2018	001068000.55500.49.0010
			169038	3/12/2018	6600.00	1703 DC MH 299277	TRANS HOUSING 3 ROOMS MARCH/AP	001080000.51240.41.0050
			169038	3/12/2018	10846.21	CDBG 1801	CDBG 17-62210-007 1/18 WA DOC	123000010.55720.41.0000
			169038	3/12/2018	1373.93	1801 250 301	JAN 18 OLYCAP TRANS HOUSING	131000010.56400.41.0021
			169461	3/26/2018	3904.67	20601802	2060 GF FEBRUARY 2018 BILLING	148000010.55150.41.0020
			169461	3/26/2018	20268.72	21631802	2163 GF FEBRUARY BILLING	148000010.55150.41.0030
			169834	4/9/2018	1204.65	1802 250 301	FEB 18 OLYCAP TRANS HOUSING	131000010.56400.41.0021
			170344	4/23/2018	11772.50	COMMSERV1804	2018 APRIL COMM SERVICE	001068000.55500.49.0010
			170344	4/23/2018	17839.58	CDBG 1802	CDBG 17-62210-007 2/18 WA DOC	123000010.55720.41.0000
			170860	5/14/2018	11772.50	COMMSERV1802	CS FEBRUARY 2018	001068000.55500.49.0010
			170860	5/14/2018	343.50	COMMSERV 1801-1	CS JANUARY 2018 ADDL AMOUNT	001068000.55500.49.0010
			170860	5/14/2018	8875.13	CDBG 1803	CDBG MARCH 2018	001068000.55500.49.0010
			170860	5/14/2018	11772.50	COMMSERV 1803	CS MARCH 2018	001068000.55500.49.0010
			170860	5/14/2018	11772.50	COMMSERV 1805	CS MAY 2018	001068000.55500.49.0010
			170860	5/14/2018	6490.42	1803 ARB 250 301	MAR 18 OLYCAP HOUSING	131000010.56400.41.0021
			170860	5/14/2018	5274.17	2060 1803	AFFORD HOUSING MARCH 2018	148000010.55150.41.0020
			170860	5/14/2018	25173.46	2163 1803	2163 AFFORD HOUSING MARCH 2018	148000010.55150.41.0030
			171118	5/21/2018	6600.00	1705 DC MH 299 27	TRANS. HOUSING	001080000.51240.41.0050
			171118	5/21/2018	1326.40	1804 ARB 250 301	APR 18 SERVICES	131000010.56400.41.0021

VENDOR ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
171241		5/29/2018	2598.39	2060 1804		2060 GF MONTHLY APRIL	148000010.55150.41.0020
171241		5/29/2018	12919.56	2163-1804		2163 GF MONTHLY APRIL	148000010.55150.41.0030
171632		6/11/2018	11772.50	COMMSERV 1806		JUN COMM SERV AGREEMENT 2018	001068000.55500.49.0010
171991		6/18/2018	1326.40	1805 ARB 250 301		MAY 18 SERVICES	131000010.56400.41.0021
172129		6/25/2018	1017.85	20601805		2060 MAY 2018 GF BILLING	148000010.55150.41.0020
172129		6/25/2018	19026.27	21631805		2163 MAY 2018 GF BILLING	148000010.55150.41.0030
172513		7/9/2018	11772.50	COMMSERV1807		JULY 2018 COMM SERV AGR OLYCAP	001068000.55500.49.0010
172513		7/9/2018	6503.90	CDBG 1805		CDBG 17-62210-007 5/18 WA DOC	123000010.55720.41.0000
172888		7/16/2018	4400.00	1707 DC MH 299 27		TRANSITIONAL HOUSING MHC	001080000.51240.41.0050
173053		7/23/2018	2005.02	2060 1806		2060 GF JUNE 2018 BILLING	148000010.55150.41.0020
173053		7/23/2018	16034.59	2163 1806		2163 GF JUNE BILLING 2018	148000010.55150.41.0030
173641		8/13/2018	10739.62	CDBG 1806		CDBG 17-62210-007 6/18 WA DOC	123000010.55720.41.0000
173895		8/20/2018	776.44	2060 1807		2060 GF JULY BILLING	148000010.55150.41.0020
173895		8/20/2018	14582.76	2163 1807		2163 GF JULY BILLING	148000010.55150.41.0030
174009		8/27/2018	10542.30	CDBG 1804		CDBG 17-62210-007 4/18 WA DOC	123000010.55720.41.0000
174256		9/10/2018	70.00	OCT 18 JC SEPTIC		DINING RM RENT/SEPTIC CLASS	127000010.56210.45.0010
174555		9/17/2018	4400.00	1709 DC MH 299 27		TRANS HOUSING MHC SEPT OCT	001080000.51240.41.0050
174699		9/24/2018	459.63	CDBG 1807		CDBG 18-62210-007 7/18 WA DOC	123000010.55720.41.0000
174700		9/24/2018	15209.00	2163-1808		2163 GF AUGUST BILLING 2018	148000010.55150.41.0030
175049		10/8/2018	11772.50	COMMSERV1810		OCT COMM SRVCS 2018 OLYCAP	001068000.55500.49.0010
175049		10/8/2018	3028.32	CDBG 1808		CDBG 18-62210-007 8/18 WA DOC	123000010.55720.41.0000
175049		10/8/2018	1394.16	1808 ARB 250 301		AUG 18 SERVICES	131000010.56400.41.0021
175585		10/22/2018	1145.89	20601809		SEPT 2018 2060 GF BILLING	148000010.55150.41.0020
175585		10/22/2018	14250.65	21631809		SEPT 2018 GF BILLING	148000010.55150.41.0030
176065		11/13/2018	6237.67	CDBG 1809		CDBG 18-62210-007 9/18 WA DOC	123000010.55720.41.0000
176066		11/13/2018	1490.63	1809 ARB 250 301		SEPT 18 SERVICES	131000010.56400.41.0021
176377		11/19/2018	11772.50	COMMSERV1811		1811 NOVEMBER COMM SRVCS AGRM	001068000.55500.49.0010
176505		11/26/2018	16871.93	2163-1810		2163 OCT 2018 GF BILLING	148000010.55150.41.0030
176820		12/10/2018	1490.63	1809ARB250301-1		OCT 18 SERVICES	131000010.56400.41.0021
176820		12/10/2018	57.76	TACCSPRAYER2018		REPLACEMENT SPRAYER ASSEMBL	183000010.51830.48.0060
177301		12/24/2018	6600.00	121318 MHC		HOUSING X 3 BEDS	001080000.51240.41.0050

VENDOR ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
177301		12/24/2018	2275.07	2060 1811	2060 NOV 2018 GF BILLING	148000010.55150.41.0020	
177301		12/24/2018	19687.24	2163-1811	2163 NOV 2018 GF BILLING	148000010.55150.41.0030	
177748		12/27/2018	11772.50	COMMSERV 1808	AUG 2018 COMM SERV AGREEMENT	001068000.55500.49.0010	
177748		12/27/2018	13344.61	CDBG 1811	CDBG 18-62210-007 11/18	123000010.55720.41.0000	
177748		12/27/2018	1490.63	1809 ARB 250 302	NOV 18 SERVICES	131000010.56400.41.0021	
177945		12/28/2018	11772.50	COMMSERV1812	1812 DEC COMM SERV AGRMT 2018	001068000.55500.49.0010	
177945		12/28/2018	1490.63	1809 ARB 250 303	DEC 18 SERVICES	131000010.56400.41.0021	
177945		12/28/2018	28458.72	2163-1712B	2163 DEC GF BILLING 2018	148000010.55150.41.0030	
Vendor Total:				552808.94			

Expenditure by Vendor

Ex. B

VENDOR	ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
OL300	0	OLYMPIC COMMUNITY ACTION PROGRAMS-OLYCAP 823 COMMERCE LOOP	PORT TOWNSEN	W	98368			
	178557		2/11/2019	12125.83	COMMSERV1902		1902 FEB 2019 COMM SERV	001068000.55500.49.0010
	178557		2/11/2019	12125.83	COMMSERV1901		1901 JAN 2019 COMM SERV	001068000.55500.49.0010
	178557		2/11/2019	16956.06	CDBG 1812		DDBG GRANT DEC 2018	123000010.55720.41.0000
	179000		2/25/2019	22929.11	2163-1901		2163 GF BILLING JAN 2019	149000010.55150.41.2019
	179382		3/11/2019	4719.85	CDBG 1901		CDBG CONTRACT#18-62210-007	123000010.55720.41.0000
	179383		3/11/2019	70.00	JAN2019 JCSEPTIC		SEPTIC CLASS RM RENTAL MAY 19	127000010.56210.45.0010
	179690		3/18/2019	12125.83	COMMSERV1903		MARCH 19	001068000.55500.49.0010
	179690		3/18/2019	20.00	2019-03 TACC RM		TACC RM RENTAL CLEAN WATER DIS	128000010.55310.45.0010
	180139		4/8/2019	11832.92	CDBG 1902		CDBG# 18-62210-007 FEB 19	123000010.55720.41.0000
	180140		4/8/2019	22924.02	2163-1902		2163 FEB GF MONTHLY BILLING	001068000.55500.49.0010
	180485		4/15/2019	12125.83	COMMSERV1904		APRIL COMM SERV AGREEMENT 19	001068000.55500.49.0010
	180645		4/22/2019	23416.76	2163-1903A		2163 1903 MARCH GF BILLING	149000010.55150.41.2019
	181130		5/13/2019	12125.83	COMMSERV1905		MAY 2019 COMM SERV AGREEMENT	001068000.55500.49.0010
	181130		5/13/2019	11868.26	CDBG 1903		CDBG CONTR#18-62210-007 MAR19	123000010.55720.41.0000
	181397		5/20/2019	19076.74	2163 1904		2163 APRIL GF BILLING	149000010.55150.41.2019
	182164		6/17/2019	12125.83	COMMSERV 1906		JUNE 2019 COMM SERV AGREEMENT	001068000.55500.49.0010
	182306		6/24/2019	16841.41	21631905		MAY 2163 GF BILLING 2019	149000010.55150.41.2019
	182887		7/15/2019	12125.83	COMMSERV1907		JULY 2019 OLYCAP COMM SERV	001068000.55500.49.0010
	183218		7/29/2019	11772.50	COMMSERV1809		COMM SERV SEPT 2018	001068000.55500.49.0010
	183616		8/12/2019	12125.83	COMMSERV1908		AUG COMM SERV 2019	001068000.55500.49.0010
	183616		8/12/2019	16911.43	CDBG 1905		CDBG CONTRACT 18-62210-007-MAY	123000010.55720.41.0000
	183616		8/12/2019	2969.40	CDBG 1904		CDBG CONTRACT 18-62210-007 APR	123000010.55720.41.0000
	183886		8/19/2019	12129.85	CDBG 1907		CDBG CONTR#18-62210-007 6/2019	123000010.55720.41.0000
	183886		8/19/2019	29677.08	2163 1906		2163 GEN FUND-JUNE BILLING	149000010.55150.41.2019
	183993		8/26/2019	120.00	23-2019		001-PC BUILDING RENTAL	001063000.55860.49.0000

VENDOR ADD# NAME

WARRANT # DATE AMOUNT INVOICE#

DESCRIPTION

ACCOUNT #

184286	9/9/2019	12125.83	COMMSERV1909	SEPT 2019 JEFF COMM SRV AGRMT	001068000.55500.49.0010
184286	9/9/2019	2463.89	CDBG 1907	JULY-19 CDBG# 19-62210-007	123000010.55720.41.0000
184286	9/9/2019	959.78	2019-07	JULY 19 SERVICES	131000010.56400.41.0021
184286	9/9/2019	1051.89	2019-06	JUNE 19 SERVICES	131000010.56400.41.0021
184286	9/9/2019	29350.43	2163 1907	JULY 2019 2163 GF MONTHLY	149000010.55150.41.2019
184614	9/16/2019	70.00	29B 2019	OCT 2019 SEPTIC CLASS RM RENT	127000010.56210.45.0010
185293	10/14/2019	17665.44	CDBG 1908	CDBG#19-62210-007 AUG 19	123000010.55720.41.0000
185293	10/14/2019	935.42	2019-08	AUG 19 SERVICES	131000010.56400.41.0021
185293	10/14/2019	27748.75	21631908	AUG 2163 GF BILLING OLYCAP	149000010.55150.41.2019
185535	10/21/2019	12125.83	COMMSERV10	1910 OCT 2019 COMM SERV AGRMT	001068000.55500.49.0010
185535	10/21/2019	1054.76	2019-09	SEPT 19 SERVICES	131000010.56400.41.0021
185670	10/28/2019	23860.42	21631909	SEPT 2019 2163 GF MONTHLY	149000010.55150.41.2019
186219	11/12/2019	12125.83	COMMSERV1911	NOV 2019 COMM SERV AGREEMENT	001068000.55500.49.0010
186219	11/12/2019	11141.48	CDBG 1909	SEPT19-CDBG CONT# 19-62210-007	123000010.55720.41.0000
186931	12/9/2019	12125.87	COMMSERV1912	DEC COMM SERV AGREEMENT 2019	001068000.55500.49.0010
186931	12/9/2019	10911.20	CDBG 1910	CDBG #19-62210-007 OCT 19	123000010.55720.41.0000
186931	12/9/2019	312.96	2019-10	OCT 19 SERVICES	131000010.56400.41.0021
186931	12/9/2019	24405.40	2163 1910	2163 GENERAL FUND OCTOBER 2019	149000010.55150.41.2019
187822	12/26/2019	12055.08	CDBG 1911	CDBG 19-62210-007 NOV 2019	123000010.55720.41.0000
187823	12/26/2019	2127.33	2019-11	NOV 19 SERVICES	131000010.56400.41.0021
187823	12/26/2019	7199.34	2163 1911	NOV 2163 GF BILLING	149000010.55150.41.2019
188105	12/27/2019	1423.51	2019-12	DEC 19 SERVICES	131000010.56400.41.0021
188105	12/27/2019	7570.54	2163 1912	DEC 2163 GF BILLING OLYCAP	149000010.55150.41.2019
Vendor Total:		552053.01			

Expenditure by Vendor

Ex. C

VENDOR	ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
OL300	0	OLYMPIC COMMUNITY ACTION PROGRAMS-OLYCAP 823 COMMERCE LOOP PORT TOWNSEN W			98368			
	188667			2/10/2020	12732.17	COMMSERV 2001	JAN 2020 COMM SERV AGREEMENT	001068000.55500.49.0010
	188667			2/10/2020	12732.17	COMMSERV 2002	FEB 2020 COMMSERV AGREEMENT	001068000.55500.49.0010
	189542			3/9/2020	9970.44	CDBG 1912	CDBG CONTRACT #19-62210-007	123000010.55720.41.0000
	189542			3/9/2020	1611.49	2001 ARB 250-301	JAN 20 SERVICES	131000010.56400.41.0021
	189542			3/9/2020	33977.80	2163 2001	JAN 2020 2163 MONTHLY BILLING	149000010.55150.41.2019
	189867			3/16/2020	12732.17	COMMSERV2003	MARCH 2020 COMM SERVICES	001068000.55500.49.0010
	189867			3/16/2020	10854.67	CDBG 2001	JAN-20 CDBG #19-62210-007	123000010.55720.41.0000
	190343			4/13/2020	12732.17	COMMSERV2004	APRIL 2020 COMM SERV AGRMNT	001068000.55500.49.0010
	190343			4/13/2020	3097.97	CDBG 2002	FEB2020 CONTRACT#19-66210-007	123000010.55720.41.0000
	190343			4/13/2020	1676.88	2002 ARB 250-301	FEB 2020 SERVICES	131000010.56400.41.0021
	190343			4/13/2020	24136.64	21632002	FEB 2163 BILLING 2020	149000010.55150.41.2019
	190782			4/27/2020	1500.76	2003 ARB 250-301	MAR 2020 SERVICES	131000010.56400.41.0021
	191039			5/11/2020	2069.18	CDBG 2003	3/2020 CDBG #19-62210-007	123000010.55720.41.0000
	191302			5/18/2020	12732.17	COMMSERV 2005	MAY 20 COMM SERVCS AGREEMENT	001068000.55500.49.0010
	191302			5/18/2020	39919.18	2163 2003	MARCH 20 2163 MONTHLY BILLING	149000010.55150.41.2019
	191414			5/26/2020	20649.38	21632003	2163 APRIL BILLING OLYCAP	149000010.55150.41.2019
	191785			6/15/2020	12732.17	COMMSERV2006	JUNE 2020 COMM SERV AGREEMENT	001068000.55500.49.0010
	191785			6/15/2020	13249.98	CDBG 2004	4/2020 CDBG #19-62210-007	123000010.55720.41.0000
	191785			6/15/2020	1310.06	2004 ARB 250-301	APR 2020 SERVICES	131000010.56400.41.0021
	191972			6/22/2020	1350.80	2005 ARB 250-301	MAY 2020 SERVICES	131000010.56400.41.0024
	192065			6/29/2020	10287.85	21632005	2163 MAY GENERAL FUND BILLING	149000010.55150.41.2019
	192348			7/13/2020	12732.17	COMMSVCS 2007	OLYCAP COMM SERV JULY 2020	001068000.55500.49.0010
	192348			7/13/2020	7123.88	CDBG 2005	5/2020 CDBG #19-62210-007	123000010.55720.41.0000
	192647			7/20/2020	1235.58	2006 ARB 250-301	JUNE 2020 SERVICES	131000010.56400.41.0021
	192758			7/27/2020	18025.23	21632006	JUNE 2020 2163 GEN. FUND BILL	149000010.55150.41.2019

VENDOR ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
192758		7/27/2020	1094.86	71620 INVOICE		3RD PARTY BENEFICIARY HOOD	183000010.51830.45.0110
193077		8/10/2020	12732.17	COMMSVCS2008		AUG 2020 COMM SRVCS OLYCAP	001068000.55500.49.0010
193077		8/10/2020	6327.79	CDBG 2006		JUNE 2020 CONTRACT 1962210007	123000010.55720.41.0000
193899		9/14/2020	12732.17	COMMSVCS2009		SEPT 2020 COMM SRVCS AGRMT	001068000.55500.49.0010
193899		9/14/2020	1261.22	2007 ARB 250-301		JULY 2020 SERVICES	131000010.56400.41.0021
193899		9/14/2020	4473.71	2163-2007		JULY 2153 MONTHLY BILLING	149000010.55150.41.0202
193899		9/14/2020	4738.64	2163-2007		JULY 2153 MONTHLY BILLING	149000010.55150.41.0204
193899		9/14/2020	5168.22	2163-2007		JULY 2153 MONTHLY BILLING	149000010.56540.41.2020
194503		10/12/2020	12732.17	COMM SVCS 2010		OCT 2020 COMM SERV AGREEMENT	001068000.55500.49.0010
194503		10/12/2020	57080.00	COVID I&Q 1		6/1-8/30/2020 I&Q HTL RMS/ADM	001270000.51620.31.0010
194503		10/12/2020	877.31	2008 ARB 250-301		AUG 2020 SERVICES	131000010.56400.41.0021
194503		10/12/2020	841.50	100120		3RD PARTY BENEFICIARY HOOD	183000010.51830.45.0110
194906		10/26/2020	-6252.95	2163-2009B		SEPT 2020 OLYCAP HOUSING	149000010.55150.41.0202
194906		10/26/2020	6913.49	2163-2009B		SEPT 2020 OLYCAP HAINES ST	149000010.55150.41.0204
194906		10/26/2020	25937.01	2163-2009B		2163 GF SEPT 2020 OLYCAP SHELTER	149000010.56540.41.2020
195207		11/9/2020	12732.17	COMMSVCS 2011		NOV 2020 OLYCAP COMM SERV	001068000.55500.49.0010
195207		11/9/2020	465.29	2008		CONTRACT 20-62210-007 AUGUST	123000010.55720.41.0000
195207		11/9/2020	2067.31	2009 ARB 250-301		SEPT 2020 SERVICES	131000010.56400.41.0021
195615		11/23/2020	583.82	2009		CDBG #20-62210-0007 SEPT 2020	123000010.55720.41.0000
196089		12/14/2020	12732.13	COMM SRVCS 2012		OLYCAP DEC COMM SRVCS 2020	001068000.55500.49.0010
196089		12/14/2020	656.79	2010		OCT 2020-PER CDBG CONTRACT	123000010.55720.41.0000
196089		12/14/2020	1481.00	2010 ARB 250-301		OCTOBER 2020 SERVICES	131000010.56400.41.0021
196089		12/14/2020	469.61	2163-2010		OLYCAP MONTHLY HOUSING ASSIST	149000010.55150.41.0202
196089		12/14/2020	4389.60	2163-2010		OLYCAP MONTHLY BILLING HAINES	149000010.55150.41.0204
196089		12/14/2020	25556.72	2163-2010		OLYCAP MONTHLY BILLING SHELTER	149000010.56540.41.2020
196259		12/21/2020	1811.89	2011 ARB 250-301		NOV 2020 SERVICES	131000010.56400.41.0021
196392		12/28/2020	150.81	2163 2011		2163 NOVEMBER HOUSING ASSIST	149000010.55150.41.0202
196392		12/28/2020	-145.55	2163 2011		2163 NOVEMBER HAINES STREET	149000010.55150.41.0204
196392		12/28/2020	9045.62	2163 2011		2163 NOV MONTHLY SHELTER	149000010.56540.41.2020
196619		12/26/2020	36840.00	JEFFERSON COVID#2		COVID ISOLATION ROOMS	001270000.51620.31.0010
196903		12/27/2020	13800.00	COVID/CARESOLY04		CVD FAMILY RMS 10/1-12/312020	001270000.51890.41.0010

VENDOR ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
		196903	12/27/2020	34215.84	COVIDCARESOLY06	SHELTER STAFF -24/7 STAFFING	001270000.51890.41.0010
		196903	12/27/2020	50000.00	COVIDCARES OLY02	COVID HSEHOLD UTILITY ASST	001270000.51890.41.0010
		196903	12/27/2020	13400.00	COVIDCARES#1	8 ISOLATION ROOMS DEC 2020	001270000.51890.41.0010
		196903	12/27/2020	660.00	COVID/CARESOLY05	COVID YOUTH TUTOR	001270000.51890.41.0010
		196903	12/27/2020	10000.00	COVID/CARESOLY03	COVID FOOD DISTRIBUTION	001270000.51890.41.0010
		196903	12/27/2020	17109.69	COVID/CARES OCS01	EMERGENCY SHELTER MEALS	001270000.51890.41.0010
		196903	12/27/2020	11804.17	COVIDCARESNAV	COVID NAVIGATOR	001270000.51890.41.0010
		196903	12/27/2020	841.50	4Q20 HCA	4Q20-3RD PARTY BENEFICIARY	183000010.51830.45.0110
		197096	12/25/2020	11804.80	2163 2012	DEC 2020-MO BILLING-HSING ASST	149000010.55150.41.0202
		197096	12/25/2020	145.55	2163 2012	DEC 2020-MO BILLING-HAINES	149000010.55150.41.0204
		197096	12/25/2020	20514.58	2163 2012	DEC 2020-MO BILLING-SHELTER	149000010.56540.41.2020
		Vendor Total:		730963.61			

Expenditure by Vendor

Ex. D

VENDOR		ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
OL300	0	OLYMPIC COMMUNITY ACTION PROGRAMS-OLYCAP							
		823 COMMERCE LOOP			PORT TOWNSEN	W	98368		
		197025		1/25/2021	13368.75	COMM SRVCS 2101		JANUARY 2021 COMM SRVCS OLYCAP	001068000.55500.49.0010
		197271		2/8/2021	13368.75	COMM SVCS 2102		FEB 2021 OLYCAP COMM SERVICES	001068000.55500.49.0010
		197271		2/8/2021	1815.00	2012 ARB 250-301		DEC 2020 SERVICES	131000010.56400.41.0021
		197557		2/16/2021	18713.48	2012		DEC 2020 CDBG CONTRACT	123000010.55720.41.0000
		197557		2/16/2021	24986.50	2011		NOV 2020 CDBG CONTRACT	123000010.55720.41.0000
		197655		2/22/2021	4650.00	299-316 01-21 2		COVID CARES GRANT	001270000.51890.41.0010
		197837		3/8/2021	15262.80	2101		JAN 2021 CDBG #20-62210-007	123000010.55720.41.0000
		197837		3/8/2021	911.00	2012ARB 250-301-2		DEC 2020 ADJUSTMENT	131000010.56400.41.0021
		197837		3/8/2021	977.52	2101 ARB 250-301		JAN 2021 SERVICES	131000010.56400.41.0021
		198139		3/15/2021	13368.75	COMMSVCS2103		MARCH 2021 COMM SRVCS AGREMT	001068000.55500.49.0010
		198273		3/22/2021	8768.91	COVIDCARES08		OLYCAP FAIRGROUNDS MONITOR CVD	001270000.51890.41.0010
		198273		3/22/2021	1880.86	2102 ARB 250-301		FEB 2021 SERVICES	131000010.56400.41.0021
		198595		4/12/2021	13368.75	COMMSVCS 2104		APRIL 2021 OLYCAP COMM SRVCS	001068000.55500.49.0010
		198595		4/12/2021	260.41	2163 2101		OLYCAP HAINES ST JAN 2021	149000010.55150.41.0204
		198595		4/12/2021	289.67	2163 2102		OLYCAP HAINES FEB 2021	149000010.55150.41.0204
		198595		4/12/2021	27436.30	2163 2101		OLYCAP SHELTER JAN 2021	149000010.56540.41.2020
		198595		4/12/2021	25021.66	2163 2102		OLYCAP SHELTER FEB 2021	149000010.56540.41.2020
		198889		4/19/2021	1542.30	2103 ARB 250-301		MARCH 2021 SERVICES	131000010.56400.41.0021
		199029		4/26/2021	1996.74	2163 2103		2163 HAINES ST MARCH BILLING	149000010.55150.41.0204
		199029		4/26/2021	60737.45	2103ARB261-317		PFEIFFER HOUSE MARCH	149000010.55150.41.0208
		199029		4/26/2021	22709.16	2163 2103		2163 SHELTER MARCH BILLING	149000010.56540.41.2020
		199324		5/10/2021	13368.75	COMMSVCS2105		MAY COMM SRVCS 2021	001068000.55500.49.0010
		199324		5/10/2021	849.92	1Q21-HCA		1Q21 1/2 RENT PER LEASE-HOO	183000010.51830.45.0110
		199595		5/17/2021	2256.07	2104 ARB 250-301		APRIL 2021 SERVICES	131000010.56400.41.0021
		199703		5/24/2021	2156.09	2103		MAR-CDBG CONTRACT 20-62210-007	123000010.55720.41.0000

VENDOR ADD#	NAME	WARRANT #	DATE	AMOUNT	INVOICE#	DESCRIPTION	ACCOUNT #
		199703	5/24/2021	10400.04	2102	FEB-CDBG CONTRACT20-62210-007	123000010.55720.41.0000
		199703	5/24/2021	2643.08	2163 2104	APRIL 2163 HAINES ST 2021	149000010.55150.41.0204
		199703	5/24/2021	4040.93	2104ARB261-317	APRIL 2021 PFEIFFER HOUSE	149000010.55150.41.0208
		199703	5/24/2021	27520.53	2163 2104	APRIL 2163 SHELTER 2021	149000010.56540.41.2020
		Vendor Total:		334670.17			

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	WARRANT	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
5643 OLYMPIC COMMUNITY ACTION PROGRAMS										
01-21COVID1		07/12/2021	6675	210712NR	100200628	13,400.00	07/12/2021	INV	PD	ISOLATION AND QUARANTINE
2104		04/30/2021	82	210614NR	100199754	9,507.77	06/14/2021	INV	PD	APRIL-CDBG CONTRACT # 20-6
2105		05/31/2021	5126	210628NR	100200393	12,207.18	06/28/2021	INV	PD	MAY-CDBG CONTRACT #20-622
2105 ARB 250 301		06/21/2021	2704	210621NR	100200230	1,952.30	06/21/2021	INV	PD	MAY 2021 SERVICES
2105ARB261-317		06/21/2021	3207	210621NR	100200211	6,916.09	06/21/2021	INV	PD	PFEIFFER HOUSE MAY 2021
2106		06/30/2021	10386	210809NR	100201349	11,881.24	08/09/2021	INV	PD	CDBG CONTRACT 20-62210-00
2106 ARB 250-301		07/19/2021	7268	210711NR	100200914	994.22	07/19/2021	INV	PD	JUNE 2021 SERVICES
210614NRUPDATE		07/19/2021	7462	210711NR	100200874	37	07/19/2021	INV	PD	CORRECT UNDERPAID INVOICE
2106ARB261-317		07/26/2021	8799	210726NR	100201149	2,936.84	07/26/2021	INV	PD	JUNE PFEIFFER HOUSE OLYCA
2107 ARB 250-301		09/13/2021	12887	210913NR	100202201	1,320.26	09/13/2021	INV	PD	JULY 2021 SERVICES
2107-CDBG-CV1		07/31/2021	23842	211122NR	100204079	6,036.49	11/22/2021	INV	PD	JULY21- CDBG CV-1 PER CON
2107ARB26-317		09/13/2021	14562	210913NR	100202102	40,619.33	09/13/2021	INV	PD	PFEIFFER HOUSE RENOVATION
2107ARB261-318		09/13/2021	14555	210913NR	100202102	14,387.99	09/13/2021	INV	PD	PFEIFFER HOUSE SUSTAINABL
2108 ARB 250-301		09/20/2021	15587	210920NR	100202483	1,380.72	09/20/2021	INV	PD	AUG 2021 1/10TH MONTHLY E
2108-CDBG-CV1		12/06/2021	25271	211213NR	100204313	7,525.03	12/13/2021	INV	PD	AUGUST-CDBG CV-1 CONTRACT
2108ARB261-317		09/27/2021	16501	210927NR	100202615	15,759.87	09/27/2021	INV	PD	PFEIFFER HOUSE AUGUST 202
2108ARB261-318		09/27/2021	16502	210927NR	100202615	612.01	09/27/2021	INV	PD	PFEIFFER HOUSE - AUGUST 2
2109 ARB 250-301		10/18/2021	19103	211018NR	100203096	1,327.54	10/18/2021	INV	PD	SEPT 2021 SERVICES
2109ARB261-317		10/25/2021	20076	211025NR	100203387	26,636.73	10/25/2021	INV	PD	PFEIFFER HOUSE SEPT 2021
2110ARB 250-301		11/15/2021	22824	211115NR	100203829	1,381.03	11/15/2021	INV	PD	OCTOBER 2021 HAINES COTTA
2110ARB261-317		12/13/2021	26134	211213NR	100204313	7,410.50	12/13/2021	INV	PD	PFEIFFER HOUSE - OCTOBER
2111ARB 250-301		12/20/2021	27149	211220NR	100204679	841.37	12/20/2021	INV	PD	NOV 21 HAINES COTT UTILIT
2111ARB261-317		12/27/2021	28023	211227NR	100204907	1,599.40	12/27/2021	INV	PD	OLYCAP PFEIFFER HOUSE NOV
2112ARB261-317		12/29/2021	30011	211229NB	100205310	2,697.43	12/29/2021	INV	PD	PFEIFFER HOUSE - DEC 2021
2163 2109		11/08/2021	21012	211105NR	100203573	16,716.66	11/08/2021	INV	PD	2163 OLYCAP SHELTER BILLI
2163 2109B		11/08/2021	21544	211105NR	100203573	8,304.01	11/08/2021	INV	PD	HAINES ST COTTAGES SEPT 2
2163-2105		06/21/2021	3938	210621NR	100200211	28,739.55	06/21/2021	INV	PD	2163 MAY 2021 SHELTER/HAI
21632106		07/19/2021	7440	210719NR	100200875	20,432.98	07/19/2021	INV	PD	2163 SHELTER/HAINES BILLI
21632107		08/23/2021	12422	210823NR	100201860	24,927.89	08/23/2021	INV	PD	2163 JULY 2021 HAINES ST
21632107FUND148		08/23/2021	12422	210823NR	100201860	4,442.92	08/23/2021	INV	PD	2163 JULY PARTIAL HAINES
21632108		09/27/2021	16504	210927NR	100202615	11,499.02	09/27/2021	INV	PD	OLYCAP SHELTER - AUGUST 2
21632108B		09/27/2021	16505	210927NR	100202615	7,253.07	09/27/2021	INV	PD	OLYCAP HAINES ST - AUGUST
21632110		12/29/2021	30012	211229NB	100205310	9,816.34	12/29/2021	INV	PD	2163 OLYCAP SHELTER OCT 2
299-311 2109		09/30/2021	20998	211103NR	100203573	146,917.67	11/08/2021	INV	PD	MILL RD PROP PROJ-SEPT &
299-311 2111		11/30/2021	28006	211227NR	100204907	63,539.29	12/27/2021	INV	PD	ARPA-OCTOBER-MILL RD PROP
299-311-2110		06/14/2021	2306	211213NR	100204313	29,164.77	12/13/2021	INV	PD	JUNE COMMUNITY SERVICES A
COMMSVCS2106		07/12/2021	6659	210712NR	100199887	13,368.38	06/14/2021	INV	PD	JULY 2021 OLYCAP COMM SER
COMMSVCS2107		08/09/2021	10376	210809NR	100201350	13,368.75	08/09/2021	INV	PD	COMMUNITY SERVICES AUGUST
COMMSVCS2108		09/20/2021	15602	210920NR	100202384	13,368.75	09/20/2021	INV	PD	SEPTEMBER 2021 COMMUNITY
COMMSVCS2109		10/18/2021	18986	211018NR	100203066	13,368.75	10/18/2021	INV	PD	OLYCAP OCT 2021 COMM SERV
COMMSVCS2110		12/20/2021	27173	211220NR	100204622	13,368.75	12/20/2021	INV	PD	OLYCAP COMM SERVICES NOV
COMMSVCS2112		12/29/2021	30015	211229NB	100205310	13,368.75	12/29/2021	INV	PD	OLYCAP DEC 2021 COMMUNITY
FGM316-2104		07/12/2021	6673	210712NR	100200628	6,159.92	07/12/2021	INV	PD	APRIL 2021 FAIRGROUNDS MO
FGM316-2105		07/12/2021	6676	210712NR	100200628	4,404.90	07/12/2021	INV	PD	FAIRGROUNDS MONITOR MAY 2
FGM316-2106		07/19/2021	7450	210719NR	100200874	4,867.87	07/19/2021	INV	PD	JUNE 2021 FAIRGROUNDS MON
FGM316-2107		09/13/2021	14544	210913NR	100202102	4,844.98	09/13/2021	INV	PD	FAIRGROUND MONITOR - JULY
FGM316-2108		09/27/2021	16512	210927NR	100202615	4,522.38	09/27/2021	INV	PD	FAIRGROUNDS MONITOR - AUG
FGM316-2109		11/08/2021	21784	211105NR	100203573	5,831.04	11/08/2021	INV	PD	OLYCAP FAIRGROUND MONITOR
RES18-21		06/28/2021	5440	210628NR	100200443	75,000.00	06/28/2021	INV	PD	ALLOCATION FOR 7TH/HENDRI

VENDOR INVOICE LIST



INVOICE	P.O.	INV DATE	VOUCHER	WARRANT	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
50	INVOICES					760,307.85				

** END OF REPORT - Generated by Noeme Riddle **

VENDOR INVOICE LIST



Ex. F

INVOICE	P.O.	INV DATE	VOUCHER	WARRANT	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
5643 OLYMPIC COMMUNITY ACTION PROGRAMS										
2112		02/14/2022	33170	220214NR	100205741	1,605.53	02/14/2022	INV	PD	CDBG CONTRACT #20-G2210-0
2201ARB261-317		02/28/2022	35109	220228NR	100206371	9,857.11	02/28/2022	INV	PD	PFEIFFER HOUSE JANUARY 20
220ARB261-317		03/21/2022	37377	220321NR	100206980	1,148.10	03/21/2022	INV	PD	OLYCAP PFEIFFER HOUSE FEB
22928		02/23/2022	35060	220228NR	100206371	35.00	02/28/2022	INV	PD	FACILITY RENTAL
299-3112112		02/14/2022	31769	220214NR	100205741	53,014.00	02/14/2022	INV	PD	MILL RD PROJ DEC 1 TO DEC
7HJC		03/14/2022	36850	220314NR	100206721	200,000.00	03/14/2022	INV	PD	OLYCAP 1/2 OF THE 2022 7T
COMMSVCS2201		01/24/2022	30902	220124JB	100205586	14,037.25	01/24/2022	INV	PD	OLYCAP - JANUARY COMMUNIT
COMMSVCS2202		02/14/2022	33153	220214NR	100205741	14,037.25	02/14/2022	INV	PD	OLYCAP FEB 2022 COMM SERV
COMMSVCS2203		03/14/2022	36851	220314NR	100206721	14,037.25	03/14/2022	INV	PD	OLYCAP COMM SERVICES MARC
COVIDCARES299-31603		02/14/2022	33036	220214NR	100205741	23,397.66	02/14/2022	INV	PD	DECEMBER 2021 OLYCAP ISOL
10 INVOICES						331,169.15				

** END OF REPORT - Generated by Noeme Riddle **

From: [Strzalka, Amy \(SAO\)](#)
To: rbschurman@gmail.com
Subject: Citizen Hotlines H-22-291 and H-22-298
Date: Monday, August 22, 2022 2:36:00 PM
Attachments: [image001.png](#)

Dear Ms. Schurman,

Thank you for contacting the State Auditor's Office Citizen Hotline with your concerns regarding a potential conflict of interest at Jefferson County.

We will consider your concerns as part of our next accountability audit of the County, planned for summer 2023.

Have a good day,



Amy Strzalka, CPA

Team Port Orchard Audit Manager, [Office of the Washington State Auditor](#)
(360) 845-1476 | Pronouns: she/her/hers

We are hiring! Go to sao.wa.gov/jobs to see our openings.



**Office of the Washington State Auditor
Pat McCarthy**

November 15, 2023

Rosemary Schurman
PO Box 65194
Port Ludlow, WA 98365

Dear Ms. Schurman:

Thank you for contacting the State Auditor's Office Citizen Hotline with your concerns regarding Jefferson County.

We recently examined your concerns as part of our audit of the County and would like to share the results with you. Your concerns and our conclusions are listed below.

Concern: In your referral, you identified a potential conflict of interest. Specifically, you said a County Commissioner participates in the County's process for awarding grants and contracts to a nonprofit organization for which the Commissioner is a board member.

Results: We did not identify a conflict of interest. Since the Commissioner does not receive a benefit from the grants and contracts the County awards to the nonprofit organization, there is no violation of RCW 42.23, Code of Ethics for Municipal Officers – Contract Interests.

Thank you for taking the time to submit your concerns. If you have any questions, please contact me at (360) 845-1476.

Sincerely,

Amy Strzalka, CPA
Program Manager
Port Orchard

H-22-298

From: [Strzalka, Amy \(SAO\)](#)
To: [Rosemary Schurman](#)
Subject: Citizen Hotline H-22-298 Regarding Jefferson County
Date: Wednesday, September 6, 2023 9:54:00 AM
Attachments: [image001.png](#)

Hello Ms. Schurman,

We sent your letters voicing your concerns about a potential conflict of interest for one of the Jefferson County Commissioners, and a letter the County sent us on the same topic to our Director of Legal Affairs for review. He would be happy to discuss the results of that review with you via phone, if you'd like to give him a call.

Al Rose, Director of Legal Affairs, (564) 999-0805

Best,



[Amy Strzalka, CPA](#)

Team Port Orchard Audit Manager, Fire Protection District Program Manager

[Office of the Washington State Auditor](#)

(360) 845-1476 | Pronouns: she/her/hers

We are hiring! Go to sao.wa.gov/jobs to see our openings.

SEP 30 2022

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September 27, 2022

Ms. Pat McCarthy, Washington State Auditor
Insurance Building P.O. Box 40021
Olympia, WA 98504-0021

Via US Mail & Email
Pat.McCarthy@sao.wa.gov

Re: ADDENDUM: Conflict of Interest Contracting and Public Spending by Jefferson
County Commissioner Greg Brotherton in Violation of RCW Chapter 42.23

Dear Ms. McCarthy:

Please consider this addendum to my complaint filed with your office, dated August 17, 2022. The County has decided that Mr. Brotherton has no ethics conflict under RCW 42.23.030 because he has no financial interest in the nonprofit agency that has received over four million dollars from Jefferson County in the form of money and real property. Amy Strzalka, CPA, from your office, has advised me that the Auditor's Office will not consider the complaint until next summer when the scheduled "accountability audit" occurs. This position renders our State of Washington ethics laws meaningless and it is certainly not in the taxpayers' interest, nor is it fiscally responsible, to delay consideration of this issue when millions of dollars are being spent. I encourage you to revisit that decision as this legally valid complaint is not simply a matter of "politicking," as inferred by Jefferson County.

The Civil Deputy Prosecutor's analysis of RCW 42.23.030 and conclusion that Commissioner Brotherton's conflict of interest is nonexistent, merely because he does not directly receive monetary compensation from OlyCap, completely ignores both the stated purpose of Chapter 42.23 and RCW 42.23.040.

The purpose of Chapter 42.23 is to "prohibit certain instances and areas of conflict," particularly with respect to "the transaction of business by municipal officers," but does "sanction[]" certain conflicts of interest "deemed to be only remote[.]" RCW 42.23.010.

RCW 42.23.030 prohibits municipal officers from being "directly or indirectly" "beneficially interested" in a contract. RCW 42.23.040 defines scenarios when a conflict of interest is "remote" and thus the municipal "officer is not interested in a contract within the meaning of RCW 42.23.030[.]" The scenario where a municipal officer holds a position as a "non-salaried officer of a nonprofit corporation" is explicitly labeled a "remote interest." This type of remote interest is considered a conflict of interest, but it is one sanctioned by the legislature when the conflict is disclosed because it qualifies as only a "remote" conflict. *However*, RCW 42.23.040 also reverses the "remote interest" distinction where the municipal "officer influences or attempts to influence any other officer of the municipality[.]" Under this scenario, the municipal officer is considered "interested... within the meaning of RCW 42.23.030[.]" and RCW 42.23.040 can be read as follows:

"A municipal officer is [] interested in a contract, within the meaning of RCW 42.23.030, if the officer has only a remote interest in the contract... [and] the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract."

Under RCW 42.23.040,¹ the legislature classified this specific scenario: a municipal officer also holding a position as a non-salaried officer of a nonprofit corporation, who exerts influence over other municipal officers when making a decision related to a business transaction involving the same nonprofit, as a prohibited conflict of interest "within the meaning of 42.23.030[.]"

Mr. Brotherton is a Jefferson County Commissioner (a municipal officer) and is a member of the board of directors of a nonprofit - OlyCap. Mr. Brotherton has also repeatedly advocated for passage of certain funding and land divestment resolutions, at County Commission meetings and in his capacity as a County Commissioner, which showered OlyCap with millions of dollars and acres of land at below market value. Mr. Brotherton's advocacy for resolutions which provide direct financial benefit to OlyCap (as documented in the original complaint) is the type of "influence" contemplated by the legislature, which elevates what is otherwise a "remote interest," to that which is prohibited under RCW 42.23.030.

Jefferson County conveniently ignored RCW 42.23.040 when concluding that there is no conflict under RCW 42.23.030, even though .040 *expressly addresses* an ethics violation for a County Commissioner who is a "*nonsalaried officer of a nonprofit corporation.*" Furthermore, the argument that there is no ethical violation because there are more than 50 nonprofit organizations that have Jefferson County Commissioner board members and no one has ever been challenged, is illogical. A practice that has not received judicial review does not mean that the practice is lawful. Nor does the County's citation to a 1996 Court of Appeals decision resolve the legal issues when the decision does not even address RCW 42.23.040 and its provision which specifically addresses Brotherton's position as a "nonsalaried officer of a nonprofit corporation."

¹RCW 42.23.040 states: A municipal officer is not interested in a contract, within the meaning of RCW 42.23.030, if the officer has only a remote interest in the contract and the extent of the interest is disclosed to the governing body of the municipality of which the officer is an officer and noted in the official minutes or similar records of the municipality prior to the formation of the contract, and thereafter the governing body authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer having the remote interest. As used in this section "remote interest" means:

- (1) That of a nonsalaried officer of a nonprofit corporation;
- (2) That of an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary;
- (3) That of a landlord or tenant of a contracting party;
- (4) That of a holder of less than one percent of the shares of a corporation or cooperative which is a contracting party.

None of the provisions of this section are applicable to any officer interested in a contract, even if the officer's interest is only remote, if the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract.

As previously documented in the initial memorandum, Mr. Brotherton advocates for financial awards to Olycap, as well as votes for such awards, contrary to RCW 42.23. Even the Municipal Research and Services of Washington² states:

It is accordingly recommended that the officer with a remote interest should not participate, or even appear to participate, in any manner in the governing body's action on the contract.

Knowing the Territory: Basic Legal Guidelines for Washington City, County and Special Purpose Districts, January 2022 located at : <https://mrsc.org/getmedia/1e641718-94a0-408b-b9d9-42b2e1d8180d/Knowing-The-Territory.pdf.aspx?ext=.pdf>

In addition to the law which prohibits Brotherton's conflict of interest, there is an appearance of fairness issue. Deciding to donate over 4 million dollars to a nonprofit (primarily for homeless shelters and housing) and then serving as the Chair of the nonprofit's board of directors, has the appearance of impropriety. No one is criticizing the nonprofit, but you would think that Brotherton would follow the MRSC advice and refrain from participating in County decisions that give money to the nonprofit that he is significantly involved with. Brotherton is taking an unnecessary risk. RCW 42.23.050 states that a contract made in violation of the ethics laws "is void" and could be "grounds for forfeiture of his...office." Why not take the high road and just refrain from making those decisions?

Moreover, if the County is so confident in its legal position with respect to Brotherton's ethical dilemma, why hasn't it requested an opinion from the Washington State Attorney General? The Jefferson County prosecutor is one of the few government officials who can make such a request. Private citizens, such as the undersigned, cannot make a request. See, <https://www.atg.wa.gov/about-ago-opinions>

I hope the Auditor's Office will study this issue and render an opinion. The citizens of Jefferson County deserve to have this resolved by a neutral agency. A prompt review of this issue is also consistent with the statement on the SAO web site which indicates that under your "leadership, SAO's vision and mission is to increase trust in government through independent and transparent audits of state and local governments, and to help these governments develop

² "The Municipal Research and Services Center (MRSC) is a nonprofit organization that helps local governments across Washington State better serve their communities by providing legal and policy guidance on any topic. At MRSC, we believe the most effective local government is a well-informed one, and as cities, counties, and special purpose districts face rapid changes and significant challenges, we are here to help. For more than 80 years, local governments have turned to MRSC for independent and reliable guidance on every topic imaginable. Our trusted staff attorneys and policy consultants provide personalized assistance by phone and email, at conferences and training sessions, and through our extensive online articles and resources. Every year we answer thousands of questions as we help staff and elected officials research policies, comply with state and federal laws, and improve day-to-day operations." [<https://mrsc.org/Home/About-MRSC.aspx>]

strategies to become more efficient and effective.” From: <https://sao.wa.gov/about-sao/state-auditor-pat-mccarthy/>

Thank you for your consideration.

Very truly yours,
s/ Rosemary Schurman
Rosemary Schurman, Esq.
PO Box 65194, Port Ludlow, WA 98365
425-821-8577; rbschurman@gmail.com

cc: Amy Strzalka, CPA @ strzalkaa@sao.wa.gov

ROSEMARY B. SCHURMAN

ATTORNEY AT LAW

121 Condon Lane

Port Ludlow, WA 98365

State Auditor's Office

SEP 30 2022

RECEIVED

Ms. Pat McCarthy, Washington State Auditor
Insurance Building P.O. Box 40021
Olympia, WA 98504-0021

98504-0021



TACOMA WA 983
OLYMPIA WA
28 SEP 2022 PM 3 L

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425-821-8577
FAX 888-821-0544

Po Box 65194
Port Ludlow, WA 98365

September 27, 2022

Ms. Pat McCarthy, Washington State Auditor
Insurance Building P.O. Box 40021
Olympia, WA 98504-0021

Via US Mail & Email
Pat.McCarthy@sao.wa.gov

Re: ADDENDUM: Conflict of Interest Contracting and Public Spending by Jefferson
County Commissioner Greg Brotherton in Violation of RCW Chapter 42.23

Dear Ms. McCarthy:

Please consider this addendum to my complaint filed with your office, dated August 17, 2022. The County has decided that Mr. Brotherton has no ethics conflict under RCW 42.23.030 because he has no financial interest in the nonprofit agency that has received over four million dollars from Jefferson County in the form of money and real property. Amy Strzalka, CPA, from your office, has advised me that the Auditor's Office will not consider the complaint until next summer when the scheduled "accountability audit" occurs. This position renders our State of Washington ethics laws meaningless and it is certainly not in the taxpayers' interest, nor is it fiscally responsible, to delay consideration of this issue when millions of dollars are being spent. I encourage you to revisit that decision as this legally valid complaint is not simply a matter of "politicking," as inferred by Jefferson County.

The Civil Deputy Prosecutor's analysis of RCW 42.23.030 and conclusion that Commissioner Brotherton's conflict of interest is nonexistent, merely because he does not directly receive monetary compensation from OlyCap, completely ignores both the stated purpose of Chapter 42.23 and RCW 42.23.040.

The purpose of Chapter 42.23 is to "prohibit certain instances and areas of conflict," particularly with respect to "the transaction of business by municipal officers," but does "sanction[]" certain conflicts of interest "deemed to be only remote[]" RCW 42.23.010.

RCW 42.23.030 prohibits municipal officers from being "directly or indirectly" "beneficially interested" in a contract. RCW 42.23.040 defines scenarios when a conflict of interest is "remote" and thus the municipal "officer is not interested in a contract within the meaning of RCW 42.23.030[]" The scenario where a municipal officer holds a position as a "non-salaried officer of a nonprofit corporation" is explicitly labeled a "remote interest." This type of remote interest is considered a conflict of interest, but it is one sanctioned by the legislature when the conflict is disclosed because it qualifies as only a "remote" conflict. *However*, RCW 42.23.040 also reverses the "remote interest" distinction where the municipal "officer influences or attempts to influence any other officer of the municipality[]" Under this scenario, the municipal officer is considered "interested... within the meaning of RCW 42.23.030[]" and RCW 42.23.040 can be read as follows:

"A municipal officer is [] interested in a contract, within the meaning of RCW 42.23.030, if the officer has only a remote interest in the contract... [and] the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract."

Under RCW 42.23.040,¹ the legislature classified this specific scenario: a municipal officer also holding a position as a non-salaried officer of a nonprofit corporation, who exerts influence over other municipal officers when making a decision related to a business transaction involving the same nonprofit, as a prohibited conflict of interest "within the meaning of 42.23.030[.]"

Mr. Brotherton is a Jefferson County Commissioner (a municipal officer) and is a member of the board of directors of a nonprofit - OlyCap. Mr. Brotherton has also repeatedly advocated for passage of certain funding and land divestment resolutions, at County Commission meetings and in his capacity as a County Commissioner, which showered OlyCap with millions of dollars and acres of land at below market value. Mr. Brotherton's advocacy for resolutions which provide direct financial benefit to OlyCap (as documented in the original complaint) is the type of "influence" contemplated by the legislature, which elevates what is otherwise a "remote interest," to that which is prohibited under RCW 42.23.030.

Jefferson County conveniently ignored RCW 42.23.040 when concluding that there is no conflict under RCW 42.23.030, even though .040 *expressly addresses* an ethics violation for a County Commissioner who is a “*nonsalaried officer of a nonprofit corporation.*” Furthermore, the argument that there is no ethical violation because there are more than 50 nonprofit organizations that have Jefferson County Commissioner board members and no one has ever been challenged, is illogical. A practice that has not received judicial review does not mean that the practice is lawful. Nor does the County’s citation to a 1996 Court of Appeals decision resolve the legal issues when the decision does not even address RCW 42.23.040 and its provision which specifically addresses Brotherton’s position as a “nonsalaried officer of a nonprofit corporation.”

¹RCW 42.23.040 states: A municipal officer is not interested in a contract, within the meaning of RCW 42.23.030, if the officer has only a remote interest in the contract and the extent of the interest is disclosed to the governing body of the municipality of which the officer is an officer and noted in the official minutes or similar records of the municipality prior to the formation of the contract, and thereafter the governing body authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer having the remote interest. As used in this section "remote interest" means:

- (1) That of a nonsalaried officer of a nonprofit corporation;
- (2) That of an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary;
- (3) That of a landlord or tenant of a contracting party;
- (4) That of a holder of less than one percent of the shares of a corporation or cooperative which is a contracting party.

None of the provisions of this section are applicable to any officer interested in a contract, even if the officer's interest is only remote, if the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract.

As previously documented in the initial memorandum, Mr. Brotherton advocates for financial awards to Olycap, as well as votes for such awards, contrary to RCW 42.23. Even the Municipal Research and Services of Washington² states:

It is accordingly recommended that the officer with a remote interest should not participate, or even appear to participate, in any manner in the governing body's action on the contract.

Knowing the Territory: Basic Legal Guidelines for Washington City, County and Special Purpose Districts, January 2022 located at : <https://mrsc.org/getmedia/1e641718-94a0-408b-b9d9-42b2e1d8180d/Knowing-The-Territory.pdf.aspx?ext=.pdf>

In addition to the law which prohibits Brotherton's conflict of interest, there is an appearance of fairness issue. Deciding to donate over 4 million dollars to a nonprofit (primarily for homeless shelters and housing) and then serving as the Chair of the nonprofit's board of directors, has the appearance of impropriety. No one is criticizing the nonprofit, but you would think that Brotherton would follow the MRSC advice and refrain from participating in County decisions that give money to the nonprofit that he is significantly involved with. Brotherton is taking an unnecessary risk. RCW 42.23.050 states that a contract made in violation of the ethics laws "is void" and could be "grounds for forfeiture of his...office." Why not take the high road and just refrain from making those decisions?

Moreover, if the County is so confident in its legal position with respect to Brotherton's ethical dilemma, why hasn't it requested an opinion from the Washington State Attorney General? The Jefferson County prosecutor is one of the few government officials who can make such a request. Private citizens, such as the undersigned, cannot make a request. See, <https://www.atg.wa.gov/about-ago-opinions>

I hope the Auditor's Office will study this issue and render an opinion. The citizens of Jefferson County deserve to have this resolved by a neutral agency. A prompt review of this issue is also consistent with the statement on the SAO web site which indicates that under your "leadership, SAO's vision and mission is to increase trust in government through independent and transparent audits of state and local governments, and to help these governments develop

² "The Municipal Research and Services Center (MRSC) is a nonprofit organization that helps local governments across Washington State better serve their communities by providing legal and policy guidance on any topic. At MRSC, we believe the most effective local government is a well-informed one, and as cities, counties, and special purpose districts face rapid changes and significant challenges, we are here to help. For more than 80 years, local governments have turned to MRSC for independent and reliable guidance on every topic imaginable. Our trusted staff attorneys and policy consultants provide personalized assistance by phone and email, at conferences and training sessions, and through our extensive online articles and resources. Every year we answer thousands of questions as we help staff and elected officials research policies, comply with state and federal laws, and improve day-to-day operations." [<https://mrsc.org/Home/About-MRSC.aspx>]

strategies to become more efficient and effective.” From: <https://sao.wa.gov/about-sao/state-auditor-pat-mccarthy/>

Thank you for your consideration.

Very truly yours,
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