

CITY OF SPOKANE ETHICS COMMISSION
ETHICS COMPLAINT FORM

Please review the City of Spokane's Code of Ethics – Chapter 1.04A SMC – before completing this complaint form. When you have completed this form, submit it to:

City of Spokane Ethics Commission
Attention: Salvatore J. Faggiano
Office of the City Attorney
5th Floor Municipal Building
W. 808 Spokane Falls Blvd.
Spokane, WA 99201

or at: cityattorneyinfo@spokanecity.org

****Please be advised that the completed complaint form is a public record pursuant to the Washington State Public Records Act, Chapter 42.56 RCW and will be filed with the City Clerk's Office, posted on the Ethics Commission's website and provided to the person who is the subject of the complaint as well as any other individual making request for a copy of the complaint. The Ethics Commission's review of the complaint will occur in a meeting open to the public. ****

Pursuant to the City of Spokane's Code of Ethics, I am filing a complaint regarding conduct which I believe constitutes a violation of the City's Code of Ethics.

Name, position, and department of person(s) I believe to have violated the Code of Ethics:

Name: BREEAN BEGGS

Position/Title: Council President

Nature of Code of Ethics violation:

What specific provision of SMC 1.04A.030 do you believe has been violated?

I and/or K

Describe in as much detail as possible the alleged Code of Ethics violation conduct. Attach additional sheets of paper, if necessary. Please include all documentation you believe demonstrates a violation. Your description should include the date, location and frequency of the alleged violation.

Please see attachments 1 to 4

Names and positions of the persons who may have witnessed the event:

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Evidence or documentation

Please list any evidence or documentation that would support your allegation of a Code of Ethics violation. Indicate whether you can personally provide that information.

Please see attachments 2 to 4

Complainant Declaration

I declare under penalty of perjury of the laws of the State of Washington that to the best of my knowledge, information, and belief formed after reasonable reflection, the information in the complaint is true and correct.

Thomas J Bassler MD
Complainant's Signature

5/5/2022
Date

Date and Place (e.g. City, State)

5/5/2022 Spokane, WA

Name (please print): Thomas J Bassler

Address: 1425 E South Ridge Ct
Spokane, WA 99223

Phone Number(s): 509-701-0834

E-Mail Address: tom@gvdcommercial.com

ATTACHMENT 1

On March 10, 2022, the City of Spokane Community Health and Services Department issued a Request For Proposal (RFP) for a new homeless shelter.

Three proposals were received from (a) Guardians Foundation, (b) Jewels Helping Hands, and (c) the Salvation Army.

The proposals were forwarded to the Continuum of Care (CoC) Board's RFP Committee for review, analysis, and to draft a recommendation to the CoC's entire Board for the CoC Board to present a recommendation to the City Council of the City of Spokane.

Council President Beggs may have violated SMC 01.04A.030(l) relating to the disclosure of confidential information. As documented in Attachment 2 (Breean Beggs April 18, 2022 email), before the CoC Board made a recommendation to the Spokane City Council, Council President Beggs secured copies of the three proposals and sent them to the City Council and Staff on April 18, 2022. At this time, the proposals were not of public knowledge. Shortly after Beggs sent the confidential documents to the Spokane City Council and Staff, the confidential documents became public knowledge, as documented in Attachment 3. The three proposals were shared outside of the CoC Board before the Board completed its process, which appears to have disrupted the city council's business and may have interfered with the RFP process.

Council President Beggs may have also violated chapter 42.23 RCW entitled: Code of Ethics for Municipal Officers. RCW 42.23.070(4) provides: "No municipal officer may disclose confidential information gained by reason of the officer's position...."

Beggs's actions may also violate SMC 01.04A.030(k) as it puts into question whether all the proposals were given fair and equitable treatment. The CoC Board, as part of the customary outside review process for Community, Housing, and Human Services (CHHS) Department competitive processes, was asked to review the responses to the RFP for a shelter operator issued on March 10. The Board's RFP committee reviewed and scored the proposals and made a recommendation for the full Board to review. The voting and recommendation process from the full Board to the CHHS Department was never completed apparently due to concerns about the integrity of the process, which were raised by City staff. Accounts of those concerns were captured in meeting minutes and emails reported in Attachment 3.

With this information, I formally request that the City of Spokane Ethics Commission review this matter. The RFP process must be fair, and the respondents to the RFP must be confident in the fairness of the process. Has Breean Beggs compromised the RFP process? Did President Beggs violate RCW 42.23, SMC 01.04A.030(l) and/or (k)? Are Beggs's actions related to the recently reported conflicts of interest involving former Spokane City Council member Ben Stuckart (Attachment 4)?

Breean Beggs's actions may have erased over a month of work of the CoC Board regarding shelters for the most vulnerable. More worrisome, Breean Beggs may have caused a delay in response to the needs of the most vulnerable, adding to the suffering and possibly deaths of the most vulnerable.

ATTACHMENT 2

From: Beggs, Breean <bbeggs@spokanecity.org>

Sent: Monday, April 18, 2022 8:21:11 PM

To: City Council Members and Staff <citycouncil@spokanecity.org>

Subject: Proposals for Trent Shelter

Dear All (please don't reply all!):

I have asked the Administration several times for the proposals without really getting a response. I was able to secure from another source these attachments, which appear to be the proposals. My hope is to carve out time at this week's study session to hear from the Continuum of Care and the Administration on the subject.

Best,

Breean

Attachment 3

City to Restart Provider Section Process
Brian Coddington, Communications Director, 509.625.6740

Wednesday, April 20, 2022 at 8:08 a.m.

The process to select a provider to operate a new night-by-night drop-in shelter will start over after separate actions by third parties that constitute a conflict of interest and a breach of the process.

Members of the Continuum of Care board who were parties to one of the proposals participated in board discussion on April 15 about which proposal to recommend. Although those board members did not vote on the proposals, their participation violated the board's conflict of interest policy. Additionally, the three proposals were shared outside of the board evaluators before the board completed its process, which creates the potential for outside influence.

"Homelessness and the process of selecting a provider to meet the basic shelter needs of those in crisis is an emotionally charged challenge the City has been working exhaustively to meet," Mayor Nadine Woodward said. "It's really disheartening to get this far and to have it disrupted by even the potential appearance of outside influence in this competitive process."

The Continuum of Care board, as part of an outside review process that is customary for Community, Housing, and Human Services (CHHS) Department competitive processes, was asked to review responses to the [Request for Proposals for a shelter operator issued on March 10](#). The board's RFP committee reviewed and scored the proposals and made a recommendation for the full board to review. The voting and recommendation process from the full board to the CHHS Department was never completed.

Concerns about the integrity of the process were raised by City staff on Monday and Tuesday. Accounts of those concerns were captured in meeting minutes and email. "The decision to start over was the right one even if it was extremely difficult because it potentially delays the opening of needed additional shelter space and hurts those who need help the most," Woodward said.

The decision to restart the process was communicated to proposers. Details are still being worked out about the restarted process and timeline and will be announced soon.

Attachment 4

<https://www.krem.com/section/investigations>



Investigations

Spokane nonprofits dispute state report claiming possible conflicts of interest

The state auditor's report identified potential conflicts of interest in two contracts for Spokane warming centers. They involve Ben Stuckart and Kelly Keenan.

Author: Megan Carroll

Published: 4:43 PM PDT April 19, 2021

Updated: 7:11 PM PDT April 19, 2021

SPOKANE, Wash. — A review by the Washington State Auditor's Office (SAO) Office conducted at the request of Spokane Mayor Nadine Woodward flagged concerns related to policies and practices of the city's Community, Housing, and Human Services (CHHS) department, including potential conflicts of interest.

The SAO confirmed that potential conflicts of interest involve former Spokane City Council member and mayoral candidate Ben Stuckart and Kelly Keenan, who works for Catholic Charities and resigned from his role as Director of CHHS in 2019.

In a statement released on Monday, Catholic Charities of Eastern Washington and the Spokane Low-Income Housing Consortium, where Stuckart now serves as Executive Director, disputed the findings and claimed that the SAO report contains inaccuracies.

Woodward reported concerns to the SAO and requested the audit following employee concerns related to the city's work with community organizations that operate public and human services. The audit was conducted over the past year and looks at the time period of Jan. 1 to Dec. 31, 2019.

“Our employees raised questions about some of our processes and procedures that we felt required outside review,” Woodward said in a press release on Monday. “The State Auditor’s Office conducted a thorough examination of the concerns and provided us with excellent guidance and recommendations to avoid a repeat of this situation.”

The CHHS department is part of the Neighborhoods, Housing, and Human Services division in Spokane. Woodward appointed Cupid Alexander to oversee the division in November 2020, which is outside of the time period that the audit addresses.

The employees and elected officials noted in the final report all left employment with the city prior to 2020, city leaders noted in the press release.

The SAO reported the following findings in four areas.

Procurement

The CHHS department did not comply with city policy and procedure for two contracts awarded in 2019, according to the SAO report. The city's purchasing policy requires informal competition.

CHHS did not provide documentation to demonstrate that it sought multiple bids as required by city policy, according to the SAO findings. The contracts were for flooring repairs of \$11,400 and \$13,300.

Sub-recipient agreements

The CHHS department follows an informal practice to award sub-recipient services rather than relying on adopted policies and written procedures.

In the state's review of three warming center contracts approved in 2019, the CHHS department could not provide evidence that it solicited a request for proposal or performed a competitive bidding process for the agreements. The agreements were for \$881,482, \$740,000 and \$495,841, according to the SAO report.

Conflicts of interest

The SAO report also found that two of the three previously referenced warming center contracts had an "appearance of a conflict of interest."

A former City Council member, identified by the SAO as Ben Stuckart, participated in an award process that included an organization whose founders contributed to his mayoral campaign during the 2019 election.

In November 2019, the CHHS department recommended awarding \$740,000 for an agreement to a sub-recipient identified as "high-risk" during a July selection process. The SAO confirmed that the sub-recipient was Jewels Helping Hands. The "high-risk" designation was due to an "unclear relationship with a charitable organization," which the SAO confirmed was Smith-Barbieri Progressive Fund, that Jewels Helping Hands identified as a partner, according to the report.

Department staff said Stuckart participated in the July 2019 award process, according to the SAO report. The Public Disclosure Commission website shows that the founders of the Smith-Barbieri Progressive Fund contributed to Stuckart's mayoral election campaign in 2019. Although the city did not award the July 2019 agreement to Jewels Helping Hands, the relationship still existed when the department recommended and the City awarded the November 2019 agreement, the SAO report says.

In the second instance, CHHS also recommended a warming center agreement for \$495,841 in November 2019. Department staff said a director responsible for the shelter and warming center programs — identified as Kelly Keenan — participated in awarding the agreement to Catholic Charities and then left the city for employment there, according to the SAO audit.

Keenan, who served as Director of Community Housing and Human Services, submitted his resignation letter to former Spokane Mayor David Condon in October 2019. He did not provide a reason for his resignation.

The SAO also noted that Keenan left the city in October 2019 before the agreement with Catholic Charities was approved.

The City's Municipal Code and state law "prohibit municipal officers or employees from participating in the making of contracts in which the officer or employee has a beneficial or personal interest, either directly or indirectly," according to the SAO report. The Municipal Code requires employees to notify supervisors or appointing authorities of potential conflicts of interest, and for supervisors or appointing authorities to resolve and document the disposition of the potential conflicts of interest.

No documentation existed to show that the department or city resolved the potential conflicts of interest, the SAO report says.

Catholic Charities, Spokane Low-Income Housing Consortium respond to conflict of interest claims

Catholic Charities of Eastern Washington (CCEW) and the Spokane Low-Income Housing Consortium said in a joint statement that the City of Spokane approached CCEW in November 2019 to operate a low-barrier emergency center for families experiencing homelessness. Catholic Charities initially passed on the request, but agreed after the city stressed that "other providers had declined and the public need was emergent."

Keenan "was not involved in negotiations or approval of this warming center contract as his last day of employment of the City of Spokane was October 11, 2019," the statement reads in part. Additionally, Keenan "was not offered a position at Catholic Charities until months after he left the City of Spokane and this is not unusual, as CCEW has been hiring former City employees for decades," according to the statement.

Keenan and Dawn Kinder both serve as senior leaders at Catholic Charities after having served as directors for CHHS. Catholic Charities ensured that neither participated in any contract negotiations for their first year of work at Catholic Charities, as per city ethics rules, according to the statement.

Senior leaders with Catholic Charities and leaders of the Spokane Low-Income Housing Consortium were not contacted for an interview by the city or state auditors, according to the statement.

"Findings in this report indicate that there may have been pressure from city council towards city leadership and city staff. However, no former city staff or former city council allegedly involved in said pressure were ever interviewed for this report," the statement reads in part.

Additionally, Catholic Charities said the SAO report's assertion that Keenan was involved in the contracting process for a warming shelter is "inconsistent with CCEW's recollection and records."

"CCEW does not believe that Mr. Keenan was involved in the contracting process for CCEW's involvement in the warming shelter and a public records request could easily verify that," the statement continues.

The Spokane Low-Income Housing Consortium also asserts that the claims about Stuckart are inaccurate.

"We strongly encourage the SAO and City of Spokane to revisit the concerns that were raised and speak directly to the involved parties in order to get accurate information," the statement reads. "Because these inaccuracies exist and could easily be fact checked, we hope the broader report will be re-reviewed. We know the mayor and SAO are committed to transparency and accuracy."

Gifting of public funds

CHHS also reimbursed a consulting agency for two mortgage payments and one car loan payment for one of the agency's employees in 2017 totaling \$2,453, which are personal, non-business expenses, according to the SAO report. SAO identified the consulting agency as the Center for Justice.

Department staff said a director approved the payments to the Center for Justice as an alternative form of compensation for the employee's service hours worked under the agreement, according to the report.

City of Spokane responds to state report

The city committed in its response to the state auditor to do the following:

- Establish protocol and implement a training program related to purchasing.
- Provide additional training on Personnel Policies and Procedures regarding how to report fraud, waste, abuse, and whistleblower protections.
- Embed procurement training into the onboarding of future department employees.
- Review and update policies and procedures.
- Require employees to use a consistent and equitable process to evaluate, select and award agreements to sub-recipients.
- Require all selection committee members to acknowledge having reviewed conflict of interest policies and procedures.
- Ensure consultants are reimbursed for actual and appropriate business expenses.

- Embed conflict of interest training into the onboarding process.
- Provide ongoing education and review of conflict policies.
- Require all employees to attend and complete the Gifting of Public Funds training.
- Provide department staff training for a detailed process to use if an invoice or document is in question.

“I commend the Mayor and the CHHS Department for formalizing new procurement rules that should prevent future questions,” Spokane City Council President Breean Beggs said in a statement. “I believe that even the appearance of a potential conflict is concerning and will work to ensure that RFP respondents are confident that they have an equal playing field.”

Kathleen Cooper, a spokesperson for the SAO, said in an email to KREM that the city's next scheduled accountability audit will begin in the fall of 2021 and cover fiscal year 2020. The SAO will begin following up on recommendations then but will likely continue to follow up in future audits to "ensure the city has sufficient time to address the items in this report."