

BEFORE THE WASHINGTON STATE EXECUTIVE ETHICS BOARD

In the Matter of:

RICHARD L. McCORMICK,

Respondent.

No. 01-08

STIPULATION AND ORDER

I. STIPULATION

THIS STIPULATION is entered into under WAC 292-100-090 between RICHARD L. McCORMICK, Respondent, through C. JAMES FRUSH, his counsel, and the EXECUTIVE ETHICS BOARD ("Board"), through LINDA A. DALTON, Senior Assistant Attorney General and BRIAN R. MALARKY, Executive Director. The following stipulation will be binding upon the parties only if accepted by the Board.

A. Facts

1. The above-referenced ethics complaint alleges that University of Washington President Richard L. McCormick, Respondent, violated chapter 42.52 RCW, by using money under his control from the 1999 Holiday Bowl and the 2001 Rose Bowl for the private benefit or gain of another.
2. The Respondent, Richard L. McCormick, is the President of the University of Washington. In that capacity, he manages the affairs of the University and reports to the Board of Regents. The Governor appoints the members of the Board of Regents.
3. In 1999, and again in 2000, President McCormick selected certain University officials and employees including University Regents, as well as state officers and officials, to attend the 1999 Holiday Bowl and 2001 Rose Bowl as part of the University's official delegation. The officials and employees selected were chosen because of their position within the state and University communities and were required to participate in official Bowl activities.

4. With respect to each of these Bowl appearances, President McCormick, in his capacity as University President, instructed University employees to make arrangements for the individuals he designated as the official University delegation to travel to the 1999 Holiday Bowl and the 2001 Rose Bowl. The Pacific 10 Conference mandated the University's participation in these two bowl games. Terms for participation by the University were outlined in the 1999 Holiday Bowl Team Manual, 2001 University Participation Manual and the Pacific 10 Conference handbook.
5. In addition, President McCormick approved travel and other related expenses for spouses, partners, and other relatives, including dependent children and his own spouse, dependent children, and in-laws, who were all family or guests of the members of his official delegation. President McCormick contends that his decision to approve such travel was based on prior University practices and in furtherance of University policies of supporting athletics.
6. The payment of all referenced travel-related expenses was paid for with funds specifically provided to the University for these purposes by the Pacific 10 Conference, the Pasadena Tournament of Roses Committee, or other funds from outside sources.

B. Applicable Law

1. RCW 42.52.160 states:

(1) No state officer or employee may employ or use any person, money, or property under the officer's or employee's official control or direction, or in his or her official custody, for the private benefit or gain of the officer, employee, or another.

(2) This section does not prohibit the use of public resources to benefit others as part of a state officer's or state employee's official duties.

2. RCW 42.52.010(12) states:

"Official duty" means those duties within the specific scope of employment of the state officer or state employee as defined by the officer's or employee's agency or by statute or the state Constitution.

3. RCW 42.52.070 states:

Except as required to perform duties within the scope of employment, no state officer or state employee may use his or her position to secure special privileges or exemptions . . . for other persons.

4. RCW 28B.10.703 states:

The governing boards of each of the state universities, the regional universities, The Evergreen State College, and community colleges in addition to their other duties prescribed by law shall have the power and authority to establish programs for intercollegiate athletic competition. Such competition may include participation as a member of an athletic conference or conferences, in accordance with conference rules.

5. RCW 28B.20.130 (2) states:

To employ the president of the university, his or her assistants, members of the faculty, and employees of the institution, who except as otherwise provided by law, shall hold their positions during the pleasure of said board of regents.

C. Conclusions of Law

1. Pursuant to chapter 42.52 RCW, the Board has jurisdiction over the Respondent, Richard McCormick and over the subject matter of this complaint.
2. Pursuant to WAC 292-100-090(1), the parties have the authority to resolve this matter under the terms contained herein.
3. Settlement of this matter on the terms herein is subject to WAC 292-100-090(2), which states in part:

The board has the option of accepting, rejecting, or modifying the proposed stipulation or asking for additional facts to be presented. If the board accepts the stipulation or modifies the stipulation with the agreement of respondent, the board shall enter an order in conformity with the terms of the stipulation. If the board rejects the stipulation or respondent does not agree to the board's proposed modification to the stipulation, the normal process will continue. The proposed stipulation and information obtained during formal settlement discussion shall not be admitted into evidence at a subsequent public hearing.

D. Resolution

Based on the foregoing, in resolution of the complaint, the parties stipulate that:

1. There are legitimate differences of opinion regarding the interpretation of the applicable laws and whether President McCormick committed a violation of the state ethics law. President

McCormick agrees that it is both important and essential to have the University's historical practices related to post-season bowl games stated in specific terms. President McCormick agrees to establish specific University policies that will avoid disputes over possible violations of state ethics laws in the future. The University has generated specific policies to ensure, if followed, that the University can continue to attend post-season football events in compliance with the state ethics laws. The terms of those policies are attached to and hereby incorporated by reference and made a part of this Stipulation and Order. President McCormick agrees to take all steps necessary to explicitly adopt University policies as set forth in Attachment A, consistent with the existing state ethics laws.

2. The purpose of the state ethics law is well served by the University adopting specific policies regarding compensation for expenses associated with attendance at post-season football events.
3. Had University policies specifically addressed additional compensation to University employees or payment to University officials for family travel expenses for post-season football events, such policies might have prevented allegations of violations of the Ethics in Public Service Act.
4. Under the Executive Ethics Board's Advisory Opinions Nos. 96-01, 00-05, 00-06, and 01-07 (scheduled to be approved on December 14, 2001) and on the facts of this particular complaint, in the event this matter were to proceed before the Board, the Board may have concluded that his actions, in approving the payment of travel and related expenses for non-state employees, were a violation of RCW 42.52.070 and RCW 42.52.160.
5. Pursuant to RCW 28B.20.250, the University has approved indemnification of President McCormick for all acts performed within the scope of his official duties. The state Executive Ethics Board will be reimbursed for the costs of investigation associated with this complaint in the amount of \$7,500.00.
6. President McCormick agrees to remain familiar with and in compliance with the state ethics laws in the performance of his official duties.

E. Release/Effect of Order

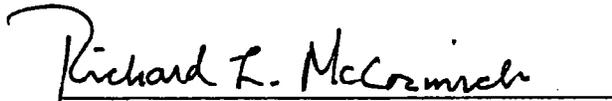
1. If the Board accepts this Stipulation, the Board releases and discharges Richard L. McCormick from all ethics proceedings under chapter 42.52 RCW for matters arising out of the facts contained in this complaint. Richard L. McCormick agrees to release and discharge the Board, its officers, agents, and employees from all claims, damages, and causes of action arising out of this complaint and this Stipulation and Order.
2. If this Stipulation is accepted, this Stipulation and Order does not purport to settle any other ethics complaints against Richard L. McCormick, which may exist or may be filed in the future.
3. If this Stipulation is accepted, this Stipulation and Order will be inadmissible for any purpose in any other proceeding involving Richard L. McCormick, the State, and/or third parties aligned with the State.
4. If this Stipulation is accepted, this Stipulation and Order is enforceable under RCW 34.05.578 and any other applicable statutes and rules.

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F. Certification

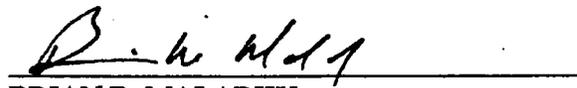
I, RICHARD L. McCORMICK, hereby certify that I have read this Stipulation and Order in its entirety; that I have had an opportunity to consult with legal counsel, that I knowingly and voluntarily waive my right to a hearing in this matter; and that I fully understand and voluntarily agree to this Stipulation.

EXECUTED this 27th day of December, 2001.


RICHARD L. McCORMICK
Respondent


C. JAMES FRUSH
Counsel for President McCormick

Stipulated to and presented by:


BRIAN R. MALARKY
Executive Director


LINDA A. DALTON
Counsel for Executive Director

II. ORDER

Having reviewed the proposed Stipulation, WE, THE STATE OF WASHINGTON EXECUTIVE ETHICS BOARD, pursuant to WAC 292-100-090, HEREBY ORDER that the

Stipulation is

X

ACCEPTED in its entirety;

REJECTED in its entirety;

*MODIFIED. This Stipulation will become the Order of the Board if the following modifications are approved by _____

DATED this _____ day of _____, 2001.

James M. Vaché, Chair

Laquita Fields

Laquita Fields, Vice Chair

Sutapa Basu, Member

Marilee Scarbrough

Marilee Scarbrough, Member

Cheryl G. Rohret

Rev. Cheryl Rohret, Member

I, _____, accept/do not accept (circle one) the proposed modification.

Respondent _____

Date _____

Attorney for Respondent _____

Date _____

Attachment A

The University of Washington agrees to take the following actions to facilitate the University's attendance and participation in post-season football events in compliance with the state's ethics laws. The term 'events' as used herein refers to not only the actual bowl game but also includes all surrounding activities such as dinners, fundraisers, alumni activities, and activities sponsored by a bowl committee such as University day at Disneyland. All travel and related expenses to post-season football events for the University delegation will only be paid from funds received from the bowl committees, PAC-10 conference or other outside sources and not from any other University funds.

1. **President's Contract.** The Board of Regents will make the following revision to paragraph 8 of the Presidents appointment letter (copy attached).

You may elect to bring your spouse and dependent children to all University athletic events, including but not limited to on-campus athletic events, post-season athletic events, and such other events and related activities which you attend or make an appearance at in relation to your duties as President of the University. The University may pay as compensation to you all costs associated with bringing your spouse and dependent children to an event and its related activities, in accordance with the University travel regulations. Expenses paid by the University shall include, but may not be limited to, air fare, other travel costs such as rental car or bus fare, lodging, subsistence and the cost of admission to the game and related activities.

2. **Contract Employees at ICA.** The Intercollegiate Athletic Department (ICA) will not compensate employees for family travel related to post season athletic events unless such compensation is explicitly authorized in an employee contract. In order to facilitate such travel, the Director of Intercollegiate Athletics may add the following term to contracts with Intercollegiate Athletic Department employees:

Whenever *[insert name of contract employee]* attends a post-season athletic event because his/her team is participating in the event, or because the Director of Intercollegiate Athletics requires his/her attendance, he/she may elect to bring his/her spouse or partner and dependent children to the event and related activities. The University may pay as compensation to *[insert name of contract employee]* all costs associated with bringing his/her spouse or partner and dependent children to an event and its related activities, in accordance with the University travel regulations and where relevant, NCAA and/or PAC 10 Conference regulations. Compensation paid by the University shall not exceed costs associated with bringing his/her spouse or partner and dependent children to the event including but not limited to airfare, other travel costs such as

rental car or bus fare, lodging, subsistence and cost of admission to the game and all related events.

3. **Faculty, Officers, Professional and Temporary Staff.** The University will amend the appropriate University manual(s), policies and/or regulations to make explicit that the following language shall constitute a part of the employment contract between the University and its Officers, Academic staff, Professional staff, and Temporary staff to whom it is applicable.

1. RCW 28B.10.703 provides the University has the statutory authority to establish programs for intercollegiate athletic competition and participate in athletic conferences. As a member of the PAC-10 Athletic Conference the University is required to participate in post-season bowl games for which it qualifies.

2. The business of the University is education; the carrying on of an athletic program is an important element in the education process. An athletic program is important to the institution and the student body. For college students, athletics offers an opportunity to develop leadership skills, learn teamwork, build self-confidence, and perfect self-discipline. In addition, for many student athletes, physical skills are a passport to college admissions and scholarships.

3. It is important for the University to support student athletes and use athletic events to promote the University. The following shall constitute a part of a program aimed at achieving these goals:

All University officers, deans, professional staff, temporary employees and faculty, if required by the President, shall attend designated post-season athletic events as part of their official duties and represent the University, engage in development activities for the University, support University athletes, monitor academic welfare and compliance with University, PAC-10, and NCAA regulations, and perform other functions as directed by the President. In consideration of individual's performance of his/her regular duties as well as any additional responsibilities placed on an individual when he/she attends a designated athletic event, he/she may elect to bring his/her spouse or partner and dependent children to the event. The University may pay as compensation all costs associated with bringing a spouse or partner and dependent children to an event and its related activities, in accordance with the University travel regulations and where relevant, NCAA and/or, PAC-10 conference regulations. Compensation paid by the University shall not exceed costs associated with bringing the spouse or partner and

dependent children to the event and related activities including but not limited to airfare, other travel costs such as rental car or bus fare, lodging, subsistence and cost of admission to the game and all related events.

Family travel expenses shall be paid in accord with applicable IRS regulations.

4. **Volunteers.** Whenever the University President or Director of Intercollegiate Athletics believes it is in the best interest of the University to use volunteers to perform functions on behalf of the University at University events, the Director or President will execute an agreement with the volunteer articulating the rights and responsibilities of both parties. A volunteer may be allowed to attend a post-season athletic event and so long as the volunteer provides a service to the University, his or her travel expenses and that of his or her spouse or partner and dependent children will be paid for by the University in a manner similar to those paid for University employees and in compliance with the applicable University policies and where relevant, NCAA and/or PAC 10 Conference regulations.
 5. **Regents.** Regents may attend post-season athletic events as part of their official duties and receive travel expenses from the University in compliance with the applicable University and state laws, regulations or policies.
 6. **Classified staff.** Classified staff may be required to attend post-season athletic events as part of their official duties. In the event they are required to attend such events, the University shall cover all travel expenses in compliance with the applicable University and the state laws, regulations and policies. Official duties may include attendance at the post-season game and all associated activities.
 7. **Elected Officials.** The University President may invite an elected official(s) to make an appearance at post season bowl games and to participate in official bowl game activities. The University understands that state legislators and staff will be selected by their respective bodies and all travel will comply with any guidelines that may be provided by the Legislative Ethics Board. Where authorized, the University may pay travel and related expenses including but not limited to all costs associated with bringing a spouse or partner as part of the official delegation, airfare, other travel costs such as rental car or bus fare, lodging, subsistence and cost of admission to the game and all related events from the University in compliance with the applicable University and the state laws, regulations and policies.
- The Executive Ethics Board does not express an opinion about whether a legislator may accept the University's invitation to attend a post season bowl game or related activities.
8. **Space Available Travel.** There are instances where flights are chartered to provide travel to the site of a bowl game. There are instances where such flights

do not fill based on the University's official delegation, team, band, cheer staff and ICA staff. In the event that the number of individuals traveling in their official capacity on flights chartered for a post-season bowl game attendance exceeds 50% of the available seats and there is evidence that the University was unable to fill the remaining seats due to budget restrictions, or conference rules, the Athletic Director may authorize the use of the unfilled spaces for family members of University employees or officers. Such space available travel shall constitute a de-minimis use of state resources.

9. **Souvenirs and Team Gifts.** In accordance with RCW 41.60.150, the University may award team gifts and other commemorative items from a post-season bowl game to University officers or employees. Under RCW 41.60.150, recognition awards are limited to \$200.00. Under RCW 41.60.160, the University President is not eligible for recognition awards. The recognition award limit does not apply to apparel items provided to 1) Intercollegiate Athletics staff as part of their official appearance at the bowl game or related venues or 2) members of the official delegation which are required to be worn as part of their appearance at an official bowl game function or related venues.