

**PORT OF SEATTLE COMMISSION MOTION  
IN RESPONSE TO THE FINDINGS  
OF THE  
SPECIAL INVESTIGATIVE COMMITTEE**

**December 9, 2008**

**Statement in Support of Motion**

Pursuant to a motion of the Port of Seattle Commission (the "*Commission*") passed unanimously on January 22, 2008, the Commission established a Special Investigative Committee (the "*Investigative Committee*") and named Commissioners Bill Bryant and Gael Tarleton as members of the committee. The Investigative Committee retained the law firm of McKay Chadwell, PLLC ("*McKay*"), as outside legal counsel to the committee. McKay released its report to the Commission on December 3, 2008 (the "*Investigative Report*"), which details findings of, among other things, ten instances of fraud committed by employees of the Port of Seattle (the "*Port*").

The Commission, as the county-wide elected oversight board for the Port, is responsible for ensuring that the Port's operations are conducted in a transparent and accountable manner that both promotes public trust and is in accordance with all federal, state and local laws. The Commission is therefore determined that: (i) the Port take the strongest possible disciplinary action against any person identified as having committed fraud or engaged in other activity contrary to federal, state or local law or the Port's Code of Ethics or otherwise violated the public trust or did not fully cooperate with the investigation, and (ii) the Port aggressively seek to recover public funds lost as the result of the illegal activity identified in the Investigative Report.

The Commission reaffirms the Port's "zero tolerance policy" should any employee in the course of their duties knowingly provide false, misleading or incomplete information to the Commission.

**Motion**

THE PORT OF SEATTLE COMMISSION:

(1) Endorses all recommendations contained in the Investigative Report and directs the Chief Executive Officer to implement them immediately. Progress reports shall be presented to the Commission in public session every two weeks.

THE PORT OF SEATTLE COMMISSION: HEREBY DIRECTS PORT STAFF TO:

(1) Continue to cooperate with the U.S. Department of Justice on its ongoing federal investigation, and to consult and cooperate with the Washington State Attorney General's Office and the King County Prosecutor's Office regarding the possibility of legal action against the former employees and/or contractors of the Port identified in the Investigation Report as having committed and/or benefited from fraud and other actions contrary to state law with respect to Port projects, in order to recover for damages sustained by the Port as the result of such actions; and

(2) Research and recommend to the Commission as expeditiously as possible what measures the Port can take against contractors and other third parties identified in the Investigative Report which were (i) a party to fraudulent activities at the Port, or (ii) refused to cooperate as required by the audit clause in their contracts.

THE PORT OF SEATTLE COMMISSION HEREBY DIRECTS THE INTERNAL AUDITOR TO:

(1) Prepare a 2009 Work Plan to audit all currently active contracts and leases involving the firms named in the Investigative Report that did not cooperate or only cooperated partially with the investigation, and report to the Audit Committee with findings regarding their performance and compliance with all laws and policies.