

Merritt 'Buz' Ketcham PE
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July 2, 2013

Mr. Phil Stutzman
Washington State Public Disclosure Commission
711 Capitral Way, Room 206
Olympia, WA 98504-0908

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JUL - 8 2013
Public Disclosure Commission

RE PDC Complaint File #13-022 SUPPLEMENTAL

Dear Mr. Stutzman

Enclosed is my Supplemental Complaint to #13-022. This supplement adds 5 additional allegations, each from a new source.

Management at Cowlitz PUD has become more forthcoming about illegal events initiated by Mr. Skeahan and Mr. McCrady. The hostile work environment has disappeared with the termination of Mr. Skeahan and the end of term of Mr. McCrady and employees are feeling comfortable discussing what went on during the past 18 months.

As a member of the Board of Commissioners, I hold the opinion that the State now has an opportunity to send a clear message to our citizenry that violation of election laws will result in an appropriate punishment for the abuse of the public trust.

Respectfully



Merritt Buz Ketcham

President of the Board of Commissioners

Cowlitz PUD



**WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION
COMPLAINT FORM**

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Description of Complaint

JUL - 8 2013

1. RESPONDENTS:

Public Disclosure Commission

Mr. Brian Skeahan, Former General Manager of Cowlitz Public Utility District, Home address: 1427 Pries Court, Kelso, WA 98626, Phone 360.425.6845

&

Mr. Mark McCrady, Former Commissioner of Cowlitz Public Utility District, Home address: 909 Hillcrest, Longview, WA 98632, Phone 360.425.8273

2. ALLEGED VIOLATIONS: Supplemental to prior 3 allegations in original complaint

Allegation #4

RCW 42.17A.555; and RCW 54.16.100 On Friday, September 14, 2012, at 8:00 am, General Manager Skeahan contacted his direct report, Gary Huhta, the Director of Power Management at Cowlitz PUD, by phone and directed him to prepare a campaign briefing document for former Commissioner Mark McCrady. McCrady and his opponent Mr. Anagnostou were to participate in an interview with the local newspaper editorial board that afternoon at 1:30 PM. McCrady cut and pasted the briefing material Mr. Huhta created in email form and transferred to another document format. A title was added and Mr. McCrady hand delivered to the Daily News Editorial Board a document that was produced at public expense just five hours earlier by Mr. Huhta. This directive violated the RCW by utilizing public resources to assist one candidate over another. This could have been pivotal in the campaign. As I recall, the Editorial Board went on to promote the McCrady candidacy.

Allegation #5

RCW 42.17A.555; and RCW 54.16.100 In May of 2012, former General Manager Brian Skeahan directed Risk Manager Heather Allen to develop "speaking points for former Commissioner Mark McCrady to aid in his reelection campaign. This assignment required considerable research and was outside the scope of Ms. Allen's regular duties.

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Allegation #6

RCW 42.17A.555; and RCW 54.16.100 In April 2012, former General Manager Brian Skeahan directed Internal Auditor Royce Hagelstein to delay "retirement payroll adjustment checks" to eleven senior staff members until after the election. The eleven payments would have totaled \$150,198 in April 2012. These payments would have been public information and therefore would have had a negative public reaction and hurt the reelection campaign of Mark McCrady. By delaying these payments, the total amount to be paid escalated to \$185,080 costing the ratepayers some \$36,000 but benefitting the McCrady campaign.

Allegation #7

RCW 42.17A.555; and RCW 54.16.100 In June of 2012, General Manager Skeahan began directing Chief Financial Officer Trent Martin to develop supplemental financial reports to aid in the campaign of Commissioner Mark McCrady. Mr. Skeahan indicated these reports were entitled as the "Incumbent Advantage" By statute, the PUD cannot invest staff time to advantage the incumbent.

Allegation #8

RCW 42.17A.555; and RCW 54.16.100 On January 17, 2012, General Manager Brian Skeahan met with our new Manager of Communications, Brent Arnold, and laid out his "Communications" plan for 2012. As Brent spells out in his attached affidavit, the messaging began evolving mid-year into a reelection plan for Mark McCrady. Strategies 360 was hired to conduct a telephone survey in March 2012 that was specifically drafted by Skeahan to, among other things, inquire into the political popularity of the three sitting Commissioners. Such an inquiry is highly inappropriate for the PUD as the results, be they positive or negative, cannot be legally acted upon by the District so even asking the "Popularity" question is highly inappropriate. This survey, conducted by an outside contractor, at the expense of the ratepayers, was clearly a political tool not available to the challenger.

Evidence and Witnesses

3. EVIDENCE:**Evidence supporting allegation #4**

1. A journal note hand written by Gary Huhta 9/14/12 at 8:00 am.
2. An email from Gary Huhta to Mark McCrady and Brian Skeahan dated September 14, 2012 at 9:06 a.m. containing the briefing data Skeahan and McCrady had asked for.
3. An email from Gary Huhta to Brian Skeahan dated September 14, 2012 at 9:08 am clarifying Mr. McCrady's email address.
4. An email from Brain Skeahan to Gary Huhta thanking Gary at 9:28 am
5. A copy of the document that McCrady produced from the Huhta email that was used in the Editorial Board interview. Note the document that McCrady claims to be his own work was copied word for word from a Gary Huhta's work product. Individuals at the Editorial Board interview tell me McCrady presented the documents as his own work product. Now lying to the press is not illegal, but using public resources to produce a work product for use in a campaign is illegal.
6. A copy of an email from Mark McCrady to his opponent Kurt Anagnostou dated September 14, 2012 at 7:24 PM. (after TDN Editorial Board interview earlier that day).In that email, McCrady takes credit for the authorship of Exhibit E when actually Exhibit E is a clear cut and paste from the work Gary Huhta did earlier that day on public funds under the direct order of Brian Skeahan.

Evidence supporting Allegation #5

Risk Manager Heather Allen's written statement outlining Mr. Skeahan's direction to aid the McCrady campaign by developing various financial reports to be used as "Speaking Points" by the McCrady campaign.

Evidence supporting Allegation #6

Internal Auditor Royce Hagelstein's written statement outlining Mr. Skeahan's direction to aid the McCrady campaign by delaying certain payments and in doing so costing the ratepayers

\$36,000. Also included is an email from Skeahan to Hagelstein supporting the accuracy of Mr. Hagelstein's statement to the PDC.

Evidence supporting Allegation #7

Chief Financial Officer, Trent Martin's written statement detailing Mr. Skeahan's direction to support the McCrady campaign by developing complex financial reports beyond the usual scope of his duties. Included as evidence are samples of the reports Trent was directed to produce reflecting the complexity and therefore the amount of public resources spent aiding the McCrady campaign.

Evidence supporting Allegation #8

Manager of Communication Brent Arnold written statement detailing his observations and how he was directed to aid the McCrady campaign. Included is a copy of the telephone survey questions Strategies 360 was hired to conduct.

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4. WITNESSES:

Allegation #4

Gary Huhta: Director of Power Supply Management, 360.577.7513

Gary was directed by Skeahan at 8:00 AM to produce the briefing material within an hour. Gary had to drop whatever he was doing and produce the document. Gary is an innocent and honorable man; working as directed by his supervisor Mr. Skeahan.

Kurt Anagnostou: 360-425-6500 Local Attorney at Law and now PUD Commissioner having defeated Mark McCrady at the polls. Mr. Anagnostou was at the Editorial Board candidate interview on September 14th at 1:30 PM and witnessed McCrady deliver the Huhta material to the TDN Editorial Board. McCrady claims in the email that the material is his work product.

Allegation #5

Heather Allen: Risk Officer 360.577.xxxx

501-8143

Heather is an innocent and honorable woman, working as directed by her supervisor, Mr. Skeahan

Allegation #6

Royce Hagelstein: Internal Auditor 360.577.~~XXXX~~ 7545

Royce is an innocent and honorable man, working as directed by his supervisor Mr. Skeahan

Allegation #7

Trent Martin: Chief Financial Officer 360.577.~~XXXX~~ 4687

Trent is an innocent and honorable man, working as directed by his supervisor Mr. Skeahan

Allegation #8

Brent Arnold: Manger of Communications 360.~~577XXXX~~ 501 - 8146

Brent is an innocent and honorable man, working as directed by his supervisor Mr. Skeahan

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Certification

Public Disclosure Commission

In signing this complaint:

- I have provided all information, documents and other evidence of which I am aware;
- If I become aware of additional information, documents or evidence related to my complaint, I will promptly provide it to the PDC; and,
- I am providing the PDC current information on how to contact me, and will promptly update that information if it changes.

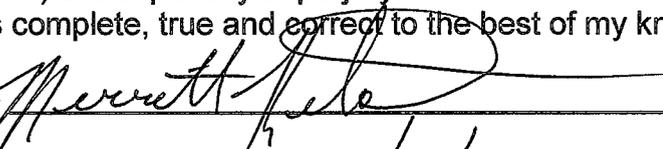
Your name (print or type) Merritt 'Buz' Ketcham
Street address 170 Eli Avery Ave.
City, state and zip code Kalama, WA 98625
Telephone number 360.430.1709
E-mail address bketcham@scattercreek.com

Oath

Required for complaints against elected officials or candidates for elective office:

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this complaint is complete, true and correct to the best of my knowledge and belief.*

Your signature



Date signed

7/2/2013

Place signed (city and county)

Kalama, WA 98625 in Cowlitz County

Attachments

Check here if you are attaching copies of documentary evidence or extra pages explaining your complaint.

*RCW 9A.72.040 says that "(1) A person is guilty of false swearing if he makes a false statement which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."

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**Washington State Public Disclosure Commission
Instructions for Filing a Formal Complaint**

JUL - 8 2013

Public Disclosure Commission

⚡ When to use the formal complaint form:

While this form is not required, its use is recommended when you want to file formal allegations of a violation of the Public Disclosure Commission (PDC) statutes or rules. You can find the PDC statutes and rules on the PDC website at www.pdc.wa.gov. If you have information or concerns about a possible violation but do not wish to file a complaint, please contact the PDC office directly.

⚡ How to submit your complaint form to the PDC:

- Complete all sections. If you do not have some information, please write "unknown" instead of leaving a blank space.
- Attach copies of any evidence you have - we'll contact you if we need originals.
- Sign the oath if your complaint is against an elected official or a candidate for elective office.
- Mail, fax, or email your complaint and all attachments to the PDC.

⚡ If you have more questions:

If you have more questions about filing a complaint, see the "Frequently Asked Questions about Filing a Complaint" guide available on the PDC's website at www.pdc.wa.gov under "Enforcement and Compliance." You may also contact the PDC directly.

PDC Contact Information

MAILING ADDRESS: Washington State Public Disclosure Commission
711 Capitol Way, Room 206
PO Box 40908
Olympia, WA 98504-0908

EMAIL ADDRESS: pdc@pdc.wa.gov

PHONE: 1-877-601-2828 (toll free)

FAX: (360) 753-1112

HOURS: Monday-Friday, 8:00 a.m. – 5:00 p.m., closed on state holidays.



961 12th Avenue • PO Box 3007 • Longview, WA 98632

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JUL 18 2013

Public Disclosure Commission

July 16, 2013

Mr. Philip E. Stutzman
Public Disclosure Commission
711 Capitol Way, Room 206
PO Box 40908
Olympia, WA 98504-0908

**RE: *Supplemental Complaint filed against Brian Skeahan and Mark McCrady
PDC Case No. 13-022***

Dear Mr. Stutzman,

Please find the enclosed resolution adopted by the Cowlitz PUD Board of Commissioners on July 9, 2013, which reflects the District's joinder in the Supplemental Complaint filed by Merritt "Buz" Ketcham on July 3, 2013. I write to request that you copy me on correspondence to Mr. Ketcham.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Brachvogel". The signature is written in a cursive, somewhat stylized script.

Paul Brachvogel
General Counsel

Enclosure

cc: Donald McMaster
Buz Ketcham
Ned Piper
Kurt Anagnostou

JUL 18 2013

Public Disclosure Commission

RESOLUTION NO. 2674

A RESOLUTION of the Board of Commissioners joining the filing of further Complaints to the Public Disclosure Commission repudiating the alleged conduct of the former General Manager.

WHEREAS, in January 2013 the Board joined in a Complaint filed with the Public Disclosure Commission (PDC) individually by Merritt "Buz" Ketcham, which requested the PDC investigate certain activities of the former General Manager; and

WHEREAS, the initial filing with the PDC alleged unlawful use of public funds and facilities for campaign purposes in connection with a former Commissioner's 2012 campaign for re-election; and,

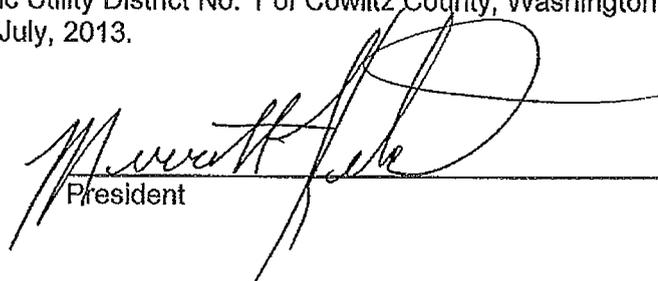
WHEREAS, since the initial PDC complaint was filed, District employees have come forward with further allegations, statements and evidence of misconduct by the former General Manager, which were compiled by Commissioner Buz Ketcham which are set forth in the supplemental complaint that was delivered under his own signature to the PDC on July 3rd, 2013, and which is attached hereto and incorporated herein by reference; and,

WHEREAS, the Board has a fiduciary duty to the public to ensure its utility resources and funds are spent in a lawful manner and not in the furtherance of advocating for or against any particular candidate for election to the Board of Commissioners; and,

WHEREAS, in order to establish the trust of the ratepayers who own this utility, it is imperative that as further details and allegations of the former General Manager's misconduct are brought to light, the Board direct those allegations to the appropriate investigative body and/or conduct its own investigations; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Public Utility District No. 1 of Cowlitz County, Washington, (1) specifically repudiates the alleged conduct in the attached complaint (2) herewith joins in the attached Supplemental Complaint, and (3) requests the PDC investigate the allegations contained in the Supplemental Complaint.

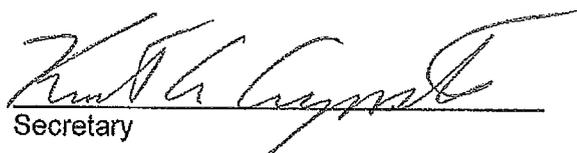
ADOPTED by the Commission of Public Utility District No. 1 of Cowlitz County, Washington at a regular meeting thereof this 9th day of July, 2013.



President

Vice-President

ATTEST:



Secretary