

**PORT OF SEATTLE COMMISSION MOTION  
REGARDING THE CREATION OF A SPECIAL COMMITTEE  
TO INVESTIGATE FRAUD VULNERABILITY IN PORT CONTRACTING  
POLICIES, PROCEDURES AND PRACTICES**

**January 22, 2008**

**Statement in Support of Motion**

The Port of Seattle Commission (the “*Commission*”), as the county-wide elected oversight board for the Port of Seattle (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. As part of its oversight responsibilities, and in fulfillment of recommendations 43 and 47 in the state auditor’s recent performance audit, the Commission will investigate specific findings in the state auditor’s office recent performance audit that suggested certain contracting policies, procedures and practices are vulnerable to fraud, and will report its findings to the Commission in open session.

**Motion**

The PORT OF SEATTLE COMMISSION does hereby create a Special Investigative Committee (the “*Committee*”) whose objective will be to undertake an investigation of the findings of the State Auditor’s 2007 Performance Audit of the Port of Seattle with respect to certain contracting policies, procedures and practices at the Port being vulnerable to fraud or with respect to which fraud may have occurred. Of specific concern are those findings suggesting:

- possible altering of invoices in circumvention of the Commission’s authority and state law (1E);
- possible awarding of contracts without competition or in circumvention of competition requirements (2A,B,C&D);
- possible circumvention of the Small Works Roster Program (2F);
- possible procurement violations and concealment of “unusual procurement” from the Commission (3A);
- possible project management and contract awarding conflicts (3D);

The Committee will be comprised of Commissioners Tarleton and Bryant; Commissioner Bryant will chair the committee.

- a. The Committee may hire independent legal counsel and an independent fraud investigator. The Committee may hire a staff person for the duration of the investigation.
- b. The Committee, the fraud investigator, legal counsel and staff will fully cooperate with federal authorities or any other agency investigating the Port.
- c. The Committee may, as a result of this investigation, recommend to the full Commission how the Port should “strengthen controls in areas deemed vulnerable [to fraud]” and may recommend “control mechanisms designed to deter, prevent and detect [fraud].”
- d. The Committee shall provide the full Commission with a proposed budget and timeline within thirty days of the passage of this motion, and shall keep the full Commission and the Chief Executive Officer apprised of the Committee’s progress in public session of the Commission. At the conclusion of the investigation, the Committee shall report its findings and conclusions to the Commission. The Committee will disband upon completion of its objective.