

A REPORT BY THE FREEDOM FOUNDATION - DECEMBER 2013

PUGET SOUND PARTNERSHIP

WASHINGTON'S FAILED "ENVIRONMENTAL" AGENCY



THE CASE FOR ABOLISHING
PUGET SOUND PARTNERSHIP

EXECUTIVE SUMMARY:

How do we know whether the millions of dollars spent annually on Puget Sound restoration efforts are used effectively?

When the Legislature first established the Puget Sound Partnership in 2007, they intended for the agency to provide oversight and accountability to the many ongoing environmental restoration projects around Puget Sound, ensuring that taxpayer resources would be spent effectively.

Unfortunately, the Puget Sound Partnership has adopted the very problems the Legislature set out to avoid: engaging in corrupt practices, wasting taxpayer dollars, and failing to fulfill any of its responsibilities as a state agency.

Corruption at the Partnership began under the dubious leadership of David Dicks, an inexperienced 36 year-old lawyer and the son of longtime Congressman Norm Dicks. Under Dicks' watch, appointments, hirings, and contracts at the Partnership have involved overt nepotism, cronyism, and politics. The Partnership even stuck taxpayers with a \$40,000 bill to pay off a former employee whom Dicks' had illegally fired for reporting unethical practices to the State Auditor's Office.

If that weren't bad enough, the Puget Sound Partnership has ignored its responsibility to safeguard taxpayer dollars. In fact, financial safeguards at the Partnership were so lax that the EPA reclaimed nearly \$120,000 due to a lack of certification that the agency actually received the goods and services it paid for. Moreover, contrary to their claims of being committed to science-based action and environmental restoration, the Partnership doesn't actually spend any money or time cleaning up the environment. Instead of spending money on environmental restoration, the Partnership has squandered millions on "marketing" and "branding" campaigns that do nothing to benefit the health of Puget Sound.

Worst of all, recent audits performed by the bipartisan Joint Legislative Audit Review Committee (JLARC) show the agency has failed to fulfill any of its responsibilities.

The result is an agency that accomplishes nothing – except wasting millions in taxpayer dollars annually. And it's long past time the state's taxpayers pulled the plug.

As the attached Freedom Foundation report makes painfully clear, the Puget Sound Partnership needs to be abolished before another taxpayer dollar goes into this corrupt, wasteful, and unnecessary state agency.



BACKGROUND:

Founded in 2007, the Puget Sound Partnership was designed to be the agency responsible for coordinating clean-up efforts in Puget Sound among local, tribal, state, and federal government environmental agencies. The Puget Sound Partnership (Partnership) replaced the two failed agencies preceding it: the Puget Sound Water Quality Authority (PSWQA) and the Puget Sound Action Team (PSAT). Unfortunately, like the two agencies that preceded it, the Puget Sound Partnership has been unable to create positive changes for Puget Sound. Instead of effectively using its resources and influence to help clean up Puget Sound, the Partnership has engaged in corrupt practices, wasted taxpayer dollars, and failed to fulfill any of its responsibilities as a state agency.

INSTEAD OF EFFECTIVELY USING ITS RESOURCES AND INFLUENCE TO HELP CLEAN UP PUGET SOUND, THE PARTNERSHIP HAS ENGAGED IN CORRUPT PRACTICES, WASTED TAXPAYER DOLLARS, AND FAILED TO FULFILL ANY OF ITS RESPONSIBILITIES AS A STATE AGENCY.

CORRUPTION AT PUGET SOUND PARTNERSHIP ENGAGING IN CORRUPT PRACTICES

WHAT PEOPLE ARE SAYING:

“Everyone was scratching everyone’s back with this Puget Sound Partnership... they were banking on daddy Dicks to bring the money home, and then his son squandered it.” - Sen. Mark Schoesler

The Washington Post. “Dicks channeled money to Puget Sound project his son ran.” Kimberly Kindy. February 7, 2012.

Appointments, hiring, and contracts at the Puget Sound Partnership have involved overt nepotism, cronyism, and politics. These illegal and unethical practices, which have been a theme at the Partnership, damage the agency’s credibility.

The problems with corruption began when Rep. Norm Dicks from Bremerton steered millions of federal dollars to the Partnership, which was being run by his son, David Dicks, a Seattle lawyer with no executive experience.

Due to his father’s powerful post, Governor Gregoire appointed David to the \$125,000-a-year position where he proceeded to run the agency into the ground: filling important positions with personal friends, paying them salaries averaging \$20,000 higher than those of other state workers, and violating numerous laws concerning the expenditure of state funds.¹

During his tenure, David Dicks gave several sweetheart contracts to people who were large donors to his father’s political campaign, including one illegal no-bid contract for over \$50,000 to the law firm of K&L Gates.



“We’re finally getting our share of the white meat.”

–David Dicks, 2010

Photo Credit: www2.kuow.org/program.php?id=20940 8/19/2010



He also paid one of Rep. Dicks' former advisors \$400,000 for "consulting work."² When local reporters asked why his agency gave so many contracts to people he knew through his father, David Dicks responded by saying that he didn't think there was anything improper about it.³

While David Dicks' personal acquaintances benefited from the Partnership's cronyism, taxpayers suffered. The Partnership gave \$10,000 of taxpayer funds to a charity where David Dicks' brother Ryan worked, a gift for which it received nothing in return.⁴ When Dicks decided to illegally fire a whistleblower, who had reported corrupt practices at the Partnership to the State Auditor's Office, taxpayers were forced to pay her \$40,000 to sign a contract agreeing not to sue.⁵ These are only a few examples of the pervasive misbehavior and corruption that is endemic at the Partnership.

Since its very inception, the Puget Sound Partnership has been a den of unethical practices, destroying its own reputation in the community and endangering the critical mission of cleaning up Puget Sound.

“Years later we will be wondering how we could have spent so much money and achieved so little progress.”

- Bob Benze, PhD

The Seattle Times. “Where is the science in Puget Sound Partnership’s Action agenda?” December 26, 2008

PUGET SOUND PARTNERSHIP SPENT OVER \$3600 DOLLARS ON LIP BALM, OVER \$12,000 ON VEST JACKETS, AND NEARLY \$700 ON “PERSONALIZED MAHOGANY GIFT BOXES CONTAINING SPARKLING CIDER FOR STATE OFFICIALS”.

The News Tribune: “Puget Sound Partnership Funds Misspent.” Jordan Schrader. 5/14/2010

WASTED TAXPAYER DOLLARS

HOW THE PARTNERSHIP SPENDS OUR MONEY

Contrary to their campaign claims of being committed to science-based action and environmental restoration, the Puget Sound Partnership doesn't spend any time or money cleaning up the environment.⁶ In fact, the Partnership has morphed into a marketing firm, rather than an environmental agency.

They don't even spend most of their money researching the threats that face Puget Sound. In 2013, the Puget Sound Partnership used only \$621,344 of their approximately \$7.5 million budget (less than 10%) to engage in actual scientific research.⁷ Where does the rest of their money go?

Much of the Partnership's budget goes to "public outreach," including messaging, marketing campaigns, and "branding." At a total of \$1.1 million, that's almost twice the amount of money that they spent on scientific research.⁸

The Partnership also spends tens of thousands on "branding," which has included buying monogrammed jackets, fleece vests, lip balm, and personalized engraved mahogany gift boxes containing bottles of apple cider to distribute to government officials.⁹ The Partnership spends plenty on outside consultants too: in its first two years alone, the agency paid more than \$6 million for consulting work, with dubious benefits for Puget Sound.¹⁰

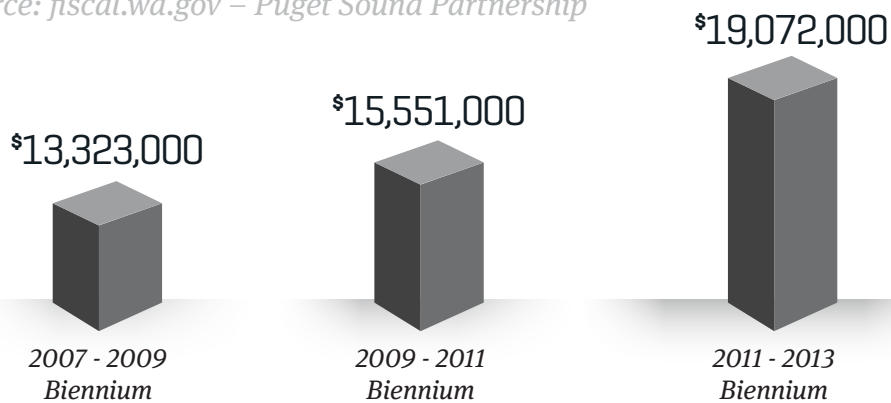
Including staff-time, the Partnership spends millions on opinion surveys, messaging, and marketing, producing no tangible benefit for Puget Sound. Spending the limited budget for environmental restoration on marketing and 'branding' campaigns that produce no tangible benefits for Puget Sound is a wasteful practice that has been pervasive at the Partnership since its founding.



MONEY BUDGETED

FOR THE PUGET SOUND PARTNERSHIP

Source: *fiscal.wa.gov* – Puget Sound Partnership



FAILURE TO LIVE UP TO ITS MISSION

UNWILLING TO ABIDE BY FOUNDING STATUTE

WHAT PEOPLE ARE SAYING:

“ [There are] no clear linkages between the results of completing actions, near-term and long-term benchmarks and achieving the goals and objectives in [the Partnership’s] statute.”

-2011 Joint Legislative Audit Review Committee (JLARC)
Puget Sound Partnership Performance Audit

When the Legislature established the Puget Sound Partnership in 2007, it assigned the Partnership several statutory responsibilities deemed critical to restoring Puget Sound by 2020.¹²

The Puget Sound Partnership was supposed to fulfill its core statutory responsibilities as a state agency in its “Action Agenda,” a list of all ongoing efforts to cleanup Puget Sound by natural resource agencies on the local, state, and federal levels. These responsibilities included:

1. Setting the targets necessary for Puget Sound to be considered “restored.”¹⁵
2. Establishing clear links between the results of completing Action Agenda items and progress toward restoring Puget Sound by 2020.¹²
3. Creating a prioritized list of actions to allocate the limited funds for environmental restoration.¹⁴
4. Monitoring progress resulting from completed tasks on the Action Agenda.¹³

WHAT PEOPLE ARE SAYING:

“ Partnership management has not placed a priority on adhering to state rules and regulations over expenditures of public funds.”

State Auditor’s Office:
“Puget Sound Partnership
2010 Accountability Audit
Report” May 12th, 2010



WITHOUT BEING ABLE TO CLEARLY SHOW HOW COMPLETED ITEMS ON THE ACTION AGENDA HAVE BENEFITED PUGET SOUND, IT IS IMPOSSIBLE TO GAUGE WHICH PROJECTS ARE MOST EFFECTIVE AND WHAT MANAGEMENT CHANGES SHOULD BE MADE TO RESTORE THE SOUND BY 2020.

WHAT PEOPLE ARE SAYING:

“The politics pouring into the Puget Sound Partnership are as damaging as pollution, wasting money on ineffective projects while neglecting the Sound’s most serious pollution.”

The Seattle Times: “Puget Sound Partnership should prioritize environmental benefit, not politics” Todd Meyers. August 30, 2010

Despite these requirements, the Puget Sound Partnership has lacked key accountability measures that are crucial to the work they are supposed to perform.¹⁶

First, the Puget Sound Partnership has neglected to set targets for five of the 21 indicators necessary to determine what a clean Puget Sound looks like.¹⁷ This is one of the most troubling realizations that recent state audits have brought to the public’s attention. Without clearly defined metrics for an ideally restored Puget Sound, it is all but impossible to allocate resources effectively to meet that goal.

Second, the Partnership has failed to provide clear links between individual items completed on the Action Agenda and progress made toward the goals they have managed to define.¹⁸ This failure illustrates the Partnership’s inability to fulfill the role envisioned by its enacting statute. Without being able to clearly show how completed items on the Action Agenda have benefited Puget Sound, it is impossible to gauge which projects are most effective and what management changes should be made to restore the Sound by 2020.¹⁹

Next, while it has prioritized projects on the federal and state levels, the Puget Sound Partnership has failed to create a prioritized list of local projects. Yet the fact that the Partnership has managed to come up with a prioritized list of state and federal projects is itself a reason for concern.²⁰ When done correctly, a prioritized list of projects is a critical tool for environmental restoration, letting administrators know where and how money can be used more effectively to accomplish restoration goals. Instead, the prioritization of projects that has been achieved has been contrived without hard scientific reasoning. The most recent Joint Legislative Audit and Review Committee audit recognized this, and the committee asked the Partnership how they determined “top priority” actions.²¹ Unfortunately, they were never provided with an answer.

Finally, the Puget Sound Partnership has failed to establish a monitoring system to determine if—and to what degree—items completed on the Action Agenda are actually helping reach environmental restoration goals.²² Since the Puget Sound Partnership does not actually engage in any environmental restoration itself, the organization has always insisted that it provides value to restoration efforts through its role as an oversight agency. However, given that the Partnership does not monitor results or link actions completed to progress, any oversight they do provide is scientifically uninformed.²³

The Partnership neglected to address the most critical concern raised in the 2011 JLARC Audit, which alarms both environmentalists and conservatives alike: Has the Puget Sound Partnership’s Action Agenda provided *any* value to ongoing environmental restoration efforts in the Puget Sound?²⁴



SOLUTION:

ABOLISH PUGET SOUND PARTNERSHIP

Clean-up efforts in Puget Sound are an important priority, but the Washington State Legislature should not allow this to justify throwing millions of dollars directed towards the Partnership into a financial black hole with no accountability for the end result. Unfortunately, that seems to be exactly what is happening with the Puget Sound Partnership and its Action Agenda. The Puget Sound Partnership's failure to correct serious problems, highlighted by multiple sources and government audits over the years, is further proof that the Partnership has not lived up to its responsibilities as a state agency.

With all the evidence of how the Puget Sound Partnership has fumbled environmental restoration efforts and squandered money intended to help the environment, we conclude that the Partnership's existence damages the mission of protecting Puget Sound.

The Puget Sound Partnership has consistently neglected scientific research as the main priority in their biannual budget, choosing instead to spend money needlessly on marketing efforts and "branding." The Partnership has also earned a widespread negative reputation due to the frequent high-profile instances of corruption and incompetence that have plagued their ranks. If that weren't bad enough, the Partnership failure to live up to any of their responsibilities as a state agency has eradicated any remaining public trust in the agency, and has prevented an efficient allocation of environmental restoration funds for Puget Sound.

WHAT PEOPLE ARE SAYING:

“When you support Puget Sound Partnership, you're not supporting the environment. You're supporting a bureaucrat who has been trained to deliver a message about the environment.”

- Ed Kilduff, Hydrogeologist. August 23, 2013.

The Partnership has done nothing to improve the health of Puget Sound, despite the millions of dollars it has cost taxpayers, and it should be abolished by the legislature.

But wouldn't clean-up efforts in Puget Sound be hampered if the Puget Sound Partnership were abolished?

No. Clean-up efforts in Puget Sound occurred before the Puget Sound Partnership was established, and they will continue after it is gone. There are many ways that the government can aid the ongoing clean-up effort in Puget Sound, but spending millions of dollars annually on an unnecessary, unaccountable, and corrupt state agency is not one of them.

THE PARTNERSHIP HAS DONE NOTHING TO IMPROVE THE HEALTH OF PUGET SOUND, DESPITE THE MILLIONS OF DOLLARS IT HAS COST TAXPAYERS, AND IT SHOULD BE ABOLISHED BY THE LEGISLATURE.



SOLUTION:

CONTINUED

Common sense ideas, like forcing the Department of Ecology to reconsider its environmentally-devastating policy of allowing municipal water treatment plants to spew millions of gallons of raw sewage directly into Puget Sound every year, would be a good place to start.

Legislators should not buy into the Partnership's reasoning that failure is an excuse to pump even more taxpayer dollars into an unaccountable state agency that does nothing to help the health of Puget Sound. Instead, the Legislature should eliminate funding for the Partnership, which has been a poor steward of taxpayers' money and trust, and use those resources to constructively benefit the environment, Puget Sound, and Washington State.

KEY POINTS:

- A) POLITICAL CORRUPTION AT THE PUGET SOUND PARTNERSHIP HAS BEEN A PROBLEM SINCE ITS INCEPTION.**
- B) THE PUGET SOUND PARTNERSHIP NEEDLESSLY SQUANDERS MILLIONS OF DOLLARS THAT COULD BE USED TO HELP THE ENVIRONMENT.**
- C) THE PARTNERSHIP HAS FAILED TO FULFILL ANY OF ITS RESPONSIBILITIES AS A STATE AGENCY.**

REFERENCE

- 1 KUOW, Family Ties to Puget Sound Post: “KUOW reported earlier this year that the average annual salary at the Partnership was \$20,000 more than at the state’s other natural–resource agencies.” 8/19/2010
- 2 KUOW, Cleaning up with Political Connections: “Luce ran Congressman Dicks’ offices in Washington state. McBee used to be a top military advisor for the Congressman before he started McBee Strategic Consulting. His firm got nearly \$400,000 in consulting work from the Partnership.” 8/20/2010
- 3 KUOW, Cleaning up with Political Connections: “And he says there was nothing improper about giving work to people he knew through his dad.” 8/20/2010
- 4 KUOW, Cleaning up with Political Connections: “State auditors didn’t explore the personal connections between the state agency and the private land trust. But they did question the wisdom of spending \$10,000 to support a group that was eager to work with the Partnership anyway. Here’s auditor Emily Johnson: ‘With this expenditure to the Cascade Land Conservancy, we really didn’t see any clear public benefit or anything that the agency got back for the money they paid.’” 8/20/2010
- 5 KUOW: Blowing The Whistle on Puget Sound Agency “But KUOW got a copy of the agreement under the Public Records Act. The payout to the fired and then un–fired whistle–blower cost taxpayers about \$40,000.”
- 6 E-mail from Puget Sound Partnership to the Freedom Foundation (August 5th, 2013) Ginger Stewart (PSP’s CFO): “PSP does not do restoration projects directly...”
- 7 OFM Report: Puget Sound Partnership Allotment Expenditure FYTD Flexible by Program Fiscal Year 2013 (7/1/12-6/30/13) Subprogram “science” equals \$621,344 out of a total of \$7,514,598, slightly less than 10% of their total budget for that year.
- 8 OFM Report: Puget Sound Partnership Allotment Expenditure FYTD Flexible by Program Fiscal Year 2013 (7/1/12-6/30/12) “Public Engagement” is at is at \$1,123,442..
- 9 KUOW, State Auditor Slams Puget Sound Agency: “A new audit report covering the agency’s first two years says the Partnership awarded contracts illegally and bought equipment and gifts in violation of state law. Those purchases included \$12,000 of monogrammed jackets and fleece vests and personalized mahogany gift boxes containing bottles of sparkling apple cider. The auditors say documentation of who received those gifts is vague. The auditors also criticized the agency for purchasing the clothing and 5,000 tubes of promotional lip balm without going through competitive processes to make the best use of taxpayers’ dollars.” 5/13/2010
- 10 KUOW, Cleaning up with Political Connections: “...the Partnership paid consulting firms about \$6 million to gather public input and help create the state’s latest plan for restoring Puget Sound.” 8/20/2010
- 11 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p. 6 “To assess whether the Partnership will be able to report progress restoring the Sound, JLARC identified key accountability requirements in statute assigned to the Partnership to be included in the 2008 Action Agenda, and evaluated the Partnership’s progress in completing these tasks.”
- 12 JLARC Preliminary Report: Puget Sound Performance Audit p. 11 “Benchmarks describing a healthy Puget Sound in 2020.”
- 13 JLARC Preliminary Report: Puget Sound Performance Audit p.11 “For example, with the eelgrass benchmark cited previously, a series of actions to restore eelgrass should be linked to a measurable outcome, which should be linked to achieving the benchmark of increasing the acres of eelgrass by 20 percent, [etc.]...”
- 14 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p. 12 “The revised Action Agenda should include... a prioritized list of actions with cost estimates.”
- 15 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p.13 “Reporting should also provide sufficient detail to inform what is and is not working in the restoration process to allow for the adaptive management of the Action Agenda. As actions are implemented and benchmarks are being pursued, gaining knowledge of what works, and what does not work, and adapting strategies to those lessons is at the core of adaptive management, as required by RCW 90.71.310.”
- 16 JLARC Briefing Report: PSP’s 2012 Action Agenda Update p.1 “JLARC’s 2011 audit concluded the Puget Sound Partnership’s (PSP) 2008 Action Agenda lacked critical accountability tools. Such tools are fundamental to determining whether the hundreds of millions of dollars spent annually on Puget Sound clean-up efforts are restoring the Sound.”
- 17 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p. 10 “The Leadership Council has adopted 16 long-term benchmarks [out of 21] for 2020.”
- 18 JLARC Preliminary Report: Puget Sound Partnership Performance Audit: “The Action Agenda did not include the required benchmarks describing a restored Sound in 2020. Benchmarks allow policymakers and the public to determine if progress is being made and allow for an analysis of the resources and actions needed to accomplish goals.”
- 19 JLARC Briefing Report: PSP’s 2012 Action Agenda Update p.15 “Without these linkages it will not be possible for the Legislature to know what restoration progress has been achieved as a result of the state’s investments, and whether those investments are making progress that is sufficient to achieve the goals expected for 2020. ”
- 20 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p.8 “The Partnership also did not prioritize actions at the local level.”
- 21 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p.9 “This process does not... provide detail as to what ‘top priority’ actions include or how they were determined to be the top priority actions.”
- 22 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p. 9 “A December 2010 National Estuary Program review by the federal Environmental Protection Agency (EPA) concluded that, the Partnership ‘has yet to develop a plan for how its monitoring program will be developed and implemented.’”
- 23 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p. 9 “After the Action Agenda has been completed, statute requires monitoring, to assess whether actions are completed and having the intended effects, and transparently reporting those results.”
- 24 JLARC Preliminary Report: Puget Sound Partnership Performance Audit p. 9 “This process does not... distinguish between work that has been underway for several biennia and new actions recommended or amended through the Action Agenda.”



OUR EXPERTS

Freedom Foundation experts are available to speak at your group. Please connect with us to find out more.



BRIAN SONNTAG, SENIOR FELLOW FOR GOVERNMENT ACCOUNTABILITY

The highly-respected former Washington State Auditor, Brian Sonntag, has a willingness to ignore party labels, challenge the status quo, and stand up for taxpayers. Sonntag started out in local government, first as Pierce County Clerk, then moving into a position once held by his father, Pierce County Auditor. Those experiences prepared him to lead the State Auditor's Office—tasked with oversight of both state and local government—for two decades.

BSonntag@myFreedomFoundation.org



GLEN MORGAN, PROPERTY RIGHTS DIRECTOR

Glen enjoys organizing town halls, door-belling, and interacting with all levels of government and local organizations to ensure the protection of the critical individual right to own property. Glen helps educate, motivate and organize local grass-roots citizen groups and provides them the tools they need to become effective advocates for themselves.

GMorgan@myFreedomFoundation.org



SCOTT ROBERTS, CITIZEN ACTION NETWORK DIRECTOR

Scott is experienced at organizing grassroots activist and building effective coalitions. Prior to joining the Freedom Foundation, Scott was a small business owner for 15 years during which he built expertise in residential land development and represented clients throughout the Puget Sound Region.

SRoberts@myFreedomFoundation.org



CONNER EDWARDS, RESEARCH INTERN

Conner is a native resident of Seattle. He takes classes at Evergreen State College in Olympia where he is working towards a degree in economics. Conner joins the Freedom Foundation with an interest in government policy, property rights, and the Constitution. He brings a strong background in economics, local politics, and civil liberties to the Foundation. Conner provided the research that was needed for this project.

CEdwards@myFreedomFoundation.org



PO Box 552, Olympia, WA 98507 | 360.956.3482
info@myFreedomFoundation.org | myFreedomFoundation.com