

DAVIS WRIGHT TREMAINE LLP

MEMORANDUM

To: WA Senate Investigation File
From: Ross Siler
Date: February 16, 2016
Subject: Denise Doty Interview

Mark Bartlett and I conducted an interview with Ms. Denise Doty today at her office at the Insurance Commissioner building in Olympia. The following summarizes Ms. Doty's statements on the *King* fix and prisoner release problem, as well as other discussions about Department of Corrections ("DOC") operations:

We began the interview by introducing ourselves to Ms. Doty and explaining that we work for Davis Wright Tremaine and were retained by the Washington State Senate to assist in its investigation of the prisoner release problem. We noted that we were hired to determine what happened and why the problem was not identified and corrected earlier, but also to discuss contributing conditions at DOC and solicit input on possible corrective measures that could be considered.

Ms. Doty received a business degree from Washington State University. She worked in public accounting for a few years before coming to work for the state. She worked in the state auditors' office for eight to 10 years. In that role, she audited municipal corporations and state agencies, and worked as part of a three-person management team.

She went to work at DOC in 1992 and held three different jobs at the Department. Ms. Doty started as an accounting manager, and then became comptroller. As comptroller, Ms. Doty worked with DOC staffers at both state-wide institutions and headquarters, with responsibilities for general accounting, maintaining offender trust accounts, contracting, and warehousing.

In 2008, DOC Secretary Eldon Vail appointed Ms. Doty assistant secretary of the Administrative Services Division. Ms. Doty said it was a job she was offered by Mr. Vail, as opposed to one she targeted herself.

As assistant secretary, Ms. Doty was in charge of DOC administration. One focus was on improving relations ("restoring credibility," she said) with the Legislature and the Office of Financial Management on DOC budget-related issues. Ms. Doty said a perception existed at the Legislature that DOC was "hiding the ball with them" on the budget.

Ms. Doty praised Mr. Vail as a great leader and said he testified personally before the Legislature on budget issues, often bringing heads of the prisons and community corrections

divisions with him. Previous leadership had opted to send lower-level officials to these hearings. “It mattered,” Ms. Doty said, “and we were totally honest with our numbers.”

As Assistant Secretary, Ms. Doty hired a new budget director - Susan Lucas. Ms. Lucas went on to become an Assistant Secretary of the Health Services Division.

Ms. Doty said she confronted a host of issues during her time as Assistant Secretary, but the “huge thing that was the overarching issue that we dealt with the whole time was the recession.” She said government typically enters a recession late and comes out late. She described “wave after wave of layoffs” at DOC and that these layoffs came in many forms: temporary layoffs, hiring freezes, across-the-board reductions, decreases in caseload and policy decisions. DOC closed three institutions during this time.

She believed the economy had begun to recover when Bernie Warner took over for Mr. Vail as DOC Secretary. Ms. Doty had limited familiarity with Mr. Warner before he assumed the job. She said Mr. Warner “couldn’t be much more different” than Mr. Vail. She praised Mr. Vail as an effective leader in setting roadmaps of goals and direction for the Department.

Mr. Warner’s approach differed, and Ms. Doty said he didn’t seem to fully trust executive staff. She described a “tension” and a lack of trust and respect within the executive staff. “This was a very competitive environment,” she said, adding that “alliances” came and went among executive staffers. She “didn’t feel the vision” under Mr. Warner that existed under Mr. Vail.

She added: “I worked really hard so my direct reports didn’t know how unpleasant working at the top was.”

Mr. Warner is “really hard to read if you work for him.” Ms. Doty said she would routinely ask Mr. Warner in their one-on-one meetings what she could do for him. She added that she believes the culture of an organization is set by its leader.

“One of the things that was hard about working for Bernie was even routine decisions were really hard to get,” Ms. Doty said. “They could just languish.” These routine decisions included hiring and communicating directives within the agency. Ms. Doty took a number of different approaches, to get decisions in a timely manner, but none of them seemed to work.

Ms. Doty believed Mr. Warner “didn’t like” having seven assistant secretaries as subordinates. She explored the possibility of hiring a chief of staff for Mr. Warner to alleviate some of the day-to-day responsibilities. In Ms. Doty’s opinion, Mr. Warner’s heart was in the policy side of corrections, not the day-to-day management.

We discussed the Advance Corrections initiative that Mr. Warner pushed. “What he was doing made a lot of sense to me,” she said. Ms. Doty described Advance Corrections as a tool to better assess risk factors for offenders throughout custody. Some of these risk factors included education, chemical dependency, etc. Advance Corrections attempted to use data to identify the

timing and frequency of the most effective treatments to apply to offenders individually. “It would allow you potentially to direct resources to maybe the highest risk people.”

Ms. Doty said DOC had various forms of IT governance during her tenure. Under Mr. Vail, the IT governance group consisted of the Secretary and the Secretary’s direct reports. This group would prioritize IT projects. She added that there was a process for smaller requests, but she was not involved in that process.

After Mr. Warner became Secretary, Ms. Doty said “it didn’t happen overnight but our process became solely about the Advance Corrections. It became completely about this policy initiative.” She believed Mr. Warner would become distracted when the governance team went through other initiatives.

Ms. Doty and CIO Doug Hoffer were responsible for getting the IT governance team to reach consensus on approach of Advance Corrections. She estimated it took a minimum of six months to bring Mr. Warner and the IT governance team to consensus “on what we were going to do.”

We discussed the Assessments.com team and Sean Hosman. Ms. Doty remembered some conflict in trying to decide whether to use an outside research group (possibly from University of Cincinnati) instead of the Washington State Institution of Public Policy and Washington State University in providing research and data.

Ms. Doty said of the decision to engage Assessments.com: “The whole thing felt kind of risky and felt like it was pushed down on the subordinates.” Ms. Doty believed that Mr. Warner and Mr. Hosman were friends, but she was not certain. She believed DOC had licensed Assessments.com systems in the past. She felt like “we were just on the right side of the ethical line” in contracting with Assessments.com.

Mr. Hosman’s criminal record was discussed at an Advance Corrections meeting. Ms. Doty also remembered that Assessments.com suffered “some sort of breakup” where the developers or programmers split from the company. She did not know if Assessments.com delivered what was expected to DOC. “It was a painful process.”

She did not know if DOC needed to have Sierra-Cedar contractors work on the Assessments.com project.

We asked Ms. Doty if the IT governance team typically would review projects expected to last several months as opposed to those where the estimated time to complete was a week, or less. “They tended to be bigger projects that would take a chunk of time,” she said.

Ms. Doty said she could never “read” Mr. Warner. They were friendly during her time as assistant secretary, “but I don’t feel like he trusted any of us completely.” She added that “[t]here’s some amazing people at the Department of Corrections. It’s really hard work down on the front lines. That goes right up to the top, too. It’s really hard work.”

Ms. Doty left DOC in January 2014 for her current position at the Office of Financial Management. It was not a position she originally sought. She holds two official titles: OneWashington Project Director and Assistant Director for Data and Technology. OneWashington is a state-wide initiative to transform business processes and replace core financial programs for government agencies, with a focus on someday transitioning from the state's aging accounting system.

Ms. Doty hired Wendy Stigall to her current records manager position. As Assistant Secretary, Ms. Doty had direct reports in several divisions: budget (Ms. Lucas), business office (Brian Tinney), capital programs (David Jansen and Kent Nugent), human resources (Donna Haley), IT (Kit Bail and Doug Hoffer), performance and accounting (Adam Aaseby), public disclosure (Denise Vaughan), records (Carrie Fleming and Ms. Stigall), and risk and safety (Kathy Gastreich).

She remembered Ms. Fleming as "passive" and that the records division was included within Administrative Services for a shorter period than other units. Ms. Stigall worked out well. Ms. Gastreich was good "as best as I know," with Ms. Doty praising Ms. Gastreich for taking on several difficult tasks like apologizing to victim's families and working through litigation settlements.

We focused on the December 2012 period as related to the *King* issue. After the early release issue resurfaced in December 2015, Ms. Doty said: "It took a call from the current Assistant Secretary at DOC and then a call to Wendy to finally figure out what was going on." She remembered "a series of sentencing issues that would come up over time" during her time as assistant secretary.

Ms. Doty said she does not have a "distinct memory" of any meetings, who said what, or the emails exchanged, related to the *King* issue. But she has a general "recollection" of the issue. "I have acknowledged that I knew something about the issue."

Ms. Doty read the December 2012 email from Ronda Larson to Ms. Stigall that was publicly released in response to the early release problem. "I couldn't tell you if that was something where we talked about it or I read it [in December 2012]. The advice was familiar to me. I can't tell you how it quite got there."

Ms. Doty said the recommended advice from Ms. Larson was "unusual" because the typical response would be to start hand-calculating sentences and submit the IT request.

"I think that's probably the one thing that puzzles me here. I have some nagging feeling like there was something else. I can't recall if it was something [hand-calculating] that maybe they didn't think they could do. I think there's a piece of this story for context that is with Wendy and I just don't recall. If I had done the work myself, I might."

Ms. Doty did not remember if she had met with Ms. Stigall on December 10 or 11, 2012, as Ms. Stigall stated in her timeline of events [WS_000003]. She would have to refer to her former DOC calendar. Ms. Doty held one-on-one meetings with Ms. Stigall monthly. She said her schedule typically was “pretty heavily booked” otherwise and 50-hour weeks were the norm as an assistant secretary.

Ms. Doty added: “I know I knew about it. I can’t give you like a specific she came in and said such and such.” Ms. Doty added that anyone would want the chance to do things differently in hindsight. She felt like she tried to react to and resolve a “fire hose” of problems each day. “There’s this advice that just made it sound like it could get fixed. What my experience had been with IT is that those things did get fixed.”

She did not remember if she asked Ms. Stigall to talk to Ms. Gastreich in the December 11, 2012 email [WS_000011].

Her assumption was that fix would be completed once it was submitted to the IT Department and started along the “IT pipeline.” Ms. Doty remembered sentencing calculation issues arising before with OMNI that were fixed.

She added that nothing would have prevented records staff from reconsidering performing hand-calculations at any point once the problem was identified. “[I]t wasn’t like anything was being cast in stone.”

The two things Ms. Doty primarily remembers from 2013 are dealing with the year’s operating and capital budget in the first half of the year, and also dealing with Mr. Warner’s Advance Corrections initiative.

Ms. Doty said she views three factors as contributing to or exacerbating the early release problem:

- The decision not to hand-calculate sentences after the *King* issue was raised. Ms. Doty said hand-calculating was the “norm” when sentence calculating concerns arose.
- The internal problems with the IT governance team and its processes, and the emphasis placed on the Advance Corrections initiative.
- The turnover in the IT Department. Ms. Doty described a “brain drain” where many of the IT Department’s best people left. In her opinion, administrative employees stopped feeling valued. She noted that the administrative side is critical to the functioning of everything in the front lines and field.

Ms. Doty said she believed Mr. Warner placed greater value on people who came from outside DOC rather than those who rose from within. She also recalled hearing that he installed

a series of lower-level managers as CIO after Doug Hoffer left, effectively trying them out in the role for short periods.

She would not typically get into the details of what was being included in one release of OMNI updates. Ms. Doty sometimes would see the release notes of everything included after the release went out.

We asked about the January 2, 2013, email between Ms. Stigall and Clela Steelhammer where Ms. Stigall writes that she discussed the *King* update at a direct report meeting with Ms. Doty [WS_000042]. Ms. Doty said she has acknowledged meeting with Ms. Stigall and remembers knowing about the issue generally, but not much else. “I’ve thought about this and thought about this and thought about this,” she said.

Ms. Doty acknowledged that the *King* update was discussed at the administrative services division meetings on January 2, 2013, and January 9, 2013 [WS_000048 & WS_000041]. She described the meetings as an opportunity for her to share what was happening at the executive level and division managers to share what was going on with them. These meetings had a problem-solving element as well, for issues that had come up.

Ms. Doty said she didn’t know if the *King* issue was raised at an executive team meeting. Those meetings typically included the DOC Secretary, assistant secretaries, and the Department’s Attorney General Division chief, plus Ms. Gastreich, the CIO, and an HR representative, among others. “It’s a big table,” Ms. Doty said.

She has never seen the minutes for these meetings from around this period [CP_000012] because she attended them. Ms. Doty said Tim Lang or another Attorney General’s office representative typically would discuss significant court cases, legislation, and other sentencing impacts at these meetings and there would be a short discussion on approach. “That had been my experience.” She was not sure if AG raised the *King* issue at any meetings in this late 2012/early 2013 period.

Ms. Doty has known DOC Secretary Dan Pacholke for a long time and described him as “mostly friendly,” with a strong background in prisons. They occasionally butted heads on internal audit issues. Those issues involved the number of audits and providing the auditors with necessary access to DOC facilities. She did not believe there with issues with the subject matter of any audits.

We asked about a November 15, 2013, email that Ms. Stigall sent [Installment 2 0000964] discussing issues involving stoppage time, statutory maximum calculations, and consecutive/concurrent counts. Ms. Doty said she believed she was copied on this email as a way for Ms. Stigall to show the work she was doing.

We asked about the records staff meeting that Ms. Doty attended on August 15, 2013, where the *King* fix was discussed [Installment 1.14 000223]. Ms. Doty said she and Mr. Warner attended only the meet-and-greet portion of the day-long presentation. She added it was a “big

deal” to get approval for records staff from facilities across the state to travel and attend the meeting. “It’s a group that doesn’t get a lot of attention. They operate in the background.” She and Mr. Warner “went in and recognized some of the work they did and left.”

Ms. Doty said she did not know who was ultimately responsible for setting priorities for OMNI updates to be included in certain releases.

Although Ms. Stigall acknowledges receiving a spreadsheet from Geoff Nelson showing hundreds of potentially affected offenders on January 3, 2013 [WS_000004], Ms. Doty does not recall the magnitude of the problem ever being discussed in an administrative services division meeting. The meeting minutes certainly would have reflected such discussion.

Ms. Doty said one potential contributing factor was the change in administrative services division staffing from two executives to one. In the past there had been an assistant secretary and deputy assistant secretary. Now there is a chief of staff and an assistant secretary. For Ms. Doty and her predecessor there was no second position. She added “[y]ou have to know there’s a problem to solve it.” Ms. Stigall “worked her tail off,” Ms. Doty noted we all have peaks and valleys in our work load.

We asked whether specific units within administrative services required more of Ms. Doty’s time and attention as assistant secretary. She said it would be “situational.” During the legislative session, the budget division required significant attention. “That is going to be a big draw.” When the Department went through layoffs, Ms. Doty said HR demanded attention. “It depends on where the fire is,” she said. “I spent a lot of time on IT during this period of time, but it didn’t have anything to do with the [King] release.” The IT focus was on Advance Corrections, Ms. Doty said.

She added that Advance Corrections “was certainly taking a lot of my time.” She recalled meeting weekly on the initiative.

We thanked Ms. Doty for meeting with us and told her that we would produce a memorandum of her interview for her review and approval. We also told Ms. Doty that she could clarify any points in her review of the memorandum.

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I have reviewed this memorandum, have been given the opportunity to revise it for accuracy, and agree that it correctly summarizes my statements to investigators.

Signature: 
Name: Denise Doty

Date: February 18, 2016