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United States Attorney
Western District of Washington

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DOJ CLOSES RIVER PARK SQUARE INVESTIGATION WITH NO CRIMINAL CHARGES

Lengthy Investigation Finds No Evidence of Criminal Intent to Defraud

The U.S. Department of Justice today closed the investigation into Spokane's River Park Square development with the announcement that no federal criminal charges would be filed. The United States Attorney's Office for the Western District of Washington launched the investigation just over a year ago, following the recusal of the U.S. Attorney's Office for the Eastern District of Washington. The investigation examined a number of allegations surrounding the River Park Square project. In closing the investigation, senior prosecutors determined there was no evidence any individual acted with intent to defraud.

"After the fact, there was a great deal of debate over the assumptions made in the bond proposal. But after examining thousands of records from the civil case, and using the tools available to the grand jury, we determined there was no case of criminal wrongdoing," said Robert Westinghouse, Criminal Chief for the United States Attorney's Office for the Western District of Washington.

The investigation examined four matters related to River Park Square: 1) Had the matter ever been referred to, but not properly pursued by, the U.S. Attorney's Office for review for criminal charges prior to the 2007 referral? 2) Did U.S. Attorney Jim McDevitt fail to disclose his prior work on the River Park Square project when he was under consideration to lead the United States Attorney's Office for the District? 3) Was there criminal wrongdoing in the mall development? And finally, 4) Are criminal charges warranted in the tragic death of Jo Ellen Savage, whose car was catapulted off the RPS garage in April 2006.

Investigators concluded there is no evidence that the River Park Square matter was ever referred to the U.S. Attorney's Office prior to the summer of 2007. Despite investigations by the Securities and Exchange Commission, HUD and the IRS, and lengthy civil litigation, no criminal referral to the U.S. Attorney's Office was made by any individual or agency prior to the summer of 2007. Additionally, the evidence establishes that U.S. Attorney Jim McDevitt disclosed his limited work, prior to his appointment, on the River Park Square project in the course of the background check that was completed before he was sworn in as the District's Chief Law Enforcement Officer. Mr. McDevitt cooperated fully in the investigation providing all requested records.

As for criminal wrongdoing in the mall development, investigators from the FBI, IRS Criminal Investigations (IRS-CI) and the Housing and Urban Development Office of Inspector General (HUD-OIG), reviewed thousands of pages of depositions from the civil litigation. They interviewed additional witnesses and subpoenaed additional records. Many of the allegations surrounded events nearly ten years ago, posing two problems for the investigation. First, memories

of events had dimmed, and records of some events had not been retained. Second, with a five year statute of limitations limiting the prosecution of most federal offenses, many of the most obvious potential criminal charges were unavailable ten or more years later. However, because of the public concern, prosecutors sought to determine whether there was evidence to support a criminal prosecution, regardless of the statute of limitations. They found no evidence to support criminal prosecution for racketeering, bank fraud, securities fraud or other federal crimes.

Finally, federal investigators examined the tragic accident of April 2006, which claimed the life of Jo Ellen Savage. At issue is whether faulty maintenance at the garage led to the accident. The review determined there is no federal statute that would address the facts surrounding the accident. Whether the State statutes proscribing negligent homicide have application to these facts is a decision better left to local authorities. Therefore the U.S. Attorney's Office has forwarded the matter to the Spokane County Prosecutor for review. Prosecutors sought and obtained permission from the court to provide certain limited grand jury materials to Spokane County Prosecutor Steve Tucker for his review.

The investigation was conducted by the FBI, IRS Criminal Investigation (IRS-CI), and the Housing and Urban Development Office of Inspector General (HUD-OIG).

The investigation was directed by Robert Westinghouse, Criminal Chief for the United States Attorney's Office, Western District of Washington, and Kurt Hermanns, Supervisor of the U.S. Attorney's Tacoma Office.

For additional information please contact Emily Langlie, Public Affairs Officer for the United States Attorney's Office, Western District of Washington, at (206) 553-4110.