

Local News
The Seattle Times

Silas Potter: 'I've been thrown under the bus' in Seattle schools scandal

Originally published March 2, 2011 at 9:32 pm | Updated April 24, 2012 at 3:53 pm

EXCLUSIVE: Silas Potter Jr. denies being the mastermind behind the Seattle Public Schools contracting scandal, which has triggered a criminal investigation.

By [Christine Willmsen](#) 

Seattle Times staff reporter

TAMPA, Fla. — The man at the center of the Seattle Public Schools scandal — Silas W. Potter Jr. — says he's not to blame and he's being wrongly accused.

The culpability lies with others who dictated how he should spend the money in the district's small-business contracting center, he told The Seattle Times in his only interview to date.

"I've been thrown under the bus," Potter said in Tampa, Fla., where he's lived in a modest apartment since October.

Potter managed the district's small-business contracting program, where he oversaw the spending of \$1.8 million in questionable contracts, according to a state audit and a district report.

The program, which grew to about a \$1 million annual budget, was supposed to train small and minority-owned businesses in how to get district construction contracts.

But Potter approved contracts to favored businesses and consultants who charged the district inflated prices for work of little or no public value, according to the reports.

Potter denied being the mastermind behind the misappropriation of school-district funds, which has triggered a criminal investigation, the state audit and the firing of

the superintendent.

“It’s a lot bigger than Silas Potter,” he said. “They’re trying to minimize their exposure of what they’ve done and maximize what Silas has done.”

Potter said the finger should be pointed at two people above him who demanded that he give school contracts, without bidding, to African-American businesses.

Potter said his supervisor at the time, Fred Stephens, facilities director, controlled and approved how the money was spent. And one of the school district’s attorneys, Ron English, reviewed the contracts and discussed business deals, Potter said.

Potter’s “allegations are not true,” English said in a statement Wednesday. “I had no involvement or knowledge of his contracts. I prepare the standard contract forms used by the district, but not the actual consulting contracts. I do not review invoices.”

Stephens disputed Potter’s claims in an e-mail Wednesday. “His newest claims are nothing more than another reckless attempt to deceive and shift blame,” wrote Stephens, now a top deputy to former Gov. Gary Locke at the U.S. Department of Commerce.

“Good soldier”

Potter, a former real-estate agent and furniture repairman, was hired in 2001 as a coordinator for moving classrooms during school renovations. Four years later, when the small-business-center position opened, he was interested in the job and Stephens encouraged him to apply, he said. Potter was surprised when he got the new position, saying he didn’t have the credentials.

“I don’t know how I got the job,” he said.

But with the \$51,400 position came pressure to favor African Americans, he said.

“Stephens wanted to make sure black folks got contracts,” Potter said.

Stephens said in an e-mail Wednesday that he wanted women and all minorities to get contracts.

Potter claims that he was focusing more on small businesses, regardless of the race or sex of the owners, and tried to be fair. Yet Stephens told him it had to be “black, black, black,” Potter said.

Calling himself a “good soldier,” Potter said he helped Stephens by giving out \$1 million in contracts that first year to minorities.

“I was the toast of the town in the black neighborhood,” he added.

“The bottom line was that I followed directions,” Potter said. “Everything I did I went through Fred [Stephens] and he asked Ron English if it was OK to do it.”

Potter doubts Superintendent Maria Goodloe-Johnson was involved. “The superintendent had no knowledge of this,” he said.

Errors, but no kickbacks

Potter said when he became manager of the small-business center in 2005, its largest beneficiary was the Urban League of Metropolitan Seattle, which already had a district contract for about \$250,000 to develop the Historically Underutilized Business program. In all, the Urban League would get several years of contracts worth \$595,000, the audit found.

But, Potter said, he noticed the Urban League wasn’t doing the job and asked Stephens if he could eliminate the Urban League from the project. He said Stephens refused.

“I told him [Stephens] they’re not doing anything,” Potter said.

He recalls Stephens saying, “It’s political. You can’t just cut them off — the Urban League.”

The Urban League contract was reduced to \$125,000 in 2006 after he complained again, Potter said. He said he then hired several consultants, including Eddie Rye, to develop an outreach program that the Urban League had failed to do.

After he lodged more concerns, Potter said, Stephens agreed to drop it to \$60,000 in 2007, 2008 and 2009.

Potter said he’s been mischaracterized as a con artist. And he vehemently denied receiving any kickbacks.

“I never said to anyone: ‘Give me money,’ ” he said. “I defy anyone who says they gave me a penny.”

He admitted some errors along the way, saying that he never should have handled the

contracting, and that the process seemed flawed.

Despite two reports that condemn many of his actions, Potter said the program was successful in training small businesses to qualify for district contracts.

A familiar name

When the district began phasing out Potter's program early last year, he created a private corporation with the exact name of his school-district program, Regional Small Business Development Program.

He talked about taking over the district's program with his new company, which he described as a nonprofit. He said Stephens knew what he was doing.

Then a \$35,000 check from Tacoma Public Schools to the Seattle district was deposited in a bank account for Potter's private company on June 10, 2010, three days after he resigned. According to the audit, Tacoma schools said the \$35,000 was for work done from January to April 2010 by Potter's program at the district.

When the district learned about the deposit, it told Potter to return the money, and when he didn't, officials filed a police report. He returned the funds and police dropped the matter.

Potter blamed it on a clerical error by Tacoma schools. He said the Tacoma district agreed to a \$70,000 one-year contract with him in May 2010; \$35,000 was a down payment for the first half of his contract.

He said someone put the wrong dates on the invoice, making it appear to be payment for past work done for Seattle schools, not future work for his new company.

"There was no malicious intent," he said.

English, the Seattle district's lawyer, disputes that account.

"I was the first to discover that Mr. Potter was using district resources for personal gain, in a phone call with Tacoma Schools staff in June 2010. I immediately blew the whistle on Silas' taking \$35,000 for his own use, and this ultimately resulted in the state auditor investigation," English said in his statement.

"I'm weary"

Auditors said that they couldn't reach Potter for months, but Potter said he's not

hiding from anyone. Rather, he's started a new life in Florida with his 13-year-old son. No law-enforcement officials have contacted him and if they do, he said, he would cooperate with them.

"I'm weary," said Potter, dressed in bluejeans and a white- and peach-striped dress shirt. "I wish I could crawl up in a ball."

He has struggled financially in Florida, saying he lives from one meal to the next at times and has credit-card debts. He has landed a job as a consultant for a roller-rink project, and is making enough money to survive.

"If I'm sitting here with all this money they are talking about, wouldn't I have something to show for it?" Potter asked. "Did I have a house sitting on the Puget Sound? Wouldn't I have a bank account with all this money in it?"

On Wednesday, a day before his 60th birthday, Potter stood inside a large empty building that is soon to be Silver Skate on West Hillsborough Avenue in Tampa.

Potter is renovating the 40,000-square-foot former supermarket for the owner of Silver Skate. It is set to open in June with a roller rink, arcade, miniature golf and pool tables.

Potter said he is ready for any fallout that may come from Seattle — even if it means being charged with a crime.

"Whatever I've done, if there are repercussions, then I'll man up to it," he said. "If I have to serve time — OK."

Seattle Times staff reporters Linda Shaw and Bob Young contributed to this report.

Christine Willmsen: 206-464-3261 or cwillmsen@seattletimes.com

Christine Willmsen: 206-464-3261 or cwillmsen@seattletimes.com; on Twitter: [@christineesa](https://twitter.com/christineesa).