

## Who's Got the Dough, and Who Is Doing the Hammering?

Vicki Walker's Challenge to Neil Goldschmidt

By Jim Pasero

Who cares how much Neil Goldschmidt makes, ethically or unethically, as long as we get the state moving again? From public funds, private funds, or both simultaneously.

Well, Dem. State Sen. Vicki Walker cared. She cared because she was still well-intentioned and naïve enough to believe that in a democracy process is everything. And she's right. The more Oregon leaders do things behind closed doors, the more the state shrivels.

Says Sen. Metsger about Oregon's governing malaise, "We are going to have better government...and people need to know what's going on...we have to be open, to ask questions."

This of course was not the *Oregonian's* attitude when it accused anyone who questioned Goldschmidt's integrity of being the worst low-minded participants in public affairs. According to the region's largest paper, covering (much less investigating) corruption in government is taboo—it's not a nice thing to do.

Included on the list of the low-minded who covered the corruption, and now lead the newspaper's list of "bad actors"—the *Portland Tribune*, the *Albany Democrat-Herald*, KXL radio, KUIK radio, and, of course, this magazine.

On the other hand, the Willamette Valley's print media, the *Oregonian*, the *Salem Statesman Journal* and Eugene's *Register-Guard* read like one government press release after another. And how does one possibly explain the *Register-Guard's* refusal to cover hometown politician Vicki Walker's "David and Goliath" public dispute with Goldschmidt?

Democrat presidential contender, John Kerry has taken criticism from his party for remarks he made in '94 when, after 40 years of Democrat rule, the GOP took over control of the U.S. House of Representatives. Kerry said, as reported in *The New York Times*, that he was "delighted with an institutional shake-up because I think we need one."

No state is more in need of an institutional shake-up than Oregon—the most dysfunctional state in the country. What is maddening about Oregon's present day corruption is that it comes with such clean government gloves, making longtime residents fond of the days when corruption wasn't masked in high-minded language, the days when Robert Kennedy indicted the city's mayor. Oregon's worst economy in the country is one measure of our dysfunction. Another indicator would be looking at the adversaries of the current old-boy, one-party ruling class.

1—Four years ago, the adversary against the rulers was Bill Sizemore. In a one-man attempted coup against one-party rule Sizemore filed seven ballot measures simultaneously. Sizemore's move was radical, and the establishment (with the media behind them) easily defeated all but one--Measure Seven.

2—Three years ago two Democrat lawyers filed a complaint with the Oregon State Bar regarding Deputy Attorney General David Schuman's and Gov. Kitzhaber's defense of Measure Seven. Gov. Kitzhaber, who opposed the Property Rights Measure, participated with Schuman in a meeting about the Measure Seven case. After failing to defend Measure Seven in court, Schuman received an appointment to the Oregon Court of Appeals. Aware of the legal points involved, this was one issue that affable candidate Ted Kulongoski would have "no comment" on during the '02 gubernatorial campaign.

3—Two months ago, long-time liberal Portland School Board member, Sue Hagemeyer used the opinion page of *The Portland Tribune* to denounce the Portland Association of Teachers. She wrote, "Their goal is to preserve and strengthen the PAT's control over operation of the district. They are willing to compromise the education of Portland schoolchildren to that end." When the former spiritual leader of the teacher's union takes them on in such dramatic fashion, the dysfunction meter has hit the red zone. One party rule. One party implosion.

4—This winter, liberal Dem. State Sen. Vicki Walker challenged the state's political dysfunction when she challenged Goldschmidt's appointment. Of course, when you go to kill the king, you're not supposed to miss. Royal retribution is an ugly, ugly thing. Walker's challenge was probably a lot more successful than anyone cared to admit--those who rule Oregon, or those sheepish GOP leaders too stupid or too beaten down to join the fight.

Good government crusaders are becoming harder for the ruling establishment to ignore. But they're also getting harder to find because the consequences of failure are so personally severe.

Why was the fight to stop Goldschmidt's nomination closer than many may have thought? Mostly because Vicki Walker is such a compelling figure to cast in the role of taking on "King Neil." *The Portland Tribune's* Jim Redden, whose excellent reporting drove the story, described Walker as a "classic citizen legislator." Walker, a court reporter and mother of two, grew up in Reedsport and was the first in her family to go to college. Her husband is a production worker at the *Register-Guard*, and her brother is a firefighter in Spokane. In the legislature she is respected, but she is also confrontational.

In an interview with Sen. Walker, posted on our website ([www.brainstormnw.com](http://www.brainstormnw.com)) Jan. 19, Walker, a court reporter, read from her notes about a series of meetings with the ruling Democrat establishment. Those notes detail the extraordinary steps taken by the state's establishment to quiet her. If you're a Republican and you challenge the boss, you are ridiculed in the press (Bill Sizemore, Bob Tiernan), name-called and labeled by the likes of Steve Duin. If you're a Democrat and you challenge the boss, you're asked to

attend closed-door meetings where you're told to shut up. If you don't, the whispering campaign begins—"She's too combative... too emotional... not that stable."

Vicki Walker's crime was that she didn't believe Goldschmidt should make \$40,000 a month consulting for SAIF without a written contract. Walker saw a possible pattern in the former governor's lack of accountability for public money. Walker also believes that SAIF, a quasi-state agency, is spending hundreds of thousands of dollars for lobbying and political purposes with money that is essentially public. Walker remembers in the '01 session when legislators were looking to reform SAIF. She says, "I got a ton of faxes and emails and letters from businesses in my community who are members of SAIF. They all started coming because we in the legislature were aggressively looking at reforming SAIF in the '01 session." But because of lobbying pressure, says Walker, the '01 reforms went nowhere.

In the midst of Walker's charges, the *Portland Tribune's* Jim Redden detailed how a decade ago the same pattern emerged when Goldschmidt created and then directed the now defunct Cascade Center for International Business and Policy. A million and half dollars was spent on the Center with little or no financial oversight. For her doubts and questions, Walker was invited to a series of closed-door meetings with the state's rulers. It began at U of O's Johnson Hall.

U of O President Dave Frohnmayer invited Walker to talk about the Goldschmidt appointment and why he felt it should go forward. In Frohnmayer's view, only a heavyweight like Goldschmidt would have the power/influence to handle all the competing egos in the state's redundant higher education system and, therefore, make a better product. But for Walker, the impression sent by the respected university president was that questions about Goldschmidt's ethics were immaterial compared to getting a friendly "power" in as head of higher-ed. Right or wrong—Message: Never mind character—we want power and results. During the meeting, Frohnmayer asked Walker to meet with the governor. She accepted.

At the meeting on December 11<sup>th</sup>, Walker and Kulongoski discussed a letter the governor has written to Jon Egge, Chairperson, SAIF Corporation Board of Directors. Walker told the Kulongoski that she was "insulted" by his letter because it "minimalized and trivialized" the issues. She asked for an apology, and the governor, ever the peacemaker, apologized. Walker also told the Kulongoski to clean house with the "SAIF Board." A few days later Kathleen Keene, head of SAIF, was fired.

But in return for the apology, Kulongoski had one request--for Walker to meet privately with Goldschmidt about the higher-ed appointment. She agreed. Peter Bragdon, the Governor's Chief of Staff called Walker to set up the meeting. All may have proceeded on course if Goldschmidt hadn't appeared in early January before the editorial board of the *Salem Statesman Journal* and accused Walker of basically being on the take. "There's no disconnect here between who's got the dough and who is doing the hammering," Goldschmidt told the editorial board. He was referring to a campaign contribution of \$2,750 that Walker received from SAIF's private sector competitor, Liberty Northwest.

Pocket change compared to the amounts in question with Goldschmidt.

Goldschmidt's accusation convinced Walker to say no to the governor's request for a meeting. Walker then told KXL Radio that from now on anything that she had to say to Neil Goldschmidt she would say "in public."

No, thought Democrat Senate President, Peter Courtney, better to keep this process closed. Courtney invited Walker to another closed-door meeting with Goldschmidt to heal wounds. Walker accepted. The three met on January 9<sup>th</sup> in the Capitol—the meeting went badly. Walker and Goldschmidt ended it by agreeing to disagree. "Peter Courtney asked if this could be a locker room discussion (meaning closed doors)," Walker recounts. "He said Democrats shouldn't be going against Democrats ... Neil stood up and said, 'I hope so too.' But I didn't say anything because this wasn't going to be my agreement."

Five days later, Democrat Senate Leader Kate Brown was in Eugene asking Walker, "Vicki, what do you want out of this?" Walker replied, "I want Neil to be accountable." Brown asked, "What does that mean?"

If you're Vicki Walker, you've come to the part of the conversation where the answer seems too simple, too obvious—good government. But what was really important, at least to Kate Brown and the Democrat Party, was for Vicki Walker to quit being an obstructionist.

By mid-January, Democrats were running out of heavies to throw in Walker's path. Meanwhile, a number of Senate Democrats were quietly letting Walker know that there was some support in the Democratic caucus for her quest for openness and accountability. Both Sens. Metsger and Ringo were sympathetic and Sen. Dukes sent Walker a note of support. Days before the confirmation hearing, Sen Metsger told *BrainstormNW*: "I want to make sure questions are answered. I am not looking for ways to vote against Neil. I don't intend to, but I am not going to vote without answers. Maybe some people are ready to vote without answers, but I won't vote until I get answers." Democrats were looking to support Walker, but they were also looking for leadership from the Republicans on the issue, because as Walker put it, "I am uncomfortable being an adversary to another Democrat in public. It is not appropriate."

But there was no leadership from the Republicans. Zilch.

On January 22, by a vote of 25-4, Neil Goldschmidt was confirmed as head of Oregon's Board of Higher Education. Democrat Sen. Vicki Walker stood alone on her side of the aisle in her "No" vote against confirmation. Alone in her fight for open, clean government.

In the days before the vote, with a number of Democrats considering the possibility of voting against or at least delaying Goldschmidt's confirmation, Republicans began

announcing their intent to confirm. GOP ineptness was epitomized by Republicans who voted against Goldschmidt in the hearing the night before, but turned around and voted for his confirmation the following day on the Senate floor.

In the last generation, the Oregon GOP has had a lot of sad days, but January 22<sup>nd</sup> may have been the saddest.