

DAILY PLANNER

TODAY

Today is Wednesday, June 5, the 156th day of 2019. There are 209 days left in the year.



TODAY'S HIGHLIGHT

On June 5, 2004, Ronald Wilson Reagan, the 40th president of the United States, died in Los Angeles at age 93 after a long struggle with Alzheimer's disease.

ON THIS DATE

In 1794, Congress passed the Neutrality Act, which prohibited Americans from taking part in any military action against a country that was at peace with the United States.

In 1917, about 10 million American men between the ages of 21 and 31 began registering for the draft in World War I.

In 1933, the United States went off the gold standard.

In 1947, Secretary of State George C. Marshall gave a speech at Harvard University in which he outlined an aid program for Europe that came to be known as The Marshall Plan.

In 1950, the U.S. Supreme Court, in *Henderson v. United States*, struck down racially segregated railroad dining cars.

In 1963, Britain's Secretary of State for War, John Profumo, resigned after acknowledging an affair with call girl Christine Keeler, who was also involved with a Soviet spy, and lying to Parliament about it.

In 1967, war erupted in the Middle East as Israel, anticipating a possible attack by its Arab neighbors, launched a series of pre-emptive airfield strikes that destroyed nearly the entire Egyptian air force; Syria, Jordan and Iraq immediately entered the conflict.

LOTTERY

Megabucks: \$3.4 million
5-19-20-21-30-35

Mega Millions: \$530 million
25-37-46-48-68-25-x2

Powerball: \$40 million
6-15-34-45-52-PB 8-x2

Win for Life: June 2
27-40-42-68

Pick 4: June 4
• 1 p.m.: 1-8-6-7
• 4 p.m.: 4-6-8-7
• 7 p.m.: 3-3-5-1
• 10 p.m.: 2-9-1-2

Pick 4: June 3
• 1 p.m.: 5-9-4-5
• 4 p.m.: 9-8-3-9
• 7 p.m.: 2-7-3-2
• 10 p.m.: 5-0-1-1

ROAD REPORT

Numbers to call:
• Inside Oregon: 800-977-6368.
• Outside Oregon: 503-588-2941.

NEWSPAPER LATE?

Every effort is made to deliver your Observer in a timely manner. Occasionally conditions exist that make delivery more difficult. If you are not on a motor route, delivery should be before 5:30 p.m. If you do not receive your paper please call 541-963-3161.

QUOTE OF THE DAY

"Dare to be naive."
— R. Buckminster Fuller, American inventor and philosopher (1895-1983)

SMITH

Continued from Page 1A
money to fund wrestling at the university. Last year, he touted his legislative maneuvering to get another \$9 million for a university field house.

University officials said they approached Smith for that money because he sits on a legislative committee that funds construction.

Tim Seydel, a university vice president who handles government relations, couldn't recall if he asked for help from the university's local legislator, state Rep. Greg Barreto. And Seydel said there was no connection — "none" — between the university's willingness to hire Smith's company and his legislative help.

Documenting the relationship between the university and Smith wasn't easy. Asked for the university's contract with Smith's company, university officials instead produced contracts with its state and federal government partners. Asked for documents about operations of the business center required by those contracts, officials said they didn't have many of them.

A university official wrote that Smith and Company "has not been submitting many of these reports" and the university hasn't been requiring the company to do so.

The university subsequently required Smith to turn over such records and in turn released them to the Enterprise. But it refused to produce time records for those working at the business center, doing so only after Union County District Attorney Kelsie McDaniel ordered their disclosure following a petition from the newspaper.

The budgets, performance reports and time records provide a revealing look at how Smith has operated.

Last January, Smith represented on a government form that he devoted "100% of my time and efforts" to running the business center. The university could provide none of the records required by contract to document his hours.

"Mr. Smith has informed us that he does not keep a timecard for himself," Burford, the general counsel, wrote in an email last week. The business center said in a report last year that Smith drove 300 to 400 miles each week to counsel clients. Yet a financial report from the center in 2017 said the staff collectively logged 1,818 miles over the year — an average of 34 miles a week.

Time sheets, heavily redacted, documented hours put in at the business center by every employee except Smith.

One was for Julee Hicks, a part-time adviser at the La Grande business center. Hicks also works for Smith and Company 45 miles away in Baker City under a county contract that pays \$96,000 a year.

Hicks certified last January that she spent "65-75%" of her time at the university's business center in 2018. For someone working

full time, that would mean about 113 hours a month.

But her time sheets showed Hicks has logged no more than half those hours and sometimes significantly less. In December, for instance, Hicks logged three hours for the La Grande center.

As part of its required annual reporting, the business center produced a "success story" about its accomplishments. One told about helping a La Grande couple establish a retail business a year ago.

The account credited Smith personally with providing business advice and loan referrals to Tim Camp, the university's football coach, and Janet Camp, who until last year worked for the university.

Smith provided more than counseling to the couple. Janet Camp said last week that her business, Real Deals, leased its store space from Smith and Company.

Smith is required to file an annual conflict of interest statement relating to his service to the business center. He pledged in his statement last October that he would not "enter into any agreement, contract, or partnership directly or indirectly with any SBDC client."

Seydel, the university vice president, said he was unaware of the lease.

Asked if it was appropriate for the university's business center director to have outside business relations with center clients, Seydel said, "I'm not prepared to answer."

The business center also reported on Smith's role in sending business clients to outside sources for loans. That included three that separately pay Smith or his company to manage their loan programs — Morrow Development Corp., Umatilla Electric and Wheeler County.

Seydel said last week he was aware of Smith's connection to those lenders, that "he has some influence over them."

But Seydel was unaware that Smith's conflict statement stated that as the business center director he would not "recommend to active clients" the purchase of services that "I have an interest in or represent."

Seydel wouldn't address the conflict. "That's a matter for the state ethics commission," he said.

Depot controversy

Smith has drawn criticism in his other full-time job.

Since 2015, Smith has been the \$107,000-a-year executive director of the Columbia Development Authority, based in Boardman. His job is to orchestrate the transfer of the Army's

Umatilla Chemical Depot to local ownership, both for a major industrial complex and a wildlife preserve.

Smith at least once used his legislative role to benefit his Boardman employer. In 2017, he arranged legislation to set aside \$7 million in state money for roadwork needed by his employer as part of industrial development of the former military base. The money was part of a massive transportation plan passed by legislators.

"I do have clients that have projects funded through this bill," Smith wrote in declaring a potential conflict before the committee that handled the legislation and where Smith had a vote.

He didn't disclose in his statement or in a later press release claiming credit for the funding that he was an employee of one of the winners of the state funding.

Part of his job in Boardman was to strike a bargain with the Confederated Tribes of the Umatilla Indian Reservation to preserve cultural and historic sites and wildlife territory on the old Army base, which closed in 2012. A sticking point was what to do about historic trail remnants, including sections of the Oregon Trail.

Don Russell, a Morrow County Commissioner and president of the development authority, said one trail portion was "right in the middle of what was going to be industrial property."

As efforts dragged, Smith tried to recruit state officials to mediate between the developers and the tribes, but agency officials said no.

Then, last June, Smith issued a take-it-or-leave offer to the tribes, according to minutes of a June 2018 meeting.

"He made clear that this is a limited time offer to expedite and conclude consultation," the meeting notes showed.

A deal finally was struck earlier this year. The development authority would save about 100 yards of historic trail, put up a kiosk, and leave a longer stretch of the trail intact on land being transferred to the Umatilla tribes.

The tribal board voted 4-3 to accept the deal in April, but accounts of the meetings in the tribal newspaper, the Confederated Umatilla Journal, showed unhappiness with Smith.

One tribal official, Teara Farrow Ferman, told the board that Smith had been "threatening" the tribes, particularly over plans to preserve Oregon Trail segments that cross the former military base, according to the Journal's account.

Aaron Ashley, a board trustee, was among those voting against the deal,

blaming Smith.

"I don't care for the way he conducts business," Ashley said. "I don't trust him."

No charge

The same transportation legislation that yielded money for the Boardman project provided Smith with another paying customer.

The Linn Economic Development Group, an Albany organization largely funded by public money, was in line for \$25 million in state money to turn a former mill site into an industrial rail shipping center.

In late 2017, Smith made his pitch to manage the project and Roger Nyquist, a Linn County Commissioner, was impressed. He didn't know the Heppner legislator, but listened as Smith spun out his record of economic development.

"Greg has a unique and specialized skill set," Nyquist said.

Over the next year through last October, the development group paid Smith and Company \$158,000 to manage planning for the rail shipping center, negotiate

a \$10 million land deal and unlock the state money.

But the project hasn't gone as planned and is behind schedule. Nyquist said Linn County twice paid fees to keep the property locked up — \$300,000 so far to the owners that won't count toward the purchase.

When state money to pay Smith and Company ran out last October, the local development group caught a break. Smith agreed to continue his company's work — at no charge. He has done so for six months, waiving what had been until last fall a \$10,000 monthly fee for his company.

James Ramseyer, a local utility company executive and chair of the development

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