

...Court case exposed Sizemore's shenanigans

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back in '08.

This year, his causes are education, land use and tax policy, and judicial elections. His measures would:

- Allow minor improvements to property without a building permit;
- Link teacher pay to the test scores of students (an idea defeated in 2000);
- Allow students to take no more than two years of English as Second Language classes;
- Make federal taxes fully de-

ductible on state income tax return (an idea defeated in 2000); and

- Ban the labeling of judges as "incumbent" on the ballot.

Several other measures, not yet circulating, are aimed directly at union political clout or worker rights. One would ban public employee unions from making political campaign contributions. Another would ban "card-check" union recognition for public employees. A third would allow employers to deduct cost of employees' medical and retirement benefits from the Oregon minimum wage they're required to pay. Sizemore also introduced, and then withdrew, a repeal of the state's "little Davis-Bacon" requirement that government-funded construction projects pay the prevailing wage.

But wasn't he supposed to be out of business?

In a lawsuit filed by the Oregon Education Association and American Federation of Teachers-Oregon, a jury declared in October 2002 that Sizemore's organizations were guilty of a pattern of criminal activity that resulted in placing Measures 92 and 96 on the 2000 ballot. Specifically:

- Sizemore had his political action committee hire his own company, I&R Petition Services, to "oversee" signature collection, which was done by subcontractors. Employees of his subcontractors forged signatures, signed the names of fictitious people, and illegally copied legitimate signatures from one petition sheet to another; even the signatures of the petition circulators themselves were sometimes

forged.

• Sizemore set up Oregon Taxpayers United Education Foundation as a "sham charity," to give his supporters tax-deductibility while using their contributions illegally to fund political campaigns (by direct cash transfers and by paying the salaries of all his political staffers.)

• To get around campaign finance disclosure laws, Sizemore arranged phony "stock" purchases that enabled one supporter to secretly contribute \$170,000 to the campaigns. To evade disclosure of other supporters' names, Sizemore arranged to have them write their checks to Americans for Tax Reform, a Washington, D.C.-based group headed by right-wing power-broker Grover Norquist. Sizemore would bundle these checks, then have ATR write a check back to his groups, or directly to petitioners for the total amount.

• Sizemore filed false Contribution and Expenditure reports with the State of Oregon, omitting cash, overhead, and in-kind support from his "charitable" foundation, including foundation checks totaling more than \$120,000 written to Sizemore's company and its subcontractors. He also signed and filed false reports to the IRS and the Oregon Justice Department denying that donations to his charitable foundation were being used for political purposes.

In May 2003, a Multnomah County Circuit Court judge ordered damages of \$2.5 million, dissolved Sizemore's Oregon Taxpayers United Education Foundation, and issued an injunction restricting his political activities for five years.

But Sizemore sought ways to get around that judgment, just as he earlier got around — and crossed over — laws on signature-gathering and campaign finance reporting. He emptied his group's bank accounts. He re-named his group. And he appealed the jury verdict.

In October 2006, an appeals court struck down the third of three counts of his conviction, on a legal technicality. That reduced his civil liability to about \$300,000. Sizemore was jubilant. Both sides are now appealing to the Oregon Supreme Court. The Supreme Court doesn't have to review the case, and normally does so only if it wants to use it to settle a particular point of law. Lawyers expect to learn

'I get so sick of being accused of being involved in forgery. I have never knowingly broken the law.'

Bill Sizemore

some time in the next six months whether the Court will look at the case.

So far, the unions have gotten very little out of Sizemore. They went after him personally for collection, and when he sold some property were able to get about \$16,000 out of him.

But union leaders say they have no regrets about the suit, despite close to a \$1 million they've paid in legal bills. The suit revealed a great deal of unflattering information about Sizemore's operation, and must have made many Sizemore donors pause, particularly when it seemed his motive was as much personal gain as furthering the cause.

Sizemore was not the first chief petitioner to pay for signatures, but he may be the first in Oregon to make a vertically integrated business out of it. As revealed in the lawsuit, Sizemore made money at every stage. His 2000 personal tax returns reported \$213,000 income that year. In the 2000 election cycle, Sizemore collected a \$65,000 salary from his Oregon Taxpayers United, but his signature-gathering company I&R paid Sizemore \$50,000 directly and as much as \$170,000 indirectly, including: up to \$25,000 for construction work on his property; a \$123,919 loan to Sizemore's failing radio station; payments on his automobile, and \$20,000 in American Express bills.

And his operation brought the initiative process to new levels of lawlessness.

"Until our suit exposed rampant abuse, it was like the initiative process was run on the honor system," says Oregon Education Association staff attorney Mark Toledo.

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