

...Past Sizemore business practices raise eyebrows

(From Page 4)

The honor system assumes integrity.

But well before Bill Sizemore became a well-known political figure, his conduct raised questions about his integrity. During Sizemore's 1998 campaign for governor, an Oregonian investigation brought to light the messy details of his failed carpet and toy companies.

Sizemore walked away from \$358,000 in debts when Sizemore Carpet Brokers liquidated under bankruptcy protection in 1987. His Illuminated Toy Inc., founded in 1984, ceased operations in 1994, with unpaid debts of about \$795,000.

Anybody can have a business failure. It was Sizemore's business practices that raised eyebrows. Sizemore raised funds for his businesses by persuading members of his church and his softball team to loan him money, promising to double their money in six months. One fellow member of Portland Bible Temple cashed a life insurance policy to lend Sizemore \$30,000, which the entrepreneur promised to return in one month with \$3,000 in interest (That's 120 percent annual interest). Instead it took years, and a

lawsuit to recover the money. And he was the only creditor to get repaid. Another church member, dying of cancer, asked Sizemore in 1997 to return the \$98,000 he was owed, and was told it would be repaid after he became governor. Later, Sizemore asked the widow to recant what she had told the Oregonian about the incident.

In the end, Sizemore stiffed his landlord, the factories that made his products, the IRS, and a printing company he wrote a bad check to. He used toy company money to buy land that he would then build his family's home on. Later, he sold the company property and used proceeds to pay off personal income tax liens. The explanations he gave to the Oregonian of the details were contradicted by most of the individuals.

That was how he operated his toy business.

By 1994, Sizemore's business was politics. The businessman who hadn't paid his taxes now formed Oregon Taxpayers United, a political action committee, and devoted himself to raising money to wage ballot initiative campaigns. That year his Ballot Measure 8 won by 1,000 votes, requiring public employees to contribute 6 percent of their salary to their pensions.

The measure was later overturned by the Oregon Supreme Court as a violation of contract rights.

In 1996, Sizemore was back with a referendum that overturned the Legislature's plan to build statewide light-rail system. He also won passage of Measure 47, a property tax limitation to cap property taxes, limit increases to 3 percent per year, and establish a double-majority requirement for local temporary future tax increases.

In 1998, he went after public employees unions again; his Measure 59 would have restricted their ability to participate in politics. It was narrowly rejected by voters, but union political action committees reportedly spent over \$4 million opposing the measure.

Sizemore had a sure thing: Win or lose, his measures would drain union treasuries, weakening their ability to pursue other issues.

It was a cynical purpose, said judges on the appeals court panel, and the cynical means by which he conducted the campaigns spurred voters to approve Measure 46 in 2004, which banned the "bounty" by prohibiting initiative campaigns from paying by the signature.

But abuses continued. Media accounts about circulators paid in cash

on street corners led the Bureau of Labor and Industries to aggressively prosecute whatever violations of Measure 46 they could prove.

Now, the Oregon Legislature is preparing to clean up the initiative process. The House Committee on Elections, Ethics and Rules, chaired by Diane Rosenbaum, began hearings on initiative abuse in January.

"I am not an opponent of the initiative process," said Rosenbaum, who herself was a chief petitioner on a ballot measure that increased the minimum wage. "But we believe it has been hijacked."

"A lot of people wonder why can't we just ban paid petitioning altogether," Rosenbaum said. "The problem is the Oregon constitution doesn't allow it."

"By 2002 the ideal of citizen volunteers gathering signatures from their friends, neighbors and colleagues had long ago disappeared," Ellen Lowe told Rosenbaum's committee Jan. 31. Lowe was a longtime lobbyist for Ecumenical Ministries of Oregon, a social justice group. "Instead," Lowe said, "every initiative season, armies of mercenary signature gatherers descended on our state looking for a quick and easy buck Too often last year Oregon's initiative system looked

more like drug deals than democracy."

Legislators expect to look at a number of reform proposals in the coming months, including:

- Color-coding initiative petition sheets when campaigns are paying petitioners;

- Requiring paid signature gatherers to register with the Secretary of State's office, and provide a signature sample.

- Prohibiting anyone convicted of identity theft from gathering signatures;

- Requiring that campaigns gather 10 percent of required signatures before submitting their measure to the state for a ballot title, an idea meant to prevent "ballot title shopping;" and

- Making chief petitioners personally liable for what goes on in their campaigns.

Sizemore told Rosenbaum's committee he didn't like that last suggestion.

"I don't believe you get anywhere by pursuing chief petitioners," Sizemore testified Jan. 31. "It isn't possible to control what everybody circulating your petition does."

"I get so sick of being accused of being involved in forgery," Sizemore added. "I have never knowingly broken the law."

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