

## BACK TAXES DOG BUTTE DISPUTE

Neighbors of the illegally mined Parvin Butte quarry want to know how the mine operators can apply for a state grant of almost a half million dollars while at the same time one of the mine's operators, Greg Demers, reportedly owes about \$9 million in state and federal taxes.

Demers, along with Norman and Melvin McDougal as Lost Creek Rock Products (LCRP), was mining Parvin Butte, a scenic butte in rural Dexter, without a site review permit from Lane County. A letter from attorney Bill Kloos, who represents LCRP, indicates the mining is currently at a halt.

In November 2011, LCRP applied for an ODOT ConnectOregon IV grant asking for \$477,286 to build a "multimodal transfer facility in West Eugene on the Coos Bay Rail Link." The reload facility would be "primarily used to ship construction grade rock to the Oregon Coast" via rail. That rock, the application said, would come from Parvin Butte.

Demers was the contact person for LCRP and signed the application. He checked off "No" in answer to the question: "Is the applicant current on all state and local taxes, fees and assessments?" And Parvin Butte neighbors questioned this when federal tax liens in Demers' name came to light. "We do not support the approval of federal grant monies to anyone who might be negligent in their taxes," says neighbor Sharon Latimer.

ODOT spokesman Rick Little says the applicant in this case is LCRP, not Demers, "Greg Demers is listed as the contact, not the applicant. ODOT's review did not turn up any taxes owed," Little says.

Demers says that he is not a member of LCRP. He told

*EW* "I am a minority member of an LLC that has an interest in it but I am not member."

Documents obtained by *EW* show that while applying for almost a half million dollars in grant money from the state, Demers appears to owe the state \$1,363,054, according to a Dec. 9, 2008 tax lien from the Oregon Department of Revenue. The document says interest is accruing at a rate of \$466 a day, which adds another half million dollars to the total owed.

The IRS also has a tax lien against Demers for unpaid federal taxes of almost \$3 million as of Oct. 19, 2009. Interest compounds on that lien at a rate of 8 percent plus penalties.

The documents also show six Lane County property tax warrants for back taxes, a civil judgment against Demers for \$3 million plus interest from Dec. 9, 2009, and six other federal tax liens for trust taxes for \$36,000 each. It would appear that Demers owes more than \$9 million in back taxes and judgments.

Demers says his tax liens "are under dispute with the Compromise and Settlement Division of the IRS," and attributes them to "phantom income" from a now-dissolved corporation called Pioneer Resources. According to court documents, winery owner Ed King and the McDougals were also involved with Pioneer.

This is not the first time Demers and the McDougals' business dealings have been questioned (see *EW* 12/9/2010, Freshwater Fisticuffs). They are developers who own land and businesses in Lane County and elsewhere in the West. They also own Willamette Water Company, a private water company that supplies water to

Goshen and is seeking to get a right to 22 million more gallons of water a day out of the McKenzie River in order to sell that water to other nearby rural communities.

Parvin Butte itself may be tied up in these financial issues. The state of Oregon might have a claim to Demers' share of Parvin Butte since the Department of Revenue filed its lien on his personal property while Demers still owned the butte. Demers, however, says "it was never in my name."

According to a bargain and sale deed, Demers as a grantor conveyed the property, which has been valued at \$30 million, to ATR Land, a company in which Demers is listed as the only member on Oct. 14, 2009.

A week later on Oct. 23, according to documents filed with Lane County, Union Pacific Railroad executed a quit claim deed on the same property to ATR, and ATR conveyed the property via a bargain and sale deed to LeeLynn and Wiley Mt. Inc for

\$363,000. That same day the companies then conveyed one-third of the property back to ATR "in consideration" for other properties. Finally on Oct. 26, 2009, ATR executed a trust land deed granting the one-third interest to Fidelity Trust National Title as trustee with the McDougals as beneficiaries.

The ODOT grant application lists LCRP as "a partnership between ATR Land LLC and McDougal Bros. Investment," and continues: "The partners also own many land parcels which are related to the timber, commercial and residential industries including the Parvin Butte Quarry in Dexter, Oregon."

— Camilla Mortensen

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- Parvin Butte neighbor Sharon Latimer

## OCCUPY AND ITS INFLUENCES

From bare breasts to ninjas with sidewalk chalk, Occupy Eugene's camp might be gone, but its spirit lives on. And it's not just the Occupiers who have an issue with income disparity and want to do something about it; a new group, "Empowering the 99%," has formed, inspired by the issues raised by Occupy Wall Street.

Occupier Brett Diamond, who serves on several Occupy Eugene committees, attended the Jan. 19 gathering of Empowering the 99%, which attendees say attracted anywhere from 200 to 400 people. "Fantastic turnout for a rainy Thursday night," Diamond says.

The group shares many of the goals of OE such as addressing corporate money in politics but is separate, Diamond says. "The more people we can work with in order to address the problems the better."

Empowering the 99% took out an ad in the *R-G* which mentioned issues other states have successfully taken on, such as universal health care in Vermont.

Diamond says the meeting at First United Methodist Church, which arose out of a Eugene men's group, attracted a slightly older demographic than OE. "I don't know what will come out of it," Diamond says, "but I hope something does."

Diamond says that Occupy Eugene itself is "alive and well" with an office at the Growers Market at 454 Willamette Street and space at 7th and Polk called OEV, Occupy Eugene Five, as it's the fifth place the group has moved to. OE is planning a housewarming and volunteer fair, Diamond says. Members of OE recently participated in an Occupy Oregon general assembly in Salem and will continue to work with other Occupations across the state, he says.

On Jan. 20 the Vagilutionaries, an OE affinity group, followed up their topless protest at Eugene City Councilor George Poling's house with a bare-breasted protest at the U.S. Courthouse. Six masked women in black pants and



ROB SYDOR

rubber boots painted the letters P-E-O-P-L-E across their chests in commemoration and in protest of the 2010 *Citizens United* ruling that allows corporations to make unlimited donations in elections.

A poster of a protester in black ninja garb holding a crowbar was used to advertise a Jan. 23 bank protest by OE affinity group Tango Down. The poster for the "Urban Ninja Bank March," which took place at area banks including Chase, Bank of America and Umpqua, led some to worry the protest would be violent or lead to property damage. Chase Bank locked its doors when the ninja

march approached, but the protest itself featured black-garbed and masked Occupiers, as well as dogs and children, in games of "Red Rover," playing with bubbles and sidewalk chalk and meditation. At one point the ninjas gathered around a crowbar chanting "ommmmm."

No arrests were made.

For more information on Empowering the 99%, call organizer Call Bill Klupenger at 206-1733. To keep up to date on OE and for listings of its community access television show go to [occupyeugenemedia.org](http://occupyeugenemedia.org)

— Camilla Mortensen