

First a volunteer, then a paid expert

Emails reveal how Gov. Kitzhaber's fiancée used public office for private gain

By HILLARY BORRUD
Capital Bureau

Four years ago, Oregon first lady Cylvia Hayes had little experience working on ocean policy.

But within 14 months, Hayes became a sought-after expert — invited to speak at the February 2012 Coastal States Organization meeting in Washington, D.C., followed by a speech at the Oregon State of the Coast conference — and she landed a contract worth at least \$21,000 to promote marine conservation policy.

Newly released emails reveal how Hayes made the transition. Soon after voters elected Hayes' fiancé John Kitzhaber to a third term as governor, Hayes began to work with state and federal employees to create a new role for herself as an ocean health advocate. Hayes directed an aide in the governor's office to track news about marine issues, sought suggestions for events she should attend and requested talking points for the 2012 speech in Washington, D.C., according to emails released by the state.

Initially, Hayes said she would champion ocean issues in her unpaid role as Oregon's first lady. That changed in February 2013, when Hayes quietly signed on as a paid ocean policy advocate for the environmental public relations firm Resource Media, an arrangement first reported by *Willamette Week*. Resource Media wanted Hayes to "build stronger commitment among key West Coast audiences to develop and support policies that conserve our marine resources and boost our West Coast economy," according to an unsigned version of the contract released by the governor's office.

The contract called for Resource Media to pay Hayes \$20,600 and up to \$5,300 in reimbursement of travel expenses for roughly two months of work, from Feb. 19 to April 30, 2013. The true extent of Hayes' work for Resource Media is unclear. Hayes said the contract actually continued through Dec. 31, 2013, but she would not say whether Resource Media increased her compensation for the extended period of work.

Scott Miller, president of Resource Media, wrote in a Dec. 30 email that Hayes' work for the company "wrapped up months ago."

Hayes said this was not the first time she was paid to work on ocean issues, but declined to provide any specific examples of previous projects and employers. State ethics law prohibits public officials from using their positions for financial gain, and the governor's lawyer Liani Reeves has acknowledged Kitzhaber's staff always treated Hayes as an official.



Hiro Komae/Associated Press file photo

In this 2011 file photo, Oregon Gov. John Kitzhaber, right, and his companion, Cylvia Hayes, react to a welcome from attendees at the awarding ceremony of the Enjoy Oregon Wine Fair in Tokyo. Emails released by the state show how Hayes transitioned from a volunteer champion of ocean issues to a paid policy advocate in her first year as first lady.

The Resource Media ocean policy contract was a departure from the sustainable living, renewable energy and green jobs work on which Hayes focused since she moved to Oregon's high desert in 1997 and launched her consulting business, now called 3E Strategies. Hayes worked on a campaign to preserve livability in Bend, organized a green building and renewable energy fair, and held educational talks on similar topics at the local community college, according to reports in *The Bulletin* newspaper.

Former Gov. Ted Kulongoski appointed Hayes in 2006 to a renewable energy task force, whose recommendations would eventually form the basis for state legislation.

Hayes took on increasingly high-profile work, including a \$135,000 state contract to write a green job creation plan and a project to help the Redmond Municipal Airport build sustainably and obtain state clean energy incentives.

Still, there is no evidence Hayes was hired to work on marine issues until after she got involved in ocean policy as first lady.

Hayes has a different view of her experience, and said she was always interested in ocean issues.

"My history of involvement with ocean and marine issues goes all the way back to college where I took training in oceanography and marine biology and at that time intended to become a marine biologist," Hayes wrote in a response to emailed questions. "I have done a lot of paid work over the years related to the land and water damage caused by carbon emissions and

fossil fuels."

After Kitzhaber had been in office for about a year, Hayes contacted state and federal employees for help charting a course for her first lady initiative on oceans.

On Dec. 20, 2011, Hayes participated in a conference call with employees of the National Oceanic and Atmospheric Administration and U.S. Department of the Interior. The topic was opportunities for Oregon's first lady to help with outreach for the White House's national ocean policy.

Federal employees agreed to provide talking points to Hayes. They also promised to identify other governors' spouses Hayes could approach about ocean issues at a 2012 National Governor's Association meeting, according to a memorandum recapping the call.

At the time, Hayes also was receiving updates on ocean issues from an employee in the governor's office.

The aide, Mary Rowinski, had set up a Google alert to search for news on "Oregon ocean problems relating to national ocean issues," and she forwarded the results to Hayes. One Google news alert that caught Hayes' attention was for a Natural Resources Defense Council blog post on California's ocean conservation initiatives.

"Good stuff from California," Hayes wrote on Dec. 27, 2011, when she forwarded the email to the governor's natural resources policy adviser Richard Whitman, and Ed Bowles, Fish Division administrator for the Oregon Department of Fish and Wildlife. "We need to tell

the Oregon success story and hopefully figure out a way to better link these efforts."

The same day, Hayes emailed Whitman and Bowles to request suggestions for events she could attend as part of her first lady ocean initiative.

"Greetings Gents," Hayes wrote. "Attached is the very DRAFT starting point calendar for my engagement in the ocean health issue. Please take a look and let me know if you know of any key dates, conferences, campaigns, etc. that it would make sense for me to consider. I look forward to getting the write-up of your ideas for my engagement on this."

Bowles said recently he did not recall responding to the first lady, and Whitman referred questions to a spokeswoman for the governor, who did not respond to questions.

Hayes would again call upon Bowles for help a couple months later, this time to request talking points for her Feb. 27, 2012 speech on Oregon's ocean policy successes at the Coastal States Organization meeting in Washington, D.C.

"I am sure you're a bit busy, with all the new marine reserves and all!" Hayes wrote in a Feb. 22, 2012 email to Bowles. "But please do try to get a few Oregon highlight talking points to me as soon as possible."

Two days later, Bowles sent three pages of talking points that focused on Oregon's ocean management successes, including a marine reserves program established by the Legislature in 2009.

As first lady, Hayes also had unique access to state scientists

whose expertise would be helpful to her business.

On Jan. 17, 2012, Hayes arranged a private briefing with Oregon State University scientists at the governor's mansion. They presented information about marine reserves, fisheries and ocean acidification due to carbon dioxide emissions, one of the issues on which Resource Media would hire Hayes to work.

Hayes continued to meet in 2012 with other state employees to seek opportunities to work on ocean issues. "It was fun to brainstorm with you yesterday about the tsunami debris issue, as well as finding potential venues for you to lend your voice to speak for ocean issues," Caren Braby, marine resources program manager for ODFW wrote in a March 6, 2012 email to Hayes.

Then in early 2013, Hayes' emails with ODFW staff stopped abruptly. Bowles said in an interview that Hayes' interest in working with ODFW to promote ocean health quickly ebbed, and he had not been in contact with her much since 2012.

"Initially, she was pretty interested in getting very involved, and I don't think a lot of that panned out," Bowles said. "You get pretty spread thin, I would assume, doing all the first lady duties."

Hayes' involvement in ocean issues did continue in 2013, but the speeches she made that year — one on ocean acidification in May at the University of California, Irvine, and one in June on coastal communities' responses to global challenges at Capitol Hill Ocean Week in Washington, D.C. — were on behalf of Resource Media.

"Given the severity of the ocean acidification issue and the fact that the Pacific Northwest is being hit by this problem harder and sooner than nearly any other place on the planet I thought I could do the most good by focusing directly on this issue rather than just addressing ocean issues in general as a First Lady initiative," Hayes wrote in a response to questions.

Meanwhile, the stronger commitment to ocean health that Resource Media hired Hayes to work on appeared to be materializing.

In August 2013, Kitzhaber's Natural Resources Policy Director Richard Whitman signed a memorandum of understanding with his counterpart in California state government, to create a panel of scientists from the two states to inform decision makers of the impacts of ocean acidification on the West Coast.

Scott Miller, the president of Resource Media, wrote in an email that Hayes was not hired to influence any government policies.

"The reach of the work was focused on building a general commitment to ocean protection primarily among coastal industries, scientists and academics and did not target any specific policy or campaign in Oregon or any other state," Miller wrote.



UO report: Taxpayers subsidize companies that pay low wages

A new report out of the University of Oregon says that taxpayers are in effect subsidizing corporations.

About 25 percent of Oregon's workforce earn \$12 an hour or less. At that low income, many workers qualify for public assistance like food stamps.

"Basically state and taxpayers are helping these families subsidize their incomes because they get low wages working for the companies that they do," says Raahi Reddy, UO faculty member and one of the authors of the report.

"So we look at that as another form of subsidy to corporations who rely on low-wage labor for their own profit."

The report also shows that Oregon has one of the highest percentages of workers on public assistance and one of the lowest corporate tax rates in the nation.

Oregon gets low grades in national education report

Oregon showed up poorly on a national education report out Thursday, a state-by-state analysis that looked at funding, early education, and student achievement.

Washington leads the West Coast on Education Week's "Quality Counts" scorecard. Oregon lags behind Washington on nearly every criterion in the report. But Oregon is ahead of neighboring California, Idaho and Nevada.

It's the first time the Quality Counts report has put such an emphasis on early learning — an area that Oregon has prioritized in recent years, with the creation of a new state agency. Those efforts likely helped Oregon earn a B-minus for "early foundations," one of the state's few highlights.

For public school spending, Oregon and its four neighbors all earned "F's." Nearby Montana rates ahead of Oregon and behind Washington. But everyone west of the Mississippi is looking up at Wyoming. The Cowboy State's superior education funding gave it the highest overall rating outside the Northeast.

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After 4 deportations, man gets 6 years for meth discovery

MEDFORD (AP) — Federal prosecutors say a Mexican man deported four times from the United States has been sentenced to six years in prison after he was arrested in a southern Oregon traffic stop and officers found 2.5 pounds of methamphetamine.

The U.S. attorney's office says the State Police stopped the vehicle last January on Interstate 5 in Douglas County, and a passenger fled.

Police brought him down with a tackle. They later identified him as 44-year-old Julio Gonzalez-Zamudio.

Prosecutors said he has a record of drug offenses and burglaries, had once served more than five years, and was most recently deported in 2011.

They said the sentence Judge Owen Panner imposed Monday covers his illegal re-entry and his violation of release-from-custody terms in 2011.



BRIEFLY

Deputies stop wrong-way driver on I-84 near Multnomah Falls

CORBETT (AP) — Multnomah County sheriff's deputies safely stopped a wrong-way driver about 2:30 a.m. Friday on Interstate 84 near Corbett.

KOIN reports the driver was seen traveling eastbound in the westbound lanes near Troutdale and was located in the Multnomah Falls parking lot, about 30 minutes east of downtown Portland.

The Oregon Department of Transportation assisted deputies by starting to close westbound traffic.

Man accused of using fake \$50s to buy potato wedges

MEDFORD (AP) — A southern Oregon man accused of using not one but two fake \$50 bills in an attempt to pay for an order of potato wedges has been

indicted on forgery and related counts.

The *Mail Tribune* reports that 29-year-old Juvenal Adan Vega of Medford is accused of trying to use the bogus bills in early December at Angelo's Pizza.

A police affidavit says a pizza parlor employee used a special marking pen to

determine the first \$50 was forged. Ditto for the second.

Police say Vega fled once he heard police had been called. He was arrested Dec. 20.

Still in jail on Thursday, Vega was indicted in Jackson County Circuit Court via television monitor. He entered not guilty pleas.

Do you know of a Hermiston business that embodies Rotary International's belief in service above self, values community benefit as much as profit, and contributes to a stronger Hermiston? (Hint: Yes, you do. There are many.)

Nominate a business for the Bob Severson/Hermiston Rotary Club Business of the Year Award, to be presented at the February 4, 2015 Distinguished Service Awards ceremony.

Submit your nomination and contact info via e-mail to mettes@gshealth.org by January 23, 2015. Questions? Call 541-667-3460.



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