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ARLENE SCHNITZER CONCERT HALL

the Cover Oregon piece,” McCaig wrote Feb. 8. “How about? Mike chairs a joint campaign and key staff meeting weekly starting ASAP. I staff him (quietly, privately).”

On Feb. 8, McCaig told Kitzhaber that Tim Raphael, a lobbyist and former Kitzhaber spokesman, would direct the governor’s staff on how to handle communications about Cover Oregon. Kitzhaber’s campaign would put Raphael on its payroll.

“To do that [Raphael] would identify what Mike [Bonetto] and [Kitzhaber’s state spokeswoman] Nkenge [Harmon Johnson] need to be managing from the gov’s office, bridging the information gap with the campaign, and most importantly identifying and teeing up the critical and emerging Cover Oregon issues for the combined team so we can develop a plan and be more prepared both at the state level and the campaign,” McCaig wrote.

“You have know idea how much better this makes me feel,” Kitzhaber wrote her back the same day. “You truly are a Princess. How did I get so lucky to be on your team?”

“Because you are you and you are governor of the great state of Oregon,” McCaig responded. “And I believe.”

McCaig told Kitzhaber she was being careful not to create a record of her actions—“being mindful of not putting too much on paper,” she wrote in a Feb. 16, 2014, email.

She also acknowledged, in preparing a Cover

MCCAIG TOLD KITZHABER HE
NEEDED TO SHOW THAT HE
WAS TAKING ON ORACLE AND
“GOING AFTER THE MONEY.”

Oregon battle plan, that she knew almost nothing about the issue. “I have no pride of authorship, and barely know enough about the topic to write the goals,” she wrote in the same email.

By March 2014, emails show, McCaig was in full control of Cover Oregon. She routinely advocated keeping key details concealed from the public. For example, when the state was preparing responses to the U.S. Government Accountability Office, the investigative arm of Congress, McCaig argued against sharing information with Oregon Attorney General Ellen Rosenblum.

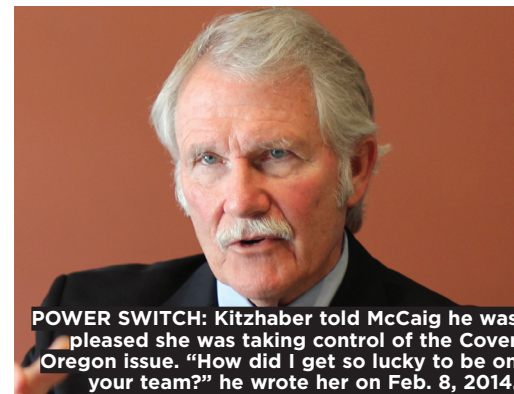
“Why is the AG reviewing?” McCaig wrote in a March 20 email to Kitzhaber and Bonetto. “Sending it to the AG could produce questions and allow speculation there is criminal behavior. It escalates the concern, gives the press another place to keep/promote a negative narrative, and expands external reviews.” (Disclosure: Rosenblum is married to WW publisher and co-owner Richard Meeker.)

Kitzhaber continually expressed his appreciation for McCaig’s help.

“HAPPY BIRTHDAY PRINCESS!!!” he wrote her March 30, 2014. “Your Faithful Friend and Fan. I am glad you are in my Life.”

In April, Cover Oregon’s board of directors was supposed to decide whether it should abandon the state’s Oracle-built system and switch over to the federal government’s health insurance exchange.

But records show McCaig had already made the call. In an email dated April 9, 2014, McCaig presented Kitzhaber with a memo titled “MANAGING/STAGING THE DECISION.” She laid out an eight-step process that would provide the illusion of deliberation. “Regardless, the Cover Oregon Board would hear and accept the federal exchange recommendation,” McCaig wrote.



POWER SWITCH: Kitzhaber told McCaig he was pleased she was taking control of the Cover Oregon issue. “How did I get so lucky to be on your team?” he wrote her on Feb. 8, 2014.

WW STAFF

The emails also show McCaig orchestrated the state’s legal strategy against Oracle. Polling showed voters blamed the governor for Cover Oregon’s failure. McCaig wanted Kitzhaber to demand money back from Oracle.

“We need to start the discussion from a different place,” McCaig wrote to Kitzhaber on April 7, 2014. “Mike [Bonetto] and I talked offline about Oracle—we’re leaning, regardless of which option, of announcing we’re going ‘after’ them.”

McCaig added in a May 19, 2014, email to Kitzhaber: “We need to show the taxpayers that we are going after the money. It doesn’t really matter if it is \$200 million or \$40 million, or how many people enrolled, until we make it clear that we’re going after the money.”

On May 27, 2014, McCaig drafted a letter for Kitzhaber to send to Rosenblum: “Dear Attorney General Rosenblum I am writing today to ask you to immediately initiate legal action to recover payments and other damages from Oracle.”

The next day, in an email, McCaig told Bonetto and the governor’s general counsel, Liani Reeves, to coordinate with Rosenblum’s office.

Then, success: Politico, an influential Washington, D.C., news website, highlighted the looming lawsuit. “Headlines coming in are all good! Politico is great,” McCaig wrote to Kitzhaber on May 29. “We’ve got another first.... First in the country to sue Oracle!”

KGW TV reported that day a poll showing Kitzhaber leading his Republican opponent for governor, state Rep. Dennis Richardson, by 15 percentage points.

“If true this may require an extra round of whiskey,” Kitzhaber wrote McCaig on May 29, 2014.

“If true, two extra rounds,” she replied.

By mid-June, McCaig told Kitzhaber their Cover Oregon media strategy was working.

“Quite a week,” she wrote to him on June 13, “it wasn’t all about Cover Oregon. (FYI—no cameras at [Cover Oregon] board meeting and only 2 reporters, that’s great progress).”

Records show dozens of emails between Kitzhaber and McCaig on Cover Oregon. During this time, McCaig wasn’t billing Kitzhaber’s campaign. That enabled Kitzhaber not to disclose her work on his campaign finance reports, as required by law.

McCaig says her work was properly documented. “All of my state-related work is a public record, and my campaign work has been appropriately reported,” she says.

In August 2014, WW reported that McCaig was effectively running Kitzhaber’s re-election campaign and that Kitzhaber was not reporting her contributions. On Sept. 12, Kitzhaber emailed McCaig from the Pendleton Round-Up. He joked about that lack of transparency.

“No cheering crowds (but, then again, only one hiss), more horse shit that you can possibly imagine, highly efficient [fundraising] call time,” Kitzhaber wrote. “I can pay you now...really.” WW