

# State tab in Oracle case tops \$10 million

By Nick Budnick  
Capital Bureau

Oregon's legal tab to outside law firms has passed \$10 million in the battle with Oracle over who is to blame for the \$300 million Cover Oregon website debacle.

The already staggering tab eventually could run far more than that, since there are still six months before the trial in Marion County Circuit Court is scheduled to begin, and there could be appeals after that.

But while Oregon and Oracle publicly accuse each other of incompetence and misrepresentations, they quietly have resumed settlement talks in search of a peaceful resolution. Oregon is using a special settlement lawyer, who has billed the state nearly \$250,000 in the past two years.

"We continue to talk regularly in good faith about all kinds of settlement ideas with the state," wrote Oracle Senior Vice President Ken Glueck in an email.

The state's suit for more than \$6 billion, as well as the project's total failure, have drawn national attention. The website was never publicly unveiled, creating headaches for tens of thousands of Oregonians who sought to enroll in new health insurance of-

**“This is a very political environment. There may be a value to having a settlement before the election season heats up.”**

David Friedman

Willamette University law professor

ferings under the Affordable Care Act, also known as Obamacare. Oregonians faced delays, errors or had their applications lost entirely as the state tried to manually process their applications.

Oracle was paid \$240 million for products and programming the state says were low-quality and unworkable.

Here are three things to know as the two sides talk.

1. The primary case is entering a crucial stage

On June 17, Oracle's lawyers went to Marion County Circuit Court in an effort to essentially knock the heart out of Oregon's case accusing Oracle of racketeering and fraud. The company's lawyers argued two motions that question whether the state has a valid legal foundation for its suit.

Next month, the state will go to the same court for permission to amend the suit to claim punitive damages—meaning far more money—for what it says was egregious misconduct by the

company.

At this point, neither side has a good understanding of the risks and probabilities as they head into trial scheduled for January 2017.

Until Marion County Circuit Judge Courtland Geyer settles those issues and some final questions around the evidence to be presented in court, it's possible neither side will be ready to settle.

That, at least, is the usual pattern, says David Friedman, a Willamette University law professor who is tracking the case.

But, he adds, "There may be a break point right now where the state realizes it's going to get a lot more expensive."

2. Attorney General Ellen Rosenblum and Gov. Kate Brown may not be on the same page when it comes to settling

Oracle has filed a separate lawsuit that amounts to the legal equivalent of a tricky bank shot.

It claims aides to Brown reached an oral agreement to settle the state's

racketeering case for \$25 million, only to have the deal not go through. The lawsuit attempts to enforce the alleged deal, which would make the entire legal fracas go away.

Rosenblum maintains that only she has the authority to fully settle the case, since she filed it and is an independently elected official. Brown has denied settling the case.

Oracle's suit is pending, but the allegations it presents suggest that Brown, who is now running to fill the final two years of former Gov. John Kitzhaber's term, was far more eager to settle the case than Rosenblum is. And that dynamic has likely not changed much, observers say.

"This is a very political environment," Friedman says. "There may be a value to having a settlement before the election season heats up."

The alleged \$25 million settlement, while large on its face, would amount to pennies on the dollar of what Rosenblum has alleged. And nobody knows what advice she's received from David Markowitz, the political supporter whose firm, Markowitz Herbold, she hired to litigate the case.

3. The state's case rests on some tricky laws

June 17th's court hearing concerned two laws that make up the heart of the

state's lawsuit. One of them is largely untested, while the other can be tricky to employ correctly.

Oregon has sued under the Oregon False Claims Act, a statute that has rarely been used. It originally was intended to be focused on Medicaid fraud — which is not alleged in the Oracle case. The law has never faced this kind of high-stakes test, legal experts say.

The other statute used by Oregon is the state's version of a federal law originally intended for mobsters: the Racketeer Influenced and Corrupt Organizations Act. The law essentially allows companies and the state to allege criminal behavior and a pattern of wrongdoing in civil court. It has been used by the state to get around issues when the statute of limitations has passed on alleged crimes or misconduct.

Using the state RICO statute allowed Oregon to reach back in time to bring in Oracle's promises made during the bidding process on Cover Oregon, which otherwise would have been off-limits. A former Oracle employee, David Jurk, submitted testimony to the state that many of Oracle's promises were not only false, but they could never have been kept due to limitations of the company's software.

## SENIOR Outlook

### Chester's

### Prairie City Seniors

Rose Coombs



beautiful flowers on the tables. Helen had brought them but does not know what they are. She got a start of them 54 years ago from Donna Kimberling. Mysteries abound around here...

The next thing was the appearance of a couple of raffle cans. I tell you, these younger people are really getting into fund-raising. The first one is a daily 50/50 drawing. I had to ask what that meant. Very simple. You purchase a ticket for \$1 then you keep one half and Pam puts the other in the can. Before the meal, a ticket is drawn. The holder of the other half of the ticket gets one-half of the money in the can. Our very first winner was Crystal James, who is part of Ivan's entourage. She went home with \$21 and we deposited the other \$21. Hey, I like this raffle!

Moving on. Buzz led the flag salute and Jack asked the blessing. The other door prize winner was Sandi Newell, who received the \$5 in trade donated by Prairie Hardware & Gifts.

We had 79 names on the book and we all enjoyed orange juice, a summer fruit bowl, black & white rice (which turned purple), green salad, chicken teriyaki, rolls and apple crisp with vanilla ice cream for

PRAIRIE CITY—

The first thing that happened on Wednesday in the Hall/Center was that the Grant County Senior Advisory Council held a meeting. They did good, too. I inquired about the

dessert. Mmmm, good.

Lorna and Shauntele brought Dorothy Blasing, Lois Hill, Otho Laurance and Marilyn Randall from Blue Mountain Care Center. Nancy Viggers brought Norma Montgomery, whom she met in the cafeteria at Blue Mountain Hospital. Another visitor was Tom Roark's wife, Ruth. Good to see you all.

If you would like to help with the operations of our Hall/Center, the Site Committee has need of your participation. Sandi, the newly-wed Newell, has decided to retire from her duties as Site Committee Secretary. She told us their plans for the next month and I got tired just from listening! More power to her... and him!

The wedding and reception in our neighborhood had lots of special music. One of the instruments was a concert harp. After the recessional, the player was "visited" by lots of interested parties. That's one instrument that you don't see very often in Grant County. I have a small Celtic harp that I've been working on for years and not getting as far as I want to. My excuse is that my hands have been playing horizontally for 60 years and they don't want to play vertically. But Miss Jepson didn't buy that. She said that she played piano, too, before she played the harp. I guess I'll blame it on old age...

I need to get started on my latch hook project for the eclipse. After all, it's only a year away!

Did you know that there are 293 ways to make change for a dollar? And the average life span of a major league baseball is seven pitches.

Finally, a duck's quack doesn't echo, and no one knows why. Your trivia for the day.

Proverbs 17:22 "A cheerful heart is good medicine..."

### John Day Seniors

Alma Joslin



JOHN DAY —

On June 20 we were treated to a Chinese dinner consisting of almond chicken, fried rice, egg rolls and gingered veggies. For dessert we had fortune cookies and mango sorbet. There were approximately 36 diners present to enjoy

the meal, as I'm sure they did.

Ron Dowse and Margaret Glass greeted us. Rick and Becky Rhinehart delivered 27 meals plus 22 frozen ones to shut-ins. Veanne Weddle assisted in deliveries.

Our servers were from First Christian Church. Karen Barrieta, Cathy Altnow and Jan Ellison pured juice and milk. Roberta Dowse led the flag salute and Cathy asked the blessing. Veanne announced it was the longest day of the year.

Ed Smith is selling raffle tickets for the "Greater Smiles" dental assistance program. Veanne also reminded everyone of the ongoing ticket sales at the front desk for the quilt, with proceeds going to the Curt Periera fund. The tickets are \$5 each.

We had some guests on Monday: Pat Amling's friend from Hemet, CA, was here visiting and joined her for lunch. Tom and Betty French, from Boise, were here on an annual visit. Ed and LaTrona Smith were visiting us from Prairie City. Hope all you folks enjoyed being here as

much as we enjoyed having you.

Buzz Harris won the Len's Drug gift certificate and Helen Bogart won the free lunch.

On June 23, we had a super lunch of chicken kiev, twice baked potatoes, boiled cabbage medley, French bread, peaches and pecan sandies. There were approximately 50 diners plus 34 lunches delivered by Jim Maple, Joan Vetter and Veanne.

The entree was furnished by Seventh Day Adventist Church and our servers were from St. Elizabeth Catholic Church. Helping serve were Jim Maple, Agnes and Walt Hall, and Joan Vetter. Jim asked the blessing and Walt led the flag salute. Marianne Morris and David Pasko greeted us while Billie Bullard sold raffle tickets.

Veanne announced it was National Pecan Sandy Day - hence our dessert. A big thank you goes out to Chester's Thriftway for the large amount of cabbage they donated to us. Veanne also gave a hot weather alert for the elderly - WATER IS NOT ENOUGH. You need to watch your salt intake and also the loss of electrolytes.

Joining Pat Amling was her daughter, Lou Arthur, who is visiting from Redmond.

Don Caldwell won the Chester's Thriftway gift certificate and I won the Valley View lunch for two.

Thursday, June 30, we will have barbecued hamburger steaks with grilled onions and baked potatoes. On Monday, July 4, the center will be closed. Have a great 4th!

John 11:25 "I am the resurrection and the life. The one who believes in me will live even though they die."

### Monument Seniors

Soo Yukawa



MONUMENT—

On June 21, our cooks, Terry Cade and Carrie Jewell, made us some jambalaya with a little kick, fresh green salad, bread and a fruit cobbler for dessert. Thank you to our faithful cooks. Our

greeters were Bodean Andersen and Marva Walker. Bodean made the announcements and prayed the blessing over our meal. Clarence Harvey won \$10 from the 50/50 raffle.

The celebration of life for Seth Blakeslee was a packed one. The service was held at the Monument School gym. Mitch Mund gave a warm message for the service followed by a big potluck meal shared by all at the park. The family will be donating all the monetary gifts to renovating the basketball court at the park and its upkeep in remembrance of Seth. Seth loved to spend time there playing basketball with his friends. May Seth's loved ones find peace and comfort during this difficult time.

From June 27-June 31, Salem Heights in partnership with Monument Bible Fellowship will be doing their famous VBS program. It starts at 9 a.m. to noon. There will be a ladies night out on Wednesday, June 29 at 6:30 p.m. Teen night will be Thursday. There

will also be a free family picnic for Friday night, June 31. All are welcome. Hope you all can make it.

Don't forget, Monument will be having its annual 4th of July Jubilee. There will be a parade at 9 a.m., followed by food, crafts, baking contests with prizes, and much more. Of course we all enjoy the fabulous fireworks display in the evening put on by Boyer's Cash Store.

I have really come to appreciate our Independence Day. This country won its freedom by paying a high price for it. It's not just about having a nice BBQ and lighting off fireworks. It is a celebration of this nation winning its fight to be a sovereign nation from a tyrannical king. They won the right to practice and worship God their own way. The pilgrims also had the wonderful opportunity to come and start a new life here in America. I guess those are some of the reasons my family came here. I can't imagine what my life would have been like if my parents had not immigrated here. I came to this country as a little girl and now I am a grown adult. I call myself an American. I may not look like your typical American but I am one just the same. I have assimilated into this great "melting pot" and will fight as our forefathers did to keep our freedoms that they fought so very hard for, for myself, my children and for future generations to come. Let freedom ring!

Isaiah 60:1-2 "Arise, shine; for thy light is come, And the glory of the LORD is risen upon thee. For, behold, the darkness shall cover the earth, And gross darkness the people; But the LORD shall arise upon thee, And his glory shall be seen upon thee."

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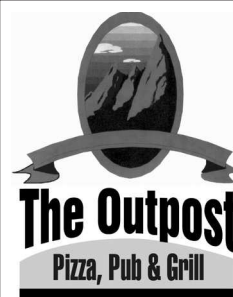


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