

# Smith: Responds to scrutiny of perceived conflicts of interest

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moved a government call center and its associated jobs to Wheeler County, which contracts with Smith's company to provide economic development services.

Smith voted on all of them in the House of Representatives, because the Oregon Constitution dictates that its citizen legislators should publicly declare their conflicts of interest but are not allowed to recuse themselves.

The *East Oregonian* and other media outlets have reported on such awards and Smith's role in them in the past, but recent investigations by the Malheur Enterprise and Willamette Week pulling them together into one place have set off renewed chatter about whether such arrangements should be legal.

Smith knows how it looks.

"To the unaware citizen, it would be very easy to assume I pick a project without scrutiny and it happens," he said.

He pointed out that he is in the minority party, and any bill or project he would want to see happen must get the help of committee co-chairs, the Speaker of the House, a majority of representatives, the Senate President, a majority of senators and the governor before becoming law.

Smith does carry more influence in Salem than many legislators, however. He has the most seniority of any state representative after voters in District 57 sent him to the legislature 10 terms in a row, and the connections around Salem that go with that longevity. He has noted multiple times in previous interviews with the *East Oregonian* that he holds some of the best committee seats in the legislature, including co-vice chair of the Joint Committee on Ways and Means, co-chair of the committee's general government committee and a seat on the committee's capital construction committee.

He holds up that, along with the many millions of dollars that have built projects around his district, as evidence that he has "worked his tail off" for his constituents.

As for questions for how he can hold several supposedly "full-time" jobs at once and give each their due while also serving District 57, he credited a "phenomenal" staff and hard work.

"There are just certain people out there who can multitask at a high level



Staff photo by E.J. Harris, File

**Rep. Greg Smith, R-Heppner, has always been very careful to try and separate his private roles from his public service as a state legislator. He can often be seen at public meetings around the state letting people know which "hat" he is appearing before them with today. But for some people, the perception is that the hat is a red herring for the fact that they are all worn on the same head.**

and I'm blessed with that," he said.

The *East Oregonian* reached out to several organizations that have contracts with Smith or his company. One was the Columbia Development Authority, which hired Smith directly as their executive director.

The CDA is a partnership of Umatilla and Morrow counties, the Port of Morrow, Port of Umatilla and the Confederated Tribes of the Umatilla Indian Reservation. They are working with the U.S. Army to return the former Umatilla Chemical Depot to local control, and they hired Smith with federal grant money to help with that process and to market the industrial-zoned land for economic development once the transfer is complete.

Don Russell, chair of the CDA board, said the board was aware of Smith's other obligations throughout the state and never expected Smith's position with the CDA to be a typical 9-to-5 full-time job. He said Smith is "one of the hardest workers I have ever seen."

"I don't have any qualms about him being our manager," he said. "Having him sit in an office for us just to put in his 40 hours a week wouldn't be productive. ... If I thought we weren't getting what we needed out of Greg Smith I would say it was time to make a change."

Pete Runnels, county court judge for Harney County, said the county was satisfied with the work Smith and his staff, who keep an office open in Burns three days a week, were doing.

Smith's work would be considered a violation of ethics laws if he used his position as legislator to obtain the contract. Runnels denied that Smith's position as a legislator was the rea-

son Smith had been chosen over two other candidates who submitted applications during a request for proposals process — it was Smith's high level of economic development experience in Eastern Oregon that tipped the scale, he said.

"He was always very clear, very upfront that we have our own legislators in Sen. (Cliff) Bentz and Rep. (Lynn) Findley, and any legislative concerns we have need to go through them, and he wouldn't be doing that for us," Runnel said.

Tim Seydel, vice president of university advancement for Eastern Oregon University, said the university works hard to keep any lobbying to the legislature "very separate" from its contract with Smith's personal company.

He said EOU has been pleased with Smith's work and found him and his staff to be responsive, accessible and good at meeting the metrics set forth for small business development centers to receive the grants that fund the EOU SBDC.

"We certainly have not fielded any complaints," he said.

Other agencies continue to retain Smith's services but have voiced some concerns. Baker County commissioners did not respond to a request for comment, but in a recent *Malheur Enterprise* story, commissioner Mark Bennett said that he thought being both a representative and a contractor was "entirely problematic" and would probably test anyone in that position.

The county's economic development committee made a formal recommendation last week that the county end its contract with Smith's company, and the commission followed through. They told the Baker City Herald that the decision

## The many hats of Greg Smith

Greg Smith juggles various jobs and economic development contracts in addition to his work as a state representative.

**State Representative\***  
District 57

**Executive Director\***  
Columbia Development Authority

**County economic development**  
• Malheur County • Baker County  
• Harney County • Wheeler County

**Small Business Development Center**  
Eastern Oregon University

**Private economic development**  
• Morrow Development Corporation

• Linn Economic Development Group

**Private contracts**  
Details unknown

\*Direct salary to Greg Smith instead of a contract with Gregory Smith & Company, LLC  
Source: Hermiston Herald research  
EO Media Group graphic



was made for financial reasons due to declining revenue from the county's transient lodging tax, which funds the position.

Fred Warner Jr., Baker City's city manager, is on the economic development committee and was on the county commission when Smith was first hired. He told the *East Oregonian* that over the years some citizens had complained they felt the county was not getting its money's worth out of the contract, and recent reporting on Smith had renewed those "grumbings." But he said the timing of the recommendation to end the contract was coincidental.

He said when the county hired Smith in about 2007 he was not juggling the number of contracts that he does today.

"Through the years, he picked up numerous other contracts including Malheur and Harney counties as well as the chemical depot," Warner wrote. "We had many discussions over this time period about his other activities and we worried about how he would prioritize leads that came to Eastern

Oregon."

At one point those concerns drove the commission to put the contract up for bid again in 2011, Warner said, but in the end of the process the commission chose Smith once again.

Smith admitted the sudden controversy surrounding his line of work has been frustrating during a busy legislative session, and says he takes strong exception to what he feels are implications that he is corrupt when he takes so many steps to stay in line with current Oregon law.

"I don't know how much more I can do," he said.

He said he bids on the contracts through an open request for proposals and declares conflicts of interest in the legislature. He has vetted each public and private contract with the Oregon Ethics Commission before taking it and gotten the commission's blessing before moving forward. Those letters are documented on the commission's website. A letter dated Aug. 29, 2018, for example, addresses a private contract between Tidewater Barge Lines and Gregory

Smith & Company.

"On review of the information provided, nothing appears to indicate you were awarded this opportunity as a result of being a member of the Oregon Legislative assembly, nor does it appear that you used or attempted to use your public position," the letter reads. "However, keep in mind that as a member of the Legislative Assembly you must take particular care to ensure that the office is not used in any manner related to private income producing activities."

The same language is repeated in other letters to Smith from the commission concerning other contracts.

Government watchdogs believe Oregon's conflict of interest laws need an upgrade, however. Oregon's rule about legislators voting no matter their conflict is an unusual one.

Washington law states that "a member who has a private interest in any bill or measure proposed or pending before the legislature, shall disclose the fact to the house of which he is a member, and shall not vote thereon." Most states have some provision where a legislator can ask to be excused — Idaho states that a declared conflict doesn't require a legislator to recuse themselves but they can ask to do so "at his or her discretion."

Former Gov. John Kitzhaber resigned in 2015 after news media uncovered evidence that his fiancée, Cylvia Hayes, was using her access to the governor to drum up business for her environmental consulting firm. The incident sparked a push for tighter ethics laws. Some passed, increasing the number of members on the ethics commission and banning speaking fees for certain officials. A broader reform of the system, however, fell by the wayside.

## HHS: Class of 2019 bids farewell

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According to Spoo, the Class of 2019 is in part comprised of three valedictorians with 4.0 GPAs, 19 National Honors Society students, and nine military enlistees. One hundred and fifty students completed Postsecondary Career and Training Education programs, from visual arts to engineering.

Spoo praised the Class of 2019 for their extracurricular accomplishments, hailing this school year as "ground-breaking" in athletics. This is HSD's first year moving to the Washington Interscholastic Activities Association.

"We still have some work to do though," Spoo joked, "like continuing to inform some other schools that we did not actually move the city of Hermiston into the state of Washington."

Collectively, the students earned over \$4,570,000 in scholarships. Around \$250,000 of those dollars came from organizations within Hermiston.

The class history provided a pop-cultural debrief that encapsulated the childhood of the Class of 2019, from the Jonas Brothers to Silly Bandz, but ended on a



Staff photo by E.J. Harris/East Oregonian

**Graduate Naxely Jaime shakes hands with Hermiston Schools superintendent Tricia Mooney after receiving her diploma at the I commencement ceremony in Kennewick.**

serious note.

"From our history, we can learn to reach for the future, but remember to honor our losses," said Senior Adriann Stewart.

Senior Moanamarie Peterson delivered the class prophecy with a few quips.

"Some of us will become doctors, others lawyers. Maybe a few architects, and maybe a few prison inmates too," she said.

Umatilla County Chief Deputy District Attorney and HHS alumnus, Jaclyn Jenkins was the guest speaker and 2019 Distin-

guished Alumnus this year.

After the turning of the tassels and a farewell speech, led by Senior Keali'imanoale Hamilton, graduates and families poured into the Toyota Center Courtyard to take pictures and dole out gifts before seniors boarded a bus to their Project Graduation afterparty at the Tri-City Court Club.

This year's graduation is the second to take place at the Toyota Center since the Hermiston School Board voted to relocate graduation from the high school gym due to overcrowding.

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