

A Political History of Bill Sizemore: Profit vs. Policy Motives, Supporters and Opponents, Fair Fights or Fraudulent Tactics

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Accessible politics, accountable government

Democracy Reform Oregon (DRO) is a non-partisan, not-for-profit group working to increase accountability and opportunities for participation in politics and governmental decision-making. DRO has been working on democracy reform issues since 1999 and was formerly the Money in Politics Research Action Project

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A Political History of Bill Sizemore: Profit vs. Policy Motives, Supporters and Opponents, Fair Fights or Fraudulent Tactics

Executive summary

Bill Sizemore is a long-time player in ballot measure politics whose signature gathering activity dates back to 1994 election. Sizemore is now working to qualify initiatives for the 2008 ballot.

From Questionable Business Practices to Racketeering

Bill Sizemore's contribution to Oregon politics is disturbing. His abuse of the initiative process for personal gain and political advantage, combined with illegal disregard for complying with tax and campaign rules, has damaged a 106 year-old democratic institution.

- A 2002 civil trial jury found him in violation of the Oregon Racketeer Influenced and Corrupt Organizations Act. The jury awarded \$2.5 million to the plaintiffs while the trial judge called Sizemore's organization a "sham charity" used "for his own personal gain."
- Evidence presented at trial included signature forgery as well as submission of false tax forms and campaign and expenditure reports.
- Sizemore employee Becky Miller testified to funds being laundered through Grover Norquist's Americans for Tax Reform to conceal the real identity of donors.
- Sizemore admitted to failure to file income tax returns for his I&R Petition services company and using \$200,000 of company revenues for personal expenses and loans.
- Sizemore employee Becky Miller testified on Sizemore's "luxurious lifestyle" and use of business funds for personal use saying, "To me, it was highly unethical."
- During judgment collection proceedings Sizemore admitted that Nevada-based Americans for Tax Research Foundation is paying \$2,500 monthly rent on his home and payments for office space, equipment and a family vehicle.

In addition, Sizemore's actions may well have encouraged others to follow his example.

Financial Support

Bill Sizemore has accomplished this thanks to financial support from a small circle of wealthy conservative donors in Oregon and from a key national organization in the conservative movement. Between 1994 and 2006, Sizemore's measures received \$4,290,809 in contributions.

- Loren Parks, Sizemore's top donor, contributed \$1,659,099. (A September 2007 report lists an additional \$540,500 given by Parks to Sizemore's 2008 petition circulation.)
- Grover Norquist's Americans for Tax Reform contributed \$697,000.
- The late real estate developer Robert Randall contributed \$272,500, including \$10,000 to Sizemore's 1998 gubernatorial campaign.

- Columbia Helicopters owner Wes LeMatta contributed \$242,500, including \$5,000 to Sizemore's run for governor.
- Aaron Jones and Seneca Timber contributed \$150,500, including \$120,500 for Sizemore's run for governor.
- Jeld-Wen and Richard Wendt contributed \$110,988, including \$50,488 to Sizemore's gubernatorial campaign. (An additional \$275,000 has been contributed through Wendt affiliate, Hire Calling Public Affairs, for Sizemore petitions aimed at the 2008 ballot.)

Fair Fights or Tactic to Force Opposition Spending?

Grover Norquist's Americans for Tax Reform also gave Bill Sizemore an ideological framework as well as strategies for using electoral politics to "defund" the political opposition, such as forcing spending to oppose repeated initiative attempts. Sizemore put the following issues on the ballot from 1994-2006 as well as petitions intended for the November 2008 election.

- Public employee unions and use of public funds for payroll deductions for political purposes (1998, 2000, 2008, an attempt in 2002 failed)
- Deductibility of federal taxes on state forms (2000, 2008, a 2006 measure had Sizemore allies as chief petitioners)
- Voter approval of taxes and/or fees (1994, 2000)
- Teacher merit pay (2000, 2008)

Out of 13 Sizemore ballot measures between 1994 and 2006, nine have lost and four have passed, but two of those measures (8 and 7) were subsequently overturned as unconstitutional and one measure (47) required a legislative fix. This spotty record, however, forced Sizemore's opponents to raise \$26,268,100 for "no" campaigns during this same time period. Most of this money came from Oregon unions, a favorite Sizemore target.

Certainly Oregon unions have done significant fundraising in opposition to Bill Sizemore's political goals. Between 1994 and 2006 the Oregon Education Association raised \$4,547,736 followed by \$3,834,600 and \$2,083,554 raised by the Oregon Public Employees Union and Oregon AFL-CIO, respectively. These figures include \$74,401 in contributions to Governor John Kitzhaber in his 1998 race against Bill Sizemore. The Oregon Education Association and another major donor against Sizemore's measures, the American Federation of Teachers-Oregon (\$209,635), also filed the lawsuit against Sizemore's groups resulting in the court injunction limiting his political activities and the \$2.5 million racketeering judgment.

Sizemore's Role in Changes in Initiative Procedures

Sizemore's racketeering conviction brought public attention to abuses of the initiative system. Voters decisively passed Measure 26 that bans paying petition circulators by the signature with a 75.4 percent "yes" margin in November 2002. His record also contributed to reform legislation, HB 2082, enacted during the 2007 session. Safeguards include:

- Registration of paid petition circulators.

- Barring those convicted of fraud, forgery or identity theft from being circulators.
- Stronger tracking and reporting of contracts and payroll records for paid circulators to facilitate monitoring for violations of Measure 26's ban paying petition circulators on a per signature basis. (Bill Sizemore was fined in 2007 for Measure 26 violations.)

Sizemore's Return

Public scandals, his racketeering conviction, court injunctions and more stringent public oversight would seem to suggest that Bill Sizemore is no longer the political force he once was. However, Sizemore, while not Teflon-coated, appears to be resilient.

Sizemore's slate of 2008 initiatives include some familiar topics like unlimited deductibility of federal taxes on state forms and penalties for use of public funds for political purposes that should appeal to his traditional allies. Another initiative restricts bilingual education, suggesting a desire to tap anti-immigrant sentiments, which have been used as a wedge issue in other states.

Even though the court injunction has barred Sizemore from spending money from political committees prior to paying his racketeering judgment – now at \$3.5 million including interest – the data in this report suggests he is seeking ways to circumvent those restrictions.

- He is reported to be working closely with Democracy Direct, Inc. that is reporting its petition circulation efforts on Sizemore initiatives as in-kind contributions paid for by loyal major donors.
- While final figures for initiatives heading to the 2008 ballot are not yet available, September 2007 reports show that long-time supporter Loren Parks has contributed \$540,500. Richard Wendt, through an affiliate, Hire Calling Public Affairs agency, has contributed \$275,000. Their financial support has been made as in-kind contributions to Democracy Direct, a pattern reported to be a way to navigate around the court injunction.
- Bill Sizemore's Give Seniors a Break committee working on Initiative 61 appears to violate the injunction because this Sizemore controlled group is spending money directly.

Whether or not Sizemore succeeds in fully regaining the position he once held in Oregon politics remains to be seen. As **A Political History of Bill Sizemore** indicates, however, he remains a significant influence

Wise words from a 1998 Oregonian editorial about Sizemore's gubernatorial campaign seem to still apply. They wrote that Sizemore's business failures were relevant and "if Sizemore won't discuss these things further, voters should be highly skeptical of his candidacy."¹

Given continued questions about Sizemore's business practices and evidence of forgery and use of fraudulent tactics in signature gathering such that a jury awarded a \$2.5 million racketeering judgment, it seems that Oregonians would do well to be similarly skeptical of Bill Sizemore's initiative operations for the foreseeable future.

¹ "Investing in Bill Sizemore," *Oregonian*, April 21, 1998.

A Political History of Bill Sizemore:

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Janice Thompson and Sarah Wetherson - Democracy Reform Oregon

INTRODUCTION

Purpose

This historical analysis provides a chronological summary of Bill Sizemore's political activities with a focus on campaign contributions to his ballot measures as well as his gubernatorial candidacy in 1998. Media coverage² and court documentation of Sizemore's legal difficulties and business dealings are also summarized, as well as his election victories and losses.

Bill Sizemore is a long-time player in ballot measure politics. His signature gathering activity dates back to 1994 and he is currently working to qualify initiatives for the 2008 ballot.

As of reports filed in September 2007, contributions to nine Sizemore initiatives total \$826,494. Sizemore's major benefactor continues to be Loren Parks, who gave \$540,500 to six initiatives all in the form of in-kind contributions to Tim Trickey's signature-gathering firm Democracy Direct. This brings to \$2,199,599 in contributions from Parks to Sizemore's political efforts since 1994. Another major donor of Sizemore's recent initiatives is Hire Calling Public Affairs, a Klamath Falls company linked to Richard Wendt, which gave \$275,000, bringing total giving by Wendt and his affiliates to \$385,988.³

In September 2007 Sizemore appeared before the Oregon Supreme Court in an attempt to overturn a \$2.5 million judgment and 2002 jury ruling that he engaged in racketeering, forgery, and fraud in the signature gathering process.⁴

In November 2007 another lawsuit was filed against Bill Sizemore claiming that he was illegally hiding assets in his wife's name.⁵ In December, Sizemore and former signature gathering subcontractors were also fined for violating state law on payments to petition circulators.⁶ In January 2008 signature gathering was suspended on five of Sizemore's initiatives until he provides payroll records needed to ensure compliance with rules against payment by signature.⁷

Report outline

An overview (see chart 1) of Bill Sizemore's political activities in terms of campaign contributions and election results outlines the scope of this report. In addition to a chronological discussion of Sizemore's ballot measures, charts (see pages 76-81) summarize top contributors over time for and against Sizemore's efforts. Legal and legislative decisions influencing signature gathering practices and evaluation are also reviewed as are court proceedings involving Sizemore. The comments and conclusion section addresses questions related to the balance between policy goals and personal gain in terms of Sizemore motivations and whether those campaigns have been fair fights given evidence of his use of fraudulent tactics.

² Articles cited from the *Oregonian* (beginning in 1998), *Salem Statesman Journal* (beginning in 2000) and *Eugene Register-Guard* (beginning in 2001) are available electronically through Multnomah County Library.

³ Campaign finance data in the report are from the Elections Division with analysis by Democracy Reform Oregon.

⁴ "Sizemore group takes a double hit," *Oregonian*, September 28, 2002.

⁵ "Two teacher unions sue Sizemore," *Oregonian*, November 30, 2007.

⁶ "Oregon fines Sizemore, others for petition drive violations," *Eugene Register-Guard*, December 6, 2007.

⁷ "New law cuts off 14 citizen initiatives," *Oregonian*, February 1, 2008.

Chart 1: Summary of Sizemore Measures, Pro and Con Contributions and Vote Results with Sizemore position (except for BM 32 the pro-Sizemore position was a “yes”)

Year	BM #	Ballot Measure Caption	Sizemore Signature Gathering	Pro Sizemore dollars	Anti Sizemore dollars	Yes vote	No vote	Sizemore position
1994	5	Amends Constitution: Bars new or increased taxes without voter approval	No longer available ⁸	\$275,912	\$748,140	44.7%	55.3%	LOST
	8	Amends Constitution: Public employees pay part of salary	No longer available	\$197,222	\$1,344,455	50.04%	49.96%	WON overturned as unconstitutional
1996	32	Referendum - Authorizes bonds for Portland regional light rail, transportation projects elsewhere	No longer available	\$275,619	\$825,101	46.9%	53.1%	WON
	47	Amends Constitution: Reduces and limits property taxes; limits local revenues, replacement fees	No longer available	\$515,571	\$2,121,753	52.3%	47.7%	WON Legislative fix required= BM 50
1998	59	Amends Constitution: Prohibits using public resources to collect money for political purposes	\$159,097	\$701,864.	\$5,517,193 ⁹	48.99%	51.01%	LOST
				These figures pertain to support and opposition of measures 59, 62 & 63. See discussion in 1998 section of report.				
2000	91	Amends Constitution: Makes federal income taxes fully deductible on Oregon tax returns	\$65,395	Dollars below are for and against Measures 91 and 93		44.8%	55.2%	LOST
				\$538,405	\$2,818,115			
	92	Amends Constitution: Prohibits payroll deductions for political purposes without specific written authorization	\$90,295	Dollars below are for and against Measures 92 and 98		44.6%	55.4%	LOST
				No PAC active for BM 92	\$4,701,664			
	93	Amends Constitution: Voters must approve most taxes, fees, requires certain approval percentage	\$90,245	See Measure 91		40.2%	59.8%	LOST
	95	Amends Constitution: Student learning determines teacher pay; qualifications, not seniority, determine retention	\$110,295	\$488,089	\$1,256,678	34.9%	65.1%	LOST
	96	Amends Constitution: Prohibits making initiative process harder, except through initiative; applies retroactively	\$95,245	No PACs formed for or against this measure.		37.8%	62.2%	LOST
	98	Amends Constitution: Prohibits using public resources for political purposes; limits payroll deductions	\$90,295	See Measure 92		46.6%	53.4%	LOST
	7	Amends Constitution: Requires payment to landowner if government regulation reduces property value	\$91,180	\$366,656	\$1,853,452	54%	46%	WON ¹⁰ enjoined & overturned as unconstitutional
2006	42	Prohibits insurance companies from using credit score or “credit worthiness” in calculating rates or premiums	\$138,424	No PAC active for BM 42	\$5,081,559	35.4%	64.6%	LOST
			\$930,471	\$3,360,338			9 Losses and 4 Wins, with 2 Wins overturned as unconstitutional, and 1 that required a legislative fix.	
Total Dollars			Combined signature gathering & general election \$4,290,809		\$26,268,110			

⁸ Itemized lists of contributors are not available for chief petitioner committees in 1994 and 1996 due to Secretary of State archive policies to only retain those reports for six years. Total contribution data is not usable for 1994 and 1996 because of limited availability and rules at that time that allowed one chief petitioner committee to collect signatures for multiple initiatives.

⁹ Total fundraising by chief petitioner committees that qualified Measures 62 and 63 came to \$795,974. During the general election the PAC devoted to defeating Sizemore’s Measure 59 and passing 62 and 63 raised \$4,721,219.

¹⁰ Measure 7 voting results are from media reports. Due to injunction, no official vote count was released.

Chart 2: 1998 Governor’s Race – General Election Contributions and Vote Results

Campaign Contributions	Election Results
Sizemore - \$617,253	Sizemore – 30.0%
Kitzhaber - \$1,290,672	Kitzhaber – 64.4%
	Other – 5.6%

Beginning of Oregon Taxpayers United and Sizemore’s activity

Frank A. Eisenzimmer, Oregon Taxpayers United founding chairman, began the group during the summer of 1993 and hired Bill Sizemore shortly thereafter. Oregon Taxpayers United (OTU) is the organization’s lobbying arm. It also had an affiliated political committee,¹¹ commonly abbreviated as OTU-PAC, and a nonprofit affiliate, the Oregon Taxpayers United Education Foundation.¹² Before long the organizational structure included just OTU-PAC and OTU-EF.

Bill Sizemore’s political activities, however, began while attending Portland Bible College where he and friends formed Moral Response, a political action committee that favored candidates opposed by a gay rights group, the Portland Town Council. Sizemore’s first attempt to run for office was in 1980 and took the form of a write-in candidacy because he wasn’t registered to vote and, therefore, not eligible to run in the primary. Sizemore ran to ensure a challenger to the incumbent Democrat Senator, Jim Gardner. Sizemore lost that race and went on to lose two attempts to garner a seat on the Portland City Council.¹³

In October 1993, Sizemore filed a complaint with the state Elections Division against the *Oregonian* claiming that the newspaper should be considered a political committee. The complaint was his reaction to editorials in support of a sales tax referral by the Legislature. Along with many other groups, Oregon Taxpayers United opposed the measure, which was defeated by the voters in a special November 1993 election. Just days after the election on November 5th, the complaint was dismissed. Election law clearly states that editorial endorsements are exempt from campaign finance disclosure requirements.¹⁴

News coverage often credits Sizemore with the win against the legislative sales tax referral.¹⁵ However, ten committees formed in opposition to the sales tax, representing a broad political spectrum. Total fundraising against the sales tax was \$366,224 with 80 percent of the dollars going to one PAC. Fundraising by two committees comprised 9 and 8 percent of total opposition dollars and remaining seven committees did minimal fundraising. Itemized contribution data is not available¹⁶ so it isn’t possible to determine the level of contributions from Oregon Taxpayers United. However, a director of OTU-PAC is listed as treasurer for the third smallest opposition PAC, which raised \$28,339.

Sizemore’s signature-gathering career began with work on two measures on the November 1994 ballot. In 1994 Sizemore also paid off some overdue taxes and had his first problem complying with campaign finance disclosure rules.

¹¹ Political action committees, or PACs, is the commonly used phrase for what Oregon law calls political committees. In this paper, this terminology is used interchangeably.

¹² “Sizemore PACs a punch with his taxpayers group,” *Oregonian*, January 20, 1998.

¹³ “The anti-tax man,” *Oregonian*, March 14, 1994.

¹⁴ “Elections division supports the Oregonian in complaint,” *Oregonian*, November 5, 1993.

¹⁵ “Sizemore’s scorecard since Bill Sizemore took over,” *Oregonian*, September 6, 1996

¹⁶ Contributions to special elections are not included in contribution summary books compiled by the Secretary of State and archive policies mandate record retention for only six years.

1994

Overview

Bill Sizemore and Oregon Taxpayers United supported signature-gathering efforts on two initiatives to amend the Oregon Constitution that qualified for the November 2004 ballot, Measures 5 and 8. Campaign contributions for the signature gathering efforts that qualified these measures are no longer available, but information is provided below on contributions to pro and con committees working on these measures during the 1994 general election.¹⁷

Ballot Measure 8 required public employees to pay for 6 percent of their pensions. In 1979 the state agreed to pick up this portion of pension contributions in exchange for government employees forgoing a pay raise. This was considered a “win-win” since the state saved on insurance and Social Security taxes while employees got a pay increase in a tax-free format.¹⁸

Measure 5 required voter approval for new or increasing state or local taxes and allowed legislative override only with a three-fourths vote. It is important to note that this is not the more popularly known property tax reduction Measure 5 pushed by Don McIntire in 1990.

Measure 5 – campaign contributions

Two political committees supported Measure 5, Oregon Taxpayers United PAC and the Either Vote on ‘Em or Watch ‘Em Go Up committee.¹⁹ The OTU committee supported both Measures 5 and 8, but their major activity focused on urging public support for Measure 5 with only a \$6,000 contribution to the major committee working on Measure 8. (See chart 7.) The combined fundraising efforts by these two “yes on 5” committees came to \$275,912.

The top donors (see chart 3) to the OTU-PAC were the National Taxpayers Union (NTU) and Taxpayer Protection Act PAC, giving \$62,500 and \$28,573 respectively. According to its website, “NTU was established in 1969 to educate taxpayers, the media, and elected officials on the merits of limited government and low taxes.”²⁰ The Taxpayer Protection Act PAC was the chief petitioner committee that put Measure 5 on the ballot and their contribution to OTU-PAC is presumably how they disbursed funds not used during signature gathering.

OTU-PAC contributions were also received from several businesses, Americans for Tax Reform, Conservative PAC, and real estate developer Robert Randall. Grover Norquist founded Americans for Tax Reform in 1985. Their website states: “ATR opposes all tax increases as a matter of principle. We believe in a system in which taxes are simpler, fairer, flatter, more visible, and lower than they are today. The government's power to control one's life derives from its power to tax. We believe that power should be minimized.”²¹

¹⁷ Campaign finance disclosure summary books prepared by the Secretary of State Elections Division do not include contributions to or expenditures by chief petitioner committees during signature gathering. Archive policies require retention of the original disclosure reports for only six years.

¹⁸ “Court sinks public pension measure,” *Oregonian*, June 22, 1996

¹⁹ In general, this analysis will focus on the major committees formed to support or oppose a measure. Typically when there are multiple committees, several of them are raising money that is then given to the primary committee leading the campaign. Sometimes these committees are discussed to demonstrate patterns in the flow of money, but more typically these PACs are not included in this analysis because to do so would represent double counting of dollars. Small measure committees are also not discussed; typically their activity is focused on one geographic area and not a reflection of statewide campaign efforts.

²⁰ <http://www.ntu.org/main/misc.php?MiscID=3> retrieved September 9, 2007

²¹ <http://www.atr.org/home/about/index.html> retrieved September 9, 2007

Chart 3: Top 10 Contributors to Oregon Taxpayers United PAC (Yes on 5 and 8, 1994)

Contributor	Contribution	Percentage
National Taxpayers Union	\$62,500	30.4%
Taxpayer Protection Act PAC	\$28,513	13.8%
Monarch Motor Hotel, Inc.	\$10,000	4.9%
Jeffrey Lake, Co.	\$6,500	3.2%
CAC, Inc.	\$3,500	1.7%
Tiernan, Bob, Friends of	\$2,555	1.2%
Americans for Tax Reform, Christian Coalition and Pony Soldier Motor Inn	\$2,500 each	1.2% each
Conservative PAC and Robert Randall	\$2,000 each	1.0% each
Top Ten Contributors Subtotal	\$125,068	60.7%
Miscellaneous Contributions of \$100 or less	\$66,539	32.3%
Remaining Contributions	\$14,305	6.9%
Total	\$205,912	

Based on 1994 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top 10 contributor list may include more than ten contributors due to ties in the lowest amount.

The other major committee (chart 4) supporting Measure 5 was Either Vote on ‘Em or Watch ‘Em Go Up, and it got all of its support from Conservative PAC. Conservative PAC also gave to OTU-PAC’s for its work in support of Measure 5. Conservative PAC (see chart 5) received most of its money from Loren Parks. Parks is a long time contributor to conservative candidates and measures who owns a medical equipment company in Aloha.

Chart 4: Top Contributor to Either Vote on ‘Em or Watch ‘Em Go Up (Yes on 5, 1994)

Contributor	Contribution	Percentage
Conservative PAC (primarily funded by Loren Parks – see Chart 5)	\$70,000	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$70,000	

Based on 1994 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Chart 5: Top 5 Contributors to Conservative PAC in 1994

Contributor	Contribution	Percentage
Loren Parks	\$920,000	83.2%
Lind Waldock	\$100,000	9.0%
Income Earned From Lind Waldock Account	\$41,354	3.7%
K.R. West Co Inc	\$35,000	3.2%
Canvassers Services	\$5,000	<1%
Top Five Contributors Subtotal	\$1,101,354	99.6%
Miscellaneous Contributions of \$100 or less	\$0	0%
Remaining Contributions	\$4352	<1%
Total Contributions	\$1,105,706	

Based on 1994 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Gregg Clapper, a conservative media consultant with a penchant for long but descriptive names for PACs, formed the Either Vote on ‘Em or Watch ‘Em Go Up committee and its expenditures

went for radio ads. Loren Parks is a frequent supporter of these Clapper committees; in this case, with funds provided through Conservative PAC.

Opponents to 1994’s Measure 5 formed the Citizens for Oregon Committee and raised \$748,140, almost three times the fundraising by the yes committees. Top donors were from Oregon’s labor and business community, who evidently united in their concern about Measure 5’s impact on government operations. Top donors were AFSCME Council 75 giving \$99,000, Oregon Public Employees Union contributing \$70,734, and Oregon Education Association giving \$51,200. These unions currently represent approximately 117,000 workers.

Chart 6: Top 10 Contributors to Citizens for Oregon Committee (No on 5, 1994)

Contributor	Contribution	Percentage
AFSCME Council 75	\$99,000	13.2%
Oregon Public Employees Union	\$70,734	9.5%
Oregon Education Association	\$51,200	6.8%
Oregon Sanitary Service Institute, Inc.	\$40,000	5.3%
Portland General Electric	\$35,000	4.7%
Intel Corp.	\$30,000	4.0%
Hewlett Packard and US Bancorp	\$25,000 each	3.3% each
Textronix, Viking Industries and Pacificorp	\$20,000 each	2.7% each
Top Ten Contributors Subtotal	\$435,934	58.3%
Miscellaneous Contributions of \$100 or less	\$1,779	<1%
Remaining Contributions	\$310,427	41.5%
Total	\$748,140	

Based on 1994 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top 10 contributor list may include more than ten contributors due to ties in the lowest amount.

Measure 5 – election results

Measure 5 in 1994 was defeated by Oregonians with a 55 percent “no” vote. (See chart 1.) One factor for this loss is the greater campaign fundraising by its opponents, though public employee unions raised far more money in their opposition to Measure 8.

Another factor in the defeat of Measure 5 could be its broad and unclear scope. Indeed, as Sizemore’s first attempt at bill writing, Measure 5 is the initial example of what has become a frequent characteristic of his proposals; they frequently contain unclear provisions or have unintended consequences. Comments on Measure 5 from an *Oregonian* article²² include the following:

“It’s also unclear what would happen to myriad business fees. For example, many farmers pay a government assessment to raise money for research and promotion of their commodities. You’d have to take each of these fees to voters anytime you wanted to increase them.”

“There’s also a huge gray area. Would an increase in Tri-Met bus fares have to go to the ballot? Well, the new Measure 5 says it would if it is a service ‘monopolized by government’.”

²² “Measure 5 redux offers blunt hatchet to cut taxes,” *Oregonian*, February 13, 1994.

“It’s a golden opportunity for lawyers because the measure is full of ambiguity,” said Harvey Rogers, a Portland bond attorney who has studied the measure. “It will divert lots of public money to lawyers—the legal profession is grateful.”

Claims made by Sizemore to justify the need for Measure 5 were also problematic:

“He [Sizemore] overflows with tales of government waste, from an agency manager breaking a computer on purpose to spend money remaining in the budget to a transportation official who punches in to work on holidays before skipping out to play golf. Neither account could be confirmed.”²³

Measure 8 – campaign contributions

The major “yes on 8” committee was Oregonians for Fair Pensions. (See chart 7.) This political committee listed a large in-kind contribution from another PAC, We Pay for All of Ours, We Pay for All of Yours, Is It Too... that got all of the \$88,655 it raised from Loren Parks’ Conservative PAC. As the descriptive name indicates, this is another PAC whose primary activity was development and airing of advertising developed by Gregg Clapper.

Chart 7: Top 10 Contributors to Oregonians for Fair Pensions (Yes on 8, 1994)

Contributor	Contribution	Percentage
We Pay for All of Ours, We Pay for All of Yours, Is it Too...(all dollars from Conservative PAC)	\$88,655	45.0%
Tiernan, Bob, Friends of	\$36,380	18.4%
Pacific Frontier Wood Markets, Inc.	\$12,500	6.3%
Executive Club Jeffersonian Leadership PAC	\$11,500	5.8%
Parks Foundation/Loren Parks/Parks Medical	\$6,047	3.1%
Oregon Taxpayers United Political Action Committee	\$6,000	3.0%
Randall, Robert	\$5,500	2.8%
Mark Hemstreet, Conservative PAC, Aaron Jones, Louisiana-Pacific, and Wes LeMatta	\$5,000 each	2.5% each
Top Ten Contributors Subtotal	\$191,582	97.1%
Miscellaneous Contributions of \$100 or less	\$970	<1%
Remaining Contributions	\$4,670	2.4%
Total	\$197,222	

Based on 1994 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Rep. Bob Tiernan, R-Lake Oswego, also appears as an important contributor to Oregonians for Fair Pensions with contributions from his candidate PAC comprising 18.4 percent (or \$36,380) of the money given to that “yes on 8” political committee. Though Tiernan gave \$2,555 to Sizemore’s Oregon Taxpayers United PAC for its support of Measure 5, this level of support was overshadowed by Tiernan’s donation to get Measure 8 adopted.

Oregonians for Fair Pensions also received a contribution of \$5,000 from Loren Parks’ Conservative PAC. In addition, \$6,047 was contributed to Oregonians for Fair Pensions by three entities controlled by Loren Parks. Direct contributions from Parks totaled \$1,331, while the Parks Foundation and Parks Medical gave \$4,500 and \$216 respectively.

²³ “The anti-tax man,” *Oregonian*, March 14, 1994.

No on 8 was the major opposition PAC. (See chart 8.) Not surprisingly given the topic, public employee unions were top donors. The Oregon Education Association gave \$283,489, Oregon Public Employees Union \$222,845, and AFSCME Council 75 contributed \$126,673.

Two of the No on 8 committee’s top contributors, however, were other PACs, Citizens for Pension Security and Oregonians for Retirement Security. Oregonians for Retirement Security PAC received all of its funding in the form of miscellaneous contributions of \$100 or less.

The Citizens for Pension Security PAC (see chart 9) received its largest contribution from the PAC affiliated with the Oregon Education Association, People for the Improvement of Education. The second and third top direct donors to the No on 8 PAC, Oregon Public Employees Union and AFSCME Council 75, also supported that PAC with contributions made through Citizens for Pension Security. As noted earlier, these unions represent approximately 117,000 workers.

Chart 8: Top 10 Contributors to No on 8 PAC (No on 8, 1994)

Contributor	Contribution	Percentage
Citizens for Pension Security PAC	\$503,002	36.4%
Oregon Education Association	\$283,489	20.5%
Oregon Public Employees Union	\$222,845	16.1%
AFSCME Council 75	\$126,673	9.2%
OFTHEP COPE	\$34,500	2.5%
Oregonians for Retirement Security (PAC with all contributions of \$100 or less)	\$30,174	2.2%
Portland Policy Association PAC	\$29,500	2.1%
California Casualty and Oregon School Employees Association	\$20,000 each	1.4% each
Oregon Nurses Association	\$12,307	0.9%
Top Ten Contributors Subtotal	\$1,280,030	92.9%
Miscellaneous Contributions of \$100 or less	\$6,055	<1%
Remaining Contributions	\$92,719	6.7%
Total	\$1,381,804	

Based on 1994 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Chart 9: Top 5 Contributors to Citizens for Pension Security (No on 8, 1994)

Contributor	Contribution	Percentage
Oregon Education Association – People For Improvement Of Education	\$231,000	49.6%
Oregon Public Employees Union	\$153,500	33.0%
AFSCME Council 75	\$65,000	14.0%
Oregon State Police Officers Assn	\$11,000	2.4%
Muni Employees Local 483	\$5,000	1.1%
Top Five Contributors Subtotal	\$465,500	~100%
Miscellaneous Contributions of \$100 or less	\$152	<1%
Remaining Contributions	\$0	0%
Total	\$465,652	

Based on 1994 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

The total fundraising effort against Measure 8 is best calculated as \$1,344,455. This is the total of contributions to both No on 8 and Citizens for Pension Security (\$1,847,457) minus the contribution (\$503,002) from Citizens for Pension Security to the No on 8 committee. This calculation method eliminates double counting of dollars. This fundraising total was almost seven times the \$197,222 raised by Measure 8 supporters.

Measure 8 –election results and legal challenges

Voters narrowly adopted Measure 8 by 50.04 percent “yes” to 49.96 percent “no” vote. (See chart 1.) The vote margin was only 984 votes. The total “yes” fundraising of \$197,222 was dwarfed by the \$1,344,455 fundraising total funding by the committees opposing Measure 8. Though the idea of requiring public employees to contribute to their pensions carried the day with the voters, Measure 8 fared worse in the courts.

In April of 1995 a Marion County judge ruled that “Measure 8 unconstitutionally bars retirees from counting unused sick leaves toward their pension benefits from the Oregon Public Employee Retirees System.”²⁴

Chris Dudley with the Oregon School Boards Association commented, “what we had was a measure that was written on someone’s kitchen table.”²⁵

This statement about Measure 8 was borne out by the Oregon Supreme Court when it upheld the lower court that struck it down in its entirety because it violated a federal constitutional ban on interfering with contracts. “Once offered and accepted, a pension promise by the state is not a mirage,” wrote Justice George Van Hoomissen. It was a 4-3 vote, however, with a dissent that raised the question of whether or not the judges hearing the case were influenced by their participation in the pension program.²⁶

Sizemore’s past-due taxes

In October 1994, Bill Sizemore paid off more than \$18,000 in past-due taxes, plus penalties and interest, owed to the Internal Revenue Service and the Oregon Department of Revenue. Sizemore’s overdue taxes involved a carpet business and a toy company that he said struggled financially.

Opponents to Measure 8 raised questions about Sizemore’s credibility because of his financial difficulties. “He hasn’t paid his bill repeatedly over the years,” said Jason Reynolds, a spokesman for the No 8 committee. “I think it’s reasonable to question his character.” Sizemore’s response was, “It’s a little nasty to make it an issue. But I guess that’s politics.”²⁷

Campaign finance disclosure violations

The final campaign finance disclosure report filed by Sizemore’s Oregon Taxpayers United PAC opposing Measure 8 only reported total contributions without listing any contributor names – in violation of state elections law. The disclosure report filed by Measure 8 supporter Rep. Bob Tiernan, R-Lake Oswego, only listed the last name of donors who contributed to his re-election campaign during the final reporting period. Tiernan wrote to Secretary of State Phil Keisling

²⁴ “Public employees win round in courtroom,” *Oregonian*, April 22, 1995

²⁵ “Retirement pay measure loses most of its teeth,” *Oregonian*, July 8, 1995

²⁶ “Court sinks public pension measure,” *Oregonian*, June 22, 1996

²⁷ “Anti-tax activist settles up with IRS,” *Oregonian*, October 22, 1994.

that: “In most cases, contributors to Friends of Bob Tiernan had nothing to do with Measure 8, yet many have received harassing phone calls threatening physical and economic harm.” Sizemore also cites fear of harassment for gaps in his disclosure reports.²⁸

The *Oregonian* editorial on these disclosure violations calls campaign finance reporting “one of bedrock principles of Oregon election law.” “They [Measure 8 supporters] can’t pick and choose among election laws. And if they’re going to sponsor, pay for or beat the hustings in campaigns that do economic harm to public employees or any other class of citizens, they should fully expect the targets of those campaigns to try to return the favor by economic means.”²⁹

Both Tiernan’s PAC and Oregon Taxpayers United eventually filed amended reports and came into compliance with disclosure law.

1996

Overview

Bill Sizemore qualified a constitutional amendment providing for a property tax reduction, Measure 47, for the November ballot in 1996. He submitted petitions for another initiative allowing public employees to not share any costs of union representation, but it did not contain enough valid signatures. In addition, Sizemore worked to place a referendum, Measure 32, on the ballot.

On another Sizemore initiative, however, an official with AFSCME Council 75, Mary Botkin, was accused of harassing a petition circulator collecting signatures to stop public employee unions from requiring nonmembers to pay union dues. The initiative circulator alleged that Botkin grabbed a signature sheet and scribbled over 19 names and tried to walk away. Botkin alleged that the signature-gatherer dragged and hit her. The matter was referred to the district attorney. Botkin was reported as being sorry about the event and said the controversy would be dropped if the petition circulator would also apologize. This is evidently what happened since no other news stories on this topic were in *Oregonian* archives. Bill Sizemore’s quote on the matter is that Botkin’s behavior was “an assault on democracy.”^{30, 31}

Bill Sizemore also worked with Paul Farago on a Portland charter amendment, Measure 26-39, to establish term limits for city elected officials.³² This measure lost in the May 2006 primary by a 58 percent “no” to 41 percent “yes” vote.

Interactions between legislative and initiative politics

The property tax debate began during the 1995 legislative session when the House Revenue Committee Chair, Rep. John Schoon, R-Rickerall, made an unsuccessful attempt to reduce these taxes. Schoon recounted a lunch that year with Sizemore who he characterized as waiting in the wings to reform property taxes if lawmakers did not act.³³ During the debate, Rep. Tony

²⁸ “Measure 8 sponsors won’t list donors,” *Oregonian*, December 9, 1994.

²⁹ “Wise up, Measure 8 backers,” *Oregonian*, December 14, 1994.

³⁰ “Union leader accused of harassing,” *Oregonian*, March 15, 1996

³¹ Presumably this incident occurred during signature gathering on initiative #10 that amended the Constitution to not require public employees to share costs of union representation, but did not qualify for the ballot.

³² “Campaign to limit terms gains speed and lots of cash,” *Oregonian*, April 24, 1996

³³ “Despite defeat, Sizemore still fights tax battle,” *Salem Statesman Journal*, April 4, 1999

Federici, D-St. Helens, said, “Let Sizemore collect his own signatures” and “I’m not going to kiss Bill Sizemore’s aspirations.”³⁴

Sizemore followed through on his pledge and qualified Measure 47, which won in November 1996. Measure 47 amended the Constitution and its goal was to reduce and limit property taxes, local revenues and replacement fees. This proposal was timed so its provisions that would take effect at the end of the five-year property tax limitations put into place by Don McIntire’s 1990’s Measure 5.³⁵

During a legislative special session in February 1996, a bill passed to provide \$750 million in funding for light rail in Portland as well as transportation projects elsewhere in the state. Sizemore supported a referendum to overturn this bill that became Measure 32.

Also on the May primary was a legislative referral, Measure 24 that required initiative signatures to be gathered proportionally in each congressional district. Bill Sizemore and Oregon Taxpayers United PAC and other groups opposed this measure and the voters defeated it.³⁶

Measure 32 – campaign contributions

The major committee formed to oppose Measure 32 and overturn the transportation funding legislation was Send this Piece of Pork and Make ‘Em Do It Right. This PAC (see chart 10) received contributions from essentially two sources, Oregon Taxpayers United PAC and medical equipment manufacturer Loren Parks.

Financial support against Measure 32 from Loren Parks came as a direct contribution of \$150,000 as well as \$83,619 funneled through the Only The Lawyers and Politicians Will Vote Against This One committee (to which Parks was the only contributor). In all, Parks gave \$233,619 that comprised 84.7 percent of the effort to overturn the light rail and transportation funding legislation.

Chart 10: Top Contributors to Send Back This Piece of Pork and Make 'Em Do It Right (No on 32, 1996)

Contributor	Contribution	Percentage
Loren Parks	\$150,000	54.4%
Only The Lawyers And Politicians Will Vote Against This One (A PAC funded solely by Loren Parks)	\$83,619	30.3%
Oregon Taxpayers United Pac	\$25,000	9.1%
Oregonians Against Pork Barrel Projects (see chart 11)	\$17,000	6.2%
Top Five Contributors Subtotal	\$275,619	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$275,619	

Based on 1996 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

³⁴ “Sizemore enjoys new clout,” *Oregonian*, March 3, 1997
³⁵ “Tax rebels may rise again,” *Oregonian*, October 12, 1995
³⁶ “Sizemore’s scorecard,” *Oregonian*, September 6, 1996

Oregon Taxpayers United PAC gave to the no on 32 effort directly and through another committee, Oregonians Against Pork Barrel Projects, to which they gave \$23,000 or 92 percent of its total fundraising of \$25,000. (see chart 11.)

Chart 11: Top 5 Contributors to Oregonians Against Pork Barrel Projects (No on 32, 1996)

Contributor	Contribution	Percentage
Oregon Taxpayers United Pac	\$23,000	68.5%
Tiernan & Associates	\$8,100	24.1%
Noel Flynn	\$2,000	6.0%
Fleetwood Corp.	\$500	1.5%
Top Five Contributors Subtotal	\$33,600	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$33,600	

Based on 1996 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

The chief PAC supporting Measure 32 was Oregonians for Roads and Rail (see chart 12) that drew funding from a cross section of Oregon business and labor interests. The top three contributors were Portland General Election and Pacific Power, which each gave \$52,500, and Fred Meyer, which contributed \$50,000.

Chart 12: Top 10 Contributors to Oregonians for Roads and Rail (Yes on 32, 1996)

Contributor	Contribution	Percentage
Portland General Electric Co. and Pacific Power	\$52,500 each	6.4% each
Fred Meyer	\$50,000	6.1%
US Bancorp	\$35,000	4.2%
Siemens Transportation Systems, Inc. and First Interstate Bank	\$30,000 each	3.6% each
Oregonians to Maintain Community Standards and Legacy Health System	\$25,000 each	3.0% each
Portland Trail Blazers	\$22,750	2.8%
Local Union Assistance, Legal, Organizing Fund and Parsons Brinckerhoff Quade & Douglas, Inc.	\$20,000 each	2.4% each
Top Ten Contributors Subtotal	\$362,750	44.0%
Miscellaneous Contributions of \$50 or less	\$4,972	<1%
Remaining Contributions	\$457,379	55.4%
Total	\$825,101	

Based on 1996 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Total fundraising by those wanting to protect the legislative vote for transportation projects was three times the dollars raised by opponents.

Measure 32 – election results

Sizemore’s position carried the day with a 53 percent “no” vote (see chart 1) that had the effect of overturning the bill passed by the Legislature during a February special session to provide funding for light rail in Portland and dollars for transportation projects elsewhere in Oregon.

Measure 47 – campaign contributions

The Yes on 47 Committee received \$515,571 (see chart 13) with \$517,260, or 99.9 percent of its funding, coming from Oregon Taxpayers United PAC. The OTU PAC was listed as being opposed to Measure 32 and supporting Measure 47, but focused its financial resources on the property tax limit proposal.

Chart 13: Top 5 Contributors to Yes on 47 (Yes on 47, 1996)

Contributor	Contribution	Percentage
Oregon Taxpayers United Pac	\$517,260	99.9%
Norm Stoll Enterprises	\$200	<1%
Terry Phillips	\$111	<1%
Top Five Contributors Subtotal	\$517,571	56.0%
Miscellaneous Contributions of \$50 or less	0	0
Remaining Contributions	0	0
Total	\$517,571	

Based on 1996 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Oregon Taxpayers United PAC (see chart 14) boasts a relatively large percentage of small-dollar contributors, with 22.6 percent of its funding coming from those who gave \$50 or less. But it also received half of its funding from Washington, D.C.-based Americans for Tax Reform, a group founded by Grover Norquist. (See pages 4-5 for more information on ATR.)

Chart 14: Top 10 Contributors to Oregon Taxpayers United PAC (No on 32, Yes on 47, 1996)

Contributor	Contribution	Percentage
Americans For Tax Reform	\$654,500	49.9%
Bill Sizemore	\$51,000	3.9%
Wes Lematta, Jeld-Wen, Inc and R. Barman	\$10,000 each	<1% each
Tiernan & Associates	\$8,100	<1%
Troyer, Rod	\$8,000	<1%
Lake Crest Apartments	\$6,000	<1%
James & Linda Weymouth, Ashton Tenly Co LLC, Mark Hemstreet Property Development, Weston Pontiac Buick GMC, Valley Pines Apartments, Henry Loy, North Pacific Management, Inc., James Cutler Jr., and Oregonians for Term Limits	\$5,000 each	<1% each
Top Ten Contributors Subtotal	\$802,600	61.2%
Miscellaneous Contributions of \$50 or less	\$297,071	22.6%
Remaining Contributions	\$212,806	16.2%
Total	\$1,312,477	

Based on 1996 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

The \$654,500 contribution from Americans for Tax Reform was a significant increase over the \$2,500 received from ATR by OTU PAC in 1994. (See chart 3 above.) But out-of-state support to Sizemore's committees began in 1994 with a \$32,500 contribution from the National Taxpayers Union that comprised 22.4 percent of OTU PAC fundraising that year.

University of Florida political scientist Dan Smith describes increased funding from Americans for Tax Reform as an orchestrated strategy to use the initiative process to drain the resources of

labor unions, inhibiting their ability to make contributions to Democratic candidates. Smith’s research indicates that \$4.5 million was given to Norquist’s group by the Republican National Committee. Norquist then helped support anti-tax and anti-union measures in Colorado and California in addition to Measure 47 in Oregon. “Every time you nick the budget,” crowed Norquist following the antitax victory in Oregon, “somewhere a Democratic precinct worker loses his job.”³⁷

The lead PAC working to defeat Measure 47, Oregonians for Local Control, relied heavily (see chart 15) on money from teachers’ and public employees’ unions. The top contributor, Oregon Education Association, gave \$763,500; \$410,202 came from Oregon Public Employees Union; and \$28,750 came from Oregon AFSCME Council 75. The fourth highest contributor, Oregonians to Maintain Community Standards, is a PAC supported by a large number of labor unions.

Chart 15: Top 5 Contributors to Oregonians for Local Control (No on 47, 1996)

Contributor	Contribution	Percentage
Oregon Education Association	\$763,500	36.0%
Oregon Public Employees Union Local 503	\$410,202	19.3%
Oregon AFSCME Council 75	\$280,750	13.2%
Oregonians To Maintain Community Standards	\$100,000	4.7%
Oregon School Employees Association	\$85,000	4.0%
Top Five Contributors Subtotal	\$1,639,452	77.3%
Miscellaneous Contributions of \$50 or less	\$3501	<1%
Remaining Contributions	\$478,800	22.6%
Total	\$2,121,753	

Based on 1996 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Fundraising by Measure 47 opponents was four times the dollars raised by supporters of this property tax measure.

Measure 47 – election results, legislative fix, and criticism from Don McIntire

Oregon voters adopted Measure 47 with a 52 percent “yes” vote. (See chart 1.) Discussion of legislative fixes began early in the 1997 session because “legislators must clarify hundreds of details, and differences have emerged between their interpretations and Sizemore’s.”³⁸ Another article stated: “The measure’s numbing complexity has spawned two attorney general’s opinions to help figure out what it says.”³⁹

It was clear, however, that Sizemore needed to be part of the legislative discussion. As the *Oregonian* editorialized, “Sizemore’s involvement in rewriting the whole constitutional provision on property taxes should help any consensus measure gain credibility with voters.”⁴⁰

The legislative fix had to be a referral for a popular vote since Measure 47 amended the Constitution. Ballot Measure 50 passed with a 56 percent margin in a May 1997 special election.

³⁷ Smith, Daniel A. and Tolbert, Caroline J. *Educated by Initiative, The Effects of Direct Democracy on Citizens and Political Organizations in the American States*, University of Michigan Press, 2004, page 108.

³⁸ “Sizemore rankles panel members,” *Oregonian*, February 7, 1997

³⁹ “Sizemore enjoys new clout,” *Oregonian*, March 3, 1997

⁴⁰ “Property tax rewrite needed,” *Oregonian*, March 3, 1997

But during that campaign Sizemore was taken to task by fellow tax reduction advocate Don McIntire, who said, “I think my good friend Bill got subsumed or suckered by the [legislative] process.” Sizemore countered that Measure 50 reduces the risk that different legal interpretations of Measure 47 would reduce savings to taxpayers.⁴¹

McIntire’s criticisms of Sizemore could be due to him having dropped a state spending limit initiative aimed at the 1996 ballot “because it was clearly being overshadowed by Sizemore’s cut-and-cap property tax measure.” Though the founder of Oregon Taxpayers Union, Frank Eisenzimmer, used donor and volunteer lists from McIntire’s 1990 Measure 5 campaign to run a successful 1992 term limits measure, McIntire did not believe an ongoing group was required. Later he was quoted as saying, “Oregon Taxpayers United came along, and they took on every issue there was.”⁴²

Legislative writing of Measure 50 also included debate about the need for tax reform. For example, Rep. Kitty Piercy, D-Eugene, said “we are abrogating our responsibility when we do not step up to tax reform”⁴³ These concerns were heightened when the Legislature, largely in response to demands by Sizemore, reworked the legislation implementing Measure 50. A guest opinion by Tim Nesbitt, executive director of Service Employees International Union Local 503, quoted Senator Ginny Burdick, D-Portland, “If this Legislature put as much effort into tax reform as it does into appeasing Bill Sizemore, there wouldn’t be a school funding problem.”⁴⁴

In general, attention to the importance of the initiative process in state politics has heightened due to Sizemore’s use of this policy tool. The key legislator during the development of Measure 47, Rep. Tom Brian, R-Tigard, said, “a certain amount of power can come to any person or group that proves they can successfully do an initiative.”⁴⁵

1998

Overview

The day after Measure 50 was adopted in May 1997, Sizemore filed three petitions for constitutional amendments. Though initial media attention focused on an initiative to limit government spending,⁴⁶ Sizemore focused his signature gathering efforts on what became Measure 59, a constitutional amendment prohibiting public employee unions from collecting money by payroll deduction for political purposes.⁴⁷

A range of political players considered tax reform initiatives for 1998, but none moved forward. For example, Bill Sizemore held a tax reform conference in October 1997⁴⁸ and was involved in writing an initiative replacing all property taxes with a targeted sales tax.⁴⁹ Tim Nesbitt of Oregon Public Employees Union also expressed an interest in tax reform citing a particular interest in equalizing corporate and personal income tax rates.⁵⁰

⁴¹ “A debate on tax family values,” *Oregonian*, May 1, 1977

⁴² “2 initiative backers stand out,” *Salem Statesman Journal*, October 3, 1999

⁴³ “House passes Measure 47 amendment,” *Oregonian*, March 18, 1997

⁴⁴ “A truly shifty 50, Tim Nesbitt guest opinion,” *Oregonian*, May 20, 1997

⁴⁵ “Sizemore has system for his ideas: Oregon,” *Oregonian*, May 25, 1997

⁴⁶ “Despite win, there’s no cease-fire from Sizemore,” *Oregonian*, May 22, 1997

⁴⁷ “Sizemore’s initiatives,” *Oregonian*, February 16, 1998

⁴⁸ “Sizemore conference takes on tax reform,” *Oregonian*, October 25, 1987

⁴⁹ “Sizemore is back-and so is sales tax,” *Oregonian*, December 24, 1997

⁵⁰ “It’s certain: vote won’t be death of tax reform,” *Oregonian*, May 18, 1997

Instead of tax reform, however, proactive use of the initiative process by public employee unions took the form of constitutional amendments, Measures 62 and 63. Measure 63 requires any measure proposing a supermajority-voting requirement to be adopted by that same requirement. For example, if a measure says that tax increases require a 65 percent vote, then that measure must pass with at least that vote margin. Measure 62 includes campaign finance disclosure improvements and regulations on signature gathering, but its major purpose was to guarantee use of paycheck deductions to make political contributions. This part of Measure 62 directly confronted Sizemore’s Measure 59.

Bill Sizemore ran for governor against John Kitzhaber in 1998. This race, however, was not competitive and ballot measure activity pertaining to Sizemore overshadowed his candidacy. In general, Sizemore and allies supported his Measure 59 and opposed Measures 62 and 63, while political players at the other end of the spectrum took the opposite stances.

Measures 59, 62 and 63 – signature gathering campaigns⁵¹

Total fundraising by chief petitioner committees that qualified Measures 62 and 63 to the ballot came to \$795,974. This figure is determined by calculating the total fundraising by the two chief petitioner committees (\$1,027,210) minus the contribution from Oregonians for Open and Fair Elections (\$231,236) to its ally PAC. This method eliminates double counting of dollars. (See charts 16 and 17.)

Chart 16: Top 5 Contributions to the Initiative 74 committee, Oregonians for Open and Fair Elections – became Measure 62, 1998

Contributor	Contribution	Percentage
Oregon Education Association	\$285,494	42.1%
Oregon Public Employees Union	\$189,361	27.9%
AFSCME Council 75	\$123,767	18.2%
Oregon School Employees Assn	\$56,674	8.4%
School Employees Exercising Democracy	\$11,858	1.7%
Top Five Contributors Subtotal	\$667,154	98.3%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$11,437	1.7%
Total	\$678,591	

Based on 1998 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Chart 17: Top 5 Contributions to Initiative 71 committee, Voters Opposed to Tampering with Elections – became Measure 63, 1998

Contributor	Contribution	Percentage
Oregonians for Open & Fair Elections	\$231,236	66.3%
Oregon Public Employees Union	\$68,835	19.7%
Oregon Education Association	\$32,333	9.3%
Oregon State Council SEIU	\$9,905	2.8%
Oregon School Employees Assn	\$3,729	1.1%
Top Five Contributors Subtotal	\$346,038	99.3%
Miscellaneous Contributions of \$50 or less	\$548	<1%

⁵¹ Signature-gathering campaign finance disclosure reports of 1998 ballot measures were obtained by Democracy Reform Oregon staff from the Secretary of State before records were destroyed and enables analysis of contributions to chief petitioner committees that qualified Measures 59, 62, and 63 to the November 1998 ballot.

Remaining Contributions	\$2,033	<1%
Total	\$348,619	

Based on 1998 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Top donors were the Oregon Education Association and Oregon Public Employee Unions, giving \$317,827 and \$259,196 respectively to these signature-gathering efforts.

The chief petitioner committee working to qualify what became Measure 59 to the ballot received most of its financial support (\$129,547) from Oregon Taxpayers United PAC, but also received contributions of \$10,000 each from a timber company and Paul Farago, a term limits activist. (See chart 18.)

Chart 18: Top 5 Contributions to Initiative 18 committee, No Taxpayers Money for Politics – became Measure 59, 1998

Contributor	Contribution	Percentage
Oregon Taxpayers United Political Action Committee	\$129,547	81.4%
Paul Farago and Swanson Superior Forest Products	\$10,000 each	6.3% each
Committee to Abolish Metro	\$8,000	5.0%
Wildish Land Co.	\$1,500	<1%
Top Five Contributors Subtotal	\$159,047	~100.0%
Miscellaneous Contributions of \$50 or less	\$50	<1%
Remaining Contributions	\$0	0%
Total	\$159,097	

Based on 1998 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Oregon Taxpayers United PAC submitted a campaign finance disclosure report during July of 1998, but was told that since they weren't a chief petitioner committee it was not required. Analysis of who gave to OTU-PAC requires review of their reports filed that fall. Since available data is from summary reports that do not include contribution date it is not possible to determine which donors to OTU-PAC supported signature gathering compared to general election or other activities of this political committee. (See chart 19.)

Measures 59, 62 and 63 – campaign contributions

Three committees formed in support of Measure 59. One of these committees only supported the Sizemore measure. Another committee also opposed Measure 62, while the third also opposed both Measures 62 and 63.

The largest donor was Oregonians for Responsible Government giving \$210,000. The sole director for this PAC was Don McIntire. As noted above, though McIntire and Sizemore had their differences over Measure 50, McIntire did support Sizemore's Measure 59 and opposed Measures 62 and 63.⁵²

Real estate developer Robert Randall and his company gave a total of \$200,000 in contributions to each of the three committees supporting Measure 59. Owner of Shilo Inns, Mark Hemstreet, gave \$90,000 through his property development company. Wes Lematta, owner of a helicopter company specializing in logging, gave \$72,500. Carl Lindner gave \$50,000. Linder is former board chair of Chiquita Brands International and currently head of American Financial Group as

⁵² http://egov.sos.state.or.us/elec/!pkg_e1_web_ce_cmittee_query.p_committee_directors

well as majority owner of the Cincinnati Reds baseball team. Lindner is also a major donor to federal campaigns.⁵³ Grover Norquist’s Americans for Tax Reform gave \$15,000 and timber interests gave \$28,000.

Robert Randall, Mark Hemstreet, and Wes LeMatta are also cited as members of the Oregon Roundtable, “an informal club of conservative political contributors.” Loren Parks was also mentioned as a Roundtable member. Combined giving by Parks and Randall to the Oregon Taxpayers Union Foundation totaled \$150,000. However, financial support from Parks for Sizemore’s efforts in 1994 and 1996 was not replicated in 1998. The influence of Sizemore’s major donors isn’t clear; a member of the OTU Foundation board, Barbara Ash, commented, “Bill listens to everybody, but believe me, he’ll do what he wants to.”⁵⁴ Aaron Jones, owner of Seneca Sawmills, is also considered a founding member of the Oregon Roundtable.⁵⁵

Total fundraising in support of Measure 59 and against Measures 62 and 63 came to \$701,864. To avoid double counting, this is calculated by subtracting the \$210,000 contribution from Oregonians for Responsible Government to OTU-PAC from the total contributions of \$911,864 to the three PACs allied with Sizemore on these measures. (See charts 19-21.)

Chart 19: Top 5 Contributors to Oregon Taxpayers United PAC (Yes on 59, No on 62 and 63, 1998)

Contributor	Contribution	Percentage
Oregonians for Responsible Government	\$210,000	37.8%
Carl Lindner	\$50,000	9.0%
Freres Lumber Co.	\$18,000	3.2%
Americans for Tax Reform	\$15,000	2.7%
Swanson Superior Forest Products and Robert Randall	\$10,000 each	1.8% each
Top Five Contributors Subtotal	\$313,000	56.3%
Miscellaneous Contributions of \$50 or less	\$205,118	36.9%
Remaining Contributions	\$38,146	6.9%
Total	\$556,264	

Based on 1998 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Chart 20: Top 5 Contributors to Oregonians for Responsible Government (Yes on 59, No on 62, 1998)

Contributor	Contribution	Percentage
Mark Hemstreet Property Development	\$90,000	35.6%
Wes Lematta	\$72,500	28.7%
Robert Randall	\$70,000	27.7%
Randall Realty Corp	\$20,000	7.9%
Article I	\$200	<1%
Top Five Contributors Subtotal	\$252,700	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$252,700	

⁵³ Bush and Kerry fundraisers: What have they gotten, and what do they want?, Common Cause, retrieved on September 23, 2007 from <http://www.commoncause.org/site/pp.asp?c=dkLNKIMQIwG&b=196963>

⁵⁴ “Sizemore PACs a punch with his taxpayers group,” *Oregonian*, January 20, 1998.

⁵⁵ “High rollers spend fortunes to advance their philosophies,” *Eugene Register-Guard*, November 3, 2002.

Based on 1998 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Chart 21: Top 5 Contributors to No Taxpayer Money for Politics (Yes on 59, 1998)

Contributor	Contribution	Percentage
Robert Randall	\$100,000	97.2%
Suzanne James and Sam Allen	\$1,000 each	<1% each
Oregon Manufactured Housing PAC	\$500	<1%
Oregon Taxpayers United PAC	\$400	<1%
Top Five Contributors Subtotal	\$102,900	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$102,900	

Based on 1998 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

The top contribution to the overall effort against Measures 62 and 63 and in support of Measure 59 was \$200,000 from Robert Randall and his Randall Realty Corp (\$10,000 to OTU-PAC, \$70,000 and \$20,000 to Oregonians for Responsible Government, and \$100,000 to No Taxpayer Money for Politics – see charts 19, 20, and 21).

Mark Hemstreet Property Development gave \$90,000 and Wes Lematta gave \$72,500 to Oregonians for Responsible Government. (See chart 20.) Carl Lindner gave \$50,000 to OTU-PAC. (See chart 19.)

Oregonians for Open and Fair Elections, the PAC that focused on defeating Measure 59 and supporting Measures 62 and 63, raised \$4,721,219. Major donors were public employee unions directly affected by Measure 59. (See chart 22.)

Chart 22: Top 10 Contributors to Oregonians for Open and Fair Elections (No on 59, Yes on 62 and 63, 1998)

Contributor	Contribution	Percentage
Oregon Education Association	\$1,205,743	25.5%
Oregon Public Employees Union	\$840,904	17.8%
Oregon AFL-CIO	\$700,000	14.8%
National Education Association	\$600,000	12.7%
Oregon AFSCME Council 75	\$476,250	10.1%
Coalition to Defend America's Working Family	\$300,000	6.4%
Service Employees Political Action Committee	\$206,326	4.4%
Oregon School Employees Association	\$89,365	1.9%
Coalition to Assure Rights of Employees	\$57,000	1.2%
The 98 Project	\$53,399	1.1%
Top Ten Contributors Subtotal	\$4,528,987	95.9%
Miscellaneous Contributions of \$50 or less	\$81	<1%
Remaining Contributions	\$192,151	4.1%
Total	\$4,721,219	

Based on 1998 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

The Oregon Education Association currently has 47,000 members and gave over \$1.2 million. Oregon Public Employees Union has 45,000 members and gave \$840,904. The AFL-CIO and National Education Association gave \$700,000 and \$600,000 respectively. AFSCME Council 75 gave \$476,250 and it represents 25,000 workers.

Total fundraising in opposition to Measure 59 and in support of Measures 62 and 63 was almost eight times the dollars raised by committees taking the opposition position on these three measures.

Measures 59, 62 and 63 – election results

Sizemore’s Measure 59 lost 49 to 51 percent, while both Measures 62 and 63 passed with 67.5 and 55 percent of the vote, respectively. (See chart 1.) Immediately after the election, Sizemore’s deputy Becky Miller announced that Oregon Taxpayers United would work to qualify another Measure 59 to the November 2000 ballot. Public employee union money was cited as the major factor in their loss, but Miller also indicated that “individuals and groups reneged on contribution promises totaling about \$2 million.”⁵⁶

Measure 62, however, never went into effect because of a court challenge on the basis on it containing too many unrelated changes to the Constitution. The challenge was upheld and the Oregon Supreme Court overturned the measure in 2002.⁵⁷ This action was based on a 1998 Supreme Court case popularly known as *Armatta* that overturned Measure 40 adopted in 1996.⁵⁸

Gubernatorial race-campaign contributions

Bill Sizemore ran as a Republican candidate for governor against incumbent John Kitzhaber. Sizemore’s gubernatorial campaign reported that \$420,000, or 40.5 percent of his total fundraising, came as an in-kind contribution from the Committee to Support Open and Fair Elections. (See chart 23.) This was the PAC formed to oppose Measure 59 and to support Measures 62 and 63 and their disclosure report did not reflect a corresponding in-kind expenditure in support of Sizemore’s gubernatorial race. Evidently, Sizemore felt that their efforts helped his candidacy, but that PAC did not agree and did not report it as such.

Chart 23: Top 5 Contributors to People for Sizemore (1998)

Contributor	Contribution	Percentage
Committee To Support Open and Fair Elections	\$420,000	40.5%
Seneca Sawmill Co./ Seneca Jones Timber Co.	\$120,500	11.7%
Richard Wendt	\$50,488	4.9%
John Haviland	\$46,060	4.4%
Alan James	\$25,000	2.4%
Top Five Contributors Subtotal	\$662,048	63.8%
Miscellaneous Contributions of \$50 or less	\$100,938	9.7%
Remaining Contributions	\$274,268	26.4%
Total	\$1,037,253	

Based on 1998 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

⁵⁶ “Measure 59 will return in 2000,” *Oregonian*, November 7, 1998

⁵⁷ “Court strikes union measure,” *Salem Statesman-Journal*, April 12, 2002

⁵⁸ *Armatta v. Kitzhaber*, 327 Or 250, 959 P2d 49 (1998)

Chart 24, therefore, is a more accurate indication of fundraising support for Sizemore’s bid for the governor’s seat. Sizemore’s contributions came from Republican stalwarts, including \$120,500 in contributions by timber interests owned by Eugene-based Aaron Jones, Seneca Sawmills and Seneca Jones Timber, and a \$50,488 contribution from owner of Klamath Falls-based Jeld-Wen, Inc, Dick Wendt.

Financial support from Aaron Jones was characterized by his longtime spokesperson, Dale Riddle, as a wise and strategic investment. “When he [Jones] dropped \$100,000 on Sizemore’s 1998 gubernatorial race, it was because he wanted to put incumbent Gov. John Kitzhaber on the defensive and stop him from using his own campaign cash to bolster Democratic legislative candidates.”⁵⁹

Also notable is who didn’t contribute to Sizemore’s gubernatorial run. Though Loren Parks contributed to Sizemore initiatives in 1994 and 1996, he didn’t open his wallet in 1998 for either Sizemore’s efforts as a candidate or pertaining to measures 59, 62, or 63.

Chart 24: Top 10 Contributors to People for Sizemore, Minus Committee to Support Open and Fair Elections (1998)

Contributor	Contribution	Percentage
Seneca Sawmill Co./Seneca Jones Timber Co.	\$120,500	19.5%
Richard Wendt	\$50,488	8.2%
John Haviland	\$46,060	7.5%
Alan James	\$25,000	4.1%
Damerow Beaverton Ford	\$11,873	1.9%
Paul Farago, Jay Weston, Robert Randall and Bill Sizemore	\$10,000 each	1.6% each
Becky Miller	\$9,125	1.5%
Top Ten Contributors Subtotal	\$303,045	49.1%
Miscellaneous Contributions of \$50 or less	\$100,938	16.4%
Remaining Contributions	\$213,225	64.5%
Total	\$617,253	
	Primary	\$235,939
Total contributions divided by primary and general	General	\$381,314

Based on 1998 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Contributions to the re-election candidacy of Governor John Kitzhaber (see chart 25) were dominated by donations from political committees affiliated with unions, which are traditional contributors to Democratic candidates. Kitzhaber’s top contributor was Carpenters Legislative Activities Selective Support (CLASS) giving \$95,000; Oregon Education Association’s People for Improvement of Education, or PIE, committee that gave \$34,901; and \$30,000 from Oregon Laborers’ Political Committee.

Chart 25: Top 10 Contributors to Kitzhaber ‘98 (1998)

Contributor	Contribution	Percentage
Carpenters Legislative Activities Selective Support	\$95,000	7.4%
Oregon Education Association - People For Improvement Of Education	\$34,901	2.7%

⁵⁹ “High rollers spend fortunes to advance their philosophies,” *Eugene Register-Guard*, November 3, 2002.

Oregon Laborers' Political Committee	\$30,000	2.3%
Plumbers & Steamfitters, Wilshire Financial Services Group, Inc. and William Furman	\$25,000 each	1.9% each
Oregon AFSCME Council 75 People Fund	\$24,580	1.9%
Citizen Action by Public Employees and Oregon Association of Electrical Workers	\$20,000 each	1.5% each
Fred Meyer	\$14,650	1.1%
Top Ten Contributors Subtotal	\$314,131	24.3%
Miscellaneous Contributions of \$50 or less	\$53,856	4.2%
Remaining Contributions	\$922,685	71.5%
Total	\$1,290,672	
	Primary	\$593,360
	General	\$697,312
Total contributions divided by primary and general		

Based on 1998 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

The top donors to Kitzhaber's re-election campaign, the CLASS and OEA-PIE committees, are good examples of small donor PACs. The Carpenter's PAC received no contributions greater than \$50. Except for \$11,000 of in-kind contributions from OEA for administrative work, all of the OEA-PIE committee's general election contributions were \$50 or less as were two-thirds of its primary contributions. The remaining contributions from OEA members were less than \$200.

Gubernatorial election results and issues raised about Sizemore debts

Bill Sizemore was decisively defeated by incumbent Governor John Kitzhaber, garnering only 30 percent of the vote in what was characterized as "one of Oregon's most lopsided governor's race."⁶⁰ Though tax and economic policies surfaced during that election, given that this campaign result was widely anticipated, significant debates on issues didn't occur during the 1998 governor's race.

Given the spotlight typically put on candidates, however, "an investigation by the *Oregonian* of Sizemore's business history has turned up a trail of broken promises and \$795,000 in unpaid bills, loans and judgments that are still outstanding against one of his companies."⁶¹

Specifics from the article include:

After the newspaper raised questions about his businesses, Sizemore last week paid \$11,000 to one creditor, Rhonda Iverson. She said Sizemore then encouraged her to keep silent about his failure to repay \$98,000 in loans from her late husband, Neil. Sizemore has declined to talk about his payment to Iverson, who called the payment 'hush money.' But in five hours of interviews, Sizemore insisted he was honest in his business dealings and denied he ever misled any of his creditors, as some of them claim.

Court records and documents from the personal files of his creditors provide voluminous evidence of his business failures:

*Sizemore's toy company, Illuminated Toy Inc., is defunct, but it still has debts of about \$795,000 that date back 12 years. Sizemore signed promissory

⁶⁰ "Despite defeat, Sizemore still fights tax battle," *Salem Statesman Journal*, April 4, 1999

⁶¹ "Sizemore leaves trail of debts," *Oregonian*, April 19, 1998

notes pledging that his company would double lenders' money in six months. He now says the company never had a profitable year.

*Most of the debt is owed to five creditors who lent Sizemore money to start the toy company in 1985. Although they understood the loans were risky, three creditors said Sizemore did not disclose that he was in personal bankruptcy at the time they lent the company a total of \$37,000.

*In 1994, as his creditors went unpaid, Sizemore used an Illuminated Toy Inc. subsidiary company to make \$145,000 on a real estate sale. He told neither creditors nor his 50-50 partner about the profit, but Sizemore kept \$16,000 from the deal to pay off personal income tax liens.

*Bill Sizemore Carpet Brokers liquidated under bankruptcy protection in 1987, relieving him of an additional \$358,000 in debts and of pressure from creditors who had dogged him for year."

As debts mounted, Sizemore alternately begged creditors for time or defied them to sue. He hung onto the money-losing toy company for eight years, hawking dinosaur puppets, illuminated throwing discs and T-shirt transfers.

"Bill Sizemore just doesn't give up," Sizemore said. "When he sinks his teeth into something, even when he should quit and give up, he doesn't. And that's what happened in the toy business.

"The toy business did not fail because of my management," Sizemore said. "It failed – or it did not succeed – because it was undercapitalized. And I did my best with the resources that I had."

A follow-up editorial⁶² cites Sizemore's request for Oregonians to invest in him as a poor investment. Other comments were:

Sizemore responded to all this [the *Oregonian* report] with an attack on the newspaper and a vow that he would make no further comments regarding his business failures. He said he would focus his campaign "on more important issues." He did not challenge the truth of the story, just its relevance.

But how could anything be more relevant? Sizemore himself said that this election is largely about fiscal accountability and efficient government.

If Sizemore won't discuss these things further, voters should be highly skeptical of his candidacy. Some investments are just too risky.

2000

Overview

Not since 1914 had Oregon voters faced as many measures as the 26 that appeared on the November 2000 ballot.⁶³ There were seven legislative referrals, one referendum, and 18 citizen

⁶² "Investing in Bill Sizemore," *Oregonian*, April 21, 1998

initiatives. Bill Sizemore qualified six constitutional amendments to the ballot, and was involved in a seventh, Measure 7, which he turned over to Oregonians in Action for a final signature gathering push.⁶⁴

Legislative and initiative politics interplay continues

Interactions between the 1999 legislative session and Sizemore's push to qualify measures for the 2000 general election were reminiscent of discussions (see page 10) in Salem during 1995 when Sizemore was waiting in the wings to see if legislators would pass property tax relief. When they didn't, Sizemore qualified Measure 47 to the ballot in 1996.

In 1999, House Revenue Committee chair, Rep. Ken Strobeck, R-Beaverton, said, "I'm not going to be blackmailed into behaving some way because of some initiative out there" and Sizemore indicated that he'd back off if the Legislature approved or referred a proposal to allow individuals to deduct their entire federal taxes on state forms rather than the \$3,000 limit in place at that time.⁶⁵

The Legislature sent to the voters a referral that became Measure 88 that increased the maximum state deduction for federal taxes up from \$3,000 to \$5,000, even though Sizemore wanted full deductibility. This didn't pass muster with Sizemore whose assistant Becky Miller said, "We're already halfway there with signatures" and that "the only reason they're [the Legislature] doing this is they know our measure will pass and they're scared."⁶⁶ Dubbed "Sizemore lite," Measure 88 passed while Sizemore's version, Measure 91 failed at the polls.⁶⁷

Another example of the interplay between legislative and initiative politics is the May 2000 referendum, Measure 82, that successfully overturned legislation passed in 1999 with support from the trucking industry to replace a weight-mile tax with a motor fuel tax increase. The American Automobile Association (AAA) collected the bulk (54,000) of the signatures needed to refer the gas tax increase to the voters, but Oregon Taxpayers United collected 6,000. The legislation was overturned.

McIntire and Sizemore tensions?

Tensions that developed between Bill Sizemore and Don McIntire during the 1997 legislative debate leading up to Measure 50 seemed to re-surface with McIntire re-entering the initiative field with a proposal that became Measure 8 that amended the Constitution to restrict state spending to 15 percent of total income earned by Oregonians.⁶⁸ McIntire and Sizemore downplayed competition in the wake of formation of a new group, Taxpayer Association of Oregon by McIntire. "I welcome all other conservative tax activists to the fray," said Sizemore. "The more, the merrier."⁶⁹ McIntire's Measure 8 lost at the polls.

Though Sizemore's signature gathering operations were in high gear for 2000, other groups that had filed initiatives didn't follow through with signature gathering to qualify all of them for the ballot.

⁶³ "Ballot Measures," *Salem Statesman Journal*, August 3, 2000

⁶⁴ "Property rights initiative halted," *Salem Statesman Journal*, June 26, 2000

⁶⁵ "Despite defeat, Sizemore still fights tax battle," *Salem Statesman Journal*, April 4, 1999

⁶⁶ "House approves tax break ballot measure," *Salem Statesman Journal*, July 16, 1999

⁶⁷ "Tax-cutting fever dominates ballot," *Salem Statesman Journal*, September 4, 2000

⁶⁸ "2 initiative backers stand out," *Salem Statesman Journal*, October 3, 1999

⁶⁹ "Anti-tax leaders deny they are competing," *Salem Statesman Journal*, July 7, 2000

Governor Kitzhaber, with support from the Oregon Education Association, focused on what became Measure 1, which amends the Constitution to require school funding to meet academic goals or for the Legislature to report on why it failed to do so. Kitzhaber originally planned to also work on a school rainy-day fund initiative as well as a proposal to overturn a Sizemore's 50 percent voter turnout requirement for most new taxes that was in Measure 47. Unions also floated several initiatives but focused on what became Measure 99, an amendment to the Constitution to set up a home health care workers commission.⁷⁰ Voters passed both Measures 1 and 99.

Changes in signature gathering procedures

Signature gathering practices and review procedures were in the news leading up to the 2000 election. The Legislature made changes in signature verification procedures and a court ruling also affected the initiative process.

The 1999 legislature adopted a bill supported by both Kevin Mannix and union lobbyists to change Secretary of State procedures for evaluating duplicate signatures on initiative petitions. Prior to 2000, the Elections Division assumed that 2 percent of any petition signatures were duplicate and tossed out that number. In 1998 Mannix pulled duplicates from petitions on what became Measure 61 before they were submitted, but the standard 2 percent penalty was assessed anyway. This led to considerable controversy about whether or not Mannix's measure met the qualifying threshold. By the time the issue was resolved, Measure 61 was printed on the ballot. Votes on Measure 61, however, were not counted because it had been determined that not enough signatures had been submitted and it should not have appeared on the ballot.

Bill Sizemore vehemently objected to the new verification procedures based on a statistical method accepted by mathematicians for 50 years and used by several other states including California and Washington. Retired Oregon State University statistics professor David Thomas reviewed Sizemore's objections and concluded that he didn't understand the laws of probability. Kevin Mannix said, "This is a fairer process than the one we had before."⁷¹ Fred Neal of the Election Division said, "we don't believe there's any flaw in our formula," pointing out that it was the Legislature who determined that the previous arbitrary 2 percent system "wasn't defensible."⁷²

Another change made by the 1999 legislature affecting signature verification was the requirement for county clerks to shift voters to inactive status if a vote had not been cast for five years. Signature verification is based on registered voters on the active voter rolls. At least one factor contributing to this provision was an interest in maintaining up-to-date voter files. This was of particular concern given the double majority requirement that was part of Sizemore's Measure 47 made it more difficult to adopt bond and other revenue measures whose passage depended on obtaining a majority not just of votes cast, but a majority of eligible voters.

Oregon Taxpayers United founder Frank Eisenzimmer charged state bureaucrats with "maneuvering with technicalities" in order to reject initiative petitions. Elections Division manager, Fred Neal, however, said, "I don't think that one change in the law is contributing to

⁷⁰ "Sizemore submits 7 initiatives," *Salem Statesman Journal*, July 8, 2000

⁷¹ "Initiative rule faces challenge," *Salem Statesman Journal*, February 5, 2000

⁷² "Petitions get closer scrutiny," *Salem Statesman Journal*, June 17, 2000

this [lower validity rates].”⁷³ The final share of invalid signatures for all measures in 2000 averaged 25.3 percent.⁷⁴

In August of 2002, Marion County Circuit Court Judge Don Dickey rejected a Bill Sizemore legal challenge to the state Elections Division’s practice of not counting as valid the petition signatures of inactive voters.⁷⁵ (See more details on page 44.) One result of the lawsuit, however, was that elections offices had to mail notices to a voter moved to inactive status. The *Eugene Register-Guard* editorialized in support of this decision and called on voters to keep their registration information up to date.⁷⁶

Court decisions affecting the 2000 ballot measure scene pertained to application of the *Armatta* decision. In May 2000, the Oregon Court of Appeals struck down a November 2000 initiative because it amended too many unrelated sections of the Constitution. The initiative qualified because Elections Division officials relied on admittedly lenient interpretation of *Armatta* by their state attorneys. The success of the subsequent challenge could signal stricter review of future initiatives as well as possible litigation of other 2000 initiatives if adopted by voters.⁷⁷

Sizemore assistant indicted and pleads guilty to forgery

In June 2000, Bill Sizemore’s assistant, Kelli Highley, was indicted on 29 felony and 2 misdemeanor charges related to signature gathering violations. Several charges relate to 1998 ballot measures including Measure 59 that would have limited the ability of public employee unions to use payroll deductions to collect political funds. Affecting the 2000 initiative season, however, is an allegation that Highley forged signatures on a sponsorship signature sheet for a Sizemore initiative allowing full deduction of federal taxes on state returns.⁷⁸ (Twenty-five sponsorship signatures are submitted with a proposed initiative and trigger the ballot title development process and other steps to prepare an initiative for circulation. The 2007 Legislature increased the required number of sponsorship signatures to 1000 in HB 2082, see page 69.)

Assistant Attorney General Byron Chatfield said that investigators checking suspicious signatures on the sponsorship petitions contacted some of the alleged voters, who said they didn’t recall signing them. However, they had signed a local recall petition. “The signatures matched except that they looked like they were done with a shaky hand,” Chatfield said. He went on to call Highley’s actions “no different than identify theft” and “more sinister than copying names from the phone book.”⁷⁹

These allegations, however, did not disqualify Sizemore’s tax-cut initiative that became Measure 91. Secretary of State Bill Bradbury based his decision on the purpose of the sponsorship step (prevention of frivolous proposals) having been met by the subsequent collection of thousands of signatures on the petition. In addition, the problem wasn’t found in a timely fashion. Bradbury said, “I will not take away the ability of 80,000 Oregonians who signed this petition in good faith to place this proposal on the ballot, simply because of alleged misdeeds early on in the process.”

⁷³ “Petitions get closer scrutiny,” *Salem Statesman Journal*, June 17, 2000

⁷⁴ “Crowded ballot,” *Salem Statesman Journal*, August 7, 2000

⁷⁵ “Judge dismisses Sizemore signature-verification suit,” *Salem Statesman Journal*, August 29, 2002.

⁷⁶ “Sizemore strikes out,” *Eugene Register-Guard*, September 3, 2002.

⁷⁷ “Ruling threatens initiatives,” *Salem Statesman Journal*, May 28, 2000

⁷⁸ “Case casts cloud over Sizemore’s tax-cut bid,” *Oregonian*, June 16, 2000

⁷⁹ “Ex-Sizemore aide enters guilty plea,” *Salem Statesman Journal*, February 27, 2001

Sizemore's comment was, "I'll give them credit – they handled this matter quickly and didn't drag it out for months, as bureaucracies sometimes do."

"Why have rules if you're not going to enforce them?" was a question raised by another chief petitioner, Senator Ginny Burdick, working on a gun control initiative. "I was told that if anything was wrong with the filing of my sponsorship statement, then it would be rejected. It's puzzling to me that other campaigns do not have the same standing as Sizemore's."⁸⁰

Resolution of the signature gathering forgery case against Highley occurred in February 2001, when she pled guilty and received a 20-day jail term and a \$5,000 fine. Highley apologized and said that Bill Sizemore had no knowledge of her forgeries.

Forty cases of signature fraud were referred to the attorney general in 2000, but this was the first time prosecution resulted in jail time. One factor was that this case involved lying to the grand jury to which Highley originally claimed innocence.⁸¹

Highley said "I didn't do it for money. . . .As a person who has collected thousands of signatures, it was really stupid of me to take this dishonest shortcut." The judge responded that her actions breached a special trust with the electorate. The voters whose signatures were used said they would never sign another petition again.⁸²

After Highley was indicted she left Oregon Taxpayers United, but went to work as an off-the-air worker for the Clackamas radio station, KKGK, that Sizemore co-owns. "Now that she has pleaded guilty, my partner and I will have to re-evaluate where she stands with us," said Sizemore. Sizemore did call the sentence "a fair conclusion" to the case.⁸³

Measure 79 attempts to change initiative process

The 1999 legislature referred to the May 2000 ballot an increase in the number of petition signatures required to amend the constitution. Measure 79 was supported by Secretary of State Kiesling and widely viewed as being a response to initiative players that focus on amending the Constitution rather than trying to pass statutory measures. Two committees formed to support Measure 79 and they raised a combined total of \$91,562. Contributions of \$5,000 each were given from an interesting array of groups: Campbell Group, Intel, Louisiana-Pacific Corp., Oregon AFSCME Council 75, Portland General Electric, U.S. Bank, Weyerhaeuser Co., and Willamette Industries.⁸⁴

Sizemore is noted in press coverage as an opponent of Measure 79,⁸⁵ but was not a treasurer or director of any of the committees formed to oppose Measure 79. Total fundraising by PACs against this legislative referral raised \$236,155. The largest donor, giving \$150,000, was Loren Parks. Mark Hemstreet and Wes LeMatta gave \$45,000 and \$25,000, respectively, to Protect

⁸⁰ "Tax-cut initiative passes test," *Oregonian*, June 23, 2000

⁸¹ "Ex-Sizemore aide jailed, fined for false signatures," *Oregonian*, February 27, 2001

⁸² "Ex-Sizemore aide enters guilty plea," *Salem Statesman Journal*, February 27, 2001

⁸³ "Ex-Sizemore aide jailed, fined for false signatures," *Oregonian*, February 27, 2001

⁸⁴ The two "yes on 79" PACs were Oregon Initiative Campaign that raised \$10,936 and Some Things Don't Belong in the Constitution PAC that raised \$88,126 for a total of \$99,062. The Oregon Initiative PAC, however, gave \$7,500 to its ally groups. To avoid double counting total "yes on 79" fundraising is calculated as \$91,562.

⁸⁵ "Measure 79 prompts campaign rhetoric," *Salem Statesman Journal*, April 3, 2000

Your Rights, Vote No on 79 PAC organized by Don McIntire.⁸⁶ Measure 79 was defeated with a 59 percent “no” vote.

Signature gathering –campaign contributions

Top contributors to the Sizemore⁸⁷ chief petitioner committees that qualified Measures 91, 92, 93, 95, 96, 98, and 7 are listed in charts 26-32. The overall fundraising for these signature gathering efforts came to \$632,950.

Chart 26: Top 5 Contributions to Initiative 10 committee, Oregonians against Double Taxation - became Measure 91, 2000

Contributor	Contribution	Percentage
Oregon Taxpayers United PAC	\$55,295	84.6%
John Haviland	\$10,000	15.3%
Top Five Contributors Subtotal	\$65,295	100.0%
Miscellaneous Contributions of \$50 or less	\$100	<1%
Remaining Contributions	\$0	0%
Total	\$65,395	

Based on 2000 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Chart 27: Top 5 Contributions to Initiative 25 committee, Committee to Restore Freedom in the Workplace - became Measure 92, 2000

Contributor	Contribution	Percentage
Oregon Taxpayers United PAC	\$90,295	100.0%
Top Five Contributors Subtotal	\$90,295	0%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$90,295	

Based on 2000 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Chart 28: Top 5 Contributions to Initiative 47 committee, No New Taxes without a Vote Committee- became Measure 93, 2000

Contributor	Contribution	Percentage
Oregon Taxpayers United PAC	\$85,245	94.5%
I&R Petition Services	\$5,000	5.5%
Top Five Contributors Subtotal	\$90,245	100.0%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$90,245	

Based on 2000 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

⁸⁶ There were three active “no on 79” PACs. Don’t Waste Oregon Caucus raised \$16,155 including top contributions of \$5,000 each in cash and loan from Soloflex, Inc. and Dan Meek. It’s Just Another Power Grab by the Lobbyists and Lawyers was formed by Gregg Clapper and received its sole contribution of \$150,000 from Loren Parks. Don McIntire formed Protect Your Rights, Vote No on 79 with sole contributions totaling \$70,000 from Wes LeMatta and Mark Hemstreet.

⁸⁷ Chief petitioners on the initiative that became Measure 95 on teacher merit pay were Becky Miller, Sizemore’s colleague at Oregon Taxpayers United and her husband Stuart Miller. Stuart Miller was the chief petitioner for what became Measure 7. Becky Miller and Oregon Taxpayers United founder Frank Eisenzimmer were chief petitioners on what became Measure 96.

Chart 29: Top 5 Contributions to Initiative 29 committee, the Committee for Teacher Merit Pay – became Measure 95, 2000

Contributor	Contribution	Percentage
Oregon Taxpayers United PAC	\$105,695	95.8%
I&R Petition Services	\$4,500	4.1%
Becky Miller	\$100	0.1%
Top Five Contributors Subtotal	\$110,295	0%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$110,295	

Based on 2000 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Chart 30: Top 5 Contributions to Initiative 63 committee, the Committee to Preserve Self Government – became Measure 96, 2000

Contributor	Contribution	Percentage
Oregon Taxpayers United PAC	\$64,395	67.6%
Americans for Tax Reform Foundation	\$25,000	26.2%
I&R Petition Services	\$5,850	6.1%
Top Five Contributors Subtotal	\$95,245	0%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$95,245	

Based on 2000 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Chart 31: Top 5 Contributions to Initiative 24 committee, No More Political Fundraising at Taxpayer Expense – became Measure 98, 2000

Contributor	Contribution	Percentage
Oregon Taxpayers United PAC	\$65,295	72.3%
I&R Petition Services	\$5,000	5.5%
Weston Pontiac GMC	\$4,000	4.4%
Weston Properties Ltd. Partnership	\$3,000	3.3%
Sharon and Jay Weston	\$2,500 each	2.8% each
Top Five Contributors Subtotal	\$82,295	91.1%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$8,000	8.9%
Total	\$90,295	

Based on 2000 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

Other members of the Weston family, Jay and Jan, each gave \$2,000 for this signature gathering effort while Jeni Weston gave \$1,000. Occupation information indicates they are auto dealers.

Chart 32: Top 5 Contributions to Initiative 46 committee, Just Compensation for Regulatory Takings Committee – became Measure 7, 2000

Contributor	Contribution	Percentage
Oregon Taxpayers United PAC	\$77,995	85.5%
Oregonians In Action	\$10,000	11.0%
C.M. Bishop, Jr.	\$1,000	1.1%
Bonnie Re Colson and William Colson	\$250 each	<1% each
Top Five Contributors Subtotal	\$89,495	98.2%

Miscellaneous Contributions of \$50 or less	\$435	<1%
Remaining Contributions	\$1,250	1.4%
Total	\$91,180	

Based on 2000 chief petitioner disclosure reports filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

The top donors to these signature-gathering efforts were Oregon Taxpayers United PAC that gave \$544,215, I & R Petition Services that provided in-kind contributions valued at \$20,350, and \$10,000 from Oregonians in Action.

The financial support from Oregonians in Action was for a final signature gathering push to qualify what became Measure 7. This measure required payment to landowners if government regulations reduced property values. Though Bill Sizemore wrote this initiative, this topic has more typically been the focus of Oregonians in Action. That group, however, had focused its signature gathering efforts to qualify what became Measure 2. That measure allowed citizens to send any state administrative rule to the Legislature for review by gathering 10,000 voter signatures. Measure 2 supporters raised \$179,171 during the signature gathering phase and \$324,131 during the general election. During the 2000 general election Oregonians in Action were key players in campaigns supporting Measures 2 and 7.⁸⁸

Questions raised about Sizemore control of both OTU PAC and I & R Petition Services

Financial support from I & R Petition Services echoed a similar pattern reported about Bill Sizemore’s 1998 signature gathering efforts. This signature gathering company was formed by Sizemore in 1997. The overlap in leadership of I & R Petition Services and its major client, Oregon Taxpayers United PAC raised questions. “Basically, you’ve got the head of a political group contracting himself to do the petition work,” said Dane Waters, president of the nonprofit Initiative & Referendum Institute in Washington, D.C. Under state election laws, the arrangement is legal, “but you open yourself up for people to question why you’re doing it.”

Sizemore’s response was that he wanted to have control over the petitioning company being used by Oregon Taxpayers United and that he doesn’t collect a salary from I & R. “I spent a lot of time working on I & R, but we haven’t made a decision as to whether I’m going to be reimbursed for that or if we’ll even have the money to reimburse me,” he said.^{89,90}

Given that most of the financial support for signature gathering came from Oregon Taxpayers United PAC it is necessary to review their contributor lists to see the ultimate source of dollars that placed the Sizemore measures on the November 2000 ballot. (See chart 33.) Aloha businessman Loren Parks contributed \$176,500, or more than a quarter of the PAC’s total fundraising that election cycle. Timber businessman Wes Lematta contributed \$100,000. Seneca Jones Timber Company and Carl Lindner both made contributions of \$25,000. As noted earlier, Lindner is a major donor to federal campaigns, past chair of Chiquita Brands and current head of

⁸⁸ “Oregonians in Action,” *Oregonian*, December 25, 2000.

⁸⁹ “Sizemore firm tallies measure money,” *Oregonian*, July 22, 1998.

⁹⁰ The pattern of I & R Services making contributions to signature gathering efforts by Oregon Taxpayers United PAC in 1998 reported by the *Oregonian* is not seen in Chart 18 summarizing contributions to Initiative 18/Measure 59. During 1998, however, Sizemore also circulated two other initiatives that did not qualify for the ballot so presumably 1998 news coverage on this point pertains to the fundraising by those chief petitioner committees. Those campaign finance disclosure reports, however, are no longer available to verify this assumption.

American Financial Group. (See pages 17-18.) The OTU PAC also raised nearly 18 percent of its cash from contributors giving \$50 or less.

Chart 33: Top 10 Contributors to Oregon Taxpayers United PAC (2000)

Contributor	Contribution	Percentage
Loren Parks	\$176,500	26.6%
Wes Lematta	\$100,000	15.1%
OTU Education Foundation	\$30,450	4.6%
Seneca Jones Timber Co. and Carl Lindner	\$25,000 each	3.8% each
I&R Petition Services	\$22,500	3.4%
Oregonians in Action PAC and Howard Ahmanson	\$10,000 each	1.5% each
Flourply, Inc	\$7,000	1.1%
Wayne Hamersly	\$6,000	0.9%
Top Ten Contributors Subtotal	\$412,450	62.2%
Miscellaneous Contributions of \$50 or less	\$113,083	17.1%
Remaining Contributions	\$137,094	20.7%
Total	\$662,627	

Based on 2000 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Campaign contributions to 2000 measures

Several of the measures on the November 2000 ballot were supported and opposed as packages, which is reflected in the following discussion.

Measures 91 and 93

Ballot Measure 91 would have amended the state constitution to make federal income taxes fully deductible on Oregon tax returns, reducing state revenues. Measure 93 would have amended the constitution to force voters to approve most taxes and fees by a certain percentage of the vote.

The major political committee supporting Measure 91 was the Paying a Tax on a Tax Just Isn't Fair PAC whose only donor was Loren Parks, who gave \$488,089 (see chart 34.) This committee also supported Measure 8, Don McIntire's measure to cap state spending.⁹¹ The Taxpayer Protection PAC formed to support Measure 93. The Committee for Our Oregon mounted the challenge against Measures 91 and 93.

Chart 34: Only Contribution to Paying a Tax on a Tax PAC Just Isn't Fair PAC (Yes on 91 and 8, 2000)

Contributor	Contribution	Percentage
Parks, Loren	\$488,089	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Total	\$488,089	100%

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans.

The top contribution to Taxpayers Protection PAC that focused on support for Measure 93 (see chart 35) was \$40,000 from Americans for Limited Terms.

⁹¹ The Stop at 15%, Yes on 8 PAC formed by Don McIntire raised \$141,430, almost 75 percent of which came from two frequent donors to Sizemore campaigns, Mark Hemstreet Property Development (which gave \$79,000), and Wes Lematta (who gave \$25,000).

Chart 35: Top 5 Contributors to Taxpayers Protection PAC (Yes on 93, 2000)

Contributor	Contribution	Percentage
Americans For Limited Terms	\$40,000	79.5%
Piccolo, Ted, Friends Of	\$2652	5.3%
Kenneth Randall	\$250	<1%
J.H.Goodrich	\$200	<1%
JK Advertising and Maureen Delaney	\$125 each	<1%
Top Five Contributors Total	\$43,352	86.2%
Miscellaneous Contributions of \$50 or less	\$4181	8.3%
Remaining Contributions	\$2783	5.5%
Total	\$50,316	

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Total fundraising for both Measures 91 and 93 came to \$538,405. This was overshadowed five-fold by contributions of \$2,818,115 to the Committee for Our Oregon PAC opposing Measures 91, 93, and 8. (See chart 36.) Labor unions were top donors to this effort with \$315,000 contributed by Oregon AFSCME Council 75, \$282,164 from Oregon Public Employees Union, and \$254,002 and \$237,500 from the Oregon and National Education Associations respectively.

Chart 36: Top 10 Contributors to Committee for Our Oregon (No on 91, 93 and 8, 2000)

Contributor	Contribution	Percentage
Oregon AFSCME Council 75	\$315,000	11.2%
Oregon Public Employees Union	\$282,164	10.0%
Oregon Education Association	\$254,002	9.0%
National Education Association	\$237,500	8.4%
SEIU Local 503 Oregon Public Employees Union	\$214,485	7.6%
Oregon School Employees Association	\$98,776	3.5%
OSEA SEED FUND	\$72,400	2.6%
Oregon State Council of Service Employees	\$60,000	2.1%
Nike Inc., Pacificorp, Intel Corp., and Phil Knight	\$50,000 each	1.8% each
Top Ten Contributors Subtotal	\$1,734,327	61.5%
Miscellaneous Contributions of \$100 or less	\$18,980	<1%
Remaining Contributions	\$1,064,808	37.8
Total	\$2,818,115	

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Measures 92 and 98

Measure 92 would have amended the state constitution to prohibit payroll deductions for political purposes without specific written authorization. Measure 98 prohibited using public resources for political purposes. Both were widely viewed as an attack on teachers' and public employees' unions, which often collect contributions to their organizations' political committees through payroll deductions.

No active committees worked during the general election to support Measures 92 and 98. The two chief petitioner committees that qualified these initiatives to the November ballot raised essentially no money and made no expenditures in the general election.

The Coalition against Unnecessary and Unfair Constitutional Amendments formed to oppose the measures. Organized labor dominated the fundraising against these measures. (See chart 37.) The top donor, giving \$1,251,500, was the AFL-CIO. The Oregon Education Association gave \$645,783 while its national counterpart contributed \$387,460. Rounding out the top five donors were the Oregon Public Employees Union and AFSCME Council 75 giving \$512,728 and \$364,500 respectively.

Chart 37: Top 10 Contributors to Coalition Against Unnecessary and Unfair Constitutional Amendments (No on 92 and 98, 2000)

Contributor	Contribution	Percentage
AFL-CIO	\$1,251,500	26.6%
Oregon Education Association	\$645,783	13.7%
Oregon Public Employees Union/SEIU	\$512,728	10.9%
National Education Association	\$387,460	8.2%
Oregon AFSCME Council 75	\$364,500	7.8%
Oregon Public Employees Union PAC	\$295,500	5.5%
Oregonians to Maintain Community Standards	\$202,500	4.3%
Oregon State Council of Service Employees	\$150,000	3.2%
AFT-Oregon Action PAC	\$129,500	2.8%
OSEA Seed Fund	\$105,270	2.2%
Top Ten Contributors Subtotal	\$4,008,741	85.3%
Miscellaneous Contributions of \$50 or less	\$50	<1%
Remaining Contributions	\$692,873	14.7%
Total	\$4,701,664	

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Measure 95

Ballot Measure 95 would have amended the Constitution to tie teacher pay to measurements of student learning and would have made other changes to how teachers are retained. Two committees, Let's Put the Children First, This Time and Committee to Reward the Best Teachers, formed to support this measure.

The Committee to Reward the Best Teachers received its only contribution as an in-kind donation of \$76,924 from the Let's Put the Children First, This Time committee. To avoid double counting, these dollars are not included in total fundraising figures against Measure 95. Let's Put the Children First, This Time raised its entire \$488,089 total from Aloha businessman Loren Parks as summarized in chart 38.

Chart 38: Only Contribution to Let's Put the Children First, This Time PAC (Yes on 95, 2000)

Contributor	Contribution	Percentage
Parks, Loren	\$488,089	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Total	\$488,089	100%

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans.

All of the contributions to the campaign to defeat the measures came from teachers' and public employees' unions. (See Chart 39.) The Oregon Education Association was the top donor giving \$699,178, followed by the National Education Association contributing \$512,500.

Chart 39: Top 5 Contributors to Oregonians against Unfair Schemes for Our Schools (No on 95, 2000)

Contributor	Contribution	Percentage
Oregon Education Association	\$699,178	55.6%
National Education Association	\$512,500	40.8%
Oregon Public Employees Union and AFT-Oregon Action PAC	\$20,000 each	1.6% each
School Employees Exercising Democracy	\$5,000	<1%
Top Five Contributors Subtotal	\$1,256,678	100%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$1,256,678	

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Total fundraising against Measure 95 was 2.6 times higher than the dollars raised in support.

Measure 96

Measure 96 would have amended the Constitution to prohibit the Legislature from making the initiative process harder.

No serious campaign was mounted to either support or oppose this measure. This was in contrast to the May primary campaign about legislative referral Measure 79 that would have made it more difficult to amend the state constitution using the initiative process. Measure 79 supporters raised \$91,562 and opponents raised \$236,155. (See more detailed discussion on page 27.)

In general, voter opposition to Measure 79 in May 2000 as well to Measure 96 later that year indicates public resistance to changing the initiative process regardless of the political persuasion of reform proponents.⁹²

Measure 7

Ballot Measure 7 would have forced municipalities to compensate landowners when regulations reduced their property value or to waive the regulation. Bill Sizemore wrote Measure 7, which was a constitutional amendment, but Oregonians in Action took over running the general election for this measure.⁹³

However, Oregon Taxpayer United PAC and I&R Petition Services show up as major contributors to the effort to pass this measure giving \$53,000 and loaning \$15,000 respectively. The Oregon Family Farm Association PAC was the top donor, however and their \$296,437 contribution comprised nearly 65 percent of the campaign's total funding. (See chart 40.)

⁹² "Voters skeptical of past efforts to make changes," *Oregonian*, November 2, 2000.

⁹³ "Oregonians in Action," *Oregonian*, December 25, 2000.

Chart 40: Top 5 Contributors to Just Compensation for Regulatory Takings Committee (Yes on 7, 2000)

Contributor	Contribution	Percentage
Oregon Family Farm PAC	\$296,437	80.8%
Oregon Taxpayers United Education Foundation	\$53,000	14.5%
I&R Petition Services	\$15,000	4.1%
Oregonians in Action PAC	\$1,719	<1%
Oregonians In Action	\$500	<1%
Top Five Contributors Subtotal	\$366,656	100.0%
Miscellaneous Contributions of \$50 or less	\$0	0%
Remaining Contributions	\$0	0%
Total	\$366,656	

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

The Oregon Family Farm Association PAC (see chart 41) raised \$68,000 from the Just Compensation for Regulatory Takings Committee, to which it contributed \$296,437. It received \$50,000 each, or 13.9 percent of its total 2000 fundraising, from house-parts manufacturer Jeld-Wen and Columbia Helicopters owner Wes Lematta.

Chart 41: Top 10 Contributors to Oregon Family Farm Association PAC (2000)

Contributor	Contribution	Percentage
Just Compensation For Regulatory Takings Committee	\$68,000	18.9%
Robert Randall	\$55,000	15.3%
Jeld-Wen Inc. and Wes Lematta	\$50,000 each	13.9% each
Oregonians In Action Political Action Committee	\$42,000	11.7%
Oregon Taxpayers United PAC	\$17,179	4.8%
Jay Weston	\$10,000	2.8%
Andrew Nowak	\$8,000	2.2%
George Advertising	\$5,000	1.4%
Franklin Bauman	\$500	0.7%
Top Ten Contributors Subtotal	\$307,679	85.4%
Miscellaneous Contributions of \$50 or less	\$41,294	11.5%
Remaining Contributions	\$11,470	3.2%
Total	\$360,443	

Based on 2000 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

The Oregon Family Farm Association was also the top donor to another campaign (See chart 42) championed by Oregonians in Action, Measure 2, that would have allowed citizens to send any state administrative rule to the Legislature for review by gathering 10,000 signatures.⁹⁴

Chart 42: Top 5 Contributors to Citizens for Accountability in Administrative Rules (Yes on 2, 2000)

Contributor	Contribution	Percentage
Oregon Family Farm PAC	\$296,437	91.8%
Oregonians in Action PAC	\$13,219	4.1%
Oregon Right to Life Issues PAC and Oregon Association of	\$5,000 each	1.5% each

⁹⁴ "Oregonians in Action," *Oregonian*, December 25, 2000.

Realtors PAC		
Oregonians in Action Association, Taxpayer Association of Oregon, and Neighborhood Preservation Committee	\$500 each	0.2% each
Top Five Contributors Subtotal	\$322,156	99.4%
Miscellaneous Contributions of \$50 or less	\$1,575	0.5%
Remaining Contributions	\$400	0.1%
Total	\$324,131	

Based on 2000 General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top five contributor list may include more than five contributors due to ties in the lowest amount.

Fundraising by supporters of both measures 2 and 7 were dwarfed by the \$1,853,452 in contributions raised by the No on 2 and 7 PAC. (See chart 43.) Top donors to the opposition PAC was the Sierra Club, which gave \$175,165; Eric Lemelson, a winery owner, who gave \$152,500; and \$143,129 from 1000 Friends of Oregon.

Chart 43: Top 10 Contributors to the No on 2 and 7 Campaign, 2000

Contributor	Contribution	Percentage
Sierra Club	\$175,165	9.5%
Eric Lemelson	\$152,500	8.2%
1000 Friends Of Oregon	\$143,129	7.7%
League Of Conservation Voters Education Fund and Edmund Hayes, Jr.	\$100,000 each	5.4% each
The Nature Conservancy	\$71,000	3.8%
Oregon Education Association	\$51,574	2.8%
Alida R. Messinger, SEIU Local 503 Public Employees Union, andCarolynn D. Locker	\$50,000 each	2.7%
Top Ten Contributors Subtotal	\$1,018,368	54.9%
Miscellaneous Contributions of \$50 or less	\$57,374	3.1%
Remaining Contributions	\$777,710	42.0%
Total	\$1,853,452	

Based on 2000 Primary and General Election campaign finance disclosure reports as filed with the Secretary of State. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. The top ten contributor list may include more than ten contributors due to ties in the lowest amount.

Election results

Measures 91, 92, 93, 95, 96, and 98 all lost at the polls with “no” vote results ranging from 53.4 to 65.1 percent. (See chart 1.) In addition, Don McIntire’s spending reduction, Measure 8, did not receive voter approval.

Governor John Kitzhaber characterized Oregonians as “the real winners” indicating that “by rejecting a slate of anti-tax, anti-government, and anti-union measures, Oregon voters repudiated Bill Sizemore and his ideas.” Sizemore said that the governor’s remarks “impugned the more than half a million Oregon voters who agreed with me on our issues.” Oregonians were also more choosy than their counterparts in other states, approving only 35 percent – or nine out of 26 measures – compared with 47 percent of all measures nationally. Dane Waters of the Initiative and Referendum Institute in Washington, D.C. said, “Voters seemed to be very cautious and moderate.”⁹⁵

⁹⁵ “Oregon voters tame tidal wave of ballot measures,” *Oregonian*, November 9, 2000.

Kitzhaber was considered a key leader in the coalition of business, labor, and civic groups that defeated Sizemore's measures as well as McIntire's Measure 8. "While Measure 7 had the biggest price tag of any matter on the crowded ballot, the trio [91, 93, and 8] of tax and spending cuts prompted the most furious opposition."⁹⁶

Media reports indicate that Measure 7 passed by a 54 percent to 46 percent margin, but a court injunction barring its adoption.⁹⁷

Two legal challenges were filed, one by the League of Oregon Cities and one by Audrey McCall, widow of former Governor Tom McCall. Both lawsuits requested an injunction that was granted because of constitutional concerns on two points. "That it [Measure 7] deals with multiple subjects, violating the single-subject rule; and that it writes new features into the state constitution that weren't explained to voters, such as a definition of compensation to include, for the first time, attorney fees and court costs."⁹⁸

The Oregon Supreme Court struck down Measure 7, ruling that it contained "two changes to the Oregon Constitution that should have been voted on separately." In addition to its main focus on requiring governmental payments to landowners when regulations reduced their property value, there was another change "that would have barred compensation when regulations restricted property for sales of sexually explicit material."⁹⁹

This ruling set the stage for Measure 37, which was on the ballot in 2004 as a statutory initiative in order to not run afoul of the single-subject rule.

2002

Overview

Oregon's November ballot in 2002 contained five legislative referrals and seven initiatives – the lowest number in 10 years and a marked contrast from the crowded 2000 ballot.¹⁰⁰ Bill Sizemore failed to qualify any of his own initiatives to the ballot, although his signature-gathering firm carried two measures that did qualify, Measures 21 and 22.¹⁰¹ Though not successful with voters, these measures would have changed procedures for filling judicial vacancies and allowed a "none of the above" voting option and required state Supreme Court and Court of Appeals judges to be elected by districts.

Sizemore's initial projections of success the third time around for a 2002 measure to limit the ability of unions to collect and spend money for political purposes were not successful. Nevertheless, the petitioning season leading up to November 2000 featured discussions of Sizemore's motives and public fatigue with petition system, especially since some petitions were near-duplicates of previous efforts and earlier signature gathering fraud cases were successfully prosecuted.

⁹⁶ "Oregonians reject tax, spending cuts," *Salem Statesman Journal*, November 8, 2000.

⁹⁷ "Judge blocks Measure 7," *Salem Statesman Journal*, December 7, 2000.

⁹⁸ "Judge blocks property measure," *Oregonian*, December 7, 2000.

⁹⁹ "High court throws out measure on land rights," *Salem Statesman-Journal*, October 5, 2002.

¹⁰⁰ "Voters will make far fewer decisions," *Oregonian*, August 5, 2002.

¹⁰¹ "Voters will make far fewer decisions," *Oregonian*, August 5, 2002.

The Legislature discussed several initiative reforms, but only two laws were adopted. One required more frequent campaign finance reporting by chief petitioner committees and another that clarified the legal responsibilities of chief petitioners.

Legal influences on the signature gathering process continued leading up to the 2002 elections. Signature gathering efforts seemed to be affected by the Oregon Supreme Court decision allowing shopping centers to bar petitioners. Legal ramifications of the *Armatta* decision also continued to affect the initiative process.

The Voter Education Project launched in the fall of 2001 to monitor signature gathering and petition verification procedures. Late in 2001 the Oregon Education Association filed a racketeering lawsuit against Oregon Taxpayers United due to fraudulent signature gathering by Sizemore assistant Kelli Highley related to Measures 92 and 98.

Supreme Court allows shopping centers to bar petitioning and continued *Armatta* effects

In September 2000 the Oregon Supreme Court reversed itself, ending a ten-year legal battle in a decision that allowed malls and stores to ban people from gathering signatures for initiative petitions on their premises. The decision set off speculation about its effect on signature gathering for 2002 initiatives. Bill Sizemore said, “it’s going to be extremely difficult for anyone to get a measure on the ballot. The price just doubled or tripled.” Oregon State University political science professor Bill Lunch said that “it will reduce the number of initiatives, but I don’t think it will have a drastic effect.” He speculated that tactics will change with more door-to-door and direct mail petitioning as well as going to churches and other locations where voters congregate.¹⁰²

Another legal dynamic seen during petition signature gathering before the 2002 election was the continued impact of the *Armatta* decision. For example, term limits were overturned because the ballot measure was found to have violated the single-subject rule. The attorney who argued the *Armatta* case, Tom Christ, believes that the reason the decision is “finding such a reception by other courts, is that the initiative process seems to be spinning out of control.” Tom Christ does not believe that the courts or rules have changed. “The *Armatta* rule isn’t a new rule. It’s been there from statehood,” he said. “It’s just that initiatives were simpler and didn’t run afoul of it. As they became more far-reaching, they did.”

Others disagree. For example, Dane Waters of the Initiative & Referendum Institute believes that *Armatta* and similar rulings reflects resentment of the initiative process by judges and elected officials. Daniel Lowenstein, a professor at UCLA School of Law said, “...it’s an outlandish power grab on the part of supreme courts.”¹⁰³

Policy or profit motive and role of activists

In January 2001 Oregon Taxpayers United announced plans to file two initiatives that were essentially repeats of measures that had already failed twice at the polls. Citing that members have long told them this is their “No. 1 priority,” Becky Miller, OTU’s assistant director, indicated that one initiative “would require a worker’s written permission before money could be

¹⁰² “Signature gatherers lose legal fight,” *Oregonian*, September 15, 2000.

¹⁰³ “Court’s rulings change balance of ballot power,” *Oregonian*, November 5, 2001.

deducted from his or her paycheck and used for political purposes. The other would bar public employees from using taxpayer resources for political purposes.”¹⁰⁴

Membership numbers for Oregon Taxpayers United are not included on their current website.¹⁰⁵

The 2002 versions address criticisms of earlier measures on this topic, for example, making it clear that the Voters Pamphlet would be exempt and that charities and other groups could use payroll deductions for lobbying purposes.¹⁰⁶

Questions about Bill Sizemore’s real motives, however, began to surface. Although in an interview with the *Salem Statesman-Journal*, Becky Miller stressed the interest of OTU members in this issue, an *Oregonian* article indicated that they were bringing the initiatives back based on polling.

A profit motive was also cited. “This is how Bill Sizemore makes his living. In order to continue getting his paychecks, he has to keep filing these things,” said Tricia Smith, a lobbyist for the Oregon School Employees Association and a former Democratic state senator from Salem. “I’m sad he doesn’t take the voters’ word when they say ‘no’ twice.”¹⁰⁷

Resentment about initiatives surfaced at a spring 2001 conference held by the League of Women Voters of Oregon. Legislators raised concerns about budget impacts, particularly 1990’s Measure 5 limiting property taxes and Measure 11 adopted in 1994 that required spending for new prisons.

At that event Rep. Lane Shetterly, R-Dallas, criticized what he called “the initiative industry” and rejected the notion that the Legislature isn’t doing its job, saying, “I don’t think it’s so much because of what’s happening in the Legislature as much as there now is a profit motive in that business.”¹⁰⁸

“It’s not that people are demanding initiatives,” said Richard Ellis, a professor of politics at Willamette University. “It’s more that the activists are supplying them.” This comment was in an article that cited Bill Sizemore’s Oregon Taxpayers United on the right and environmental groups on the left as examples of activist use of the initiative process. Ellis also mentioned the role of the Sizemore measures in 2000 in triggering spending by opponents to defeat measures they viewed as harmful. Bill Lunch, an Oregon State University political science professor, said, “The ideas that get to the ballot are generally those that failed in the Legislature or would have failed.”¹⁰⁹

2001 legislature and initiative reform – two ideas adopted

Given voter resistance to major changes in the initiative process (see discussion of Measure 79 on page 27) it probably shouldn’t be too surprising that proposals to increase the difficulty of amending the Oregon Constitution were not successful in Salem. Also unsuccessful was a bill to

¹⁰⁴ “Oregon Taxpayers United prepare for 2002,” *Oregonian*, January 18, 2001

¹⁰⁵ <http://www.otu.org/index.htm> retrieved January 18, 2008.

¹⁰⁶ “Sizemore’s organization files revisions of failed measures,” *Oregonian*, January 19, 2001.

¹⁰⁷ “Oregon Taxpayers United prepare for 2002,” *Salem Statesman Journal*, January 18, 2001

¹⁰⁸ “Back so soon? By any measure, Oregon shows it still has initiative,” *Oregonian*, May 27, 2001.

¹⁰⁹ “State residents take initiative,” *Salem Statesman Journal*, May 1, 2001.

increase, from the current 25, the number of signatures required on the sponsorship petition that begins the steps that lead to being approved to circulate a measure.¹¹⁰

A proposed legislative referral, widely viewed as targeting Bill Sizemore, would have prohibited for four years the resubmission of initiatives as well as referendums and referrals that were “substantially similar” to one rejected by the voters on or after the 2000 general election. Its sponsor, Senator Rick Metsger, D-Welches, acknowledged that it was aimed at Bill Sizemore, but also said, “We run the risk of voter fatigue.”¹¹¹

Sizemore agreed that he was the target, saying, “It’s clearly an attack on Bill Sizemore and Oregon Taxpayers United.” Sizemore also questioned whether or not “substantially similar” was adequately defined. Sizemore continued, “When someone spends a thousand times as much as the proponents to defeat a measure, does that mean the proposal did not deserve a place on the ballot? If a candidate loses running for the Legislature, should that person be precluded from running in the next election?”¹¹²

Lloyd Marbet – who has worked on the anti-Trojan initiative, among others – also opposed this bill, indicating that two or three campaigns can be required to eventually succeed in gaining public support. The Metsger legislation failed.¹¹³

But two reform ideas garnered enough support for legislative passage, one pertaining to campaign finance reporting and another that made chief petitioners liable for the conduct of signature gatherers and increased penalties.

Senate Bill 216 clarified the legal responsibilities of a chief petitioner in the case of violations made by that campaign’s petitioners. In addition, this legislation made payment for signing or not signing a petition as well as purchase or sale of signature sheets a Class C felony, punished by a maximum five-year sentence, a \$100,000 fine, or both.

House Bill 2575 ensured that campaign contributions to chief petitioner committees are reported prior to when signatures are submitted. Prior to this legislation only one campaign finance report was required in late July after the signature submittal deadline, and if a committee didn’t submit signatures a report was never required. The new legislation meant that chief petitioner committees had to turn in disclosure reports in May and July as well as in February and the previous September if their spending or fundraising exceeded \$2,000. This could mean that, depending on how long an initiative was circulating, up to four reports would need to be filed compared to only one report required before enactment of this bill.¹¹⁴

Sizemore signature gathering results; one petition on – then off – the ballot

Eleven chief petitioner committees submitted signatures by the July deadline for review by the Secretary of State Election Division. Bill Sizemore turned in petitions for two initiatives, one that would cap at 4 percent a year the growth of state spending of income-tax revenue and another to

¹¹⁰ “Initiative process to be examined,” *Salem Statesman Journal*, January 27, 2001.

¹¹¹ “Bills to limit initiative repetition targets Sizemore,” *Oregonian*, February 12, 2001.

¹¹² “Bills to limit initiative repetition targets Sizemore,” *Oregonian*, February 12, 2001.

¹¹³ “Bills to limit initiative repetition targets Sizemore,” *Oregonian*, February 12, 2001.

¹¹⁴ Beginning in 2008 chief petitioner committees are to report using the ORESTAR program on the “within-30-days” schedule that moves to “within 7-days” six weeks before elections and the July signature submittal deadline.

require unions to get permission from workers in writing before using payroll deductions for political purposes.¹¹⁵

However, Sizemore said he expected to only qualify one of those two initiatives for the ballot, citing particular concern about the state spending cap petition. “I’m skeptical that I have enough signatures, mostly because I couldn’t raise enough money.” Two other initiatives, on term limits and campaign finance contribution limits, were also considered likely to fall short.¹¹⁶

Scrutiny by observers, both the first step of sorting petition sheets done by state election workers as well as review of signatures at county election offices, was intense. Observers ranged from Ted Piccolo, a chief petitioner on the initiative to re-instate term limits, to the Oregon AFL-CIO. “The AFL-CIO was interested in measures to increase the minimum wage and bar payment to initiative petitioners by the signature – and also one it opposes, sponsored by tax critic Bill Sizemore, to restrict deductions of union dues for political purposes.”¹¹⁷

The final decision, however, on the payroll deduction restrictions took a twist along the way. Elections officials first announced that this Sizemore petition had qualified with only 125 signatures to spare.¹¹⁸

Then three days later, this petition was removed from the ballot, citing a review of county reports and revisions from two counties that reduced the number of valid signatures below the required threshold. Elections Director John Lindback said, “If you can correct an error, you should correct an error.” Bill Sizemore cried foul, however. “This is the most blatantly politically motivated action by a secretary of state in my memory,” he said, also indicating that would go to court. Kathie Best, president of the Oregon Public Employees Union, said “it frees our resources for more important initiatives that affect all Oregonians.”¹¹⁹

It should be noted, however, that while one revised decision by the state Elections Division resulted in Sizemore’s measure not meeting the qualification threshold, another decision based on new information resulted in an initiative previously found to not have enough signatures to qualify for the ballot. This was the petition requiring election by district of statewide judges that became Measure 22. The *Eugene Register-Guard* highlighted this information in an editorial. “What this shows is that the signature verification process works, and is not skewed to the advantage or disadvantage of initiative sponsors. In both cases, the Elections Division did the right thing. It’s OK – even admirable – to change one’s mind based on fresh information.”¹²⁰

The final tally was that four petitions did not qualify for the ballot out of 11 submitted. Sizemore’s spending cap initiative was 19,000 signatures short while his payroll deduction restriction effort failed by 532 signatures. Also falling short of signatures was the attempt to re-instate term limits and to impose campaign contribution limits. “The pressure and scrutiny this year, [John] Lindback said, showed elections officials that there are worrisome problems in the

¹¹⁵ “11 meet initiative deadline,” *Oregonian*, July 6, 2002.

¹¹⁶ “Voters to see few initiatives,” *Salem Statesman Journal*, July 6, 2002.

¹¹⁷ “Petitions under scrutiny,” *Salem Statesman Journal*, July 11, 2002.

¹¹⁸ “Sizemore’s union initiative passes ballot test,” *Salem Statesman Journal*, July 23, 2002.

¹¹⁹ “Officials reject Sizemore measures,” *Salem Statesman Journal*, July 26, 2002.

¹²⁰ “Verification works,” *Eugene Register-Guard*, August 3, 2002.

verification process. For instance, he said, several county officials expressed concern about how many errors they found when they rechecked whether a voter's signature was valid."¹²¹

Bill Sizemore's signature gathering company, however, collected signatures on two successful initiatives, the two measures related to judicial elections.¹²²

Reasons cited for fewer ballot measures

The Oregon Supreme Court decision that allowed stores to ban circulation of petitions was cited by many as the major reason several initiatives failed to qualify in 2002. "What has made this more difficult than it ever has been is the lack of places to petition," said Sizemore. "Oregon petitioners have less freedom to circulate than in any of our neighboring states."¹²³

Lloyd Marbet, a 2000 Green Party candidate for Secretary of State was also critical of the legal ruling. "I don't know where there will be ground left for people to conduct democracy," Marbet said.¹²⁴ Marbet was also arrested while signature gathering at an Estacada park rented by a private group for an event.

Also in agreement about the impact of the court's decision was Don McIntire, even though he was successful in qualifying the measure to require elections to fill judicial vacancies. "The court has raised hell with this process," he said. "The irony is that this court, which is the least respectful to property rights, finds they are sacred when it comes to blocking access to petitioners."

Charles Hinkle, the attorney for Fred Meyer, one of the stores involved in the litigation leading up to the court decision, however, characterized these arguments as using the decision as a whipping boy, noting that "without signatures being gathered at Fred Meyer, they had no difficulty getting measures on the ballot for many years." Hinkle also noted the lack of a signature gathering effort for an initiative granting petitioners access to private property. "If they felt so strongly about it, they should have gotten behind it [Initiative 9] to put it on the ballot," Hinkle said. "I think they might have lost at the ballot box. Many people are getting tired of being confronted by petitioners every time they go shopping."¹²⁵

The statistical method to account for duplicate signatures was cited again by some petitioners for low validity rates. The use of this method began in 2000 and resulted from a legislative mandate to the Secretary of State's Elections Division to develop a more sophisticated method of accounting for duplicate signatures.¹²⁶ (See discussion on page 25.)

Analysis of validity rates do indicate a drop in average validity rates beginning in 2000 compared to previous years. (See chart 44.) However, comparison of the range of validity rates of petitions that qualified for the ballot (top of chart) compared to initiatives (bottom of chart) that did not qualify, indicates that in each year beginning in 2000 some measures qualified with lower validity rates than unsuccessful petitions. Presumably those chief petitioners collected enough signatures to give themselves a large enough safety margin to ensure qualification.

¹²¹ "Voters will make far fewer decisions," *Oregonian*, August 5, 2002.

¹²² "Voters will make far fewer decisions," *Oregonian*, August 5, 2002.

¹²³ "Limits take toll on petitioners," *Salem Statesman Journal*, July 6, 2002.

¹²⁴ "Limits take toll on petitioners," *Salem Statesman Journal*, July 6, 2002.

¹²⁵ "Limits take toll on petitioners," *Salem Statesman Journal*, July 6, 2002.

¹²⁶ "Signatures make, break initiatives," *Eugene Register-Guard*, August 4, 2002.

Chart 44 – Initiative Petition Validity Rates – 1994-2006¹²⁷

Year	# of Measures	Qualified	Validity Range	Average Validity Rate
1994	16	yes	66.42% to 89.00%	84.25%
1996	16	yes	72.10% to 89.20%	82.82%
1998	10	yes	74.92% to 92.10%	82.64%
2000	18	yes	69.46% to 85.64%	74.66%
2002	7	yes	65.54% to 73.43%	69.63%
2004	6	yes	63.62% to 84.77%	72.35%
2006	10	yes	65.64% to 84.33%	69.70%
Year	# of Measures	Qualified	Validity Range	Average Validity Rate
1994	1	no	84.78%	84.78%
1996	2	no	78.50% to 79.30%	78.90%
1998	1	no	88.58%	88.58%
2000	3	no	68.81% to 76.37%	72.59%
2002	4	no	64.55% to 70.40%	67.92%
2004	1	no	81.65%	81.65%
2006	3	no	67.93% to 76.23%	72.10%

Detailed analysis by the *Statesman Journal* of initiative petitions from 1998 through 2002 found:

- “Most of this year’s rise in bad signatures was due to people signing petitions who WEREN’T registered to vote.
- Signatures that don’t match voter-registration records – a sign of possible forgery – doubled this year.
- There was a more than 50 percent jump in ejected signatures from people who elections clerks place on “inactive voter” lists.
- The number of people signing petitions before they registered to vote doubled from 1998 levels.
- The incidence of duplicate signatures declined slightly, despite being the reason why authorities took Bill Sizemore’s anti-union initiative off the ballot.
- Petitions circulated on the street the longest, such as Sizemore’s union-dues initiative and a campaign-finance reform initiative, had the greatest number of duplicates.”¹²⁸

Increased numbers of unregistered voters signing petitions was linked to the Supreme Court decision allowing stores and malls to bar signature gathering that forced use of weaker circulation sites, such as downtown streets. “You’re going to a different crew of people than when you’re cruising around downtown Portland,” said Ted Piccolo, who failed to get enough valid signatures for his term-limits initiative.¹²⁹

Subjectivity in review of signature validity by county elections staff was also cited as a concern. “I think there is too much discretion, and in many cases it was abused,” said Eric Winters, attorney for Bill Sizemore. Sizemore filed a lawsuit that included a complaint about inappropriate rejection of a signature by Abigail Kearns who signed her name “Abby.” “It’s so

¹²⁷ Compiled from 1994-2006 validity rates data prepared by Elections Division and distributed at November 13, 2007 joint hearing of the Senate and House rules committees.

¹²⁸ “Rule changes tighten ballots,” *Salem Statesman Journal*, September 2, 2002.

¹²⁹ “Rule changes tighten ballots,” *Salem Statesman Journal*, September 2, 2002.

subjective it's really scary," said Ted Piccolo, who nonetheless said county clerks did the best they could.¹³⁰

Differences between county signature verification procedures was also identified as a concern by Dan Meek, chief petitioner on a campaign finance reform initiative, who monitored the verification process in three counties. "Just horrendous subjectivity is going on here," he said. Paddy McGuire, Deputy Secretary of State, said "anytime you decentralize decision-making in any election function, there is at least a small possibility that different people are going to interpret things differently."¹³¹

Bill Sizemore unsuccessfully challenged the constitutionality of rejecting petition signatures from inactive voters. The lawsuit filed in 2000 forced election offices to mail notices to people placed on inactive voter lists, but the constitutionality of inactive voter status was not completely resolved. A lower court in 2002 found the practice constitutional. An appeal was possible, but not pursued because the decision would not have been made in time to qualify Sizemore's initiative targeting fundraising by unions. The lawsuit also alleged errors in signature verification, but the judge disagreed: "the law does not require perfection. The question is whether the methods being followed are appropriate. I have heard no evidence about any method that fails to meet the constitutional standard."¹³²

Bill Sizemore blamed the economy for fundraising difficulties that, in turn, contributed to his lack of qualified petitions saying, "It's primarily because it's been more difficult to raise money in a bad economy."¹³³ One editorial said "if that's the case, Oregon's recessionary clouds have a silver lining", but also wondered if "Sizemore and other professional users of the initiative system may also have cooled the public climate for signature gatherers."¹³⁴ Another economic factor cited was competition for political dollars that were also being sought for the open gubernatorial race.¹³⁵

Another factor in Bill Sizemore's lack of signature gathering success could also relate to Sizemore's threat to play a spoiler role in the 2002 governor's race due to his possible disapproval of the Republican nominee. Sizemore's attempt to flex his political muscle included switching his party registration to non-affiliated so he could run as an independent. "That doesn't endear you to anybody," said former GOP lawmaker Paul Phillips, who opposed Sizemore's anti-union measures. "He's a man without a country."¹³⁶

The Voter Education Project, however, was also cited as a barrier to signature gathering. See page 46 for more information on their work monitoring petition circulation practices and signature verification of this non-profit group, widely reported to receive much of its support from unions.

¹³⁰ "Rule changes tighten ballots," *Salem Statesman Journal*, September 2, 2002.

¹³¹ "Sizemore sues over 'inactive voter' stance," *Salem Statesman Journal*, August 20, 2002.

¹³² "Judge dismisses Sizemore signature-verification suite," *Salem Statesman Journal*, August 29, 2002.

¹³³ "Initiative petitioners fight back," *Eugene Register-Guard*, July 4, 2002.

¹³⁴ "A normal initiative crop," *Eugene Register-Guard*, July 12, 2002.

¹³⁵ "Fewer initiatives likely," *Eugene Register-Guard*, May 30, 2002.

¹³⁶ "Sizemore's influence no longer full strength," *Salem Statesman Journal*, July 15, 2002.

Forgery conviction and official warnings of petition fraud

Paul Frankel was charged with forging signatures on several initiatives, including proposals by Bill Sizemore and Don McIntire. Both turned Frankel's petition sheets in to investigators. "There's nobody more anxious than I am to get guys like this off the street," Sizemore said.

Frankel was using a "bait-and-switch approach" where "he would put a dummy sheet in front of you for something like lowering the gas tax and you'd sign that, and then he'd flip that page over and say 'you need to sign here, here, here and here to verify your signature.'" After initially denying the charges, Frankel pleaded guilty. His sentence was two years probation and 15 days in jail, but he received credit for time served. This was a reduced sentence in exchange for his cooperation to investigators. He could have faced \$105,000 in fines and six years in prison.^{137,138}

James Gurga pleaded guilty to signing a petition in another person's name and second-degree forgery. His penalty was a fine, probation, and 100 hours of community service.¹³⁹ Gurga was gathering signatures on three petitions: Bill Sizemore's initiative restricting payroll deductions for political purposes, Don McIntire's petition to provide a "none of the above" option in judicial elections, and Steve Doell's initiative requiring the election of appellate judges by districts. Though recent legislation made chief petitioners liable if they are aware of fraudulent signature-gathering on their initiatives, there was no evidence of that in either the Gurga or Frankel cases.¹⁴⁰

These convictions prompted Secretary of State Bill Bradbury and Attorney General Hardy Myers to warn Oregonians about signature gathering fraud. Bradbury listed the following illegal signature gathering methods and how to be on guard against them:

- Making misleading statements to solicit signatures; voters should sign a petition only after being able to see a description of the measure.
- Soliciting signatures from nonvoters; only registered Oregon voters are permitted to sign signature petitions in the state.
- Soliciting duplicate signatures; voters may sign each initiative petition only once, and the law does not require any additional confirmation or verification signature.
- Obstructing access to legally required information; every signature sheet must, by law, have an attached summary sheet describing the proposal.
- Asking voters not to include their address along with each petition they sign; while state law requires voters to provide only their signature, it is more difficult to forge a signature if the voter fills out all the information on each signature sheet they sign up, including their address.¹⁴¹

Outreach by Secretary of State Bradbury and Attorney General Myers included public service announcements on TV in the month before the July 5, 2002 signature submittal deadline. In addition, Bradbury went on a statewide tour to spread a "voter beware" message. "If you are a legitimate signature gatherer and explain the measure you ask someone to sign, there should be no chilling effect," he said. "People should have all the information they are entitled to before they sign the petition pages. All we are saying is: Make sure you know what you are signing."

¹³⁷ "Man accused of initiative abuses," *Oregonian*, November 21, 2001.

¹³⁸ "Petition forger's help in inquiry cuts his term," *Oregonian*, December 6, 2001.

¹³⁹ "California man gets probation, fine in initiative fraud case," *Oregonian*, May 10, 2002.

¹⁴⁰ "Voters warned of illicit tactics," *Salem Statesman Journal*, December 20, 2001.

¹⁴¹ "2nd man charged in petition forgery," *Oregonian*, December 20, 2001.

Bradbury also linked problems with fraud to an increase in paid signature gatherers saying, “When you are paid by the signature, all you care about is getting the signature.”¹⁴²

Secretary of State Bradbury was a major supporter of Measure 26 that banned paying petition circulators on a per-signature-basis. Voter passed Measure 26 with a 75.4 percent “yes” vote in November 2002.

Voter Education Project

The Voter Education Project began during the fall of 2001. Its initial project was mailing letters to several stores with a reminder of the Supreme Court ruling allowing restriction of petition circulation on their property. Formation of the Voter Education Project was proposed by Jeannie Berg, who lobbied for the Oregon Public Employees Union during the 1999 legislative session. Berg then worked with a national group to monitor conservative ballot measures in the western states.¹⁴³

The Voter Education Project was a political nonprofit, 501 (c) 4 organization. Its statement of program service accomplishments on its federal form 990 said:

Educate Oregon voters about the laws and regulations governing the initiative system and inform them that they can demand honest and full disclosure from anyone who asks for their signature on a ballot measure. Also, to promote the use of lawful and proper procedures and discourage the use of illegal procedures, by every person, entity, or party involved in bringing matters to a public vote through Oregon’s initiative system.¹⁴⁴

“We said if the process is going to get cleaned up, for all our sakes, it’s going to take educating the public,” said Berg. Voter Education Project spokesperson Patty Wentz said, “We just want it to be a fair fight” with measures getting on the ballot “honorably, without cheating, without fraud.”¹⁴⁵

Another key staff person was Tracy Lincoln, who had been field director for Progressive Campaigns, a California-based signature gathering company. He recruited some of his former petitioners who shared his concerns about signature gathering practices. At the height of its activities leading up to the 2002 petition submission deadline and through signature verification in July, the Voter Education Project evidently had 16 full-time staff. More than \$500,000 in funding was reported to be from unions.¹⁴⁶

For example, the American Federation of Teachers (AFT) contributed \$25,000. A member of the AFT executive council, Michael Debrow, a professor at Portland Community College, said “we have a belief that some of these measures won’t qualify for the ballot if they know they are being scrutinized. That would save us money. If we don’t have to spend \$100,000 of people’s contributions in November, it’s worth spending \$25,000 now.”¹⁴⁷

¹⁴² “Officials warn of petition fraud,” *Salem Statesman Journal*, June 4, 2002.

¹⁴³ “Group battles initiative fraud,” *Oregonian*, December 2, 2001.

¹⁴⁴ <http://www.guidestar.org/FinDocuments/2004/931/323/2004-931323537-026bf64c-9.pdf>

¹⁴⁵ “Group battles initiative fraud,” *Oregonian*, December 2, 2001.

¹⁴⁶ “Initiatives’ 100th year brings intense scrutiny,” *Salem Statesman Journal*, August 4, 2002.

¹⁴⁷ “Group battles initiative fraud,” *Oregonian* December 2, 2001.

Other financial support presumably came from the unions affiliated with Voter Education Project directors. Tim Nesbitt, then head of the Oregon AFL-CIO and now a top advisor to Governor Kulongoski, was listed as the group's President. Tricia Bosak, then at the Oregon Education Association, was Secretary/Treasurer. Rich Peppers of the Oregon Public Employees Union was Vice President.¹⁴⁸

Activities of the Voter Education Project included monitoring paid signature gathering, staffing a 1-800 number to collect reports on petition circulators and their practices, and providing fliers suggesting caution with text including "Don't be fooled into signing a bad petition." Videotapes of Paul Frankel, who as noted above (see page 45) was convicted of forgery, were made by the Voter Education Project and turned over to state authorities.¹⁴⁹

The complaint against James Gurga described above (page 45) was also submitted to the Secretary of State's Election Division by the Voter Education Project.¹⁵⁰ In all ten petition circulators were reported to state elections officials by the Voter Education Project. One of those petitioners, Matt Gompers, said that he did not collect as many signatures as were certified by him on the sponsorship form pertaining to the term limits initiative. This led the Voter Education Project to also file a complaint requesting that the state elections office disqualify that initiative. "I signed the certification on the sheet but I did not actually witness all of the signatures," stated Gompers in the complaint. This allegation was denied by chief petitioner Ted Piccolo and his lawyer, Eric Winters, said that Gompers was inappropriately pressured to make statements used by the Voter Education Project in its complaint. "These strong-arm tactics are going to boomerang on these people," said Piccolo.¹⁵¹ The term limits initiative did not qualify for the ballot in 2002, but not due to this complaint.

The Voter Education Project also filed a lawsuit seeking an injunction to block counting signatures collected by four petition circulators working on the Bill Sizemore proposal requiring unions to get written permission from workers before using money collected using payroll deductions for political purposes. The Voter Education Project identified these signature problems when they sent letters to more than 15,000 people who had signed petition sheets certified by these circulators. Over two hundred people responded saying that the signatures that appeared with their names were not valid. Seventy-five of these people signed affidavits that the signatures in question were not valid. Joining the Voter Education Project in their lawsuit were four voters who indicate their signatures were forged, as well as the Oregon Education Association and the Oregon AFL-CIO.¹⁵²

This lawsuit was not a factor in this Sizemore petition not qualifying for the ballot. However, it did trigger a complaint by a coalition of both liberal and conservative petitioners alleging that the Voter Education Project deliberately obstructed legitimate signature gathering. Signers of the complaint were:

- Steve Doell, working on an initiative to require the election of state appellate judges by geographic districts rather than statewide. (This measure qualified for the ballot.)

¹⁴⁸ <http://www.guidestar.org/FinDocuments/2004/931/323/2004-931323537-026bf64c-9.pdf>

¹⁴⁹ "Group battles initiative fraud," *Oregonian*, December 2, 2001.

¹⁵⁰ "2nd man charged in petition forgery," *Oregonian*, December 20, 2001.

¹⁵¹ "Group says term limits initiative was filed improperly," *Oregonian*, June 14, 2002.

¹⁵² "Petition gatherers sign on to legal fight," *Oregonian*, July 3, 2002.

- Donna Harris, chief petitioner on an initiative to require labeling of genetically engineered food. (This measure qualified for the ballot.)
- Lloyd Marbet, working on a campaign finance reform initiative. (This did not qualify for the ballot.)
- Don McIntire, working on a proposal to allow a “None of the Above” option in judicial elections. (This measure qualified for the ballot.)
- Ted Piccolo, chief petitioner to restore term limits. (This initiative did not qualify for the ballot.)

This coalition felt that the purpose of the Voter Education Project was to target Bill Sizemore and his initiatives. “While few of us are losing sleep over threats to bring down Sizemore,” the five petitioners wrote, “it has become quite clear that our campaigns are considered acceptable collateral damage for that mission.” The complaint also states that, “they have followed them [signature gatherers] to and from their homes, as they run errands around town and, of course, while they circulate petitions.”¹⁵³

The Voter Education Project denied that they targeted Sizemore, saying that it wasn’t possible to single him out because he is among several chief petitioners using the same free-lance petitioners carrying multiple initiatives. “We’re trying to make the initiative process work the way it ought to be,” said Noah Wilkerson, a former paid petitioner who switched to working with the Voter Education Project.¹⁵⁴

Though the complaint against the Voter Education Project was dismissed, its activities were frequently cited as one factor in the number of initiatives that qualified for the 2002 ballot. A more significant factor was considered to be restrictions on signature gathering at stores and malls allowed by an Oregon Supreme Court decision. This court case likely contributed to tempers fraying about monitoring by the Voter Education Project because signature gathering was centered on relatively few hot spots for circulation of petitions.¹⁵⁵

For example, an *Oregonian* article described the experience of a family leaving the Rose Festival Fun Center and stepping into “the middle of the newest battlefield in Oregon’s initiative process.” The article continued:

“Waiting for them across the street is a woman at a table, sitting behind long clipboards packed with blue, salmon and yellow signature sheets for the nine petitions she’s pushing. Hot-pink signs with offers such as “Free candy” and “Help stop child abuse” beckon voters.

But standing nearby are the woman’s foes. Three people wearing matching red T-shirts are fanned out around her on the sideway, handing out bright yellow fliers.

“Don’t get conned by petitioner fraud,” the fliers say. “Your Signature is worth more than a quick buck,” adds the yellow lettering on their shirts.”¹⁵⁶

¹⁵³ Petition gatherers sign on to legal fight, *Oregonian*, July 3, 2002.

¹⁵⁴ “Initiatives’ 100th year brings intense scrutiny,” *Salem Statesman Journal*, August 4, 2002.

¹⁵⁵ “Fewer initiatives likely,” *Eugene Register-Guard*, May 30, 2002.

¹⁵⁶ “Feud over petitions hits the streets,” *Oregonian*, June 12, 2002.

The article described a woman signing the petitions while her children selected a Butterfinger from the box with the “free candy” sign. The “stop child abuse” petition wasn’t a genuine initiative. The signature gatherer said that she wrote it herself and was going to send the petitions to state legislators. After the woman signed the petitions, the circulator asked a Voter Education Project staffer “what would I need to do not to be harassed any more” and wondered about no longer giving away candy bars. The response was, “We’re not harassing anyone.” The Voter Education Project did file a complaint alleging signature forgery and that offering candy was illegal because it is against the law to offer something of value in return for signatures.

This exchange exemplifies why many chief petitioners call the group the “Voter Elimination Project.”¹⁵⁷ Willamette University political science professor Richard Ellis, author of *Democratic Delusions, The Initiative Process in America* said “it’s pretty difficult to enact initiative reform that voters will pass, so the battleground is really citizen education” and “they’re [Voter Education Project] filling a vacuum, and the government should be doing that.”¹⁵⁸

During the summer of 2002, Voter Education Project also reviewed initiative signature verification procedures in several counties. For example, the Voter Education Project found duplicate signatures in Marion and Douglas counties that kept Sizemore’s initiative to require annual written permission before unions can deduct dues for political purposes off the ballot in 2002.¹⁵⁹

An editorial in the *Eugene Register-Guard* noted that Sizemore called this decision politically motivated, but stated, “It was mathematics, not politics, that did Sizemore in.” Their full explanation was:

Elections Director John Lindback explained that a pro-union initiative watchdog group, the Voter Education Project, found two duplicate signatures that had been overlooked by county clerks in Marion and Douglas counties. Employing the long-used statistical sampling process designed by an Oregon State University statistician, each duplicate negates about 400 signatures. The result was that Sizemore’s initiative came up 671 signatures fewer than the minimum needed for ballot access.¹⁶⁰

The final line in the editorial was, “Thus the error [in the two counties] was corrected--and rightly so.”¹⁶¹

The head of the state Elections Division, John Lindback, said of Voter Education Project’s work, “They did catch errors made by the system. As far as I’m concerned, that’s good,” Lindback continued. “Nobody’s really watched it before to the extent that they’ve watched it.”¹⁶²

Racketeering lawsuit filed against Oregon Taxpayers United groups – three counts

In December 2000 the Oregon Education Association (OEA) filed a racketeering lawsuit against Oregon Taxpayers United PAC and Education Fund. Bill Sizemore was not named in the

¹⁵⁷ “Petition gatherers sign on to legal fight,” *Oregonian*, July 3, 2002.

¹⁵⁸ “Initiatives’ 100th year brings intense scrutiny,” *Salem Statesman Journal*, August 4, 2002.

¹⁵⁹ “Official reject Sizemore measure,” *Salem Statesman Journal*, July 26, 2002.

¹⁶⁰ “The process worked,” *Eugene Register-Guard*, July 31, 2002.

¹⁶¹ “The process worked,” *Eugene Register-Guard*, July 31, 2002.

¹⁶² “Initiatives’ 100th year brings intense scrutiny,” *Salem Statesman Journal*, August 4, 2002.

complaint. James Sager, OEA's president, said "Oregon Taxpayers United's activities have caused us great harm. And OTU's actions made a mockery of the Oregon Constitution." Citing \$750,000 spent in fighting Measures 92 and 98, under the state racketeering law OEA sought three times that amount – or \$2.25 million – in damages.¹⁶³ Joining with the Oregon Education Association in its lawsuit was the American Federation of Teachers – Oregon. The trial was held in September of 2002.¹⁶⁴

The three counts in the lawsuit are summarized as follows in the Court of Appeals opinion:

In the first count, plaintiffs alleged that Kelli Highley, while working as an employee and agent of both defendants, had forged signatures on statements of sponsorship for Measures 92 and 98,^(footnote 1 in the opinion) in violation of ORS 165.007(1)(a).^(2 in opinion) Plaintiffs further alleged that, as a result of those forgeries, the Secretary of State approved for circulation initiative petitions for those measures. Thereafter, defendants gathered sufficient signatures on those petitions to place Measures 92 and 98 on the November 2000 general election ballot, compelling plaintiffs to expend substantial funds to oppose those measures.

In the second count, plaintiffs alleged that paid signature gatherers, acting as agents for defendants, had forged signatures on the initiative petitions for Measures 92 and 98 and falsely certified the petition sheets, again violating criminal forgery statutes. *See* ORS 165.007; ORS 165.013. Plaintiffs further alleged that, but for the "false, fraudulent or forged" signatures, neither measure would have qualified for the ballot.

In the third count, plaintiffs alleged that, through their agents Sizemore and Miller, OTU-EF had knowingly submitted false "CT-12" forms,^(3 in opinion) and OTU-PAC had knowingly submitted false contribution and expenditure (C&E) reports, to state authorities. Plaintiffs further alleged that those false submissions violated ORS 162.085(1)^(4 in opinion) and were calculated to facilitate and conceal the illicit funneling of funds raised by the tax-exempt OTU-EF to support OTU-PAC's efforts in promoting Measures 92 and 98. In particular, plaintiffs alleged that the CT-12 forms¹⁶⁵ filed for OTU-EF "contain false statements about the use of OTU-EF funds"; that the false C&E reports filed for OTU-PAC "includ[ed] misstatements on the amount of funds received from OTU-EF and other contributors for use by OTU-PAC"; and that those false submissions, in combination, "conceal[ed] the source of contributions to Measure 92 and 98 and enabl[ed] more funds to be raised to support Measures 92 and 98 through the tax exempt OTU-EF."¹⁶⁶

(The charges involving Kelli Highley are similar to those related to Measure 91 for which Highley received a \$5000 fine and 20-day jail sentence in February 2001. See discussion on page 26.)

¹⁶³ "Union sues Sizemore group," *Oregonian*, December 12, 2000.

¹⁶⁴ "Jury selection starts in campaign trial," *Oregonian*, September 10, 2002.

¹⁶⁵ CT-12 forms are required filings by the State of Oregon analogous to 990 forms required to be filed by non-profit, tax-exempt groups with the federal Internal Revenue Service.

¹⁶⁶ http://www.publications.ojd.state.or.us/A122158.htm#N_2 retrieved December 13, 2007.

Racketeering charges are based on the Oregon Racketeer Influenced and Corrupt Organizations Act (ORICO) that focus on a pattern of illegal activities undertaken by a group. This illegal pattern can be fairly described as corruption.

One of the union's attorneys, Gregory Hartman, said of Oregon Taxpayer's United, "they never should have gotten to first base." Hartman stated that Bill Sizemore was aware of the problem of petition forgeries, but said that, "He did virtually nothing to protect against getting forged signatures."¹⁶⁷

The other attorney for the union, Greg Mechanic, focused his introductory comments on the role of the Oregon Taxpayers Union Education Foundation in funneling money for petition circulation, saying "there were various ways it laundered the money." Another allegation against the OTU Education Fund was that it paid \$25,000 for a research study to a signature gathering company hired to circulate Sizemore petitions, but that no research was done. In addition, the Education Fund was charged with providing financial support to its affiliated PAC that was not reported on its campaign finance disclosure forms.¹⁶⁸

Greg Byrne, attorney for groups run by Bill Sizemore, Oregon Taxpayers United Education Foundation and the OTU-PAC, said that Sizemore thought all the reports were accurate. Byrne also acknowledged problems with Highley's forgery of sponsorship signatures, but said "there will be no evidence those 25 signatures caused these defendants to spend \$1 million." In addition, Byrne pointed out that Sizemore didn't control signature gatherers. Rather, OTU-PAC hired Sizemore's signature gathering company for that service, which was then subcontracted out to a company that actually hired the petition circulators. Byrne also indicated that an audit of OTU Education Fund by the Internal Revenue Service found nothing wrong. Bill Sizemore sat next to Byrne in court and was mentioned frequently.¹⁶⁹

Sizemore's ex-aide, Becky Miller, testifies against him

Becky Miller, who worked for Bill Sizemore from 1997 until 2001, testified that she left due to increasing concern about several questionable activities. "It appeared to me that Bill was not ever going to follow the rules," she testified, "that everything we wanted to do was in jeopardy, that we were very vulnerable." Examples Miller cited included:

- A \$100,000 purchase of stock in Sizemore's signature gathering company, I & R Petition Services, to help cover petition circulation costs. "I felt it was wrong because Sizemore expressed to me that the purpose was for Randall to support ballot measures without being disclosed," said Miller.
- Solicitation of contributions in 2000 by Oregon Taxpayers United that were sent to Americans for Tax Reform (ATR). Later that year ATR gave Sizemore's group \$100,000. Miller testified about coming across a bundle of checks made out to ATR in Sizemore's office and that this was done "in order to disguise the source of the money."
- During the IRS audit of OTU Education Foundation Miller said she was concerned about their request for board meeting minutes because they included discussions of political matters. As a nonprofit group, the OTU Education Foundation is legally limited in the extent of its political activity. "It concerned me because they did not appear to be an educational foundation type of board meeting," she said. Miller said she found old letterhead paper for

¹⁶⁷ "Jury hears claims on Sizemore acts," *Oregonian*, September 12, 2002.

¹⁶⁸ "Jury hears claims on Sizemore acts," *Oregonian*, September 12, 2002.

¹⁶⁹ "Jury hears claims on Sizemore acts," *Oregonian*, September 12, 2002.

the foundation and retyped the minutes to “take the political things out.” She reported Sizemore as being pleased about her actions and that he included the re-written minutes with other documents he gave to the IRS.

- In general, Miller cited pressure to move foundation money to frequently cash-strapped signature gathering activities.
 - In one example, she testified that the OTU Education Foundation gave \$25,000 to a petition circulation firm hired by Sizemore. The stated purpose was to do an educational survey, but that the money really went towards signature gathering. Later Sizemore asked her to write survey questions and that it was “her feeling” that he wanted to make up results since they already knew “what people want.”
 - Miller also said she was pressured by Bill Sizemore to give \$50,000 from OTU Education Foundation to his signature gathering company. Worrying about the appropriateness of this move, Miller decided to write two checks. One went from OTU Education Foundation to Oregon Taxpayers United, then a check went from OTU to Sizemore’s firm. This was intended to “put a firewall in there” that would make it harder to trace the money.¹⁷⁰

Sizemore’s response to reporters about Miller’s testimony was, “There was nothing Becky said that when the jury hears my side of the story will make them think ill of me or the organization.” He also said that Saul Klein, the subcontractor who did most of Sizemore’s signature gathering in 2000, was supposed to have done a survey, but it didn’t occur due to work demands and that “Saul Klein still owes us a survey.”¹⁷¹

The next day Miller testified she was upset that Sizemore was living a “luxurious lifestyle” with support from funds steered from his signature gathering company, I & R Petition Services, instead of those dollars going for petition circulation. She said that Sizemore took frequent vacations and spent company money on his house. “To me, it was highly unethical,” Miller testified.¹⁷²

Sizemore’s testimony - didn’t file tax returns and company money for personal uses

Key elements of Bill Sizemore’s testimony included:

- Oregon Taxpayers United PAC hired Sizemore’s company, I & R Petition Services, for signature gathering services. I & R Petition Services has never filed income tax returns. Sizemore testified, “I don’t believe that I & R had to file tax returns for those years because there were no profits.”
- Sizemore acknowledged, however, that his company paid almost \$200,000 over a two-year period for his personal expenses and in loans to the radio station that he co-owns. The radio station loans came to \$123,000 and personal expenses covered by the company included \$20,000 for a tractor and \$20,000 in credit card payments to construction companies.
- Jurors asked Sizemore whether his company was required to file a tax return at any point during its existence. Sizemore’s response was that his understanding was that every corporation had to file tax returns. But since penalties for not filing are a percentage of taxes owed, then there wouldn’t be a penalty for a company without profits.
- Sizemore couldn’t recall whether or not I & R Petitions issued the appropriate tax forms for the \$50,000 paid to him in 1999 and 2000.

¹⁷⁰ “Ex-aide testifies of irregularities by Sizemore,” *Oregonian*, September 13, 2002.

¹⁷¹ “Ex-aide testifies of irregularities by Sizemore,” *Oregonian*, September 13, 2002.

¹⁷² “Activist denies wrongdoing,” *Oregonian*, September 14, 2002.

- The \$150,000 in I & R Petition Services stock sold by Sizemore in 1999 to real estate developer and major campaign contributor Robert Randall, were repurchased by Sizemore for only \$100 before Randall's death in 2001.¹⁷³

Sizemore's testimony on the profitability of I & R Petition Services contradicted information provided to the *Oregonian* the month before the trial. In that interview Sizemore said that I & R lost tens of thousands of dollars in 2002, but that it was the first year the company lost money.¹⁷⁴

During another day of testimony by Bill Sizemore said that Becky Miller left her job because of health problems and that he rejected a request for a \$10,000 raise. "She said several times this is my dream job," Sizemore said. "She was always expressing that she loved her job." Sizemore also said that Miller handled the finances of Oregon Taxpayers United with minimal supervision from him and that he hadn't heard from her that tax and campaign finance reform reports were not properly completed.¹⁷⁵

Sizemore's response to questions about contributions from American for Tax Reform (ATR) was that he encouraged donors to give to the national group but never made any guarantee about ATR giving money to Oregon Taxpayers Union. He recalled specific conversations in 1996 with Mark Hemstreet and the wife of OTU founder Frank Eisenzimmer about giving to ATR. Hemstreet and the Eisenzimmers each gave \$10,000 to ATR that year.¹⁷⁶ In 1996, OTU-PAC received \$654,000 from Americans for Tax Reform. (See chart 14.)

Closing arguments

Greg Byrne, attorney for Oregon Taxpayers United, stressed these points:

- That Sizemore's organization could only be held responsible for forged petition signatures if jurors were to find that Oregon Taxpayers United controlled signature gatherers and that there was no evidence to reach that conclusion.
- That it wasn't enough to find that Sizemore's group was negligent in initiative campaign conduct or in how tax returns and campaign finance disclosure reports were filed. For the unions to be awarded damages he said, "you have to find that he [Sizemore] knew about the forgeries, that he knew the forms were false when they were filed."
- That Becky Miller "had a motive to lie on the stand" because she was angry at Sizemore and had received immunity from state and federal authorities as protection against criminal prosecution.
- That the Oregon Education Association had authorized spending \$750,000 on ballot measures during every two-year election season from 1994. The unions wanted \$840,000 in damages based on what they spent to defeat Sizemore measures, but Byrne said their testimony indicated that, "they would have spent it anyway."¹⁷⁷

Gregory Hartman and Gene Mechanic, attorneys for Oregon Education Association and American Federation of Teachers-Oregon, made these points in closing:

- That Becky Miller was more credible than Bill Sizemore. For example, she explained that Robert Randall paid \$150,000 for stock in I & R Petition Services and sold it back to

¹⁷³ "Activist denies wrongdoing," *Oregonian*, September 14, 2002.

¹⁷⁴ "Activist denies wrongdoing," *Oregonian*, September 14, 2002.

¹⁷⁵ "Sizemore challenges ex-aide's testimony," *Oregonian*, September 21, 2002.

¹⁷⁶ "Sizemore says he reported all income," *Oregonian*, September 24, 2002.

¹⁷⁷ "Jurors told verdict will affect system for initiatives," *Oregonian*, September 25, 2002.

Sizemore for only \$100 because he wanted to support signature gathering without appearing on campaign finance disclosure reports. Bill Sizemore's explanation that I & R Petitions was a good investment was belied by Randall not receiving any money from the company in return for his investment while Sizemore took nearly \$139,000 from the firm.

- That Bill Sizemore knew that petition forgeries were a problem and his claims of “zero tolerance” for fraud were not demonstrated by his actual practices. Instead of controlling petition circulation and setting up systems for careful review, Sizemore's practice of having OTU –PAC hire I & R Petition Services, which then hired Saul Klein's company to actually hire signature gatherers was designed for deniability. “They set up a system knowing there would be forgeries, and they didn't care,” Hartman said.¹⁷⁸

\$2.5 million racketeering award against Sizemore's Oregon Taxpayers United

On September 27, 2002, the jury in the trial between Oregon Taxpayers United PAC and OTU Education Foundation awarded \$2.5 million in damages to the Oregon Education Association and American Federation of Teachers-Oregon. The jury's main focus was on OTU's tax returns and campaign finance reports that caused \$671,658 in damages to OEA and \$170,000 to AFT-Oregon. Due to state racketeering law, these damages of \$842,000 were tripled to \$2.5 million. Damages of \$105,000 were also awarded due to forgeries on sponsorship petitions. However, the jury did not find that the unions were damaged by forged signatures on initiative sheets.¹⁷⁹

The Court of Appeals Opinion summarizes the decision as follows:

The jury, by special verdict, found, as alleged in Count 1, that both defendants had engaged in a pattern of racketeering activity in connection with the forged sponsorship signatures for Measures 92 and 98, and further found that plaintiffs had been damaged by defendants' conduct.

As to the second count, the jury found that both defendants had engaged in a pattern of racketeering activity in regard to signature-gathering on initiative petition 98, as well, but concluded that plaintiffs had not been damaged by that conduct. On Count 3, the jury found that defendants had engaged in a pattern of racketeering activity in regard to the filing of CT-12 and C&E reports and that plaintiffs had been damaged by defendants' conduct.

The jury awarded plaintiff OEA damages of \$65,112 on Count 1 and \$671,658 on Count 3, and awarded plaintiff AFT damages of \$40,500 on Count 1 and \$170,000 on Count 3. [\(footnote 5 in opinion\)](#) The subsequent judgment, based on the jury's special findings, awarded OEA damages of \$2,014,974 (\$671,658 trebled pursuant to ORS 166.725(7)(a)) and AFT damages of \$510,000 (\$170,000 trebled).¹⁸⁰

Sizemore's attorney Greg Byrne said they would appeal and expressed concern that the jury verdict would have “implications far beyond Oregon Taxpayers United.” The response was, “we certainly hope it will have a chilling effect on misconduct in the initiative process,” said the

¹⁷⁸ “Jurors told verdict will affect system for initiatives,” *Oregonian*, September 25, 2002.

¹⁷⁹ “Sizemore group takes a double hit,” *Oregonian*, September 28, 2002.

¹⁸⁰ http://www.publications.ojd.state.or.us/A122158.htm#N_2 retrieved December 13, 2007.

unions' attorney Gregory Hartman. "The political arena is rough and tumble, but there are rules, and they have to be followed."¹⁸¹

Sizemore's response was that "it was extremely frustrating to sit there for seven or eight days and watch the unions do what they do so well, which is assassinate someone's character and demonize an individual."¹⁸²

An editorial in the *Eugene Register-Guard*, however, characterized Sizemore's denials as "predictable and disingenuous." They didn't have much patience with Sizemore's excuse of not having knowledge of forged petition signatures or falsified tax returns and disclosure reports of campaign finances: "this from a man who for years had the audacity to pronounce judgment on the ethics and integrity of government employees."¹⁸³

Department of Justice and plaintiffs ask judge to close and restrict Sizemore groups

On the same day that a jury awarded \$2.5 million in damages due to a racketeering pattern of violations in financial reports, the Department of Justice announced an investigation into whether or not Oregon Taxpayers United Education Foundation was in violation of civil law.¹⁸⁴

In early November, the Department of Justice requested a court order to dissolve Oregon Taxpayers Union Education Fund as well as to impose restrictions on OTU-PAC initiative activities. "The evidence produced at trial documented a much greater pattern of unlawful conduct, demonstrating that defendants consistently violated a myriad of state charity and election law standards," the state argued in its motion. "It is appropriate for the court to utilize its broad equitable powers to insure that the conduct will not be repeated." Specific actions requested included:

- "Dissolve Oregon Taxpayers Union Education Fund and prohibit any other charitable organization formed by Sizemore from making contributions to any political action committee for five years.
- "Prohibit OTU-PAC from participating in the initiative process until it files complete and accurate campaign finance reports for its activities in 1996 through 2000.
- "Enjoin OTU-PAC and any other political committee formed by Sizemore from receiving contributions from any 501 (c) (3) charity for five years and require other contributors to sign an affidavit swearing that their donations didn't come from a third party.
- "Require both OTU-PAC and OTU-Education Foundation to give state officials unlimited access to their financial records."¹⁸⁵

Gregory Hartman and Gene Mechanic representing Oregon Education Association and American Federation of Teachers –Oregon also sought the dissolution of Oregon Taxpayers United Education Fund and restrictions on OTU-PAC.¹⁸⁶ They also requested a court order to:

- Enjoin OTU-PAC and OTU-Education Foundation from doing business with Bill Sizemore's company, I & R Petition services.

¹⁸¹ "Sizemore group takes a double hit," *Oregonian*, September 28, 2002.

¹⁸² "Sizemore says he plans to fight on," *Oregonian*, October 3, 2002.

¹⁸³ "Sizemore's big fade," *Eugene Register-Guard*, October 1, 2002.

¹⁸⁴ "Sizemore group takes a double hit," *Oregonian*, September 28, 2002.

¹⁸⁵ "State seeks to close Sizemore operation," *Oregonian*, November 8, 2002.

¹⁸⁶ "Sizemore camp fights dissolution," *Oregonian*, November 30, 2002.

- Prohibit OTU-PAC and OTU-Education Foundation from transferring or destroying any assets.¹⁸⁷

Sizemore forms new PAC but state and union attorneys request injunction

Less than a month after the September 2002 jury award against Bill Sizemore's Oregon Taxpayers United organizations, Sizemore formed a new political action committee officially named Oregon Taxpayer Association/Union,¹⁸⁸ but more commonly called Oregon Taxpayers Union. Sizemore indicated that he hadn't decided whether or not to form a new nonprofit organization.¹⁸⁹

In February 2003, both the Department of Justice and attorneys for the unions that took Sizemore's groups to court requested an injunction barring Oregon Taxpayer Union from taking part in initiative political activities. The new group's website has only changed the organizations' names, but contains the same text. Gene Mechanic characterized the new group as "just a shell for the old organization." Mechanic also said that "there's been a long-term, continuous pattern of racketeering" that justifies an injunction to prevent additional violations.¹⁹⁰

Sizemore and his attorney responds

Sizemore criticized Attorney General Hardy Myers and predicted a successful appeal. His first quote was: "Hardy Myers is a liberal Democrat in bed with the public employee unions and would not hesitate for a moment to use his office to shut down the public employee unions' worse enemy. This is politics pure and simple." A second comment was: "It's a bit premature to dissolve an organization based on a verdict that will almost certainly be overturned on appeal," Sizemore said. "Clearly, the teachers' unions would like to not only put Oregon Taxpayers United out of business but shut up Bill Sizemore personally."¹⁹¹

Sizemore's attorney Greg Byrne objected to the request for a court order to dissolve Oregon Taxpayers Union Education Foundation. Byrne wrote to Judge Jerome Lebarre that "neither form of relief is appropriate or justified under the law or the facts as found by the jury." "Faced with a multi-million dollar judgment, neither defendant is likely to engage in any activity that requires the maintenance of a bank account," Byrne wrote. "Until it is reversed, the judgment effectively puts the defendants out of the business." "The court should see the plaintiffs' motion for just what it is: a blatant attempt to silence political opposition."¹⁹²

In response to the request to block initiative activities of Sizemore's new PAC, Byrne said "it's Goliath beating up on David – and David has no slingshot."¹⁹³

¹⁸⁷ "State seeks to close Sizemore operation," *Oregonian*, November 8, 2002.

¹⁸⁸ http://egov.sos.state.or.us/elec/pkg_e1_web_ce_cmitee_query.p_committee_details, retrieved December 11, 2007

¹⁸⁹ "Under fire, Sizemore forms PAC," *Oregonian*, October 29, 2002.

¹⁹⁰ "Sizemore, by any name, is still the same," *Oregonian*, February 4, 2003.

¹⁹¹ "State seeks to close Sizemore operation," *Oregonian*, November 8, 2002.

¹⁹² "Sizemore camp fights dissolution," *Oregonian*, November 30, 2002.

¹⁹³ "Sizemore, by any name, is still the same," *Oregonian*, February 4, 2003.

More details on connections between Americans for Tax Reform and OTU

An *Oregonian* article dug deeper into the connections between Bill Sizemore's groups and Grover Norquist's Americans for Tax Reform that were highlighted in testimony by Becky Miller during the racketeering trial against Oregon Taxpayers United and OTU Education Fund.

In 1996 Don McIntire delivered an \$80,000 check for Americans for Tax Reform to Bill Sizemore from the account of the Roundtable, a group of Republican supporters including Mark Hemstreet, Wes Lematta, Robert Randall, and Aaron Jones. (See discussion on page 18.) The same day McIntire received a warning call from John DiLorenzo who said "this has the possibility of money laundering." (DiLorenzo is a Portland lawyer who has represented many prominent Republicans.) Until hearing from DiLorenzo McIntire hadn't realized that money to Americans for Tax Reform was returning to Sizemore's organization and he demanded repayment. "The minute I thought that there was something not quite right here, I said 'Nah, I'm getting out of this business,'" said McIntire.¹⁹⁴

Reporters also contacted individuals and groups whose checks to Americans for Tax Reform were exhibits in the racketeering trial. "Consistently over the period of time that I worked at OTU, I would say maybe two, three times a year, probably, this happened: checks from large donors would be collected and FedEx'd to Americans for Tax Reform and then they would send the money back to OUT so that the source of the contributions would not be disclosed," said Becky Miller.

- Mark Hemstreet did not return calls made by reporters to his office.
- Wes Lematta told reporters that he made the contribution to Americans for Tax Reform at Robert Randall's suggestion and didn't realize that money was going on to Sizemore's groups.
- Representatives of Oregon Restaurant Association and Seneca Jones Timber Company (owned by Aaron Jones) told reporters that their 1996 contributions to Americans for Tax Reform were for reasons unrelated to Bill Sizemore.
- Steve O'Toole with the Oregon Petroleum Marketers Association told reporters that the group gave \$5,000 to Americans for Tax Reform to help oppose federal legislation to increase the minimum wage and that the group would have been extremely upset if those dollars ended up going to Bill Sizemore. "We never would have given money to that guy," O'Toole said. "We had concerns about the way he did things."¹⁹⁵

In 1997 Grover Norquist spoke at a Sizemore-sponsored tax conference and in 1998 Norquist hosted a fundraiser for Sizemore's 1998 gubernatorial campaign. At that time, Norquist said "he's a friend" and "I think very highly of his work." In 2002 Norquist commented through a spokesperson that, "because of the ongoing litigation, it is inappropriate for ATR to make any comments at this time."¹⁹⁶ The Oregon Department of Justice turned over results of its investigation pertaining to Americans for Tax Reform to the federal IRS, citing lack of adequate resources to pursue the Washington D.C.-based group.

¹⁹⁴ "Improper Sizemore funding is alleged," *Oregonian*, December 8, 2002.

¹⁹⁵ "Improper Sizemore funding is alleged," *Oregonian*, December 8, 2002.

¹⁹⁶ "Improper Sizemore funding is alleged," *Oregonian*, December 8, 2002.

Sizemore doesn't attempt referendum petition

A final note regarding Bill Sizemore's activities during 2002 is that he did not follow up on an earlier vow to contest legislative delay in implementation of Measure 88 adopted in 2000. Frequently referred to as "Sizemore lite," Measure 88 was a less drastic version of that year's Measure 91. While Measure 91 would have made federal income taxes fully deductible, Measure 88 increased the amount of federal taxes that can be deducted on state forms from \$3,000 to \$5,000. Measure 88 was referred to the November 2000 ballot during the 1999 legislative session.

Measure 91 lost at the polls, but Measure 88 won and Bill Sizemore had vowed to challenge any attempt to change the legislative referral. During the June 2002 special session of the Legislature, a bill was passed that delayed implementation of Measure 88. Though the signature-gathering window for a referendum to overturn this delay was tight, Sizemore's legal difficulties and a shortage of funds were cited as reasons for not moving forward. Though Sizemore said that a referendum would send a message about "not letting the Legislature get away with stealing a voter-approved measure," he said he was more inclined to focus on petitions for 2004.

Democratic political consultant Mark Wiener sees the lack of a referendum attempt by Sizemore as an indication of his waning influence. "If he wasn't able to get a single thing on the November ballot, having started two years ago, I think his operation is certainly not in shape to be able to turn this one around."¹⁹⁷

2003

Overview

Bill Sizemore's 2003 was marked by little sympathy, even from former allies, and minimal capacity for signature gathering in the wake of his Oregon Taxpayers United Education Foundation being closed by a judicial injunction in the spring.

Judge calls Oregon Taxpayers United Education Fund a sham and shuts it down

In April of 2003, Multnomah County Judge Jerome LaBarre ordered an injunction calling for the dissolution of Bill Sizemore's Oregon Taxpayers United Education Foundation. The injunction also restricted OTU-PAC from accepting contributions from nonprofit groups or doing business with Sizemore's company I & R Petition Services for five years. Quotes by Judge LaBarre included:

- LaBarre called Sizemore's group, supposedly set up for educational purposes, "a sham charity" used "for his own financial gain."
- "Essentially, he manipulated and exploited these organizations for his own purposes..." LeBarre said. "The Sizemore organizations operated well outside the realm of what is expected of law-abiding organizations."
- "This court is intent on protecting everyone's rights of free speech and political activity," LeBarre said. "However, racketeering is not free speech, and it does not belong in the process of making Oregon laws by initiative petition."
- LeBarre said Sizemore participated in "forgery, fraud and unsworn falsification," that he "illegally used large tax-deductible donations" for political activities and "illegally" used the charity's staff for his 1988 race for governor.

¹⁹⁷ "Sizemore may not challenge tax hike," *Salem Statesman Journal*, July 31, 2002.

- LeBarre didn't find Sizemore's testimony credible "based on my observations and perceptions of his demeanor as a witness."
- "His [Sizemore's] attitude is to view the jury verdict and the trial process with disdain," wrote LeBarre. "He is unable or unwilling to voluntarily remedy any problems."^{198,199}

The Court of Appeals Opinion describes the court's actions as follows:

After the jury returned its verdict, the state intervened and, along with plaintiffs, sought injunctive relief. ORS 166.725(10). The trial court made extensive findings of fact in accordance with ORCP 62 and granted injunctive relief. In addition to finding essentially the same facts as the jury had with respect to defendants' racketeering activities, the court specifically found that, because of Highley's forgeries, Measures 92 and 98 ultimately were approved by the Secretary of State and placed on the 2000 general election ballot. The court further found that, if passed, those measures would have caused serious consequences to plaintiffs and that plaintiffs reasonably and necessarily expended funds to defeat those measures. [\(footnote 6 in opinion\)](#)

As to Count 2, the court found that defendants' agents had submitted forged signatures on petitions and certification sheets for Measures 92 and 98, that those actions constituted racketeering activity, and that, as a result of those racketeering activities, Measures 92 and 98 had qualified for the 2000 general election ballot. That is, the court found that without the forgeries, neither measure would have qualified for the ballot.

Regarding Count 3, the court found that OTU-PAC was required under Oregon law to file periodic C&E reports and that OTU-PAC's agents had signed and filed false C&E reports from 1996 through 2000 by failing to disclose on those reports various cash and in-kind contributions that OTU-PAC had received from OTU-EF. The court determined that the result of those activities "was to cause tax deductible contributions which were made to OTU-EF, a charity, to be used illegally to fund OTU-PAC and to be paid to Bill Sizemore personally." The court further found that Bill Sizemore had developed schemes by which contributors could secretly provide financial support to OTU-PAC by funneling those contributions through other organizations and that those were in-kind contributions for the benefit of OTU-PAC that should have been reported on its C&E reports.

Regarding OTU-EF, the court found that defendant was required to submit annual reports (CT-12 reports) to the state in order to maintain its tax-exempt status; that Sizemore as agent for OTU-EF had falsely certified on each CT-12 from the years 1996 through 2000 that OTU-EF had not "attempted to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum"; and that OTU-EF had not reported on its CT-12 any of its cash and in-kind contributions to political activities from 1996 through 2000 although those contributions were very substantial. [\(7 in opinion\)](#) The court further found that OTU-EF's "involvement in educational activities was minimal"; that OTU-EF's minutes reflected its extensive involvement in the activities of OTU-PAC; and that

¹⁹⁸ "Judge halts Sizemore funding," *Oregonian*, May 1, 2003.

¹⁹⁹ "Sizemore sees his troubles doubled," *Portland Tribune*, May 13, 2003.

OTU-EF had improperly concealed its political activities from the Internal Revenue Service in documents that were attached and incorporated into each CT-12 submitted to the state.

The court also found that OTU-EF's board of directors failed to provide ongoing oversight; that, after the jury verdict in the present case, a new entity called OTU2-PAC had been created in anticipation of the judgment in the present case; that no remedial action had been taken to protect OTU-EF resources from being used by OTU-PAC or OTU2-PAC; that OTU-PAC had submitted yet another false C&E report to the state after the jury verdict; and that a website for OTU2-PAC was promoting "tax-deductible charitable contributions to OTU-EF, the 'non-profit arm of Oregon Taxpayers United.'" Additionally, the court found that defendants had created yet another organization, Oregon Taxpayers Association/Union, "with the object of avoiding the judgment which will be issued based upon the Jury Verdict in this lawsuit"; that that organization used all of the same equipment and supplies as defendants; and that it used OTU-PAC's donor list and referred to OTU-EF as "our education foundation."

Ultimately, the court determined that defendants had "engaged in conduct concerning successor organizations * * * with the intent of circumventing the legal consequences of their actions and the pattern of racketeering conduct which has occurred. The wrongful conduct of the defendants [is] on-going, threatens to continue and it is probable that it will continue in the future unless an appropriate injunction is entered to prevent it."

The court concluded that, if it did not grant equitable relief, "there is a probability that defendants will continue to engage in a pattern of racketeering within the meaning of ORS 166.715(4). Injunctive relief is necessary to prevent continuation of this conduct which is probable and which threatens continued injury to the public interest."

The court then entered a judgment that awarded monetary damages (*see* ___ Or App at ___ (slip op at 5)) and equitable relief.²⁰⁰

Sizemore responds but doesn't get a lot of sympathy

"He all but called me a crook himself, and I resent that," Sizemore said. "I'm not going to respond because I respect the office he holds, but he went far beyond what is right for a judge."²⁰¹ Another Sizemore response was, "There's no way a balanced jury would behave the way the Multnomah County jury did and no way they'd get a judge to favor them throughout the trial the way LeBarre did."²⁰²

But at least one former ally, Gregg Clapper, a political consultant whose radio advertising on several Sizemore ballot measures was supported by Loren Parks, was not sympathetic. "A cancer

²⁰⁰ http://www.publications.ojd.state.or.us/A122158.htm#N_5 retrieved December 13, 2007.

²⁰¹ "Judge halts Sizemore funding," *Oregonian*, May 1, 2003.

²⁰² "Sizemore sees his troubles doubled," *Portland Tribune*, May 13, 2003.

has been removed,” Clapper said. “There are other true believers in the fiscal conservative movement,” Clapper said. “We play hard, and we play fair, and Bill is not among us.”²⁰³

Head of the Election Division, John Lindback, said, “I certainly think it’s groundbreaking that you can sue someone the way the unions did and get a judgment regarding contributions and expenditure violations. Asked about the effect of the injunction on use of the initiative process, Lindback said, “As long as you follow the rules, you’ll be fine.”²⁰⁴

Sizemore bit player in 2003 referendum

Bill Sizemore was characterized as a “bit player” in the fall 2003 signature gathering drive to place a referendum on a February 2004 special election ballot to overturn the bill that ended the 2003 legislative session. To balance the budget that legislation, passed with bipartisan support, included a three-year tax increase that triggered opposition by anti-tax activists.

Though Sizemore mailed out petition sheets and a fundraising letter in regard to the referendum petition drive, the official campaign said that Sizemore was not acting in an official capacity. Russ Walker, of Citizens for a Sound Economy and the major player in the referendum signature gathering effort, indicated that Sizemore’s legal problems made him a campaign liability. “Until those are resolved, we’re not going to have him involved in any official capacity with the campaign,” Walker said. “I think those legal issues are serious issues. And until those are resolved, his credibility is in question with the general public.”²⁰⁵

Sizemore said he would like to play a bigger role. “In one sense it’s tough for me to play a backseat role,” and acknowledged that the legislative tax increase provided an opportunity to rehabilitate his image and help launch his new organization, Oregon Taxpayers Union. “If Citizens for a Sound Economy and (the Taxpayer Association of Oregon) had not taken the lead, this would have been an opportunity for that to happen,” Sizemore said. “But since they did and we’re playing a minor role, I don’t think this will have much effect on our organization.”²⁰⁶

The Voter Education Project was cited as a petition watchdog during the referendum signature gathering effort, but news coverage does not indicate that they monitored signature gathering as extensively as they did during the 2002 petition circulation season.²⁰⁷

Instead the focus seemed to be on a “decline to sign” campaign launched by several unions and the 70-member Our Oregon coalition that includes several social service groups. Don Loving, spokesperson for AFSCME Council 75 said, “I think our initiative-and-referendum system has evolved to the point where the petition process itself is like a vote.”²⁰⁸

²⁰³ “Judge halts Sizemore funding,” *Oregonian*, May 1, 2003.

²⁰⁴ “Judge halts Sizemore funding,” *Oregonian*, May 1, 2003.

²⁰⁵ “Sizemore a bit player in anti-tax play,” *Eugene Register-Guard*, September 23, 2003.

²⁰⁶ “Sizemore a bit player in anti-tax play,” *Eugene Register-Guard*, September 23, 2003.

²⁰⁷ “Petition race heats up,” *Salem Statesman Journal*, November 9, 2003.

²⁰⁸ “‘Think before you ink’, urge petition foes,” *Salem Statesman Journal*, November 9, 2003.