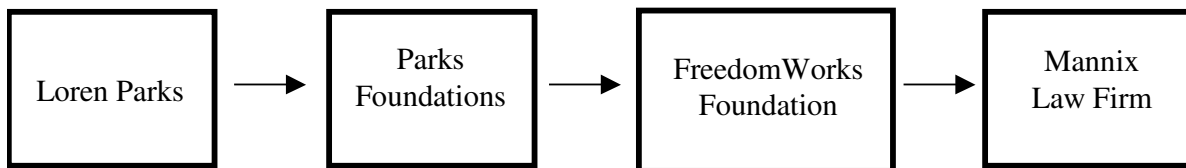


# A Political History of Russ Walker and FreedomWorks

## FreedomWorks

*Lower Taxes, Less Government, More Freedom*



Janice Thompson  
October 2009



P.O. Box 2723  
Portland, OR 97208-2723  
503/283-1922  
503/283-1877 (fax)  
[www.commoncause.org/oregon](http://www.commoncause.org/oregon)

# TABLE OF CONTENTS

## Page

### **1 Introduction**

#### **Section 1 – Overview of Walker’s Political Activities**

- 2 1999-2001 – Phone Company Deregulation and Banning Internet taxes
- 3 2002-2004 – Early Interest in Limiting Legal Fees, PERS Reform, and Measure
- 4 Helping Ralph Nader
- 5 2005-2006 – Vice Chair of Oregon Republican Party, Measures 40 and 41
- 5 Support for Legislative Candidates Kim Thatcher and Larry George
- 5 Attacks On and From Future PAC
- 6 FreedomWorks Oregon and Cigarette Taxes
- 6 LightsonOregon
- 6 2008 – Working with Bill Sizemore and Kevin Mannix on 6 Measures
- 8 *Chart 1: Summary of Walker Measures, Pro and Con Contributions and Vote Results*

### **9 Section 2 – FreedomWorks and Citizens for a Sound Economy**

- 9 History
- 10 Who Calls the Shots – Salem Office or Washington, D.C.?
- 11 *Chart 2: Russ Walker Political Committees – When, Who, Location of Directors*
- 11 Who Calls the Shots – Other States
- 11 *Chart 3: Latest Posting and Source of Postings on FreedomWorks Website*
- 12 Grassroots or Corporate Agendas?
- 14 Dick Arme y Earns Half a Million from FreedomWorks and Lobbies for DLA Piper
- 14 Obscure Insurance Arrangement Nets FreedomWorks \$638,000
- 15 Holding Republicans Accountable
- 16 Not a Major Lobbyist in Salem
- 16 FreedomWorks Foundation, Kevin Mannix, and Loren Parks
- 17 *Chart 4: Side-by-Side Summary of Parks Foundation Grants to FreedomWorks*
- 17 Foundation and Payments by FreedomWorks Foundation to Mannix Law Firm
- 18 National FreedomWorks
  - Mortgage Bailout Infuriates Tenants (and Steve Forbes)
  - Tea Party Protests
  - Health Care Reform Protests

### **20 Section 3 – Fall 2009 Referendums**

- 21 Common Sense for Oregon
- 22 Box – Yes or No on Referendum Votes?
- 23 Americans for Prosperity
- 24 Business Support for Referenda Signature Gathering
- 25 *Chart 5: Top 15 Contributors to Referendum Petition 301 PAC*
- 25 *Chart 6: Top 15 Contributors to Referendum Petition 302 PAC*
- 26 *Chart 7: Top 25 Contributors to Oregonians Against Job-Killing Taxes*
- 27 *Chart 8: Top 10 Contributors to Taxpayer Defense Fund*

**28 Section 4 – Analysis of Campaign Contributions To and Against Walker PACs 2000-2008**

28 *Chart 9:* Top 10 Contributors to Oregon Citizens for a Sound Economy PAC  
In 2000 and 2002

29 *Chart 10:* All Contributors to Oregon Citizens for PERS Reform in 2002

**2003 Special Election –Measure 28**

30 *Chart 11:* Top 5 Contributors to Oregon Republican Party (No on 28, 2003)

30 *Chart 12:* Contributors to Citizens for a Sound Economy PAC (No on 28, 2003)

30 *Chart 13:* Contributors to Taxpayers Association of Oregon PACs (No on 28, 2003)

30 *Chart 14:* Top 10 Contributors to Yes on 28, 2003

**2004 Special Election – Measure 30**

31 The Issue

32 Signature-Gathering – Controversies and Use of Volunteers

33 Bill Sizemore “Bit Player”

34 Signature-Gathering Money

34 *Chart 15:* Top 10 Contributors to Taxpayer Defense Fund PAC for Referendum 401 –  
Became Measure 30, February 2004

35 *Chart 16:* Top 10 Contributors to Taxpayers Defense Fund (No on 30, 2004)

35 *Chart 17:* Top 10 Contributors to Oregon Citizens for a Sound Economy (No on 30)

36 *Chart 18:* Top 10 Contributors to Our Oregon (Yes on 30, 2004)

36 Grover Norquist Award to Walker, Williams, Mannix for “No” Victory

**2004 Non-Special Election Fundraising**

37 *Chart 19* All Contributors to Oregon Citizens for a Sound Economy PAC in 2004

37 *Chart 20* All Contributors to Taxpayer Defense Fund PAC in 2004

38 Contributions to 2004 Legislative Candidates

**2006 Elections**

39 Fundraising by Walker’s Issue PACs and Legislative Candidate Contributions

39 *Chart 21* All Contributors to Oregon Citizens for a Sound Economy PAC in 2006

39 *Chart 22* All Contributors to Taxpayer Defense Fund PAC in 2006

40 Signature Gathering

42 *Chart 23:* Top 5 Contributors to Initiative 6 committee, Taxpayer Association of  
Oregon Spending Limit PAC – Became Measure 48, 2006

43 *Chart 24:* All Contributors to Initiative 24 committee, Judicial Accountability PAC,  
– Became Measure 40, 2006

43 *Chart 25:* All Contributors to Oregon Family Farm Association PAC –  
2005 September Report

44 *Chart 26:* All Contributors to Oregon Family Farm Association PAC – 2006

44 *Chart 27:* Top 5 Contributors to Initiative 14 committee, Taxpayer Rights Committee  
Became Measure 41, 2006

45 Ballot Measure Contributions

45 *Chart 28:* All Contributors to Our Courts, Yes on 40, 2006

45 *Chart 29:* Top 10 Contributors to Judicial Integrity Coalition, 2006

46 *Chart 30:* Top 10 Contributors to No on Constitutional Amendment 40, 2006

46 *Chart 31:* All Contributors to FreedomWorks Issue PAC, Yes on 41, 2006

47 *Chart 32: Top 25 Contributors to Defend Oregon Coalition, No on 41 and 48*

47 *Chart 33: All Contributors to Rainy Day Committee, Yes on 48, 2006*

### **2008 Elections**

48 The Issues

49 *Chart 34: All Contributors to Initiatives 51 and 53– Did Not Qualify*

49 *Chart 35: Contributors to Initiative 19 committee, English Immersion PAC-  
Became Measure 58, 2008*

50 *Chart 36: Contributors to Initiative 3 committee, Stop Double Tax PAC-  
Became Measure 59, 2008*

50 *Chart 37: Contributors to Initiative 20 committee, Preserve Our Best  
Teachers PAC- Became Measure 60, 2008*

50 *Chart 38: Contributors to Initiative 40 Committee, Oregonians for Safe Neighborhoods  
Became Measure 61, 2008*

50 *Chart 39: Contributors to Initiative 41 Committee, Crimefighters PAC – Became  
Measure 62, 2008*

51 *Chart 40: Contributors to Initiative 21 committee, Fairness in Home Improvement  
PAC- Became Measure 63, 2008*

51 *Chart 41: Contributors to Initiative 25 committee, Bans Public Money for Politics  
PAC- Became Measure 64, 2008*

51 Signature-Gathering – New Regulations

54 Ballot Measure Money

54 *Chart 42: 2008 Ballot Measures –Total Fundraising and Top Donors  
Measures 56, 57, 58, 59, 60, 61, 62, 63, and 64*

### **60 Section 5 – Top Aggregate Donors For and Against Walker PACs and Measures**

60 *Chart 43: Top 25 Contributors to Walker Ongoing PACS and Ballot Measure  
Campaigns, 2000-2008*

62 *Chart 44: Top 25 Contributors against Walker Measure Campaigns through 2008*

# A Political History of Russ Walker and FreedomWorks

## Introduction

Russ Walker is a native Oregonian who worked for Oregon Right to Life and became Oregon State Director for Citizens for a Sound Economy in 2000.<sup>1,2</sup> Citizens for a Sound Economy began in 1984 and became FreedomWorks in a 2004 merger with Empower America whose co-founder was Jack Kemp.<sup>3</sup> FreedomWorks “fights for lower taxes, less government and more economic freedom for all Americans.”<sup>4</sup> FreedomWorks is led by former Republican Majority Leader from Texas, Dick Arney. FreedomWorks only has three state level staff in Florida, North Carolina, and Russ Walker in Oregon.<sup>5</sup>

The top donor to Russ Walker ballot measures is Loren Parks, a Nevada based businessman, with a long history of support for conservative causes in Oregon. Since 2005 either directly or through Parks Medical Electronics, Loren Parks has given \$1,784,334 to ballot measures supported by FreedomWorks, all of which failed with Oregon voters. (See chart 43 on page 60.) Total contributions from Parks to date totals \$1,859,334 with another \$75,000 supporting signature gathering on Measures 66 and 67 that will be voted on in January of 2010

Two foundations controlled by Loren Parks also made contributions totaling \$509,980 over four years to FreedomWorks Foundation that, in turn, made \$624,678 in payments for different services to Kevin Mannix’s law firm in the same time frame. Mannix is a “tough on crime” advocate who has partnered with Russ Walker on a number of ballot measures. (See chart 4 on page 17.)

Most recently FreedomWorks has been in the news for opposition to health care reform including organizing a September 12, 2009 march on Washington. FreedomWorks president Matt Kibbe inaccurately announced that ABC News reported an attendance of 1 million people when in reality ABC and other media sources reported fire department estimates of 60,000 to 70,000 protesters. Kibbe later apologized citing information from tweets but said, “They [ABC News] didn’t say it. I regret misrepresenting the network, as their coverage that day was fair and honest.”<sup>6</sup>

This overstatement of grassroots support has been a consistent criticism of FreedomWorks, though in Oregon the group does have volunteer capacity. Another criticism is that

---

<sup>1</sup> “In my opinion – no on Measure 30, *Oregonian*, January 19, 2004

<sup>2</sup> “Saxton strives to stretch taxpayer dollars in quest to improve state services,” *Eugene Register-Guard*, April 19, 2006

<sup>3</sup> Citizens for a Sound Economy and Empower America merge as FreedomWorks, with Dick Arney, C. Boyden Gray, and Jack Kemp as co-chairmen and Bill Bennett as senior fellow, *National Review*, September 13, 2004

<sup>4</sup> Our Mission. Retrieved on September 18, 2009 from <http://www.freedomworks.org/about/our-mission>

<sup>5</sup> Staff. Retrieved on September 18, 2009 from <http://www.freedomworks.org/about/staff>

<sup>6</sup> ABC News was misquoted on crowd size. Retrieved on September 15, 2009 from <http://abcnews.go.com/print?id=8558055>

FreedomWorks' agenda is primarily set by corporate contributors. One report characterized the group's "grass roots" activism as a "fig leaf for corporate lobbying."<sup>7</sup> Both these dynamics are discussed in this report.

Russ Walker of FreedomWorks is a partner with Kevin Mannix and Ross Day in gathering signatures on Referendums 301 and 302 to require public votes on HB 2649 and HB 3405, bills passed by the 2009 legislature to increase the marginal tax rates imposed on top individual income tax brackets and to increase from \$10 the minimum corporate tax rate.<sup>8</sup> Ross Day is an attorney, formerly with property rights group Oregonians in Action. These referenda qualified for the ballot and will be Measures 66 and 67 on a January 26, 2010 special election.

Given the importance of the upcoming special election, Common Cause Oregon offers this review of Russ Walker's political activities in five sections as outlined below.

- Section 1 provides an overview of Walker's political activities.
- Section 2 discusses FreedomWorks and its precursor group Citizens for a Sound Economy.
- Section 3 discusses the fall 2009 signature gathering activity of Walker and FreedomWorks and allies.
- Section 4 provides detailed chronological analysis of campaign contributions with charts of top contributors for and against each ballot measure.
- Section 5 summarizes top campaign donors for and against Walker's ballot measures in aggregated contributions made from 2003 through 2008.

## **SECTION 1 – OVERVIEW OF WALKER'S POLITICAL ACTIVITIES**

### **1999-2001 – Phone Company Deregulation and Banning Internet Taxes**

Citizens for a Sound Economy's work in Oregon began during the 1999 legislative session when it supporting lobbying by US West on a telephone deregulation bill. Citizens for a Sound Economy reported lobbying spending of \$8,124 in 1999, but records are no longer available to determine their lobbyist. Russ Walker first registered as a lobbyist in February 2000.<sup>9</sup>

In January 2000 the *Washington Post* reported that US West gave \$1 million as Citizens for a Sound Economy began work on telephone deregulation.<sup>10</sup> The *Salem Statesman Journal* reports that \$1.25 million was given to Citizens for a Sound Economy in 1988 and characterizes the organization as a "self-described grassroots group."<sup>11</sup>

Russ Walker formed Oregon Citizens for a Sound Economy PAC in September 2000 but only reported in-kind contributions worth \$9,811 from its national partner Citizens for a Sound Economy and made no expenditures in that election cycle.

---

<sup>7</sup> "Think tanks: Corporations' quiet weapons," *Washington Post*, January 29, 2000

<sup>8</sup> "Conservatives aim to restore initiative clout," *Oregonian*, August 2, 2009

<sup>9</sup> The \$8,124 was listed on 1999 entity reports. Lobbyist registration dates obtained in phone call to Oregon Ethics Commission, September 18, 2009

<sup>10</sup> "Think tanks: corporations' Quiet Weapon," *Washington Post*, January 29, 2000

<sup>11</sup> "Activist group brings money, draws concern," *Salem Statesman Journal*, November 1, 2003

During the 2001 legislative session Russ Walker testified in support of SB 660 that was introduced at the request of Oregon Citizens for a Sound Economy with bipartisan sponsorship. SB 660 banned imposing a tax on internet access or use of the internet. The original bill included a restriction on Oregon jurisdictions collecting such a tax imposed in other states that was presumably deleted due to enforcement difficulties. Walker was registered as a lobbyist from 2000 through 2003, but the level of effort by Citizens for a Sound Economy isn't clear since no report is available on their spending as the lobbying entity.<sup>12</sup>

### **2002-2004 - Early Interest in Limiting Legal Fees, PERS Reform, and Measures 28 & 30**

In August of 2002 Russ Walker filed initiative 101 as chief petitioner with Solomon Yue Jr., an Oregon Republican party official. This initiative would have established requirements for attorneys when contingency fees reach \$1,000, but it was never approved to circulate so no signature gathering occurred.

Also in 2002, Russ Walker formed the Citizens for PERS Reform PAC that got most of its support, \$58,948, from Oregon Citizens for a Sound Economy PAC with another \$16,907 from Citizens for a Sound Economy. That year Oregon Citizens for a Sound Economy's largest contribution was \$47,000 from the Friends of David Nelson committee with another \$30,915 of in-kind support from Citizens for a Sound Economy.

In September of 2002 Oregon Citizens for a Sound Economy and Citizens for PERS Reform launched an education campaign criticizing Oregon's PERS pension system for public employees.<sup>13</sup> Oregon Citizens for a Sound Economy spent \$9,410 on lobbying in 2003, presumably with a PERS reform focus.<sup>14</sup>

In June of 2003 Russ Walker filed initiative 59 to end the public employee pension system, but it was never approved to circulate and no signatures were gathered. During 2004 the Citizens for PERS Reform committee received only \$250 from Oregon Citizens for a Sound Economy and \$1,195 of in-kind support from Citizens for a Sound Economy.

Beginning in the summer of 2002, Russ Walker's Oregon Citizens for a Sound Economy PAC was a key player with Taxpayers Association of Oregon political committees and the Oregon Republican Party led by Kevin Mannix in opposing Measure 28 on a special election ballot in January 2003. Measure 28 was a legislative referral with tax increases that failed with the voters.

Russ Walker formed Taxpayers Defense Fund PAC in September 2003 to gather signatures on a referendum to overturn the state legislature's revenue package that, with bipartisan support, ended the 2003 legislative session that set a new record for its length. The revenue deal included a three-year graduated income tax surcharge, increases in the corporate minimum tax, reduced

---

<sup>12</sup> Public Records Section of Oregon Government Ethics Commission website.  
[http://www.gspc.state.or.us/OGEC/public\\_records.shtml](http://www.gspc.state.or.us/OGEC/public_records.shtml)

<sup>13</sup> Citizens for PERS Reform PAC Announces Fall Voter Education Campaign on September 18, 2002  
Retrieved September 18, 2009 from <http://www.freedomworks.org/press-releases/citizens-for-pers-reform-pac-announces-fall-voter->

<sup>14</sup> Public Records Section of Oregon Government Ethics Commission website.  
[http://www.gspc.state.or.us/OGEC/public\\_records.shtml](http://www.gspc.state.or.us/OGEC/public_records.shtml)

corporate tax credits, extends a cigarette tax increase through 2005, all intended to avoid \$500 million in cuts to education, human services, and public policy.

The referendum petition was successful and became Measure 30 on the February 2004 special election ballot. Transparency of contributions to the Taxpayer Defense Fund signature gathering effort was hindered by most of the money being funneled through Russ Walker's Oregon Citizens for a Sound Economy PAC that reported its contributions on a later timeline. Key partners were Kevin Mannix and Jason Williams of Taxpayer Association of Oregon. Russ Walker's position was "no" on Measure 30 to ensure that HB 2152 did not go into effect and this was how Oregonians voted.

### **Helping Ralph Nader**

During the summer of 2004, Citizens for a Sound Economy was an unlikely player in the attempt to qualify Ralph Nader for Oregon's presidential ballot. Nader supporters had held an unsuccessful nominating convention in April of 2004 that was not attended by the required number of 1,000 registered voters. The second convention was held in June of 2004 with support from some conservatives who would attend in hopes that Nader would draw votes away from Democratic candidate Senator John Kerry.

"Ralph Nader is undoubtedly going to pull some very crucial votes from John Kerry, and that could mean the difference in a razor-thin presidential election," read a script used by Citizens for a Sound Economy in its phone calls. "Can we count on you to come out on Saturday night and sign the petition to nominate Ralph Nader?" Russ Walker, Oregon director of Citizens for a Sound Economy made it clear that this wasn't about support for Nader. "We don't agree with Ralph Nader's positions on the issues –he's socialistic and we're free marketers," said Walker. "We think he'll take some of the more extreme votes from the other side."<sup>15</sup>

Citizens for a Sound Economy was joined by the Oregon Family Council that puts out voter guides for Christian voters and is led by Tim Nashiff who is an organizer of the signature gathering on what became Measure 36 against marriage equality by banning same-sex marriage. "We'd like to take a few votes away from John Kerry if it would be possible," said Nashiff.<sup>16</sup>

Mike White of the Oregon Family Council said the effort to support Nader was "some kind of party outreach thing." The spokesman for the Oregon campaign for George Bush said no paid staff members were making calls but that volunteers may have called from the campaign's office. A spokesperson for the John Kerry campaign said it was "a shame the Bush camp has to resort to such tactics to lure their base to support a third-party candidate." The head of the Oregon Nader campaign, Greg Kafoury saw nothing wrong with Republican efforts. "It's a free country," Kafoury said, "People do things in their own interest."<sup>17</sup> Nader did not qualify for the presidential ballot in Oregon.

---

<sup>15</sup> "Nader getting a push from unlikely source," *Oregonian*, June 25, 2004

<sup>16</sup> "Nader getting a push from unlikely source," *Oregonian*, June 25, 2004

<sup>17</sup> "Nader getting a push from unlikely source," *Oregonian*, June 25, 2004



## **2005-2006 – Vice Chair of Oregon Republican Party, Measures 40 and 41**

In July of 2005 Russ Walker was elected as vice chairman of the Oregon Republican Party,<sup>18</sup> a position he still holds.<sup>19</sup>

During 2005 Russ Walker filed nine initiatives, but focused petitioning efforts on two that became Measures 40 and 41. Measure 40 would have required election of Oregon Supreme and Court of Appeals Judges on a district basis, but was not approved by voters. Measure 41 was also unsuccessful but would have allowed deduction on state taxes the same deduction allowed on a federal return. In 2006 Russ Walker's Citizens for PERS Reform PAC changed its name to FreedomWorks Issues PAC but raised only \$22,011 in its campaign to support Measure 41.

Of the seven Russ Walker initiatives that were not approved for circulation, one of them covered the same topic as Measure 40. Six initiatives, however, focused on limiting the growth of state spending. This topic, however, was the subject of what became Measure 48 sponsored by Don McIntire, Greg Howe, and Jason Williams of Taxpayers Association of Oregon. Measure 48 was a constitutional amendment and would have limited increases in state spending to the same percentage as any increase in state population. Measure 48 lost in November 2006.

### **Support for Legislative Candidates Kim Thatcher and Larry George**

During the May 2004 primary election, Russ Walker's Oregon Citizens for a Sound Economy was the top donor to Kim Thatcher in her successful attempt to defeat incumbent Vic Backlund in the Republican primary in House District 25. The \$42,929 from Walker's political committee comprised over 43 percent of Thatcher's fundraising. Total contributions to legislative candidates in 2004 from Oregon Citizens for a Sound Economy and Taxpayer Defense Fund political committees totaled \$109,115.

During the May 2006 Republican primary, Oregon Citizens for a Sound Economy PAC gave \$54,790 to Larry George in his successful bid to defeat incumbent Senator Charles Starr. This support represented 27 percent of George's primary fundraising. The only other candidate contribution by Oregon Citizens for a Sound Economy PAC in 2006 was \$1,500 for Kim Thatcher's re-election.

### **Attacks On and From Future PAC**

During the fall of 2004 the Oregon chapter of FreedomWorks filed a complaint with the Secretary of State objecting to advertisements by Future PAC claiming that their groups "supports opposing a national sales tax on Oregon."<sup>20</sup> Future PAC is the leadership committee devoted to electing Democrats to the Oregon House of Representatives.

In March 2007 during the legislative session, FreedomWorks sent postcards attacking Democrats after legislators from both political parties agreed to put the corporate kicker into a rainy day fund. The House Republicans leadership PAC paid for a radio ad targeting Representative David Edwards, D-Hillsboro for his votes on the rainy day fund and other topics. "I have never heard of

---

<sup>18</sup> "State GOP upgrades No. 2 to chairman," *Oregonian*, July 17, 2005

<sup>19</sup> Elected officials in Oregon Republican Party. Retrieved on September 22, 2009 from <http://www.oregonrepublicanparty.org/node/82>

<sup>20</sup> Oregon FreedomWorks/CSE takes legal action against false "Future PAC" ads. October 26, 2004

this kind of campaign attack in the middle of session,” said House Majority Leader Dave Hunt, D-Gladstone. “They [House Republicans PAC] are attacking us based on something they have now endorsed.” Democrats also charged that official photos of legislators were leaked to FreedomWorks in violation of state law prohibiting the use of public resources for campaign purposes. Oregon director of FreedomWorks, Russ Walker, declined to say whether or not they would expand their attacks to target Republicans who also supported the corporate kicker rainy day fund proposal.<sup>21</sup>

### **FreedomWorks Oregon and Cigarette Taxes**

During the fall 2007 discussion of Measure 50 to increase cigarette taxes to pay for children’s health care Russ Walker, Oregon director of FreedomWorks, said, “Most smokers are working-class people with modest incomes and Measure 50 would force this minority to shoulder the entire burden of paying for the health insurance of others.”<sup>22</sup> Walker’s comment after the loss of Measure 50 was, ‘The primary reason is there’s not an appetite out there for more taxes’ without any mention of the record opposition spending by tobacco companies or support to FreedomWorks by Philip Morris tobacco company as discussed in Section 2.<sup>23</sup>

### **LightsOnOregon**

During the summer of 2008, FreedomWorks in Oregon launched a campaign to promote clean energy sources and to expose “how anti-energy radicals are opposed not just to energy development but to our modern way of life.”<sup>24</sup> Their website was <http://lightsonoregon.org/> and it had blog entries beginning September 1 and ending December 28, 2008. Themes in blog entries included concern about gas taxes and support for the Bradwood Landing LNG facility near Astoria. A report released by LightsonOregon and FreedomWorks Foundation raised concern about radical environmentalists including several groups opposed to the LNG terminal along the Columbia River. The lightsonoregon website coincided with the beginning of “drill baby drill” sloganeering of Michael Steele, now head of the Republican National Party.<sup>25</sup>

### **2008 – Working with Bill Sizemore and Kevin Mannix on 6 Measures**

Russ Walker was a chief petitioner on nine initiatives intended for the November 2008 ballot. His first initiative was filed in March 2006 with two more filed in April, one filed June, four filed in September, and a one filed in October. Bill Sizemore was a co-petitioner on four of these initiatives while Kevin Mannix was a fellow chief petitioner on one of the Walker initiatives.

Loren Parks was the major donor to the chief petitioner committees that put Measures 58, 59, 60, 61, 62, and 64 on the ballot giving 77 percent or \$793,166 of the \$1,035,382 reported by these PACs. Hire Calling Public Affairs affiliated with Richard Wendt provided 99 percent or \$175,000 to the signature gathering effort behind Measure 63. See page 49 for more detailed charts.

---

<sup>21</sup> “GOP slams Democrat on kicker,” *Oregonian*, March 2, 2007

<sup>22</sup> “Making smokers pay,” *Eugene Register-Guard*, September 26, 2007

<sup>23</sup> “Health plan gets burned after state’s costliest race,” *Oregonian*, November 7, 2007

<sup>24</sup> “D.C. group targets Oregon energy issues,” *Oregonian*, August 13, 2008

<sup>25</sup> Steele Gives GOP Delegates New Cheer: ‘Drill, Baby, Drill!’, *Wall Street Journal*, September 2, 2008

Petition circulation was approved for five of Walker's initiatives, but not enough valid signatures were gathered for initiatives 51 and 53 pertaining to lawyer fees.

Three of Walker's initiatives qualified for the November 2008 ballot, Measures 58, 59, and 60. Each of these measures was a joint Walker-Sizemore effort. Measure 58 would have limited non-English speaking students to two years of instruction in their own language. Measure 59 would have made federal income taxes fully deductible on an Oregonian's state tax return. Measure 60 required that teacher pay and layoff decisions be based on classroom performance. Voters did not pass any of these measures in November of 2008, contrary to the positions taken by Russ Walker's political committees.

Voters also did not agree with Russ Walker's position on Measures 63 and 64. Measure 63 would have allowed home improvement projects of \$35,000 or less to not obtain a building permit. Measure 64 would have imposed penalties for use of political funds collected with public resources. Bill Sizemore was a chief petitioner on both of these measures.

Russ Walker's political committees, FreedomWorks Issues PAC, Taxpayer Defense Fund, and Oregon Citizens for a Sound Economy PAC, took positions against Measures 56 and 57 and in support of Measures 54, 55, 58, 59, 60, 61, 62, 63, and 64.<sup>26</sup> Parks Medical Electronics gave these committees \$400,000. See chart 42 on page 54 for more details.

Chart 1 below summarizes votes and financial resources devoted for and against ballot measures for which Russ Walker's committees provided the major support. Major donors to committees for and against measures supported by Walker are outlined in section 4 beginning on page 28.

Russ Walker's political committees took positions against Measures 56 and 57, but others were the main players in those campaigns and for this reason these are summarized below and their contribution figures are included in Section 4, but are not included in chart 1 below or in the aggregate donor tables in Section 5.

Measure 56 was a legislative referral requiring that a majority of voters rather than votes cast, often called the double-majority requirement, to apply to May and November property tax measures rather than previous broader application of the double-majority requirement. A double-majority requirement for property tax measures is only found in Oregon and the original requirement was in Bill Sizemore's Measure 47 adopted in 1996.<sup>27</sup> Measure 56 passed with voters, contrary to the position of Russ Walker's PACs. The committee whose primary focus was opposition to Measure 56 was Oregonians for Honest Elections run by Bill Sizemore ally Tim Rohrer. Bill Sizemore, however, became a committee director in late November of 2008.

---

<sup>26</sup> Two legislative referrals, Measures 54 and 55, were noncontroversial fixes to the timing of when redistricting plans go into effect and standardizing school board voting eligibility with other elections. They passed with 73 and 77 percent of the vote, respectively. Due to their noncontroversial and widespread support these measures are not included in Chart 1, though Russ Walker's FreedomWorks Issues PAC, Taxpayer Defense Fund, and Oregon Citizens for a Sound Economy PAC listed support for these measures.

<sup>27</sup> Frazier, Joseph P. (October 14, 2008) *Oregon law requiring majority to vote could change*, Associated Press. Retrieved on September 27, 2009 from <http://www.ibtimes.com/articles/20081014/ore-law-requiring-majority-to-vote-could-change.htm>

Measure 57 was a legislatively referred alternative to Measures 61 and 62. This lower cost more rehabilitation-oriented measure was adopted while voters rejected both Measures 61 and 62. These votes were counter to the positions of Russ Walker’s PACs. The campaign regarding Measures 57, 61 and 62, however, was primarily run by Kevin Mannix.

**Chart 1: Summary of Walker Measures, Pro and Con Contributions and Vote Results with Walker position**

Year	BM	Ballot Measure Caption	Walker Signature Gathering	Pro Walker dollars	Anti Walker dollars	Yes vote	No vote	Walker position
2003	28	Temporarily increases tax rates on personal, corporate income; triggers repeal of certain state budget cuts	Not applicable-Legislative Referral	\$41,972	\$571,934	46%	54%	WON
2004	30	Enacts temporary personal income tax surcharge; increases, changes corporate, other taxes; avoids specific budget cuts	\$610,550	\$684,908	\$744,010	41%	59%	WON
2006	40	Amends Constitution: Requires Oregon Supreme Court Judges to be elected by district	\$422,245	\$544,605	\$425,965	43%	57%	LOST
	41	Allows income tax deduction equal to federal exemptions deduction to substitute for state exemption credit	\$249,070	\$21,032	\$1,768,761 (1/2 of spending against M 41 and 48)	37%	63%	LOST
	58	Prohibits teaching public school student in language other than English for more than two years	\$142,254	\$6,287	\$66,625	44%	56%	LOST
	59	Creates an unlimited deduction for federal income taxes on individual taxpayers' Oregon income-tax returns	\$155,656	No specific PAC formed to support Measure 59	\$104,868	36%	64%	LOST
	60	Teacher "classroom performance," not seniority, determines pay raises; "most qualified" teachers retained, regardless of seniority	\$155,620	No specific PACs formed to support or oppose Measure 60		39%	61%	LOST
	63	Exempts specified property owners from building permit requirements for improvements valued at/under 35,000 dollars	\$179,936	\$30,006	\$507,317	46%	64%	LOST
	64	Penalizes person, entity for using funds collected with "public resource" (defined) for "political purpose" (defined)	\$153,036	No specific PAC formed to support Measure 564	\$1,062,821	49%	51%	LOST
Campaigns for and against Measures 56, 57, 58, 59, 60, 61, 62, 63 and 64				\$485,661	\$15,503,689	Walker/FreedomWorks had 2 wins when their position carried the day and 7 losses when their position was not supported by voters		
<b>Total Dollars</b>			<b>\$2,065,367</b>	<b>\$1,814,470</b>	<b>\$20,755,991</b>			
			Combined signature gathering & general election <b>\$3,879,837</b>					

## SECTION 2 – FREEDOMWORKS AND CITIZENS FOR A SOUND ECONOMY

### History

Citizens for a Sound Economy was founded in 1984 by David H. and Charles G. Koch, principal owners of Koch Industries based in Wichita, Kansas.<sup>28</sup> The company is named for Fred C. Koch who developed a method of converting heavy oil into gasoline in 1927.<sup>29</sup> The company is far more extensive today with a range of affiliates.

Foundations controlled by the Koch brothers helped found Citizens for a Sound Economy and Cato Institute and other groups focused on libertarian beliefs.<sup>30</sup> Current activities of David H. Koch include service on the boards of the Cato Institute, the Reason Foundation, and Americans for Prosperity Foundation.<sup>31</sup>

The Kochs and other wealthy individuals and foundations provided an important initial base of support for Citizens for a Sound Economy, but corporate contributions constituted the bulk of the group's income by the end of the 1990's. The *Washington Post* reports that General Electric and Publix Super Markets Inc. gave \$500,000 in 1998, and Emerson Electric Company, AlliedSignal Inc., and Johnson & Johnson provided \$200,000 each.<sup>32</sup>

In 2003 there was a split between Citizens for a Sound Economy and Americans for Prosperity. Citizens for a Sound Economy continued under that name and announced an expansion of state level efforts and highlighted that "Citizens for a Sound Economy is leading a grassroots-driven signature drive [to put Measure 30 on the ballot] to roll back the recent tax hike in Oregon."<sup>33</sup>

Dick Armev became chairman of Citizens for a Sound Economy in early 2003 after serving as a Republican Congressman from Texas since 1985. Armev was House Majority Leader from 1995 through January 2003. Armev visited Oregon in May 2003 to appear at the 3<sup>rd</sup> annual "Day at the Capitol" held by the Oregon chapter of Citizens for a Sound Economy. Russ Walker, Citizens for a Sound Economy Northwest Director, spoke on two themes. One was the need for PERS reform and the other was pledging resistance from the Oregon chapter of Citizens for a Sound Economy against any legislative attempt to increase taxes.<sup>34</sup>

Armev visited Oregon in November 2003 to close an eleven-city tour promoting his book, *Armev's Axioms 40 Hard-Earned Truths from Politics, Faith and Life*. While in Oregon Armev appeared on Lars Larson's radio show and held a town hall in Clackamas County. A particular

---

<sup>28</sup> "Think tanks: corporations' quiet weapon," *Washington Post*, January 29, 2000

<sup>29</sup> Koch history timeline. Retrieved October 6, 2009 from <http://www.kochind.com/about/history.aspx>.

<sup>30</sup> "Think tanks: corporations' quiet weapon," *Washington Post*, January 29, 2000

<sup>31</sup> David. H. Koch Foundation and Philanthropy. Retrieved on October 6, 2009 from <http://www.kochfamilyfoundations.org/FoundationsDHK.asp>

<sup>32</sup> "Think tanks: corporations' quiet weapon," *Washington Post*, January 29, 2000

<sup>33</sup> Statement by CSE Chairman, Former House Majority Leader Dick Armev. Retrieved on October 6, 2009 from <http://www.freedomworks.org/press-releases/statement-by-cse-chairman-former-house-majority-le-0>

<sup>34</sup> Oregon CSE holds 3<sup>rd</sup> annual 'Day at the Capitol', May 15, 2003 press release. Retrieved on October 6, 2009 from <http://www.freedomworks.org/press-releases/oregon-cse-holds-3rd-annual-%E2%80%9Cday-at-the-capitol%E2%80%9D>

focus was to assist the efforts of the Oregon office of Citizens for a Sound Economy to defeat Measure 30, a referendum to overturn a temporary income tax surcharge passed by the 2003 legislature with bipartisan support. The press release on Arney's visit characterizes it as being at the behest of 12,000 members of Citizens for a Sound Economy in Oregon.<sup>35</sup> Russ Walker told the rally, "We want to be in a position to send a strong message to the Legislature that you don't raise taxes in a recession."<sup>36</sup>

FreedomWorks formed in 1984 through a merger of Citizens for a Sound Economy and Empower America. Dick Arney is chair of FreedomWorks and its current president is Matt Kibbe.<sup>37</sup> Long time advocate of the flat tax and chair and chief executive of Forbes, Steve Forbes, is a FreedomWorks board member.<sup>38</sup>

Citizens for a Sound Economy's work in Oregon began during the 1999 legislative session with support of U.S. West lobbying on telephone deregulation legislation. Citizens for a Sound Economy reported lobbying spending of \$8,124 in 1999, but records are no longer available to determine their lobbyist. Russ Walker first registered as a lobbyist in February 2000.<sup>39</sup>

### **Who Calls the Shots - Salem office or Washington, D.C.?**

The timeline for creation of political committees by Russ Walker and the location of their directors are summarized in chart 2 below. What is striking is that, except for Russ Walker, all the committee directors have been Washington, D.C. based employees of FreedomWorks. Matt Kibbe is president and CEO of FreedomWorks, Rob Jordan is vice president for federal and state campaigns. Former Oregon committee directors include past staff person Andrew Smith and Molly Byrne who is still FreedomWorks' vice president of development.

Russ Walker has compared his group to others such as the Sierra Club with national groups and state offices when criticized for control of his political committees from Washington, D.C.. Obviously nothing is wrong for national groups to have state offices with centralized payroll. This is the procedure followed by Common Cause just as it is for FreedomWorks, however, Common Cause does not have a political committee. The Oregon Sierra Club has an ongoing political committee and also formed a ballot measure PAC that ended after that particular campaign. All directors of these PACs have been from Oregon. This is the trend seen in all but a very few political committees in Oregon. One exception was the Humane Oregon PAC that operated between 1998 and 2003 and worked on several ballot measures related to trapping. Its Washington, D.C. based director, however, was one of a total of eleven PAC directors and all of the others were Oregonians.

---

<sup>35</sup> Dick Arney and Lars Larson to Hold "Freedom Works" Townhall in Portland, November 14, 2003 press release. Retrieved on October 6, 2009 from <http://www.freedomworks.org/press-releases/dick-armey-and-lars-larson-to-hold-freedom-works-t>

<sup>36</sup> "Hundreds rally against Oregon tax increase," *Oregonian*, November 21, 2003

<sup>37</sup> About FreedomWorks. Retrieved on October 6, 2009 from <http://www.freedomworks.org/about/about-freedomworks>

<sup>38</sup> "Mortgage bailout infuriates tenants (and Steve Forbes)," *Wall Street Journal*, May 16, 2008

<sup>39</sup> The \$8,124 was listed on 1999 entity reports. Lobbyist registration dates obtained in phone call to Oregon Ethics Commission, September 18, 2009

**Chart 2 – Russ Walker Political Committees – When, Who, Location of Directors\***

PAC Name	Date Formed	Directors	Dates	Location of Directors
Oregon Citizens for a Sound Economy	September 2000	Russ Walker	9/2000-present	Salem, Oregon
		Matt Kibbe	9/2000-present	Washington D.C.
		Molly Byrne	9/2000-9/2007	Washington D.C.
		Andrew Smith	12/2003-9/2007	Washington D.C.
		Rob Jordan	9/2007- present	Washington D.C.
Citizens for PERS Reform became FreedomWorks Issue PAC in 2006	August 2002	Russ Walker	8/2002-present	Salem, Oregon
		Erick Gustafson	8/2002-7/2003	Washington D.C.
		Randall Mah	8/2002-3/2004	Washington D.C.
		Molly Byrne	7/2003-9/2007	Washington D.C.
		Matt Kibbe	3/2004-present	Washington D.C.
		Andrew Smith	3/2004-9/2007	Washington D.C.
		Rob Jordan	9/2007- present	Washington D.C.
Taxpayer Defense Fund	September 2003	Russ Walker	9/2003-present	Salem, Oregon
		Matt Kibbe	12/2003-presesnt	Washington D.C.
		Molly Byrne	9/2003-9/2007	Washington D.C.
		Andrew Smith	9/2003-9/2007	Washington D.C.
		Rob Jordan	9/2007- present	Washington D.C.
Judicial Integrity Coalition	April 2006	Russ Walker	4/2006-present	Salem, Oregon
		Matt Kibbe	4/2006-present	Washington D.C.
		Andrew Smith	4/2006-9/2007	Washington D.C.
		Rob Jordan	9/2007- present	Washington D.C.

\*As of October 2009

Another factor to consider when considering the independence of the Oregon office of Citizens for a Sound Economy/FreedomWorks is the extent to which financial support for its political campaigns come as support, typically in-kind contributions, from Washington D.C. Since 2000 this supports totals \$486,996.

**Who Calls the Shots? – Other States**

Review of the FreedomWorks website state activities section is outlined below in chart 3. The date of the latest posting is noted and the extent to which items are posted by staff in the national FreedomWorks office in Washington D.C. Those states without any postings seem to be a more honest assessment of state activities than when a state’s only website materials are from national office staff as is the dominant trend identified in chart 3.

**Chart 3 – Latest Posting and Source of Postings on FreedomWorks Website\***

Alabama	Latest posting is January 2008. All materials posted by national office staff.
Alaska	No postings.
Arizona	Latest posting is June 2009. All materials posted by national office staff.
Arkansas	Latest posting is October 2008. All materials posted by national office staff.
California	Latest posting is July 2009. All but two postings are by national office staff.
Colorado	Latest posting is August 2009. All but two postings are by national office staff.
Connecticut	Latest posting is March 2009. All materials posted by national office staff.
Delaware	No postings.
Florida	Latest posting is June 2009 with report insurance market report. All materials posted by national office staff.
Georgia	Latest posting is August 2009. All but two postings are by national office staff.
Hawaii	Latest posting is May 2009. All materials posted by national office staff.



Idaho	Latest posting is August 2009. All postings are by person with Washington state phone number.
Illinois	Latest posting is February 2009. All materials posted by national office staff.
Indiana	Latest posting is July 2009. All materials posted by national office staff.
Iowa	Latest posting is June 2007. All materials posted by national office staff.
Kansas	Latest posting is January 2009. All materials posted by national office staff.
Kentucky	Latest posting is February 2009. All materials posted by national office staff.
Louisiana	Latest posting is October 2007. All materials posted by national office staff.
Maine	Latest posting is February 2009. All materials posted by national office staff.
Maryland	Latest posting is March 2008. All materials posted by national office staff.
Massachusetts	Latest posting is July 2009. All but one postings are by national office staff.
Michigan	Latest posting is October 2007. All materials posted by national office staff.
Minnesota	Latest posting is February 2008. All materials posted by national office staff.
Mississippi	Latest posting is May 2009. All materials posted by national office staff.
Missouri	Latest posting is August 2009. All materials posted by national office staff.
Montana	Latest posting is June 2009. All materials posted by national office staff.
Nebraska	Latest posting is March 2005. All materials posted by national office staff.
Nevada	Latest posting is February 2006. All materials posted by national office staff.
New Hampshire	No postings.
New Jersey	No postings.
New Mexico	No postings.
New York	No postings.
North Carolina	Please call North Carolina State Director.
North Dakota	No postings.
Ohio	Latest posting is March 2009. All materials posted by national office staff.
Oklahoma	Latest posting is May 2009. All materials posted by national office staff.
Oregon	Information on September rally in Salem. Other materials posted by national office staff.
Pennsylvania	Latest posting is August 2009. All materials posted by national office staff.
Rhode Island	Link to local blog. Latest posting is April 15, 2009
South Carolina	No postings.
South Dakota	No postings.
Tennessee	Latest posting is May 2008. All materials posted by national office staff.
Texas	Latest posting is July 2009. All materials posted by national office staff.
Utah	Latest posting is December 2008. All materials posted by national office staff.
Vermont	Latest posting is January 2007. Posted by Vermont state director who is no longer on staff.
Virginia	Latest posting is September 2009. All materials posted by national office staff.
Washington	Latest posting is September 2009. All materials posted by national office staff.
West Virginia	No postings.
Wisconsin	Latest posting is March 2009. All materials posted by national office staff.
Wyoming	Latest posting is February 2008. All materials posted by national office staff.

\*Reviewed on October 9, 2009

### **Grassroots or Corporate Agendas?**

Another question raised about FreedomWorks and its precursor group, Citizens for a Sound Economy, is whether it works on issues because it gets financial support from corporate interests or is a membership-driven grassroots group? For example, the National Journal characterized Citizens for a Sound Economy's "grass roots" activism as a "fig leaf for corporate lobbying efforts."<sup>40</sup>

<sup>40</sup> "Think tanks: Corporations' quiet weapons," *Washington Post*, January 29, 2000



The *Washington Post* obtained internal Citizens for a Sound Economy documents outlining corporate support and links to advocacy by Citizens for a Sound Economy that were confirmed by conversations with several of the companies. Examples included the following:<sup>41</sup>

- Citizens for a Sound Economy began opposition to a federal Florida Everglades restoration program after it received support from the state's three major sugar interests that would lose thousand of acres used for growing sugar cane. From October through December of 1998, U.S. Sugar Corp. and Florida Crystals Corp. each gave \$280,000 while the Sugar Cane Growers Cooperative of Florida gave \$140,000. In November that year the Citizens for a Sound Economy issued a press release about the cost of the Everglades project and possible job losses. While Citizens for a Sound Economy advocated against this project, the official stance of these sugar interests were support for the environmental improvements.
- The tobacco company Philip Morris gave \$1 million at the same time Citizens for a Sound Economy was opposing cigarette taxes, a stance that has also be taken by the Oregon office of the group.
- When working on long-distance phone deregulation U.S. West gave \$1 million to Citizens for a Sound Economy. The *Salem Statesman Journal* reported this figure as \$1.24 million and indicates that the group supported phone company lobbying efforts in Salem in 1999.<sup>42</sup>
- Exxon Corporation gave \$175,000 for "global climate" issues that arrived after Citizens for a Sound Economy claimed that global warming was based on "junk science."
- Citizens for a Sound Economy received at least \$460,000 from Florida business interests for work on tort reform that was credited by the Associated Industries of Florida as being a major factor in their legislative victory. This support included \$70,000 from Huziegna Holdings, a company that manages auto rental companies and other investments of Florida businessman Wayne Huizenga. Their support and \$25,000 each from Hertz and Daimler Chrysler, and \$10,000 Dollar Thrifty Automotive Auto Group were evidently linked to the bill's limits on the liability on car rental businesses.
- Three insurance companies and two trade associations in New Jersey supported a Citizens for a Sound Economy project in that state regarding the auto insurance market.
- The Association of American Railroads paid for a study of legislation that would force railroad companies to let other shippers use their tracks.
- Microsoft Corporation committed \$380,000 to the Citizens for a Sound Economy foundation in May of 1999. Later that year Citizens for a Sound Economy lobbied Congress to reduce the antitrust enforcement budget at the Justice Department.

Citizens for a Sound Economy's then-president Paul Beckner strongly denied picking issues with an eye to their potential for luring corporate funds--or tailoring the groups' views to mesh with those of contributors. "We aren't a group for hire," he said. "There's a bright line that defines our independence. There is only one position we can take on most issues: the one that means less government and lower taxes. We choose the issues we work on, and we decide how that money is expended."<sup>43</sup>

---

<sup>41</sup> "Think tanks: Corporations' quiet weapons," *Washington Post*, January 29, 2000

<sup>42</sup> "Activist group brings money, draws concern," *Salem Statesman Journal*, November 1, 2003

<sup>43</sup> "Think tanks: Corporations' quiet weapons," *Washington Post*, January 29, 2000

"Corporations have discovered that funding of research, publications, media campaigns and other forms of advocacy on policy issues can serve as an adjunct to traditional corporate lobbying and political contributions," said James Allen Smith, author of a book about think tanks. "It's part of a rent-a-mouthpiece phenomenon," said Gary Ruskin of the Congressional Accountability Project. "There are mercenary groups that function as surrogates when industry feels it's not advantageous for it to speak directly."<sup>44</sup>

Not all conservative groups accept money from corporations or do so under restrictions not seen at the Citizens for a Sound Economy. The Heritage Foundation will not accept money for specific projects. The Cato Institute will take earmarked money but goes beyond what is legally required to identify donors for certain projects. For example, the Cato Institute reported support from AIG insurance company in the context of their advocacy of privatized retirement systems that would have increased this market for AIG. It is also important to note that left-leaning think tanks such as the Economic Policy Institute have received money from unions.<sup>45</sup>

### **Dick Arney Earns Half a Million from FreedomWorks and Lobbies for DLA Piper**

The *Wall Street Journal* reported in 2008 that Dick Arney earns \$100,833 annually for four hours a week of work for FreedomWorks Inc. and \$403,333 for 32 hours a week working for FreedomWorks Foundation based on analysis of their federal tax filings. This is a total income from this group of \$504,166.

Dick Arney also lobbies for DLA Piper led by John Merrigan, who is on the list of Washington D.C.'s top 50 lobbyists. Interestingly enough Merrigan is a Democrat and Dick Arney is evidently part of the firm's strategy to also attract Republican clients.<sup>46</sup>

In August of 2009, however, Dick Arney left DLA Piper citing negative attention the firm received due to his role at FreedomWorks and its work in turning out protestors to health care forums. Since DLA Piper has numerous lobbying efforts before the Obama administration there was speculation that Arney had been pushed out.<sup>47</sup>

### **Obscure Insurance Arrangement Nets FreedomWorks \$638,000**

An arrangement characterized by the press as "obscure" between Citizens for a Sound Economy and J. Patrick Rooney brought in \$638,000 and about 16,000 members though none of them knew that buying some insurance would add them to the group's membership lists.<sup>48</sup>

Mr. Rooney is a prominent Republican businessman who owns Rooney's Medical Savings Insurance Company. In 2000, Rooney proposed a deal his company's brokers would sell insurance policies and insurance savings plans at a group discount to buyers who joined Citizens for a Sound Economy. "We are pleased with your offer to benefit Citizens for a Sound Economy and we are ready to go forward subject to alternations in the contract," wrote the group's vice

---

<sup>44</sup> "Think tanks: Corporations' quiet weapons," *Washington Post*, January 29, 2000

<sup>45</sup> "Think tanks: Corporations' quiet weapons," *Washington Post*, January 29, 2000

<sup>46</sup> "Hired guns: The city's 50 top lobbyists," *Washingtonian.com*, June 1, 2007

<sup>47</sup> "Arney leaves lobby firm, citing negative attention brought by FreedomWorks," *TPMMuckraker*, August 14, 2009

<sup>48</sup> "With insurance policy comes membership," *Washington Post*, July 23, 2006

president for development in September 2000. The deal involved renting out policy holders' names to Citizens for a Sound Economy and changes to that group's bylaws to accommodate Rooney's proposal.<sup>49</sup>

This deal came to light in a class-action suit filed in Florida against Rooney's Medical Savings Insurance Co. "Before I showed you this form today, did you even realize that you signed a form that was an application for membership in Citizens for a Sound Economy," was a question asked in a 2004 deposition to someone who purchased a policy from Rooney's company. Her reply was, "I don't know what Citizens for a Sound Economy is." "We have clearly concluded these folks had no idea what Citizens for a Sound Economy was," said an attorney working on the class action lawsuit. "They had no idea where their money was going."<sup>50</sup>

Citizens for a Sound Economy, now FreedomWorks, vice president for strategy responded, "I have every confidence that new members to FreedomWorks know what we're about and what that relationship means to them." The insurance policies, however, don't mention either FreedomWorks or Citizens for a Sound Economy and only identified the group with a number.<sup>51</sup>

### **Holding Republicans Accountable**

When Dick Armey spoke at a rally in Oregon in 2003 he told participants that he left Congress due to frustration with fellow Republicans who wouldn't follow the party line on conservative issues. "I called them bed wetters," said Armey and later suggested that this label would also apply to the 11 moderate Republicans in the Oregon House who joined in the bipartisan effort to pass the revenue bill that included a temporary income tax surcharge and other items to balance the budget that became Measure 30 brought to voters by the Oregon office of Citizens for a Sound Economy.<sup>52</sup>

Oregon Citizens for a Sound Economy PAC was a major donor to the primary victories of Kim Thatcher and Larry George over Republican incumbents who voted for the bill overturned by Measure 30.

Oregon Citizens for a Sound Economy PAC was Kim Thatcher's top donor giving \$42,929 that was over 43 percent of her total primary fundraising of \$99,069. "She's worked with us on a number of different issues," said Russ Walker of Keizer, Northwest director of Citizens for a Sound Economy.<sup>53</sup> Walker's PAC gave Thatcher another \$1,000 during the 2004 general election.

Oregon Citizens for a Sound Economy PAC gave \$54,790 to Larry George in his victory in the May 2006 Republican primary against incumbent Senator Charles Starr. George went on to beat Democrat Rick Ross in the November general election. The \$54,790 to Larry George from Oregon Citizens for a Sound Economy represented 27 percent of his fundraising in the May 2006 primary election.

---

<sup>49</sup> "With insurance policy comes membership," *Washington Post*, July 23, 2006

<sup>50</sup> "With insurance policy comes membership," *Washington Post*, July 23, 2006

<sup>51</sup> "With insurance policy comes membership," *Washington Post*, July 23, 2006

<sup>52</sup> "Hundreds rally against Oregon tax increase," *Oregonian*, November 21, 2003

<sup>53</sup> "Rep. Backlund faces challenge by his own party," *Statesman Journal*, April 4, 2004.

Larry George told reporters he would not have defeated Charles Starr without help from FreedomWorks. "If they're going to run as a fiscal conservative, they have to vote as a fiscal conservative," said Russ Walker.<sup>54</sup>

Involvement in candidate work by Citizens for a Sound Economy has not been limited to Oregon. In coordination with Associated Industries of Florida, Citizens for a Sound Economy ran TV ads in favor of a Republican challenger to an incumbent who pledged to protect tort reform. "Our political department orchestrated the whole thing," said Associated Industries' Jon L. Shebel. "We called CSE and said here's the plan, can you do something? They did TV. We did radio, direct mail and all the analytical work."<sup>55</sup>

### **Not a Major Lobbyist in Salem**

Russ Walker for the Oregon office of Citizens for a Sound Economy and then FreedomWorks was registered as a lobbyist from February of 2000 through the end of 2003 and then again in February of 2007 through the end of that year.

During 2007 Russ Walker reported \$2,500 in spending as a lobbyist. The lobbying entity, FreedomWorks, however, is listed on records from the Oregon Government Ethics Commission but with a blank regarding expenditures. This doesn't mean they spent no money but indicates that a full report was not filed.

In 2003 Russ Walker's lobbying entity Citizens for a Sound Economy reported expenditures of \$9,410. In 2002 Citizens for a Sound Economy reported \$1,684 in spending. During the 2001 legislative session Russ Walker testified in support of SB 660 that was introduced at the request of Oregon Citizens for a Sound Economy with bipartisan sponsorship. SB 660 banned imposing a tax on internet access or use of the internet. The original bill included a restriction on Oregon jurisdictions collecting such a tax imposed in other states that was presumably deleted due to enforcement difficulties. Walker was registered as a lobbyist from 2000 through 2003, but the level of effort by Citizens for a Sound Economy isn't clear since no report is available on their level of spending as the lobbying entity.

### **FreedomWorks Foundation, Kevin Mannix, and Loren Parks**

Loren Parks has been a major donor to ballot measures from both Russ Walker and Kevin Mannix. In addition, foundations controlled by Loren Parks have given money to FreedomWorks Foundation in Washington, D.C., a group that, in turn, has paid the Mannix law firm for various services.

Tax records for FreedomWorks Foundation indicates payments to the Mannix law firm totaling \$624,678 from 2004 through 2007. In 2004 the payment to the Mannix law firm was \$70,939 for unspecified consulting. The payment listed on the 2005 report was \$200,089 for fundraising consulting. Legal services by Mannix's firm worth \$268,650 was reported in 2006 with another

---

<sup>54</sup> "Anti-tax group helps to give the boot," *Oregonian*, May 22, 2006

<sup>55</sup> "Think tanks: Corporations' quiet weapon," *Washington Post*, January 29, 2000

\$85,000 of legal services reported on FreedomWorks Foundation’s 2007 tax form.<sup>56</sup> These grants are listed on the right side of chart 4 below.

**Chart 4 – Side-by-Side Summary of Parks Foundation Grants to FreedomWorks Foundation and Payments by FreedomWorks Foundation to Mannix Law Firm**

Grants from Parks foundations to FreedomWorks Foundation		Contract work by Kevin L. Mannix, PC for FreedomWorks Foundation	
2007 Report for August 2007 through August 2008 grants	\$197,000	2008 Report Not Yet Available	
2006 Report for August 2006 through August 2007 grants	\$20,000	2007 Report for 2007 calendar year for legal services	\$85,000
2005 Report for August 2005 through August 2006 grants	\$120,000	2006 report for 2006 calendar year for legal services	\$268,650
2004 Report for August 2004 through August 2005 grants	\$172,980	2005 report for 2005 calendar year for fundraising consulting	\$200,089
There is a gap in dollars from Parks Foundations to Freedomworks with the only other contribution being \$30,000 reported in 2000		2004 report for 2004 calendar year for consulting	\$70,939
		Reports for previous years no longer available on either Guidestar or 990 finder	
Total	\$509,980	Total	\$624,678

In this same time frame, two foundations controlled by Loren Parks gave \$509,980 to FreedomWorks Foundation. These grants were from the Parks Foundation and Parks Educational Foundation, private family foundations under the control of Loren Parks and his sons.

As shown on the left side of chart 4 above, contributions from these Parks family foundations to FreedomWorks Foundation were \$20,000 reported on 2006 tax forms, \$120,000 reported in 2005, \$172,980 on 2004 tax forms and \$30,000 reported in 2000.<sup>57</sup> The 2006 report lists activity that occurred in late 2006 through August of 2007. The 2005 report primarily covers activities in 2006, while the 2004 report indicates payments primarily in 2005.<sup>58</sup>

During the spring of 2008 when Kevin Mannix was running in the Republican Fifth Congressional District primary and coming up with the money to pay off outstanding campaign loans, the *Oregonian* editorialized against Mannix’s mixing of business and political fundraising. Though legal, the editorial characterized his recent money shifts as “neither aboveboard nor wise.” They cited attacks made by his 2006 primary opponent Ron Saxton in advertising slamming Mannix for being in debt. Given his run for a federal office they wonder if his opponents would run new TV spots “asking how he expected to clean up the federal budget when he can’t do the same to his own finances.” Discussing the legal work for FreedomWorks

<sup>56</sup> Earlier reports for FreedomWorks Foundation are not available via Guidestar at <http://www.guidestar.org/>

<sup>57</sup> The Oregon Parks Foundation also reports a \$30,000 grant to FreedomWorks Foundation on its 2000 990 form.

<sup>58</sup> This pattern is true for Parks Foundation and Parks Educational Foundation 2006, 2005, and 2004 990s. These are Nevada foundations. The 2003 990 for the Nevada Parks Foundation says it covers December 1, 2003 through August of 2004. This is during the period of time that the Oregon Parks Foundation was being disbanded. The 2002 990 for the Oregon Parks Foundation shows that it covers the time period from December 1, 2002 through November 2003. The bottom line is that for most 990s the report year coincides with the calendar year reporting of activities in the report. As allowed by law, this is not the case with Parks foundations. This needs to be factored into comparing 990 forms of Parks foundations with the 990 forms of other organizations.

they acknowledge that there is nothing wrong with those payments. But then they write, “Nothing, that is, if the money was truly compensation for legal work as opposed to campaign contributions masquerading as attorney fees. But even if the fees were entirely legitimate, doesn’t the candidate owe Oregon voters an unlauded accounting of who’s bankrolling his campaign?”<sup>59</sup>

The *Oregonian* article and subsequent editorial did not include information about \$509,980 in recent grants to FreedomWorks Foundation from the Parks Foundation and Parks Educational Foundation. If this information on grants to FreedomWorks had also been reported, it may well have increased the *Oregonian*’s concerns about “campaign contributions masquerading as attorney fees.”<sup>60</sup>

The work load at the Mannix Law Firm seems to be significant. Assuming a payment rate of \$200 per hour work for FreedomWorks Foundation would mean 355 hours in 2004, 1000 hours in 2005, 1343 hours in 2006, and 425 hours in 2007. Assuming a work year of 2080 hours (52 weeks times 40 hours a week) this would mean that work for the FreedomWorks Foundation represented 17, 48, 65, and 20 percent of Mannix’s workload in 2004, 2005, 2006, and 2007 respectively.

Given other activities by Kevin Mannix, for example, running for office and working on ballot measures it seems possible that there was a higher rate of pay for consulting work provided to the FreedomWorks Foundation. Especially if fundraising work primarily involved talking with Loren Parks, the payment to the Mannix Law Firm seems particularly generous given the likely work involved. The rationale for a potentially higher rate of pay for legal services provided to FreedomWorks Foundation in 2006 and 2007 than the \$200/hour used in this analysis isn’t clear. It should be noted that the Oregon Rule of Professional Conduct 1.5 prohibits lawyers from charging excessive fees.<sup>61</sup>

### **National FreedomWorks – Mortgage Bailout, Tea Party and Health Care Reform Protests** **Mortgage Bailout Infuriates Tenants (and Steve Forbes.) – Wall Street Journal Article**

In May 2008 the *Wall Street Journal* exposed the AngryRenter.com website as a project of FreedomWorks rather than a grassroots group it purported to be in an article titled, Mortgage bailout infuriates tenants (and Steve Forbes.) The website asked fellow renters to sign an online petition to express their outrage against any bailout of homeowners due to the mortgage crisis. The article is clear that on the back pages of the website that FreedomWorks’ copyright is provided, but characterizes the site as being designed to “look underdoggy and grass-rootsy. The article also lists the values of homes owned by FreedomWorks president, Matt Kibbe, as well as board member Steve Forbes and chairman Dick Arney. Representative Barney Frank, who wrote the bill to provide additional federal insurance to help refinance troubled mortgages, found it amusing that Mr. Arney was being portrayed as a champion of renters. “I worked a long time

---

<sup>59</sup> “With Mannix, it’s hard to follow the money,” *Oregonian*, March 23, 2008

<sup>60</sup> “With Mannix, it’s hard to follow the money,” *Oregonian*, March 23, 2008

<sup>61</sup> Oregon State Bar Association, Oregon Rules of Professional Conduct. Retrieved on October 19, 2009 from <http://www.osbar.org/docs/rulesregs/orpc.pdf>

trying to improve the condition of renters,” commented Representative Frank. “Dick Arney has usually been on the other side.”<sup>62</sup>

### Tea Party Protests

Tea Party protests that began in the spring of 2009 were characterized as grassroots efforts but there were reports of orchestration by FreedomWorks in the form of coordinating conference calls, writing press releases, and distributing talking points. FreedomWorks responded to this criticism by comparing themselves to MoveOn.org, though MoveOn relies funding by members and is not led by anyone, like Dick Arney, who lobbies for corporate clients. As noted above, however, Arney left the DLA Piper lobbying firm in August due to criticism on the company due to FreedomWorks activities promoting health care reform protests.

In Oregon there were Tea Party protests on April 15<sup>th</sup> across Oregon with 3,000 and 1,000 attending rallies in Salem and Portland. Russ Walker, Oregon director of FreedomWorks and vice chair of the Oregon Republican Party said, “This is a shot across the bow” to legislators discussing possible tax increases to fill holes in the state budget. The Democratic Party of Oregon urged people to make donations to the Oregon Food Bank and dismissed the rally as AstroTurf. Mary Nolan, Portland-D, House Majority Leader pointed out that Republicans have not identified important services with specific ways to pay for those services. “That’s [the rallies] kind of good theater,” said Nolan. “But it’s not good government.”<sup>63</sup>

### Health Care Reform Protests

Disruption of health care town halls hosted by members of Congress during the 2009 summer recess garnered significant media attention. The protests were characterized by the *Washington Post* as being spurred by a loose network of activists ranging from informal alliance to well funded veteran advocacy groups. They characterize FreedomWorks as one of the most prominent organizers. Dick Arney said, “This is a real grass-roots uprising that is to some extent helped by FreedomWorks, but it would be there without FreedomWorks.” The FreedomWorks website also featured a quote from Dick Arney, “If you are going to go ugly, go ugly early.”<sup>64</sup>

Another group mentioned as encouraging health care reform protests is Americans for Prosperity. In Oregon that group is led by former Republican legislator Jeff Kropf and has been involved in signature gathering on the referendum to overturn 2009 tax increase bills. Health care reform supporters urging attendance at rallies included AFL-CIO, Service Employees International Union, and Organizing for America.<sup>65</sup>

For all the protests about health care reform, polling released on September 30, 2009 from Kaiser Health News indicates that most Americans don’t feel represented in the debate. “Most people don’t feel that they personally have a voice in this debate,” said Mollyann Brodie, director of public opinion and survey research for the Kaiser Family Foundation. “In fact, 71 percent told us that Congress was paying too little attention to what people like them were saying.” Nurses and groups representing patients, doctors, and seniors were considered most likely to “recommend

---

<sup>62</sup> “Mortgage bailout infuriates tenants (and Steve Forbes),” *The Wall Street Journal*, May 16, 2008

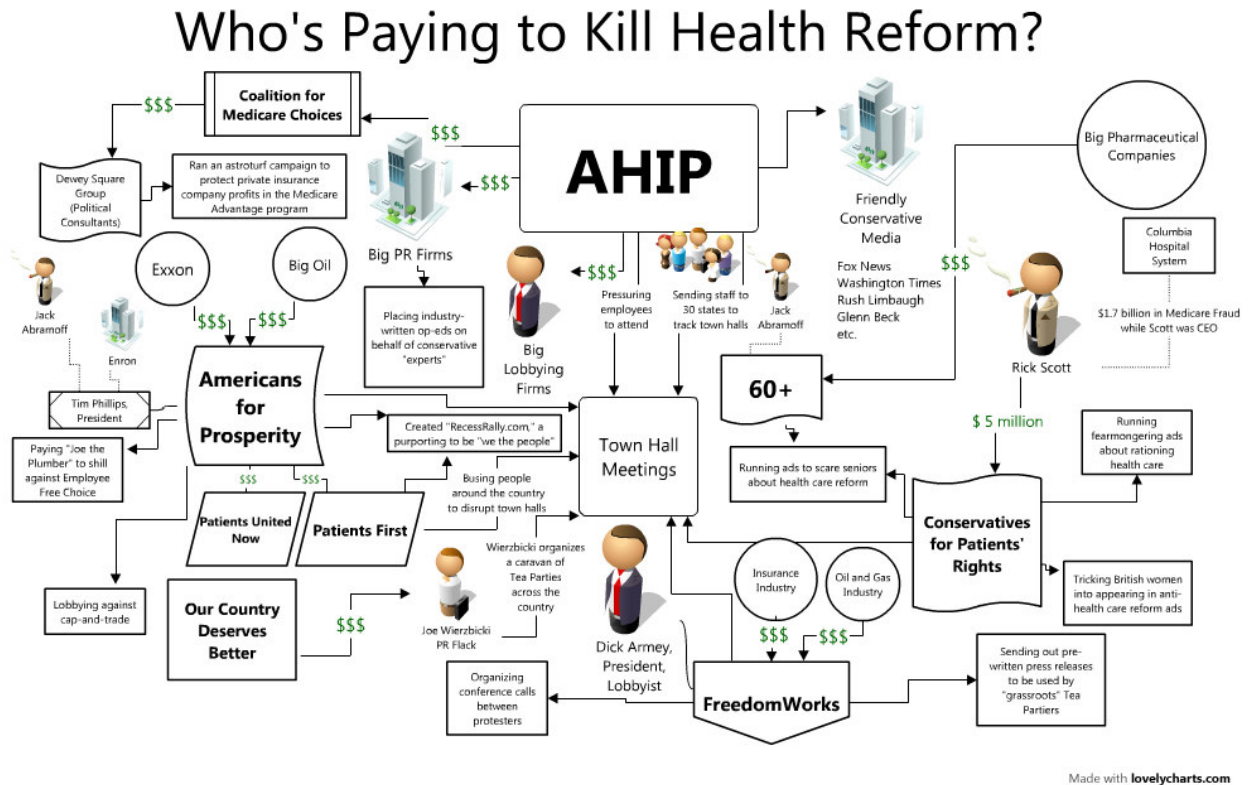
<sup>63</sup> “Thousands in Oregon protest taxes and bailouts, tea party-style,” *Oregonian*, April 15, 2009

<sup>64</sup> “Loose network of activists drive reform opposition,” *Washington Post*, August 16, 2009

<sup>65</sup> “Loose network of activists drive reform opposition,” *Washington Post*, August 16, 2009

the right thing for the country when it comes to health care.” Groups trusted the least were those representing insurance and pharmaceutical drug companies and large corporations.<sup>66</sup>

The Campaign for America’s Future compiled the following graphic that shows how AHIP (America’s Health Insurance Plans) a national trade association is interacting with FreedomWorks, Americans for Prosperity, and other groups that oppose health care reform.<sup>67</sup>



### SECTION 3 – FALL 2009 REFERENDA SIGNATURE GATHERING

Russ Walker, Oregon director of FreedomWorks, partnered with Kevin Mannix and Ross Day in gathering signatures on Referendums 301 and 302 to require public votes on HB 2649 and HB 3405, bills passed by the 2009 legislature to increase the marginal tax rates imposed on top personal income tax brackets and to increase from \$10 the minimum corporate tax rate. Their signature gathering effort was successful and Measures 66 and 67 will be on the ballot on a January 26, 2010 special election.

<sup>66</sup> Public Feels Its Voice Is Not Heard In Debate, Poll Finds, September 30, 2009. KHN Kaiser Health News. Retrieved on October 1, 2009 from <http://www.kaiserhealthnews.org/Daily-Reports/2009/September/30/Public-opinion.aspx>

<sup>67</sup> Retrieved on October 19, 2009 from [http://www.ourfuture.org/files/AHIP\\_chart.jpg](http://www.ourfuture.org/files/AHIP_chart.jpg)



## Common Sense for Oregon

In September of 2008, Ross Day formed Common Sense for Oregon PAC. Kevin Mannix became a director of this political committee in April 2009. The Common Sense for Oregon Foundation and Common Sense for Oregon, Inc. were formed in January of 2009 with Kevin Mannix as their registered agent.<sup>68</sup> Both of these groups are organized under IRS tax-exempt rules. The Common Sense for Oregon foundation is a 501 (c) 3 organization that can accept tax-deductible contributions and may support or oppose ballot measures, with some limits, but may not be involved in candidate elections. Common Sense for Oregon, Inc. is a 501 (c) 4 whose contributions are not tax-deductible. A 501 (c) 4 group may be involved in ballot measures without any limit and can work for or against candidates as long as that is not the group's primary activity, typically advised to be less than 50 percent.

Kevin Mannix is a long time "tough on crime" activist who has unsuccessfully run for Attorney General and Governor. His primary political patron is Loren Parks. Updated political histories of Mannix and Parks are available at [www.commoncause.org/oregon](http://www.commoncause.org/oregon). Ross Day has been an attorney with Oregonians in Action.

In May of 2009, Common Sense for Oregon issued an Oregon Golden Fleece Award to the Oregon Corrections Department for not cutting spending on soda pop in state prisons. The Corrections Department for both health and budget reasons reduced access to pop a year ago and cautioned against abrupt cuts in the supply of soda pop because food is used as a "management tool" to improve inmate behavior.<sup>69</sup>

The possibility of a referendum surfaced during the 2007 legislative session. "If they [legislators] do anything on individual or corporate income taxes, we will refer it, said Russ Walker, Oregon director of FreedomWorks. "We've been preparing for this for several months, so they do it at their own risk."<sup>70</sup>

In discussions of potential legislation being vulnerable to a referendum challenge, House Majority Leader Mary Nolan, D-Portland said, "If Russ Walker, Bill Sizemore – whoever – decide they want to refer this plan to the voters – we've been listening to the voters." "We won't balance the budget on the backs of the middle class or working folks," summarized Nolan.<sup>71</sup> House Revenue Committee Chair Phil Barnhart, D-Eugene said, "Fortunately, the polling data and what we think is fair coincide very well."<sup>72</sup>

The Oregon office of FreedomWorks eased its opposition to the legislature's transportation plan. "I would really have loved to see them [legislators] do that with existing dollars," said Walker.

---

<sup>68</sup> Oregon Corporations Division. Retrieved on October 7, 2009 from [http://egov.sos.state.or.us/br/pkg\\_web\\_name\\_srch\\_inq.show\\_det?p\\_be\\_rsn=1365939&p\\_srce=BR\\_INQ&p\\_print=TRUE](http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.show_det?p_be_rsn=1365939&p_srce=BR_INQ&p_print=TRUE) and [http://egov.sos.state.or.us/br/pkg\\_web\\_name\\_srch\\_inq.show\\_det?p\\_be\\_rsn=1365943&p\\_srce=BR\\_INQ&p\\_print=TRUE](http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.show_det?p_be_rsn=1365943&p_srce=BR_INQ&p_print=TRUE)

<sup>69</sup> "Group bubbling over soda pop in prisons," *Oregonian*, May 12, 2009

<sup>70</sup> "Lawmakers expect to look at higher taxes," *Eugene Register-Guard*, May 9, 2006

<sup>71</sup> "Higher taxes proposed for wealthy," *Oregonian*, May 15, 2009

<sup>72</sup> "Legislative tax plans could go to voters," *Oregonian*, May 30, 2009

“That all said, we have got huge, huge tax increases coming at us in the form of the massive income tax and hospital provider tax.”<sup>73</sup>

#### Yes or No on Referendum Votes?

A successful referendum signature gathering drive halts implementation of the bill it seeks to overturn and asks Oregonians to vote as the legislators do - “yes” to adopt the bill or “no” against the legislation. This means that opponents of the bill who were getting people to say “yes” to signing referendum petitions need to urge those folks to vote “no” on the resulting ballot measure.

In June of 2009, legislators working on the bills that became the subject of Referendums 301 and 302, floated a proposal that would have required a “yes” vote to overturn the law and “no” vote to retain the law against the wishes of referenda supporters. The lobbyist for Associated Oregon Industries called this “the most arrogant, cynical attempt to hoodwink Oregon voters I’ve ever seen” and Russ Walker said Democratic legislative leaders were trying to “create a climate of confusion.” This proposal did not go forward.

In 2004, however, as referendum signature gathering ended and Russ Walker turned towards message development on the Measure 30 campaign, he was worried about the shift in message from fall petition circulation as ballots were being sent out. “We’ve got people whose mind set is, ‘Yes, I signed the petition. Yes I want the repeal,’ and I think it’s confusing that they now need to vote no,” said Walker.<sup>74</sup>

Press reports about the Common Sense for Oregon partnership as it geared up for referenda signature gathering, identified Russ Walker, Oregon director of FreedomWorks as a partner with Kevin Mannix and Ross Day in forming a for-profit petition circulation firm called Voice of the Electorate or VOTE, LLC. Ross Day is chief executive of the signature-gathering firm as well as the two Common Sense for Oregon non-profits and works in an office donated by Kevin Mannix that is next to the Mannix law firm in Salem. As is allowed under tax law, Ross Day declined to reveal donors to the Common Sense for Oregon non-profits, but did indicate hope that his partnership efforts with Kevin Mannix and Russ Walker would attract major conservative donors including Loren Parks.<sup>75</sup>

One motivation for this new partnership was reported to be an interest in moving beyond past domination by Bill Sizemore of ballot measure advocacy by conservatives. Russ Walker has worked with Bill Sizemore, but now says that Sizemore has become an issue, “If we don’t get past that, our movement will just die.”<sup>76</sup>

It should be noted, however, that Russ Walker worked with Bill Sizemore on all but one citizen initiative on the ballot in November 2008 after distancing himself from Bill Sizemore in 2003 during signature gathering for Measure 30. At that time Russ Walker said, “I think those [Sizemore’s] legal issues are serious issues. And until those are resolved, his credibility is in question with the general public.”<sup>77</sup> Sizemore’s legal troubles continued, nevertheless, Walker was co-petitioner with Bill Sizemore on numerous measures during the 2008 election season.

<sup>73</sup> “Legislators support new taxes for roads,” *Oregonian*, May 23, 2009

<sup>74</sup> “Ballots got out today, but voters may take their time,” *Eugene Register-Guard*, January 16, 2004

<sup>75</sup> “Conservatives aim to restore initiative clout,” *Oregonian*, August 2, 2009

<sup>76</sup> “Conservatives aim to restore initiative clout,” *Oregonian*, August 2, 2009

<sup>77</sup> “Sizemore a bit player in anti-tax play,” *Eugene Register-Guard*, September 23, 2003

One concern about the same group of partners adding a for-profit petition circulation firm to the Common Sense for Oregon non-profits and political committee is the potential for business interests to drive the use of the ballot measure process as much or more than policy interests. It is very common for organizations at either end of the political spectrum to have a PAC and both 501 (c) 3 and c (4) groups. It is less common for the leaders of these groups to also form a for-profit arm such as the Voice of the Electorate signature gathering company. Unfortunately Bill Sizemore is the best previous example of a player in Oregon ballot measure politics adding a for-profit petition company to the typical trio of political committee and political non-profits and his abusive use of the initiative process raises questions about this business model.

Ross Day said that Voice of the Electorate, VOTE LLC, signature gathering company is complying with all petition circulation rules. Beyond state requirements Day's company is requiring circulators to carry a "VOTE Oregon" bag, wear a badge with name and circulator registration number, and provide a business card upon request.<sup>78</sup>

In addition to pledging referendum circulation, Russ Walker also vowed to punish Republican Representatives Greg Smith, R-Heppener, and Bob Jenson, R-Pendleton. Jenson provided the needed 36<sup>th</sup> vote to pass the increase to the corporate minimum tax of \$10. Smith opposed that bill but both he and Jenson voted for the increase on the marginal tax rate for higher income individuals. "I swear to God they [Smith and Jenson] will not come back to this building," said Walker. Representative Greg Smith's vote received even more attention when it was revealed that he had obtained a letter from legislative leaders promising several support for several projects in his districts. Speaker of the House Dave Hunt said, "These projects were very much on our radar screen. It's not like these projects were some 'Bridge to Nowhere' that didn't meet the merit test." Russ Walker's response was, "He [Smith] sold out every taxpayer in the state for a pot of porridge, if you will."<sup>79</sup>

### **Americans for Prosperity**

Americans for Prosperity convened a conference in Salem in May of 2009 where anti-tax leaders spoke against legislative discussions of higher taxes. Americans for Prosperity said it was ready to go on a signature gathering effort having contacted its 13,000 members asking them to volunteer for petition circulation.<sup>80</sup> Russ Walker, Oregon director of FreedomWorks said his group would work on referendum signature gathering. In 2006 their Oregon list was reported to be 30,000.<sup>81</sup>

David H. Koch who had helped with early funding for Citizens for a Sound Economy is now on the board of Americans for Prosperity. These two groups split in 2003 with Citizens for a Sound Economy continuing as FreedomWorks. Beginning in 2007 Americans for Prosperity Foundation includes Oregon in its list of 20 states with chapters. However, any staff in Oregon

---

<sup>78</sup> "Petition workers scrutinized," *Eugene Register-Guard*, August 4, 2009

<sup>79</sup> "Republican ties tax vote to aid for district," *Oregonian*, June 11, 2009

<sup>80</sup> "Legislative tax plans could go to voters," *Eugene Register-Guard*, May 30, 2009

<sup>81</sup> "Democrats push taxes forward," *Oregonian*, June 10, 2009

aren't in the list of five highest paid employees listed on federal tax forms. The Americans for Prosperity website lists 20 states with staff, including many states with several employees.<sup>82</sup>

The Oregon chapter of Americans for Prosperity webpage has more information about its activities than its equivalent on the FreedomWorks website. Jeff Kropf, former Republican legislator, is listed as State Director. Matt Evans is Communications Director. Richard Burke, former head of the Libertarian Party, is Director of Grassroots Development. The website indicates that the state group is organized in local chapters.<sup>83</sup>

### **Business Support for Referenda Signature Gathering**

Russ Walker, Oregon director of FreedomWorks, welcomed the support from mainstream business lobbyists and their clients as it became clear that two referendums would be filed. "It is a new thing in Oregon to have the business community in Oregon united with the grass-roots, fiscal conservative community. That is a big deal," said Walker. Kevin Looper director of Our Oregon, a political non-profit that receives significant support from unions, said that the campaign will be more of a challenge with support from some major business players, "But I never assumed we were going to just be up against the right-wing reactionaries."<sup>84</sup>

The Oregon Business Association voted to stay neutral on the 2009 referendum effort. They had contributed to the campaign opposing Russ Walker's previous referendum, Measure 30 in 2004. Associated Oregon Industries stayed out of the Measure 30 campaign but is a major donor in the 2009 petition circulation. A representative from AOI was particularly concerned about the process, "It was decided by fiat. There was no input by business."<sup>85</sup>

Jack Roberts, head of an Eugene area economic development agency, former state commissioner of labor and industry, and unsuccessful Republican gubernatorial candidate thinks that the business lobby reaction isn't about the tax increases breaking the bank but rather discomfort with populist elements in the Democratic legislature that targeted corporate and personal wealth. "At this point, it's more psychological than, 'My gosh, I can't afford this,?'" summarized Roberts.<sup>86</sup>

Oregonians Against Job-Killing Taxes hired Voice of the Electorate. VOTE LLC, the signature-gathering firm established by Kevin Mannix, Ross Day, and Russ Walker. In response to early reports of fundraising, Kevin Looper of Our Oregon said, "The overall campaign can be succinctly summarized as greed vs. need."<sup>87</sup> Before focusing on this message, however, Our Oregon publicized criminal convictions of some petition circulators. "Apparently they don't want us to give these folks a chance to go out and earn an honest living," said Ross Day who also said that many of the convictions were from over twelve years ago. Pat McCormick of Oregonians Against Job-Killing Taxes wasn't surprised by the publicity about petition

---

<sup>82</sup> Americans for Prosperity staff. Retrieved on October 12, 2009 from <http://www.americansforprosperity.org/about/staff>

<sup>83</sup> AFP-OR FAQ. Retrieved on October 10, 2009 from <http://www.myafpor.org/Faqs.php>

<sup>84</sup> "Business backs anti-tax effort," *Eugene Register-Guard*, July 4, 2009

<sup>85</sup> "Business backs anti-tax effort," *Eugene Register-Guard*, July 4, 2009

<sup>86</sup> "Business backs anti-tax effort," *Eugene Register-Guard*, July 4, 2009

<sup>87</sup> "Opponents ready to fight tax increase," *Oregonian*, July 21, 2009

circulators saying that tax increase supporters would “do anything they can but talk about raising taxes in the middle of a recession.”<sup>88</sup>

Top contributors to the Referendum Petition 301 and Referendum Petition 302 PACs are summarized below in charts 5 and 6. The largest donors to both of these committees was Oregonians Against Job-Killing Taxes giving \$280,036 and \$330,036 for a total of \$610,072. The second highest contributor is Russ Walker’s Tax Defense Fund giving support valued at \$97,140 to each referendum PAC for a total of \$194,280. There were also in-kind contributions from VOTE LLC, the signature-gathering firm, worth \$50,000 to Referendum 301 PAC. There were also support valued at \$16,621 to each of the referendum PACs by Americans for Prosperity, \$8,722 each from Taxpayers Association of Oregon and its affiliated PAC, and \$4,735 each from Common Sense for Oregon, Inc.

**Chart 5: Top 15 Contributors to Referendum Petition 301 PAC**

Contributor	Contribution	Percentage
Oregonians Against Job-Killing Taxes (See chart 7 for donors to this PAC)	\$280,036	58.3%
Taxpayer Defense Fund (See chart 8 for donors to this PAC)	\$97,140	20.2%
VOTE LLC	\$50,000	10.4%
Americans for Prosperity	\$16,621	3.5%
Taxpayers Association of Oregon/TAO PAC	\$8,722	1.8%
Common Sense for Oregon, Inc	\$4,735	1.0%
John Watt & Associates	\$3,430	0.7%
Oregon Local Grocery PAC/NW Grocery Association	\$3,315	0.7%
Friends of Vic Gilliam	\$2,926	0.6%
Committee to Elect John Huffman	\$2,523	0.5%
Friends of Bruce Hanna	\$1,962	0.4%
Oregon Farm Bureau	\$1,484	0.3%
Oregon Republican Party/Oregon Republican Party Federal Account	\$1,264	0.2%
Blue Line Transportation	\$1,108	0.2%
Oregon Association of Realtors	\$675	0.1%
Top Contributors Subtotal	\$475,940	99.1%
Miscellaneous Contributions of \$100 or less	\$728	0.2%
Remaining Contributions	\$3,429	0.7%
Total	\$480,098	

Based on disclosure reports filed with the Secretary of State through September 25, 2009. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Chart 6: Top 15 Contributors to Referendum Petition 302 PAC**

Contributor	Contribution	Percentage
Oregonians Against Job-Killing Taxes (See chart 7 for donors to this PAC)	\$330,036	68.7%
Taxpayer Defense Fund (See chart 8 for donors to this PAC)	\$97,140	20.2%
Americans for Prosperity	\$16,621	3.5%
Taxpayers Association of Oregon/TAO PAC	\$8,722	1.8%
Common Sense for Oregon, Inc	\$4,735	1.0%

<sup>88</sup> “Tax-hike fight turns to canvassers’ pasts,” *Oregonian*, August 4, 2009

John Watt & Associates	\$3,430	0.7%
Oregon Local Grocery PAC/NW Grocery Association	\$3,315	0.7%
Friends of Vic Gilliam	\$2,926	0.6%
Committee to Elect John Huffman	\$2,523	0.5%
Friends of Bruce Hanna	\$1,962	0.4%
Oregon Farm Bureau	\$1,484	0.3%
Oregon Republican Party/Oregon Republican Party Federal Account	\$1,264	0.2%
Blue Line Transportation	\$1,108	0.2%
Daniel Kosmatka	\$794	0.2%
Oregon Association of Realtors	\$675	0.1%
Top Contributors Subtotal	\$476,734	99.1%
Miscellaneous Contributions of \$100 or less	\$728	0.2%
Remaining Contributions	\$2,635	0.5%
Total	\$480,098	

Based on disclosure reports filed with the Secretary of State through September 25, 2009. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

That the two top donors to the referendum PACs are political committees requires assessment of the donors to those groups, Oregonians Against Job-Killing Taxes and Taxpayer Defense Fund. During the signature gathering by Russ Walker's Taxpayer Defense Fund to qualify Measure 30, this pattern of contributions seemed designed to obscure transparency. That problem is alleviated now by the electronic reporting system ORESTAR that also provides online access with the requirement to report each transaction within 7 days during petition circulation. In 2009, giving to these two political committees rather than directly to the referendum PACs seemed linked to business groups giving to Oregonians Against Job-Killing Taxes and Loren Parks being the major donor to Taxpayer Defense Fund.

The largest single donation to Oregonians Against Job-Killing Taxes (see chart 7) was \$100,000 from the Oregon Bankers Association. Associated Oregon Industries and its affiliated PAC, however, gave a total of \$125,000 as reported by the day signatures were due on September 25, 2009. Common Sense for Oregon, Inc., a joint effort of Ross Day, Kevin Mannix, and Russ Walker gave \$50,000 in support to Oregonians Against Job-Killing Taxes.

Timber interests were major contributors including \$51,194 from Weyerhaeuser, \$45,000 from Roseburg Timber and \$36,000 from Plum Creek as well as contributions ranging from \$10,000 to \$16,000 from Longview Timberlands, Oregon Forest Industries Council and its PAC, Stimson Lumber, Seneca Jones Timber, Associated Oregon Loggers and its PAC, Cascade Timber Consulting, Rosoboro, and Lone Rock Timber Management. In all, \$225,235 came from the forestry industry.

**Chart 7: Top 25 Contributors to Oregonians Against Job-Killing Taxes**

Contributor	Contribution	Percentage
Associated Oregon Industries/Associated Oregon Industries PAC	\$125,300	11.1%
Oregon Bankers Association	\$100,000	8.8%
Weyerhaeuser Company	\$51,194	4.5%
Common Sense for Oregon, Inc	\$50,000	4.4%
Roseburg Timber	\$45,000	4.0%

Associated General Contractors of America, Inc	\$38,497	3.4%
ChamberPAC (Medford Area Chamber of Commerce PAC)	\$36,500	3.2%
Plum Creek	\$36,000	3.2%
Portland Business Alliance/Alliance-PAC	\$28,838	2.5%
Oregon Restaurant Association/ORAC PAC	\$27,600	2.4%
Oregon Local Grocery PAC	\$26,544	2.3%
Longview Timberlands LLC	\$26,000	2.3%
Oregon Auto Dealers Association/OADA PAC	\$25,527	2.3%
Oregon Forest Industries Council/OFIC PAC	\$25,253	2.2%
Oregonians for Affordable Housing (Building industry PAC)	\$25,000	2.2%
Oregon Farm Bureau Federation/OR Farm Bureau PAC	\$21,888	1.9%
Fifth Avenue Building	\$20,000	1.8%
Stimson Lumber Company	\$16,000	1.4%
Seneca Jones Timber Company	\$13,500	1.2%
Associated Oregon Loggers/OrLoggers PAC	\$13,288	1.2%
Cascade Timber Consulting	\$12,000	1.1%
Rosboro	\$11,500	1.0%
Lone Rock Timber Management Co	\$10,500	0.9%
Oregon Association of Realtors	\$10,400	0.9%
Albina Fuel, Boise Paper Holding, LLC, Timothy Boyle (Columbia Sportswear), Bretthauer Oil Co, Cain Petroleum, Carson Oil Co, Colvin Oil Co. Common Sense Investment Management LLC, General Distributors, Inc, Leathers Oil, Morgan Distributing, Inc, Pacific Seafood, Plaid Pantries, Inc, John Truax, WSCO Petroleum Corp	\$10,000 each	0.9% each
Top Contributors Subtotal	\$946,329	83.5%
Miscellaneous Contributions of \$100 or less	\$8,601	0.8%
Remaining Contributions	\$178,356	15.7%
Total	\$1,133,286	

Based on disclosure reports filed with the Secretary of State through September 25, 2009. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. If the 25<sup>th</sup> contribution has multiple donors, all are listed.

### Chart 8: Top 10 Contributors to Taxpayer Defense Fund

Contributor	Contribution	Percentage
Loren Parks	\$75,000	39.4%
FreedomWorks, Inc	\$22,752	11.9%
Oregonians Against Job-Killing Taxes	\$20,000	10.5%
John Bryan	\$10,000	5.3%
Oregon Citizens for a Sound Economy PAC	\$8,140	4.3%
Common Sense for Oregon PAC	\$6,000	3.2%
Gary Davis	\$1,000	0.5%
Victoria Frei and Craig Danielson	\$500 each	0.3% each
Tracy Hopkins	\$450	0.2%
Top Contributors Subtotal	\$144,342	75.8%
Miscellaneous Contributions of \$100 or less	\$44,504	23.4%
Remaining Contributions	\$1,600	0.8%
Total	\$190,446	

Based on disclosure reports filed with the Secretary of State through September 25, 2009. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. If the 25<sup>th</sup> contribution has multiple donors, all are listed.

The top donor to Russ Walker’s Taxpayer Defense Fund was Loren Parks, now based in Nevada but still owner of an Aloha based medical equipment manufacturing company, who gave \$75,000. FreedomWorks in Washington, D.C. provided \$22,752. See chart 8 above

## **SECTION 4 - ANALYSIS OF CAMPAIGN CONTRIBUTIONS TO WALKER PACS AND OPPOSITION CONTRIBUTIONS 2000-2008.**

Russ Walker formed Oregon Citizens for a Sound Economy PAC in September of 2000 but reported only \$9,811 as in-kind contributions from its national office, Citizens for a Sound Economy, and made no expenditures. In 2002 support continued from Citizens for a Sound Economy but major contributions came from the PACs of several legislators. Friends of David Nelson, R-Pendleton, gave \$47,000, Tootie Smith, R-Molalla, gave \$13,000 from her candidate committee, and Roger Beyer, R-Stayton gave \$5,500 from his candidate PAC. Oregonians for Food and Shelter whose primary focus is protecting use of pesticides and fertilizers from over-regulation from government gave \$29,000. Oregonians in Action PAC that focuses on property rights gave \$10,500. The Oregon Republican Party gave \$6,150 that represents the onset of this political party’s involvement in the efforts of Russ Walker’s political committees.

**Chart 9: Top 10 Contributors to Oregon Citizens for a Sound Economy PAC in 2000 and 2002**

Contributor	Contribution	Percentage
Friends of David Nelson	\$47,000	22%
Citizens for a Sound Economy (Washington DC)	\$40,826	19%
Oregonians for Food and Shelter	\$29,000	14%
Tootie Smith for State Rep	\$13,000	6%
Oregonians in Action PAC	\$10,500	5%
Peter Read and Robert Tiernan	\$10,000 each	5%
Oregon Republican Party	\$6,150	3%
Roger Beyer for Senate	\$5,500	3%
Samuel Allen, Robert Bobosky, and ABC State PAC	\$5,000 each	2% each
Top Contributors Subtotal	\$186,976	88%
Miscellaneous Contributions of \$100 or less	\$5,336	3%
Remaining Contributions	\$19,782	9%
<b>Total</b>	<b>\$212,094</b>	

Based on November 2000 and May and November 2002 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.

Also in 2000, Russ Walker formed Oregon Citizens for PERS Reform PAC, advocating for changes in the public employee retirement system. This committee got most of its money from the national and state offices of Citizens for a Sound Economy. A September 18, 2002 press release announces a major education campaign launched by Oregon Citizens for a Sound Economy and Citizens for PERS Reform. Russ Walker’s comments included: “PERS is a system out of control. In June an \$8.5 billion un-funded liability was predicted. It is now September and that liability is \$11 billion and growing. OR CSE, CPR PAC and our 12,000 members believe



that if PERS is not reformed, it will create an economic burden on taxpayers that will last for generations.<sup>89</sup>

Oregon Citizens for a Sound Economy spent \$9,410 on lobbying in 2003, presumably with a PERS reform focus.<sup>90</sup> In June 2003, Russ Walker filed Initiative 59 that would have ended the public employee pension system. But it was not approved to circulate and no signatures were gathered.

The 2003 legislature did pass a PERS reform bill crafted by Senator Tony Corcoran, D-Cottage Grove and Representative Greg Macpherson, D-Lake Oswego. Russ Walker testified in opposition before Senator Corcoran’s committee citing concern about its cost. However, a representative with another group, the Portland Business Alliance, that had been critical of PERS said, “We don’t have to sacrifice the achievable on the altar of the perfect” during supportive testimony.<sup>91</sup>

**Chart 10: All Contributors to Oregon Citizens for PERS Reform PAC in 2002**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Oregon Citizens for a Sound Economy	\$58,948	78%
Citizens for a Sound Economy (Washington DC)	\$16,907	22.3%
Miscellaneous Contributions of \$100 or less	\$50	<1%
<b>Total</b>	<b>\$75,905</b>	

Based on 2002 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 contributions to Oregon Citizens for PERS Reform PAC were minimal in 2004 and this committee changed its name to FreedomWorks Issues PAC in 2006.

### **2003 Special Election – Measure 28**

In September 2002 the legislature referred a package designed to fill a decline in revenue due to the recession. What became Measure 28 on the ballot in January 2003 was a temporary tax increase that was a compromise between those in Salem who wanted to adopt the temporary tax increase as a legislative action and those who wanted to balance the budget only with spending cuts. Winning Measure 28 was considered an uphill fight but an initial grassroots campaign focus resulted in mid-January polling showing the question dead-even. This prompted some late radio advertising by opponents but as the charts below indicate they raised far less than public employee unions and social services advocates who urged a yes vote on Measure 28.<sup>92</sup>

The final vote count was 55 percent no to 45 percent yes. “This is more of a mandate than I thought we’d receive,” said Russ Walker of Citizens for a Sound Economy. Given higher levels of opposition to previous tax increases supporters still took comfort in the results. “I think it

<sup>89</sup> Citizens for PERS Reform PAC Announces Fall Voter Education Campaign on September 18, 2002 Retrieved September 18, 2009 from <http://www.freedomworks.org/press-releases/citizens-for-pers-reform-pac-announces-fall-voter->

<sup>90</sup> Oregon Ethics Commission

<sup>91</sup> “PERS deal blends elements of 401 (k), standard pension,” *Oregonian*, June 27, 2003

<sup>92</sup> “Voters reject tax increase No: 55% Yes: 45%,” *Oregonian*, January 29, 2003

shows people really care about these issues. They disagree, but they really care,” said president of the Oregon Education Association.<sup>93</sup>

The Oregon Republican Party, Oregon Citizens for a Sound Economy, and Taxpayers Association of Oregon committees, ran campaigns against Measure 28. Total fundraising against this legislative referral was \$41,971. See charts 11 through 13.

**Chart 11: Top 5 Contributors to Oregon Republican Party (No on Measure 28, 2003)**

Contributor	Contribution	Percentage
Swanson Group Inc, Giustina Land & Timber Co, and Columbia Helicopters	\$5,000 each	27% each
Wildish Land Co	\$2,000	11%
Amerititle	\$500	3%
Top Contributors Subtotal	\$17,500	94%
Miscellaneous Contributions of \$50 or less	\$500	3%
Remaining Contributions	\$550	3%
Total	\$18,550	

Based on 2003 special 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.

**Chart 12: Contributors to Citizens for a Sound Economy PAC (No on 28, 2003)**

Contributor	Contribution	Percentage
Citizens for a Sound Economy	\$4,029	31%
50 \$100 contributions	\$5,000	38%
Miscellaneous Contributions of \$50 or less	\$4,109	31%
Total	\$13,138	

Based on 2003 special 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.

**Chart 13: Contributors to Taxpayers Association of Oregon PACs (No on 28, 2003)**

Contributor	Contribution	Percentage
Taxpayer Association of Oregon	\$3,625	35%
Jay Woodworth	\$2,000	19%
5 \$100 donors	\$500	5%
Miscellaneous Contributions of \$50 or less	\$4,158	40%
Total	\$10,283	

Based on 2003 special 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.

Significantly more money, \$571,934, was raised in an unsuccessful Yes on 28 campaign with dollars primarily coming from public employee unions whose members and their ability to serve Oregonians is directly affected by revenue declines. See chart 14.

**Chart 14: Top 10 Contributors to Yes on 28, 2003**

Contributor	Contribution	Percentage
Oregon AFSCME Council 75	\$125,000	22%
AFSCME – Washington DC	\$118,735	21%
SEIU Local 503, Oregon Public Employees Union	\$79,938	14%

<sup>93</sup> “Voters reject tax increase No: 55% Yes: 45%,” *Oregonian*, January 29, 2003

National Education Association	\$75,000	13%
Oregon Education Association	\$46,981	8%
Oregon Public Employees Union PAC	\$31,000	5%
Oregon School Employees Association – Voice of Involved Classified Employees	\$29,500	5%
AFT-Oregon Action PAC	\$23,700	4%
Oregon AFL-CIO	\$15,187	3%
Kulongoski for Governor	\$10,000	2%
Top Ten Contributors Subtotal	\$555,041	97%
Miscellaneous Contributions of \$50 or less	\$1,865	<1%
Remaining Contributions	\$15,029	3%
Total	\$571,934	

Based on 2003 special 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.

### 2004 Special Election – Measure 30

#### The Issue

The 2003 legislative session was the longest in Oregon’s history and only ended with the passage of HB 2152. The budget agreement included a three-year graduated income tax surcharge, increases in the corporate minimum tax, reductions in corporate tax credits, and an extension of a cigarette tax increase; all designed to avoid over \$500 million in cuts to education, human services, and public safety. The surcharge would have cost the average taxpayer \$88 a year.<sup>94</sup>

Russ Walker, state director for Citizens for a Sound Economy joined with Jason Williams with Taxpayer Association of Oregon as chief petitioners on a referendum that became Measure 30 on a special election ballot in February of 2004. Kevin Mannix, chair of the Oregon Republican Party also pledged support for the referendum. This move drew the ire of some elected officials since he had told legislators that an income tax surcharge was the appropriate method for a tax increase. Mannix characterized his comments as an “intellectual exercise” but Governor Ted Kulongoski called his behavior “shameless.” Russ Walker said, “The essential question is, is it necessary to save taxes? Our answer is no.”<sup>95</sup>

The session-ending budget bill passed with bipartisan support. For example, Senator David Nelson voted for HB 2152. As noted above in chart 9 Nelson made a major \$47,000 contribution to Oregon Citizens for a Sound Economy during the 2002 general election, but told the *East Oregonian* that even though that group opposed the bill he stood by his vote. Representative Rob Patridge, R-Medford, was a leader in a moderate group that helped craft the proposal said, “Some people felt it was the right thing to do, and we need the services.” A referendum drive was anticipated with Russ Walker of Citizens for a Sound Economy saying, “This will be the easiest campaign I’ve ever worked on.”<sup>96</sup>

That the referendum would overturn a renewal of a 10-year-old, 10-cents a pack cigarette tax imposed to help pay for the Oregon Health Plan drew particular criticism, especially since voters

<sup>94</sup> “Latest state budget include surtax,” *Eugene Register-Guard*, August 19, 2003

<sup>95</sup> “Anti tax referendum filing starts clock,” *Oregonian*, August 30, 2003

<sup>96</sup> “Legislature signs off on tax increase,” *Oregonian*, August 21, 2003

have adopted other increases to this tax. Russ Walker's response was that, "We view tobacco taxes the same way we do other taxes."<sup>97</sup>

### **Signature Gathering – Controversies and Use of Volunteers**

Given the fiscal impact of the referendum, signature gathering received close scrutiny by anticipated supporters of the law and opponents of Russ Walker's position against the temporary tax surcharge. "This is like an election now, and we just want to make sure we get information out to voters and potential signers about what signing these petitions means," said Tim Nesbitt, at the time president of the Oregon AFL-CIO and now deputy chief of staff for Governor Ted Kulongoski. "I've always thought the real campaign is between now and November 25," said Russ Walker. "Because once we get this thing qualified, we believe that voters will vote this tax down." Supporters, however, did not have a simple "decline to sign" message. "Our approach, very specifically, is to say, you need to know what's at stake. And a lot of people, once they do learn what's at stake, won't be signing this petition," said Chip Terhune, now chief of staff for Governor Ted Kulongoski and then director of the Our Oregon coalition.<sup>98</sup>

The Voter Education Project, supported in large part by unions, filed a legal challenge to the explanatory wording on the referendum petition calling it "bureaucratic gobbledegook" because it cites over a dozen state statutes. The wording had been approved by the Elections Division whose director, John Lindback, said, "We are prepared to defend our original decision if challenged in court, but we told the chief petitioners that we cannot guarantee we would win." Russ Walker said Oregon Citizens for a Sound Economy would call in 25,000 of the old petition sheets, but still thought they would qualify the referendum. Walker criticized the Voter Education Project's challenge, saying, "They don't care about the democratic process. They only care about disrupting it." The Voter Education Project spokesperson, Patty Wentz, said the petition language "should be readable by the general public... it is not disruptive to the democratic process to make sure that voters understand the democratic process."<sup>99</sup>

Oregon Citizens for a Sound Economy has also hired California-based Arno Political Consultants to manage the signature gathering drive. Since petition circulation is occurring under rules adopted in Measure 26 by voters in November 2002 against payment on a per signature basis, the Voter Education Project feels that it makes oversight imperative and that their goal is, "We're going to make sure if it gets on the ballot, it's on their cleanly and honestly." Russ Walker called the group the "Voter Intimidation Project" and is confident in the abilities of the Arno company to qualify the referendum.<sup>100</sup> The Voter Education Project, however, did file a complaint that bonuses paid to signature gatherers by Arno violates the ban on payment per signature. Russ Walker called the complaint a form of "harassment" without any merit.<sup>101</sup>

Signature gathering by volunteers, however, played a more significant role reportedly due to the new law requiring payment by the hour rather than per signature and continued effect of an Oregon Supreme Court decision in September of 2000 allowing malls and stores to ban petition

---

<sup>97</sup> "Cigarette tax renewal could be snuffed out," *Oregonian*, October 9, 2003

<sup>98</sup> "In tax war, signature drive the real battlefield," *Eugene Register-Guard*, September 28, 2003

<sup>99</sup> "Petition flap delays campaign on streets," *Oregonian*, September 28, 2003

<sup>100</sup> "Antitax drive, legal wars begin," *Oregonian*, September 28, 2003

<sup>101</sup> "Initiative sponsors try new strategies," *Oregonian*, November 10, 2003

circulators on their premises.<sup>102</sup> The volunteer effort primarily involved mailing petitions to likely signers with mailings also being sent by ally groups including the Oregon Libertarian Party and Taxpayer association of Oregon. Richard Burke, executive director of the Libertarian Party said each group was given a signature “goal” with petition sheets going to a central office to be checked for errors.<sup>103</sup>

The referendum qualified for a February 2004 special election and became Measure 30. The signature gathering campaign collected 139,887 signatures rather than their claims of 147,340. The validity rate was 84.6 percent that Russ Walker attributed to volunteer signature gathering efforts that used lists of registered Republicans during canvassing efforts, reducing the likelihood of signers not being registered voters. “It’s been a foregone conclusion that they’re [Walker and allies] going to qualify with the number of signatures they turned in, so it’s not a big surprise,” said the spokesman for the Yes on 30 For Our Oregon campaign.<sup>104</sup>

Russ Walker anticipated that 80 percent of referendum signatures came from volunteers with only 20 percent coming from paid petition circulators.<sup>105</sup> This estimate seems high, but it was not possible to estimate this number at that time because it was impossible to distinguish between petition sheets collected by paid or volunteer circulators.

During the 2009 signature gathering on what has become Measures 66 and 67, however, sheets collected by volunteers were on a different colored paper than the sheets used by paid circulators. Estimates made possible due to these different colors are that to qualify Measure 66, 47 percent of the signatures were gathered by paid collectors while 42 percent of signatures to put Measure 67 before voters were gathered by paid circulators. This means that 63 and 58 percent, respectively, were estimated to be gathered by volunteers to qualify Measures 66 and 67.<sup>106</sup> Though not as high as the 80 percent estimate made by Russ Walker regarding Measure 30, both the signature-gathering drives in both 2003 and 2009 involved more volunteers than typical petition circulation. FreedomWorks in Oregon also demonstrated more grassroots capacity than Bill Sizemore’s previous efforts in terms of signature gathering.

### **Bill Sizemore “Bit Player”**

Bill Sizemore sent out referendum petition sheets to supporters along with fundraising letters but Russ Walker distanced himself from Sizemore’s efforts and said that Sizemore was acting on his own. “Until those [legal issues] 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.”<sup>107</sup> See the discussion of 2008 ballot measures beginning on page 49 to learn about Russ Walker work with Bill Sizemore that election season.

---

<sup>102</sup> “Signature gatherers lose legal fight,” *Oregonian*, September 15, 2000

<sup>103</sup> “Initiative sponsors try new strategies,” *Oregonian*, November 10, 2003

<sup>104</sup> “Count makes vote assured on tax hike,” *Eugene Register-Guard*, December 4, 2003

<sup>105</sup> “Initiative sponsors try new strategies,” *Oregonian*, November 10, 2003

<sup>106</sup> Personal communication with Elections Division Staff, October 9, 2009

<sup>107</sup> “Sizemore a big player in anti-tax play,” *Eugene Register-Guard*, September 23, 2003

## Signature Gathering Contributions

The Taxpayer Defense Fund was the chief petitioner committee that carried out the signature gathering effort on Referendum 401 that became Measure 30. The Taxpayer Association of Oregon Measure PAC provided \$68,522 as in-kind support to the Taxpayers Defense Fund committee. In-kind contributions to Taxpayer Defense Fund from Oregon Citizens for a Sound Economy was far more significant representing 55 percent of total fundraising at \$337,608. See chart 15.

Analysis by the Money in Politics Research Action Project, a precursor group to Common Cause Oregon indicated that the Taxpayer Defense Fund met the letter but not the spirit of Oregon’s disclosure laws which, at that time, only required one campaign finance report of referendum signature gathering efforts. Taxpayer Defense Fund’s heavy reliance on in-kind contributions from ally groups, in effect if not by design, circumvented disclosure by essentially creating a “shell” committee. The report, *Transparency or Transparency Defeated? Campaign Finance Disclosure Loopholes Identified in Analysis of Taxpayer Defense Fund Chief Petitioner Disclosure Report* is available at [www.commoncause.org/oregon](http://www.commoncause.org/oregon).

**Chart 15: Top 10 Contributors to Taxpayer Defense Fund PAC for Referendum 401 – Became Measure 30, February 2004**

Contributor	Contribution	Percentage
Oregon Citizens for a Sound Economy	\$337,608	55%
Taxpayer Association of Oregon Ballot Measure PAC	\$68,522	11%
Goli Ameri for Congress	\$54,000	9%
Kevin Mannix PC	\$40,585	7%
Citizens for a Sound Economy (Washington DC)	\$24,819	4%
Oregon Family Council PAC	\$7,910	1%
Oregon Republican Party-Victory 2004	\$7,000	1%
Friends of Linda Flores	\$6,500	1%
Committee to Re-Elect Jeff Kropff, Citizens to Elect Dennis Richardson, and NFIB/Oregon Safe Trust	\$5,500 each	1% each
Top Contributors Subtotal	\$563,443	92%
Miscellaneous Contributions of \$50 or less	\$28,283	5%
Remaining Contributions	\$18,824	3%
Total	\$610,550	

Based on Chief Petitioner 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.

Though Russ Walker had boasted that the signature gathering money would all come from within Oregon, \$24,819 came from Washington DC-based Citizens for a Sound Economy. Citizens for a Sound Economy also gave \$74,591 to the top signature-gathering donor, Oregon Citizens for a Sound Economy during the petition circulation period.<sup>108</sup>

## Yes and No Money on Measure 30

The Taxpayer Defense Fund continued past the referendum signature-gathering phase and raised \$239,334 urging a “no” vote on Measure 30 that would result in overturning the budget bill.

<sup>108</sup> “Big donors give tax petition a push,” *Eugene Register-Guard*, December 11, 2003

Oregon Citizens for a Sound Economy raised \$445,574 on its “no on 30” campaign. See charts 16 and 17.

Washington DC based Citizens for a Sound Economy was the top donor to both the major campaigns urging a no vote on Measure 30. Frequent donors to conservative causes were major donors to Oregon Citizens for a Sound Economy including Wes LeMatta and his company Columbia Helicopters, A-Dec owned by the Austin family, Jeld-Wen owned by the Wendt family, and timber interests Seneca Sawmill and Freres Lumber. See chart 17.

**Chart 16: Top 10 Contributors to Taxpayers Defense Fund (No on 30, 2004)**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Citizens for a Sound Economy (Washington DC)	\$23,653	10%
Goli Ameri for Congress	\$18,792	8%
Taxpayer Association of Oregon Ballot Measure PAC	\$13,591	6%
Jim Zupancic for Congress	\$3,590	2%
Friends of Tootie Smith	\$3,296	1%
Oregon Family Council PAC	\$2,500	1%
Adams & Company, Friends of Betsy Close, Friends of Linda Flores, Glenn Pelikan, and Taxpayer Association of Oregon	\$1,000 each	<1% each
Committee to Re-Elect Jeff Kropff and Ned Baker Real Estate	\$500 each	<1% each
Top Ten Contributors Subtotal	\$71,422	30%
Miscellaneous Contributions of \$50 or less	\$24,898	10%
Remaining Contributions	\$143,014	60%
<b>Total</b>	<b>\$239,334</b>	

Based on 2004 special 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.

**Chart 17: Top 10 Contributors to Oregon Citizens for a Sound Economy (No on 30, 2004)**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Citizens for a Sound Economy (Washington DC)	\$104,038	23%
Columbia Helicopters/Wes LeMatta	\$85,100	19%
A-Dec Inc	\$80,100	18%
Seneca Sawmill Co	\$75,100	17%
Jeld-Wen, Inc	\$55,100	12%
Freres Lumber Co Inc	\$27,550	6%
Oregon Grocery Industry Association PAC	\$7,500	2%
Robert Bobosky	\$5,000	1%
Committee to Elect Tom Butler	\$1,000	<1%
John Mitchell	\$500	<1%
Top Ten Contributors Subtotal	\$440,988	99%
Miscellaneous Contributions of \$50 or less	\$2,261	<1%
Remaining Contributions	\$2,325	<1%
<b>Total</b>	<b>\$445,574</b>	

Based on 2004 special 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.

Russ Walker, Oregon director of Citizens for a Sound Economy made a claim on KXL radio during the Measure 30 campaign that Governor Ted Kulongoski had secretly found \$500 million to save state programs. Walker said he got the information from a legislative source but had no evidence to back his claim. “It was probably not a good idea for me to repeat rumors,” Walker later told *The Oregonian*.<sup>109</sup>

Our Oregon, the PAC formed to run the “yes on 30” campaign, raised \$744, 010. Their top four donors, giving between \$100,500 and \$157,531, were public employee unions representing 134,000 members affected by anticipated revenue cuts if the referendum was successful. Others, however, were also concerned about revenue cuts as indicated by major donations of \$76,292 and \$35,147, respectively, from AARP and the Oregon Business Association and its affiliated PAC. See chart 18.

Compared to ballot measure contests in 2006 and 2008, the \$744,010 raised by Our Oregon is relatively minimal. This was presumably due to polling showing low levels of support for Measure 30 and a history of voter disinterest in tax increases.<sup>110</sup> Measure 30 did lose decisively with a lower show of support than 2003’s Measure 28.

**Chart 18: Top 10 Contributors to Our Oregon (Yes on 30, 2004)**

Contributor	Contribution	Percentage
Oregon Education Association	\$157,531	21%
SEIU Local 503	\$137,748	18%
Oregon School Employees Association/SEED	\$101,500	14%
Oregon AFSCMCE Council 75	\$100,500	14%
American Association of Retired Persons	\$76,292	10%
Oregon Business Association/OBA PAC	\$35,147	5%
Oregonians for Health Security	\$23,967	3%
Nurses United PAC	\$20,500	3%
Oregon Public Employees Union PAC	\$20,500	3%
AFT-Oregon COPE PAC	\$15,000	2%
Top Ten Contributors Subtotal	\$686,686	92%
Miscellaneous Contributions of \$50 or less	\$2,887	<1%
Remaining Contributions	\$54,437	7%
Total	\$744,010	

Based on 2004 special 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.

Grover Norquist Award to Walker, Williams, Mannix for “No” Victory

Signature gathering by the Taxpayer Defense Fund was successful so the law was suspended with the public vote designed to either enact or reject the legislation. In other words a Russ Walker’s position was a “no” vote. This view was successful with voters who overturned the budget-balancing bill. Russ Walker, Jason Williams, and Kevin Mannix received an award from

<sup>109</sup> “Measure 30’s foe’s budgeting claim rebutted,” *Oregonian*, January 31, 2004

<sup>110</sup> “Voters will decide on tax boost,” *Oregonian*, December 4, 2003



Grover Norquist’s group Americans for Tax Reform for their leadership in putting Measure 30 on the ballot and campaigning for its defeat.<sup>111</sup>

### 2004 Non-Special Election Fundraising

Russ Walker and Citizens for a Sound Economy filed Initiative 50 on PERS reform in June of 2003 it was never approved for circulation and no signature were collected to qualify it for the November 2004 ballot. Several of Oregon’s unions had filed numerous initiatives pertaining to tax reform, none of them received serious attention, especially in the wake of Measure 30 losing so decisively. “I would have been surprised if they had moved forward with any proposed tax increases,” said Russ Walker and “I’m pleased to hear they’re not.” Presidential politics also played a role in priority setting by unions. “There’s a compelling feeling that the presidential election is the priority and these initiatives would be a distraction,” said Jeff Anderson of the United Food and Commercial Workers Local 555 that has 20,000 members.<sup>112</sup>

As ongoing issue political committees, however, Russ Walker’s two political committees, Oregon Citizens for a Sound Economy and Taxpayer Defense Fund had ongoing fundraising in 2004 after the February election on Measure 30 as summarized in the charts 19 and 20 below.

**Chart 19: All Contributors to Oregon Citizens for a Sound Economy PAC in 2004**

Contributor	Contribution	Percentage
Pacwest Communications	\$45,913	23%
Citizens for a Sound Economy (Washington DC)	\$36,507	18%
Majority 2004 (leadership PAC of House Republicans)	\$33,000	17%
Richard Wendt	\$30,000	15%
FreedomWorks (Washington DC)	\$22,610	11%
Oregon Local Grocery Committee	\$12,500	6%
Re-Elect Packwood Committee	\$4,000	2%
Friends of Jason Atkinson	\$3,000	1.5%
Oregon Family Council PAC	\$2,500	1%
Miscellaneous Contributions of \$100 or less	\$8,595	4%
Total	\$198,625	

Based on May and November 2004 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 20: All Contributors to Taxpayer Defense Fund in 2004**

Contributor	Contribution	Percentage
Oregon Citizens for a Sound Economy	\$21,750	90%
FreedomWorks (Washington DC)	\$5490	10%
Total	\$24,240	

Based on May and November 2004 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.

<sup>111</sup> Americans for Tax Reform, Taxpayer Group Honors Oregonian ‘Dragon Slayers’ April 12, 2004 press release. Retrieved August 18, 2009 from <http://www.atr.org/content/pdf/2004/apr/pr-or-dragonslayers-4-12-04.pdf>

<sup>112</sup> “Unions zero in on presidential vote, not initiatives,” *Oregonian*, March 30, 2004

Russ Walker attended the 2004 Republican convention that nominated George Bush for re-election for president with an interest in ensuring that the party not drift to the left to accommodate moderates. “We’ve been talking about the war (against terrorism) nonstop for how long,” Walker said. “I want to make sure the issues I care about aren’t forgotten.” Walker cited economic concerns including wanting to hear President Bush renew his call for Social Security reform with a focus on private investment accounts.<sup>113</sup>

### **Contributions to Legislative Candidates**

Both of these PACs turned to legislative candidate politics in 2004 giving a total of \$109,115. The Taxpayer Defend Fund committee gave \$19,713 to the unsuccessful legislative candidacy of Dave Mowry in House District 48 in 2004 against Mike Schaufler. Oregon Citizens Against A Sound Economy PAC gave Dave Mowry \$9,880.

Oregon Citizens for a Sound Economy PAC was Kim Thatcher’s top donor giving \$42,929 that was over 43 percent of her total primary fundraising of \$99,069. “She’s worked with us on a number of different issues,” said Russ Walker of Keizer, Northwest director of Citizens for a Sound Economy.<sup>114</sup> Thatcher defeated incumbent Republican legislator Vic Backlund in that party’s primary. Backlund was targeted for defeat because he had voted for the bipartisan revenue bill that ended the 2003 legislative session but was referred to voters as Measure 30 by Russ Walker and ally groups. Oregon Citizens for a Sound Economy gave Thatcher another \$1,000 during the 2004 general election.

Oregon Citizens for a Sound Economy PAC gave Linda Flores \$1,000 for her successful re-election to House District 51. This group gave more money to the unsuccessful house races of Suzanne Gallagher and Michael Spasaro. Gallagher received \$4,796 but lost to Larry Galizio in House District 35. Michael Spasaro received \$8,098 but lost to Phil Barnhart in House District 11.

In 2004 Senate races, Oregon Citizens for a Sound Economy PAC gave \$10,850 each to Al Pearn and Norm Thomas. Al Pearn lost to Joanne Verger in Senate District 5 and Norm Thomas lost to Floyd Prozanski in Senate District 4. These contributions to Senate candidates reflects Russ Walker’s unwillingness to concede that Democrats seemed poised to take full control of the Senate in 2004. “It is going to be more difficult than they [Senate Democrats] think,” Walker said, “They have staked out positions for higher taxes,” when asked about Senate Democratic leader Kate Brown’s confidence in her party gaining control. Senator Brown’s prediction, however, was correct.<sup>115</sup>

During the summer of 2004, Russ Walker’s FreedomWorks/Oregon was part of a coalition proposing a one-page budget and a budget process designed to limit spending. Walker was joined by Jason Williams of the Taxpayer Association of Oregon in an effort primarily led by Tom Cox and other representatives of the Oregon Libertarian Party. Republican Senator Gary

<sup>113</sup> “The President’s party,” *Oregonian*, August 26, 2004

<sup>114</sup> “Rep. Backlund faces challenge by his own party,” *Statesman Journal*, April 4, 2004.

<sup>115</sup> “Taxes expected to talk as November nears,” *Oregonian*, May 20, 2004

George and Representative Jeff Kropf joined this New Budget Coalition, but other Republican support was expected due to concern about Libertarian candidates hindering Republican electoral success. Oregon Republican Party chair, Kevin Mannix, was reported as telling Republicans to “stop paying any attention” to Libertarian candidates.<sup>116</sup>

## 2006

### **Fundraising by Walker’s Issue PACs and Legislative Candidate Contributions**

Oregon Citizens for a Sound Economy PAC raised \$253,056 as reported on 2006 disclosure reports with the largest contributions coming from Loren Parks and Hire Calling Public Affairs who gave \$100,000 and \$75,000 respectively. See chart 21 below.

According to state corporations records, the president of Hire Calling Public Affairs is John Courtney who is also president of the American Institute for Full Employment (AIFE) that has offices in Washington, D.C. and Klamath Falls.<sup>117</sup> Richard Wendt is listed as president of AIFE on 990 filings with the IRS. Wendt is also the founder and chairman of Jeld-Wen, Inc., the Klamath Fall-based door and window manufacturing company that is now international in scope.

**Chart 21: All Contributors to Oregon Citizens for a Sound Economy PAC - 2006**

Contributor	Contribution	Percentage
Loren Parks	\$100,000	39.5%
Hire Calling Public Affairs	\$75,000	30%
FreedomWorks	\$28,307	15%
Seneca Jones Timber/Sawmill Co and Oregon Family Farm Association PAC	\$10,000 each	4% each
Columbia Helicopters and Freres Lumber	\$5,000 each	4% each
Taxpayer Defense Fund	\$828	0.3%
Karl Thatcher and Oregon Contractors Association	\$500 each	0.2% each
Edward Solari	\$200	0.1%
Miscellaneous Contributions of \$100 or less	\$7,721	3%
<b>Total</b>	<b>\$253,056</b>	

Based on 2006 disclosure 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.

Taxpayer Defense Fund received all of its \$4,637 in 2006 from FreedomWorks as summarized in chart 22 below.

**Chart 22: All Contributors to Taxpayer Defense Fund - 2006**

Contributor	Contribution	Percentage
FreedomWorks (Washington,DC)	\$4,637	100%

Based on 2006 disclosure 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.

<sup>116</sup> “Coalition launches drive for new state budget process,” *Oregonian*, August 27, 2004

<sup>117</sup> Hire Calling Business Name Search. Retrieved on October 3, 2009 from [http://egov.sos.state.or.us/br/pkg\\_web\\_name\\_srch\\_inq.show\\_detl?p\\_be\\_rsn=1076767&p\\_srce=BR\\_INQ&p\\_print=FALSE](http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.show_detl?p_be_rsn=1076767&p_srce=BR_INQ&p_print=FALSE)

Oregon Citizens for a Sound Economy PAC gave \$54,790 to Larry George in his victory in the May 2006 Republican primary against incumbent Senator Charles Starr. George went on to beat Democrat Rick Ross in the November general election. The \$54,790 to Larry George from Oregon Citizens for a Sound Economy came during the primary and represented 27 percent of his fundraising in the May 2006 election.

Larry George told reporters he would not have defeated Charles Starr without help from FreedomWorks. In addition to their financial support they put up a website criticizing Starr for his support for the temporary income tax surcharge and other increases when he was a member of the House in 2003. Those tax increases did not go into effect due to the Russ Walker's referendum that became Measure 30, the vehicle for voters to turn down these tax increases. A political commentator called the defeat of Charles Starr, "a continuation of the purge" referring to the 2004 defeat of Vic Backlund and Mary Gallegos who also voted for the revenue package in 2003. "If they're going to run as a fiscal conservative, they have to vote as a fiscal conservative," said Russ Walker.<sup>118</sup>

Kim Thatcher received \$1,500 from Oregon Citizens for a Sound Economy PAC in her general election contest against Charles Lee.

Oregon Citizens for a Sound Economy PAC support for Republican candidates has been consistent and reinforced by its director Russ Walker being named as vice chairman of the Oregon Republican Party in July of 2005.<sup>119</sup> However, the group did not make any contributions to the 2006 gubernatorial contest that involved Kevin Mannix, Ron Saxton, and Jason Atkinson in the primary and Mannix and incumbent Governor Ted Kulongoski in the general election. Asked to comment on Ron Saxton in the spring of 2006, however, Russ Walker was doubtful that Saxton could overcome his moderate position on social issues including abortion. "In a Republican primary, you need to satisfy the social concerns first," said Walker. Walker once worked for Oregon Right to Life.<sup>120</sup>

### **Signature Gathering**

Elements of the 2006 ballot measure season had its beginnings in legislative committee hearings in spring of 2004 about putting a cap on state spending and establishing a "rainy day" fund. Both the Oregon Republican Party and Citizens for a Sound Economy were reported to be ready to launch initiative campaigns if the legislature didn't take adopt meaningful spending limits. Colorado's Taxpayer Bill of Rights, often called TABOR, was discussed as a model by both Russ Walker and Kevin Mannix even though the Republican chair of Colorado's Joint Budget Committee said, "Don't do it. Run away from it."<sup>121</sup>

In a preview of the 2005 legislative session, Russ Walker of FreedomWorks/Oregon said his group was working on a spending limit initiative but though he considered legislative action doubtful he liked that approach because only legislators could refer a ballot measure that amends

---

<sup>118</sup> "Anti-tax group helps to give the boot," *Oregonian*, May 22, 2006

<sup>119</sup> "State GOP upgrades No. 2 to chairman," *Oregonian*, July 17, 2005

<sup>120</sup> "Saxton strives to stretch taxpayer dollars in quest to improve state services," *Eugene Register-Guard*, April 19, 2006

<sup>121</sup> "Avoid rigid fiscal cap, Oregon told,": *Oregonian*, April 18, 2004

more than one section of the state constitution. “It [legislative action] would be better for us, and better public policy,” said Walker. If that didn’t happen, however, Walker said, “We’ll go with a straight limit if that’s what it takes.”<sup>122</sup>

Though Russ Walker expressed support for legislative action on a spending limit, he was not a registered lobbyist nor was FreedomWorks/Oregon a lobbying entity during the 2005 legislative session.

As the 2005 legislature discussed reducing tax credits and increasing beer and wine taxes, Russ Walker said that, “I’ve been approached by groups asking if we could look the other way with various proposals.” He said that FreedomWorks/Oregon would oppose any such efforts because “once you open that door, it’s a floodgate.”<sup>123</sup>

In March 2005 Russ Walker filed four different spending limit initiatives followed by two other petition filings on this topic in June of that year. None of these initiatives were approved for circulation and no signature gathering occurred. Walker said these multiple filings were needed because of difficulty of getting both spending and limit in the ballot title. “We just wanted a simple ballot title so the average guy doesn’t need a law degree to understand what he’s voting on.”<sup>124</sup>

In September of 2005 Russ Walker was characterized in the press as being the group that would lead a spending limit initiative. “We already have our signature gatherers in place. We are ready to hit the streets with it,” said Walker about his Initiative 42.<sup>125</sup>

While Russ Walker got media coverage about his spending limit initiatives, the Oregon office of FreedomWorks decided to support Don McIntire’s Measure 48, though they gave no support to that signature gathering effort and nominal support during the general election.<sup>126</sup>

Don McIntire and Jason Williams of Taxpayer Association of Oregon were chief petitioners on Initiative 6 that became Measure 48. They filed their initiative in July 2004 and were approved for petition circulation that October. Their chief petitioner committee was the Taxpayer Association of Oregon Spending Limit PAC that received almost all of its funding from Americans for Limited Government, which is an Illinois-based group that received most of its support from New York businessman Howard Rich.<sup>127</sup> This group gave \$943,077 to this spending limit signature gathering campaign. The second donor giving \$40,000 was Grover Norquist’s Americans for Tax Reform. See chart 23 below.

---

<sup>122</sup> “Salem turns its pockets out,” *Oregonian*, December 26, 2004

<sup>123</sup> “Lawmakers careful in talking about taxes,” *Eugene Register-Guard*, January 24, 2005

<sup>124</sup> “What? 142 ballot measures filed? Don’t worry yet,” *Eugene Register-Guard*, January 6, 2006

<sup>125</sup> “Fight brewing over state spending caps,” *Eugene Register-Guard*, September 17, 2005

<sup>126</sup> “Activists propose altering state,” *Oregonian*, January 9, 2006

<sup>127</sup> “Out-of-state cash fuels petitions,” *Oregonian*, July 25, 2006

**Chart 23: Top 5 Contributors to Initiative 6 committee, Taxpayer Association of Oregon Spending Limit PAC – Became Measure 48, 2006**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Americans for Limited Government	\$943,077	94%
Americans for Tax Reform	\$40,000	4%
Taxpayer Association of Oregon	\$2,194	0.2%
Oregonians in Action	\$1,764	0.2%
Edward Ramsey	\$1,000	0.1%
Eric Anderson, John Bryan, and Malcom Mclver	\$500 each	0.1% each
Top Five Contributors Subtotal	\$235,498	95%
Miscellaneous Contributions of \$50 or less	\$11,572	5%
Remaining Contributions	\$2,000	0.8%
<b>Total</b>	<b>\$1,001,698</b>	

Based on 2006 Chief Petitioner 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 23 as well as the fundraising by McIntire’s Rainy Day PAC are included here for informational purposes and aren’t included in chart 1’s fundraising figures or in section 5’s aggregate contributors in support of Walker efforts. Though Russ Walker obviously was interested in this topic as indicated by multiple initiative filings, his group focused on Measures 40 and 41 in the 2006 election cycle.)

Russ Walker was chief petitioner with Bill Sizemore allies, Abner and Carol Bobo on Initiatives 14 and 24 filed in January of 2005. Both these were similar to previous failed ballot measures.

Initiative 24 became Measure 40 and would have required that Oregon’s Supreme and Appeals Court judges be elected from districts. This was a repeat of Measure 22 that voters defeated in November 2002. Russ Walker’s Oregon Citizens for a Sound Economy PAC did not take a position on Measure 22. Loren Parks was the major financial supporter of Measure 22 in 2002, presumably because conservative Supreme Court candidates that he supported did not win in 1998 and 2000. After those judicial candidate losses, it appears that Parks decided to buy a ballot measure to change how Oregon’s top judges are elected, but Measure 22 lost.

Support from Loren Parks regarding judicial elections, however, continued with his support of Oregon Family Farm Association PAC, a major group supporting Initiative 24 and Measure 40, This group’s directors included Jason Williams of Taxpayers Association of Oregon, Ross Day, David Hunnicutt and Larry George who, in turn, are key players in Oregonians in Action that is another top donor to Initiative 24 and Measure 40 campaigns. Russ Walker said that the Oregon Family Farm Association paid for petition circulation to get Initiative 24 on the ballot. “It [support from farm association] allowed the campaign to kind of get launched and get out there collecting the signatures,” said Walker.<sup>128</sup>

Support for election by district for Oregon’s appellate level judges from property rights groups interested in changing Oregon’s land use laws appears to be linked to an injunction by the state Supreme Court barring implementation of Measure 7 that was adopted in 2000. Measure 7 would have forced municipalities to compensate landowners when regulations reduced property values

<sup>128</sup> “Parks again donates to Oregon causes,” *Oregonian*, November 30, 2005

or waive those rules. Bill Sizemore wrote Measure 7, but Oregonians in Action contributed \$10,000 for signature gathering to qualify it for the ballot and then took over the general election campaign.

It doesn't seem a coincidence that after the Measure 7 injunction by the Oregon Supreme Court, Oregonians in Action and Oregon Family Farm Association with their timber company contributors, supported Measure 22 in 2002 and then Initiative 24 and Measure 40 in 2006.

“Right now, the state Supreme Court pretty much represents the northwest corner of Oregon and that’s about it,” said Russ Walker. “We think it’s fair that the Supreme Court should be more reflective of Oregon as a whole, rather than just one corner.” Walker also complained about the difficulty of defeating incumbent judges. Chuck Tauman, a representative of trial lawyers, disputed that complaint saying, “The reason they [judicial challengers] can’t win is the candidates aren’t qualified.”<sup>129</sup>

The top donor to the signature gathering effort to qualify Measure 40 was Oregon Family Farm Association that gave \$205,792. Oregon Citizens for a Sound Economy gave \$120,000 while its Washington DC parent group gave \$14,000. Oregonians in Action gave \$76,000. See chart 24 below.

**Chart 24: All Contributors to Initiative 24 committee, Judicial Accountability PAC – Became Measure 40, 2006**

Contributor	Contribution	Percentage
Oregon Family Farm Association PAC	\$205,792	49%
Oregon Citizens for a Sound Economy	\$120,000	24%
Oregonians in Action	\$76,000	18%
FreedomWorks (Washington, DC)	\$14,000	3%
Democracy Direct Inc	\$5,553	11%
Friends of Gary George	\$900	0.2%
Total	\$422,245	

Based on 2006 Chief Petitioner 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.

As summarized in charts 25 and 26, the Oregon Family Farm Association PAC was the primary donor giving \$522,928 to the Russ Walker’s Our Courts political committee in support of Measure 40. Loren Parks was the major donor to the Oregon Family Farm Association PAC giving \$100,000 in 2005 and another \$200,000 in 2006. Timber companies were also major donors to this political committee in 2006.

**Chart 25: All Contributors to Oregon Family Farm Association PAC – 2005 September Report**

Contributor	Contribution	Percentage
Loren Parks	\$100,000	83%
Oregonians in Action PAC	\$3,000	3%
Jerry Smith	\$300	0.3%
Gerald Curry, Roth Ranch, Anderson Land and Livestock	\$250 each	0.2% each

<sup>129</sup> “Group wants judges elected by geography,” *Oregonian*, August 28, 2005

Contributions of \$200 or less	\$15,965	13%
Total	\$120,015	

Based on 2006 Chief Petitioner 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 26: Top 10 Contributors to Oregon Family Farm Association PAC - 2006**

Contributor	Contribution	Percentage
Loren Parks	\$200,000	25%
Seneca Jones Timber/Sawmill Co	\$86,750	11%
Swanson Group, Inc and Norman Brenden	\$75,250 each	9% each
A-Dec Dental Equipment	\$65,250	8%
Hire Calling Public Affairs	\$57,750	7%
Wes Lematta	\$42,000	5%
Peter Marsh	\$37,625	5%
Frontier Resources LLC	\$35,000	4%
Freres Lumber Co	\$32,425	4%
Top ten Contributors Subtotal	\$707,300	88%
Miscellaneous Contributions of \$100 or less	\$23,882	3%
Remaining Contributions	\$72,271	9%
Total	\$803,453	

Based on 2006 Chief Petitioner 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.

Initiative 14 became Measure 41 and would have allowed Oregon taxpayers to deduct on their state taxes the amount they could deduct on their federal taxes. Russ Walker was chief petitioner with Abner and Carol Bobo, who had been allies of Bill Sizemore. Russ Walker told reporters that this initiative was his idea, but that he discussed it with Bill Sizemore. Sizemore wrote the initiative with the understanding that Walker would do the fundraising to get it on the November 2006 ballot. “Our goal was to come up with a tax cut that touches as many people as possible, and I think we did a great job of that,” said Walker.<sup>130</sup>

This topic had been unsuccessful with voters in 2000 when Bill Sizemore’s Measure 91 was defeated. (Measure 41 was also defeated but that didn’t stop Russ Walker and Bill Sizemore from putting Measure 59 on the 2008 ballot when it was defeated again by voters.)

Loren Parks was the top donor giving \$157,500 to the signature gathering effort to qualify Measure 41 to the November 2006 ballot. Oregon Citizens for a Sound Economy PAC was the second highest donor giving \$45,000. Russ Walker’s Judicial Accountability PAC working to qualify Measure 40 provided \$20,000 in support to the Measure 41 petition effort. See chart 27 below.

**Chart 27: Top 5 Contributors to Initiative 14 committee, Taxpayer Rights Committee – Became Measure 41, 2006**

Contributor	Contribution	Percentage
Loren Parks	\$157,500	63%
Oregon Citizens for a Sound Economy PAC	\$45,000	18%
Judicial Accountability Act	\$20,000	8%

<sup>130</sup> “Tax-cut initiative joins the fall lineup,” *Oregonian*, July 22, 2006



FreedomWorks (Washington, DC)	\$12,498	5%
Walter Pelett	\$500	0.2%
Top Five Contributors Subtotal	\$235,498	95%
Miscellaneous Contributions of \$50 or less	\$11,572	5%
Remaining Contributions	\$2,000	0.8%
Total	\$249,070	

Based on 2006 Chief Petitioner 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.

### Ballot Measure Contributions

Russ Walker's Our Courts political committee urging a yes vote on Measure 40 received essentially all of its support from the Oregon Family Farm Association PAC, that as noted above in charts 25 and 26 received \$300,000 from Loren Parks.

### Chart 28: All Contributors to Our Courts (Yes on 40, 2006)

Contributor	Contribution	Percentage
Oregon Family Farm Association PAC	\$522,928	96%
Judicial Integrity Coalition	\$20,261	4%
Oregonians in Action	\$1,316	0.2%
Larry George	\$100	0.02%
Total	\$544,605	

Based on 2006 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 Judicial Integrity Coalition gave the Our Courts campaign \$20,261. This group received its major support from Americans for Limited Government and Americans for Tax Reform. Americans for Tax Reform is Grover Norquist's Washington DC based group focused on smaller government. Americans for Limited Government is the major donor to Don McIntire's Measure 48 Rainy Day committee and is an Illinois based group that received most of its support from New York businessman Howard Rich. See chart 29 below.

### Chart 29: Top 10 Contributors to Judicial Integrity Coalition - 2006

Contributor	Contribution	Percentage
Americans for Limited Government	\$50,625	23%
Americans for Tax Reform	\$37,500	17%
Taxpayer Association of Oregon	\$34,056	15%
Swanson Group, Inc, Frontier Resources, LLC, Columbia Helicopters	\$18,750 each	8.5% each
Taxpayer Association of Oregon PAC	\$10,000	4.5%
Holiday Retirement Corporation and A-DEC Dental Equipment	\$8,750 each	4% each
George Advertising Inc	\$5,615	2.5%
Top ten Contributors Subtotal	\$211,546	96%
Miscellaneous Contributions of \$100 or less	\$100	0.05%
Remaining Contributions	\$9,175	4%
Total	\$220,821	

Based on 2006 Chief Petitioner 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 No on Constitutional Amendment 40 campaign raised \$425,965. Though this was less money raised by the Our Courts PAC, their position carried the day with voters who defeated

Measure 40. The two top donors to the no on 40 campaign giving \$50,000 and \$30,000 respectively, was the Oregon Education Association and Local 503 of the Service Employees International Union. Law firms were also major donors to oppose Measure 40. See chart 30.

**Chart 30: Top 10 Contributors to No on Constitutional Amendment 40 (No on 40, 2006)**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Oregon Education Association	\$50,000	12%
SEIU Local 503 OPEU	\$30,000	7%
Miller Nash LLP	\$25,000	6%
Cosgrave Vergeer Kester LLP	\$15,500	4%
Davis Wright Tremaine LLP	\$14,800	3.5%
Our Oregon	\$14,500	3.4
Markowitz Herbold Glade & Mehlhaf, PC, Freightliner, Harrang, Long, Gary, Rudnick, PC, Stoll Stoll Berne Lokting & Schlachter, PC, and Ball Janik LLP	\$10,000 each	2% each
Top ten Contributors Subtotal	\$199,800	47%
Miscellaneous Contributions of \$100 or less	\$15,045	3.5%
Remaining Contributions	\$211,120	49.5%
<b>Total</b>	<b>\$425,965</b>	

Based on 2006 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.

Russ Walker’s FreedomWorks Issue PAC was the major supporter of Measure 41 but only raised \$22,011 with most of it coming from its Washington DC parent group FreedomWorks. (See chart 31.) This is significantly less than the \$488,089 given by Loren Parks to the campaign supporting 91 on the November 2000 ballot to pass that year’s version of a federal tax deductibility measure written by Bill Sizemore. This raises the possibility that the goal of placing Measure 41 was less about achieving its policy goal and more about forcing opposition spending.

**Chart 31: All Contributors to FreedomWorks Issue PAC (Yes on 41, 2006)**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
FreedomWorks (Washington DC)	\$19,886	90%
Taxpayer Defense Fund	\$1,525	7%
Oregon Citizens for a Sound Economy	\$500	2%
Miscellaneous Contributions of \$100 or less	\$100	0.5%
<b>Total</b>	<b>\$22,011</b>	

Based on 2006 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 Defend Oregon Coalition ran a campaign against both Measure 41 and 48 that raised \$3,537,523. Public employee unions were major donors with Oregon Education Association giving \$814,03, Local 503 of Service Employees International Union giving \$357,730, and American Federation of Teachers-Oregon Issue PAC giving \$275,500.

Major contributions of \$399,712 and \$235,382 came from national American Association of Retired People and AARP Oregon. These groups were generally concerned about the budget implications of these measures, but a particular concern about Measure 41 is that 98 percent of seniors would not have seen any tax relief. “Instead, [due to revenue losses] they [seniors] may lose prescription drug coverage and access to valuable programs like Oregon Project

Independence that keep seniors in their home,” argued AARP Oregon director Jerry Cohen.<sup>131</sup> See chart 32.

**Chart 32: Top 25 Contributors to Defend Oregon Coalition (No on 41 and 48, 2006)**

Contributor	Contribution	Percentage
Oregon Education Association	\$814,031	23%
American Association of Retired People	\$399,712	11%
SEIU Local 503 OPEU	\$357,730	10%
American Federation of Teachers-Oregon Issue PAC	\$275,500	8%
AARP Oregon	\$235,382	7%
Oregon AFSCME Council 75	\$204,513	6%
School Employees Exercising Democracy	\$201,000	6%
Service Employees International Union (SEIU)	\$158,902	5%
Oregon AFL-CIO	\$92,202	3%
Our Oregon	\$77,203	2%
American Federation of Labor and Congress of Industrial Organizations, Confederated Tribes of the Grand Ronde, Nike Inc and Affiliates, and Nurses United PAC	\$50,000 each	1% each
Cappelli Miles Spring	\$36,720	1%
Oregonians to Maintain Standards and Care Oregon	\$35,000 each	1% each
Oregon Health Care Association PAC	\$26,500	1%
University of Oregon Foundation	\$25,489	1%
Health Communities Coalition	\$25,000	1%
Top 25 Contributors Subtotal	\$3,229,384	91%
Miscellaneous Contributions of \$100 or less	\$5,609	0.2%%
Remaining Contributions	\$302,530	8%%
Total	\$3,537,523	

Based on 2006 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.

Since the Defend Oregon campaign ran against both Measures 41 and 48, the contributors to Don McIntire and Jason Williams’ Rainy Day Committee is provided below in chart 33. The top donor giving \$730,672 was Americans for Limited Growth based in Illinois that received its primary support from New York businessman Howard Rich. The Club for Growth State Action group gave \$300,000. Club for Growth goals include making the Bush tax cuts permanent, replacing the current tax code, and personal retirement accounts Social Security reform.<sup>132</sup>

**Chart 33: All Contributors to Rainy Day Committee (Yes on 48, 2006)**

Contributor	Contribution	Percentage
Americans for Limited Growth	\$730,672	52%
Club for Growth State Action	\$300,000	21%
Restore Oregon’s Term Limits	\$133,780	10%
National Taxpayers Union	\$100,842	7%
Tax Association of Oregon Spending Limit PAC	\$90,773	6.5%
John Bryan	\$25,500	2%
Taxpayer Association of Oregon	\$3,250	0.2%

<sup>131</sup> “Measures would curb state spending,” *Eugene Register-Guard*, October 21, 2006

<sup>132</sup> Club for Growth goals. Retrieved on October 5, 2009 from <http://www.clubforgrowth.org/about.php>

Malcolm McIver	\$750	0.05%
Janet Elser Rowe	\$650	0.05%
Hank Swigert and William K Blount	\$200 each	0.01% each
Deborah and Edward Solari	\$150 each	0.01% each
Miscellaneous Contributions of \$100 or less	\$10,978	1%
Total	\$1,400,895	

Based on 2006 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.

Press reports linked the loss of measures from both Russ Walker and Don McIntire to big-money out-of-state campaign contributors Loren Parks and Howard Rich. “Russ Walker said, “I’d like to think Oregonians aren’t that provincial,” but voters decisively defeated Measures 40 and 41. Don McIntire indicated he’d take a break saying, “It’s time for some fun hobbies.” University of Oregon professor Tom Lininger said that conservative ballot measure losses were a departure from past voting patterns and pointed to a lack of visible leadership. “[No one] has the stature now that Bill Sizemore did in his heyday,” said Lininger. Russ Walker acknowledged to the press that no one individual leader stands out but pointed to the 30,000 members of FreedomWorks in Oregon.<sup>133</sup>

## 2008 Elections

### The Issues

Russ Walker filed 9 initiatives intended for the November 2008 ballot from March through October of 2006.

Bill Sizemore joined Walker four times as chief petitioner on Initiative 19 that became Measure 58, Initiative 3 that became Measure 59, Initiative 20 that became Measure 60, and Initiative 34 that would have eliminated prevailing wage requirements on public works projects but was withdrawn and never approved for petition circulation. Russ Walker was the primary campaigner on these measures as well as Bill Sizemore’s Initiative 25 that became Measure 64 which is why contributions regarding this measures are included in this analysis of Walker’s political activities.

Kevin Mannix joined Russ Walker and Glenn Pelikan as chief petitioners on Initiative 50 that would have amended the Constitution to allow for a state income tax credit for public, private, and religious education tuition. This proposal, however, was withdrawn and never approved for petition circulation.

Russ Walker, Glenn Pelikan, and Michael Reeder filed four initiatives related to restrictions on legal fees and sanctions if an attorney filed so-called frivolous lawsuits. Walker’s interest in this topic was seen in his 2002 of Initiative 1. Two of Walker’s 2008 petitions, Initiatives 50 and 55, were withdrawn and never approved for petition circulation.

Kevin Mannix and his political patron Loren Parks were major donors Russ Walker’s signature

<sup>133</sup> “Conservative measures take big fall,” *Eugene Register-Guard*, November 9, 2006

gathering PACs working on Initiatives 51 and 53. Neither of these initiatives, however, qualified for the November 2008 ballot. Initiative 51 would have limited lawyer’s contingency fees while Initiative 52 would have under certain circumstances sanctioned lawyers that file so-called frivolous motions in lawsuits. Walker’s Initiatives 51 and 53 PACs assisted signature gathering for Mannix’s Measure 61 and 62, which is why those measures are included in this section reviewing Russ Walker’s political activities, but they are not included in chart 1 or the aggregate donors charts in section 5.

**Chart 34: All Contributors to Initiatives 51 and 53 PACs – didn’t qualify for 2008 ballot**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Loren Parks	\$335,334	63%
IP 132 Hold Criminals Accountable PAC (got 99% of its money from Loren Parks)	\$43,272	8%
FreedomWorks (Washington DC)	\$35,000	7%
Oregon Tort Reform Coalition/Oregon Litigation Fairness Project	\$32,700	6%
Columbia Helicopters	\$20,000	4%
Kevin Mannix Law Firm	\$16,725	3%
Glenn Pelikan	\$15,000	3%
Doctors Company PAC and Northwest Physicians	\$6,000 each	1% each
Oregon Excellence LCC DBA Oregon Crime Fighters	\$5,359	1%
ADEC Inc and Richard Geary	\$5,000 each	1% each
Joseph Gonyea and Timber Products Co	\$2,500 each	0.5% each
Oregonians Protecting Neighborhoods	\$537	0.1%
Miscellaneous contributions of \$100 or less	\$150	0.03%
<b>Total</b>	<b>\$531,076</b>	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Signature Gathering Money**

The signature gathering behind what became Measures 58, 59, 60, 61, 62, and 64 are summarized in charts 35 through 37. The major donor giving \$793,166 was Loren Parks. Hire Calling Public Affairs, affiliated with Richard Wendt, gave \$175,000 to qualify Measure 63. All these charts are provided here to tell the full story of signature gathering that led to the November 2008 measures. However, contributions to the Kevin Mannix initiatives that became Measures 61 and 62 are not included in chart 1 or aggregate donor charts in Section 5.

**Chart 35: Contributors to Initiative 19 committee, English Immersion PAC– Became Measure 58, 2008**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Loren Parks	\$123,000	87%
IP 78 Requires Legislative Supermajority to Declare Emergency PAC (got 82% of its money from Hire Calling Public Affairs)	\$17,292	12%
IP 132 Hold Criminals Accountable PAC (got 99% of its money from Loren Parks)	\$1,710	1%
Democracy Direct	\$253	0.2%
<b>Total</b>	<b>\$142,254</b>	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Chart 36: Contributors to Initiative 3 committee, Stop Double Tax PAC– Became Measure 59, 2008**

Contributor	Contribution	Percentage
Loren Parks	\$122,500	79%
IP 21 Fairness in Home Improvement PAC (got 99% of its money from Hire Calling Public Affairs)	\$21,553	14%
IP 78 Requires Legislative Supermajority to Declare Emergency PAC (got 82% of its money from Hire Calling Public Affairs)	\$9,393	6%
IP 132 Hold Criminals Accountable PAC (got 99% of its money from Loren Parks)	\$1,930	1%
Democracy Direct	\$279	0.2%
<b>Total</b>	<b>\$155,656</b>	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Chart 37: Contributors to Initiative 20 committee, Preserve Our Best Teachers PAC– Became Measure 60, 2008**

Contributor	Contribution	Percentage
Loren Parks	\$121,000	78%
IP 78 Requires Legislative Supermajority to Declare Emergency PAC (got 82% of its money from Hire Calling Public Affairs)	\$32,447	21%
IP 132 Hold Criminals Accountable PAC (got 99% of its money from Loren Parks)	\$1,922	1%
Democracy Direct	\$252	0.2%
<b>Total</b>	<b>\$155,620</b>	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Chart 38: Contributors to Initiative 40 committee, Oregonians for Safe Neighborhoods – Became Measure 61, 2008**

Contributor	Contribution	Percentage
Loren Parks	\$122,500	67%
IP 51 Protect Citizens from Excessive Lawyer Fees (got 63% of its money from Loren Parks)	\$24,596	14%
IP 53 Citizens Against Lawsuit Abuse PAC (got 63% of its money from Loren Parks)	\$24,596	14%
Kevin L. Mannix PC	\$9,514	5%
Democracy Direct	\$318	<1%
Oregon Excellence, LCC DBA Oregon Crime Fighters	\$307	<1%
<b>Total</b>	<b>\$181,830</b>	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Chart 39: Contributors to Initiative 41 committee, Crimefighters PAC – Became Measure 62, 2008**

Contributor	Contribution	Percentage
Loren Parks	\$179,166	73%
IP 132 Hold Criminals Accountable PAC (got 99% of its money from Loren Parks)	\$30,224	12%
IP 51 Protect Citizens from Excessive Lawyer Fees (got 63%	\$13,386	5%

of its money from Loren Parks)		
IP 53 Citizens Against Lawsuit Abuse PAC (got 63% of its money from Loren Parks)	\$13,386	5%
Kevin L. Mannix PC	\$10,129	4%
Oregon Excellence, LCC DBA Oregon Crime Fighters	\$377	<1%
Democracy Direct	\$318	<1%
Total	\$246,986	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Chart 40: Contributors to Initiative 21 committee, Fairness in Home Improvement PAC–Became Measure 63, 2008**

Contributor	Contribution	Percentage
Hire Calling Public Affairs (Richard Wendt)	\$175,000	99%
IP 132 Hold Criminals Accountable PAC (got 99% of its money from Loren Parks)	\$1,675	0.9%
Democracy Direct	\$261	0.1%
Total	\$176,936	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through

**Chart 41: Contributors to Initiative 25 committee, Bans Public Money for Politics PAC–Became Measure 64, 2008**

Contributor	Contribution	Percentage
Loren Parks	\$125,000	82%
IP 78 Requires Legislative Supermajority to Declare Emergency PAC (got 82% of its money from Hire Calling Public Affairs)	\$27,641	19%
IP 132 Hold Criminals Accountable PAC (got 99% of its money from Loren Parks)	\$201	0.1%
Democracy Direct	\$194	0.1%
Total	\$153,036	

Based on September 2007 chief petitioner campaign finance disclosure reports and transactions reported through August 30, 2008 through ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding. ORESTAR. Figures may include cash and in-kind contributions as well as loans. Percentages may not add to 100 due to rounding.

**Signature Gathering – New Regulations**

The 2007 legislature adopted HB 2082 with new signature gathering rules to give the state Elections Division more tools to enforce Measure 26’s ban on paying petition circulators per signature. Opponents were particularly concerned about the requirement that signers write out all the required information on each petition they sign. Supporters of HB 2082 view this change as essential to reduce opportunities for forgery. Bill Sizemore disagreed saying that the new requirement “is going to make it difficult for a person who wants to sign six or seven petitions.” “He’ll say, ‘I like them all, but I don’t have 20 minutes to sit here and get writer’s cramp filling out my address six or seven times.’”<sup>134</sup>

Secretary of State Bill Bradbury disagreed with these and other complaints about HB 2082. “I really don’t accept the argument that this is just a secret plot to make it harder for conservatives to get things on the ballot. I don’t buy it.” Bradbury expressed particular support of the

<sup>134</sup> “Reforms ahead for petitioners,” *Eugene Register-Guard*, December 26, 2007.

provisions that requires better record keeping by chief petitioners and gives the Elections Division more clout to enforce the Measure 26 ban on paying circulators per signature. “I’m not surprised that those who are busy circulating petitions don’t like the fact that they’re now going to have to obey the law.”<sup>135</sup>

Elections Division director, John Lindback, talked with the *Salem Statesman Journal* that published a question-answer story that included the following comments:

Question: What in the initiative system was considered broken or in need of repair?

Answer: There has been a perception, which I believe to be accurate, that folks who hire people who circulate petitions were violating Measure 26, the ban on paying people per signature. There was also a feeling that the chief petitioners have been negligent in training paid circulators in the laws and rules of circulating petitions in Oregon. And we have continued to have problems with fraud in the circulation process.

Q: How might this affect the average registered voter solicited by someone with a clipboard on the street?

A: The average person will see, hopefully, fewer violations of the circulation rules. The people on the street have to register with our office. They need to go through a little training exercise through our office about the rules. We have been told over and over again that circulators on the street tell people that it’s OK to sign a petition more than once, don’t worry about it. And that’s just not true. They’re leading people into a violation of election law.

Q: Is this going to eliminate the itinerant signature-gathers who come into the state during our signature-gathering season, and then move out to California or other states during their petition-gathering seasons?

A: I don’t know. It will be interesting to see. The whole system is, under this new law, less ‘loosey-goosey’ than it used to be. Our training provides people with information, so those folks are going to know their rights as a circulator, their right to be paid what they were promised and their right to be paid by the hour.

It’s been sort of a back-alley process, with cash being traded on the streets and that kind of thing for a number of years now, and the clear intent of the law is to try to avoid that... One provision that’s extremely important is a requirement that the chief petitioners and the people they hire keep accurate books of who they paid, how much they paid them and what petition signature sheets they were paid for. If they do not give them to us, we can suspend a petition drive.

Q: You’re being accused by initiative sponsors on the left and the right of squelching direct democracy, Oregon’s cherished initiative process. How do you respond?

A: I always think those are interesting because there’s certainly no sign of that in the number of initiatives that are turned in or the number of initiatives that are approved at the ballot. Over the years, the detractors have tried to argue that our rules have

---

<sup>135</sup> “Reforms ahead for petitioners,” *Eugene Register-Guard*, December 26, 2007.



kept something off the ballot and they've yet to be able to prove that our application of the rules were the direct cause of them not being on the ballot.

I think the most important thing to remember here is that the rules are there for a purpose, and the rules are instituted because we have a fraud problem. The question is, are you going to have a secretary of state's office that ignores it and looks the other way, or are you going to have a secretary of state's office that pursues these cases?

Q: We've seen a trend where fewer volunteer-run, grass-roots campaigns, which many view as the true essence of the initiative process, are getting on the ballot. But if you have enough money, you can hire people to get on the ballot. Is this going to change that balance?

A: I think the chief petitioners are claiming that this new law will make it harder for them to get on the ballot, but it's hard for me to see that. In fact, there's two important aspects of this law that will make it easier for them to get valid signatures.

All signatures on a sheet don't have to come from the same county anymore because of our new centralized voter-registration process. You can have signatures from mixed counties on the same sheet. That's huge and shouldn't be underplayed. We have been told time and time again by chief petitioners that that rule led to more signatures being disqualified than any other single rule.

There's also a provision that allows for an electronic signature sheet that someone can download at home, sign and send to the chief petitioners. It's a legal petition just like the ones that are circulated on the street. The difference is there's only room for one signer.

Q: Anything else you'd like to add?

A: I think each and every one of these reforms has a very good rationale behind it. Hopefully, it will build more public confidence in this process.<sup>136</sup>

Tim Trickey, who operates Democracy Direct, says that several of his experienced signature gatherers refused to register as petition circulators, citing fears of harassment. Trickey also called paperwork requirements of HB 2082 "harassment" and said he may get out of the business.<sup>137</sup> Ted Blaszak, owner of Democracy Resources, frequently gathers signatures for labor unions and progressive causes, sees no problem in complying with HB 2082. "It certainly will have no hindrance in my ability to gather signatures."<sup>138</sup>

Most of the initiatives supported by Russ Walker, Bill Sizemore, and Kevin Mannix qualified for the November 2008 ballot, several of them with signatures gathered before the HB 2082 rules went into effect at the beginning of 2008.<sup>139</sup> The major exceptions were Initiatives 51 and 53.

---

<sup>136</sup> "State elections chief explains ballot reform," *Salem Statesman Journal*, December 24, 2007.

<sup>137</sup> "Signatures may be harder to gather," *Portland Tribune*, January 18, 2008.

<sup>138</sup> "Signatures may be harder to gather," *Portland Tribune*, January 18, 2008.

<sup>139</sup> "Petitioner scarcity," *Eugene Register-Guard*, June 7, 2008

Russ Walker blamed the new law saying, “These rules have become much more strict, more petty.”<sup>140</sup> For example, some signatures for these initiatives were removed because petitioners couldn’t provide payroll records now required to enable determination of compliance with Measure 26’s ban on payment per signature. Even if these had been counted, however, the real problem behind not qualifying is that not enough signatures were gathered. “Their [Initiative 51 and 53 petitions] validity rate would have needed to be between 85 to 90 percent,” said a compliance specialist with the state Elections Division. “That is a pretty high validity rate that we do not see very often.”<sup>141</sup>

**Ballot Measure Money**

Most PACs on different sides of the numerous ballot measures on the November 2008 ballot supported or opposed several proposals. A summary of those campaigns as well as top donors and total fundraising are summarized in chart 42 below.

After this chart each of the measures are described with comparisons to past campaigns on these topics. The largest political committee was Defend Oregon that raised \$15, 503,689 with major contributions from public employee unions. Three Russ Walker committees opposed the positions held by Defend Oregon. FreedomWorks Issues PAC raised \$126,501, Taxpayer Defense Fund raised \$112,612, while Oregon Citizens for a Sound Economy PAC raised \$246,548. Parks Medical Electronics, owned by Loren Parks, was the major donor to these three PACS giving \$400,000. Contributions to these political committees are at the beginning of chart 42 and are the only ones factored into chart 1 summary of Russ Walker’s political activities or in aggregate donor tables in Section 5.

**Chart 42 – 2008 Ballot Measure Campaigns – Total Fundraising and Top Donors – Measures 56, 57, 58, 59, 60, 61, 62, 63 and 65**

Committee and Positions	Amount	Committee and Positions	Amount
<b>Defend Oregon - Yes on 56 &amp; 57 No on 58, 59, 60, 61, 62, 63, &amp; 64</b>	<b>\$15,503,689</b>	<b>FreedomWorks Issues PAC - No on 56 &amp; 57, Yes on 58,59, 60, 61, 62, 63, &amp; 64</b>	<b>\$126,501 (2008 \$)</b>
*Oregon Education Association - \$5,342,976 (34.5%) *National Education Association - \$ 3,018,617,(19.5%) *SEIU (Service Employees International Union) Local 503 - \$1,140,000 (7.4%) *Don't Silence Our Voice Committee - \$807,500 (5.2%) *American Federation of Teachers-Oregon Issues PAC – \$807,500 (5.2 %) *Service Employees International Union (Washington DC) - \$700,000 (4.5%) *School Employees Exercising Democracy (Oregon School Employees Association PAC) - \$600,296 (3.9%) *Oregon State Council of Service Employees -\$479,654 (3.1%) *Oregon AFSCME (American Federation of State County and Municipal Employees) Council 75 - \$4256,500 (2.9%) *Laborers' Political League Education Fund - \$200,000 (1.3%) *The Better Way to Fight Crime Committee - \$175,466 (1.1%) *Oregon AFL-CIO - \$159,648 (1.0%)		*Parks Medical Electronics - \$100,000 (79%) *Oregonians in Action PAC - \$10,000 (7.9%) *Hire Calling, Inc (Dick Wendt) – \$10,000 (7.9%) *FreedomWorks - \$6,001 (4.7%) *Taxpayer Association of Oregon PAC - \$500 (0.4%)	
		<b>Taxpayer Defense Fund - No on 56 and 57, Yes on 58,59, 60, 61, 62, 63, and 64</b>	<b>\$112,612 (2008 \$)</b>
		*Parks Medical Electronics - \$100,000 (89 %) *Hire Calling, Inc (Dick Wendt) – \$10,000 (9%) *FreedomWorks - \$2,612 (2%)	

<sup>140</sup> “Legal initiatives fall short of ballot,” *Eugene Register-Guard*, July 11, 2008

<sup>141</sup> “Initiatives aimed at lawyers fall short,” *Oregonian*, July 12, 2008

<p>International Brotherhood of Electrical Workers, United Food and Commercial Workers, AFSCME, and American Federation of Labor and Congress of Industrial Organizations - \$100,000 each (0.7% each)          *Miscellaneous Contributions of \$100 or less - \$3,851 (0.02%)          *The rest - \$1,141,105 (7.4%)</p>	<p><b>Oregon Citizens for a Sound Economy PAC - No on 56 and 57, Yes on 58,59, 60, 61, 62, 63, and 64</b></p> <p>*Parks Medical Electronics - \$200,000 (81.1 %)          *Hire Calling, Inc (Dick Wendt) – \$20,000 (8.1%)          *John Bryan - \$10,000 (4.0%)          *Conservative Majority Project PAC - \$6,542 (2.7%) (major donor is Loren Parks)          *FreedomWorks - \$5,967 (2.4%)          *Miscellaneous Contributions of \$100 or less - \$4,039 (1.6%)</p>	<p><b>\$246,548</b> (2008 \$)</p>	
<p><b>Voting Matters – Yes on 56</b></p>	<p><b>\$127,751</b></p>	<p><b>Oregonians for Honest Elections – No on 56 Yes on 58, 59, 60, 64</b></p>	<p><b>\$684,458</b></p>
<p>*Oregon AFSCME (American Federation of State County and Municipal Employees) Council 75 - \$50,000 (39.1 %)          *Oregon Education Association - \$40,000 (31.3%)          *Our Oregon - \$7,792 (6.1%)          *AGC Committee for Action (Associated General Contractors) and Nike, Inc and Affiliates - \$7,500 each (5.9% each)          *Intel Corporation - \$5,000 (3.9%)          *Portland General Electric - \$2,500 (2.0%)          *Dull Olson Weekes Architects - \$1,500 (1.2%)          *Carol Samuels, Ann Sherman, and Walsh Construction Co - \$1,000 each (0.8% each)          *Friends of Dave Hunt - \$500 (0.4%)          *Defend Oregon - \$450 (0.2%)          *Citizens Alliance for Responsible Education - \$300 (0.2%)          *Nels Hall, Boora Architects, and Lease Crutcher Lewis - \$250 each (0.2% each)          *Christine Tanner - \$200 (0.2%)          *Miscellaneous Contributions of \$100 or less - \$759 (0.6%)</p>	<p>*Loren Parks - \$500,000 (73 %)          *Hire Calling Public Affairs (DickWendt) - \$58,000 (8.5%)          *FreedomWorks Issues PAC - \$55,000 (8%) (See above – major donor is Loren Parks)          *Taxpayer Defense Fund - \$55,000 (8%) See above – major donor is Loren Parks)          *CBS Consulting - \$6,800 (1%)          *Oregonians for Immigration Reform PAC - \$5,000 (0.7%)          *Oregon Taxpayers United - \$2,463(0.3%)          *Vicki Westerman - \$1,000 (.15%)          *Oregon Homeowners Association PAC - \$320 (.05%)          *W. Milan - \$150 (.02%)          *Tim Roher - \$100 (0.01%)          *Miscellaneous Contributions of \$100 or less - \$625 (.09%)</p>		
<p><b>Committee to Protect Local Control of Schools – No on 58</b></p>	<p><b>\$66,625</b></p>	<p><b>English for the Children – Oregon Yes on 58</b></p>	<p><b>\$6,287</b></p>
<p>*Oregon Education Association - \$40,000 (60.0%)          *Our Oregon - \$7,792 (11.7%)          *Healthy Democracy Oregon and Western States Center - \$5,000 each (7.5% each)          *Stand for Children - \$4,169 (6.9%)          *Portland General Electric - \$2,000 (3.0%)          *Defend Oregon - \$400 (0.6%)          *Sharon Chasko – and Janie Cohen - \$200 each (0.3% each)          *Miscellaneous Contributions of \$100 or less - \$1,164 (1.8%)</p>	<p>*Ron Unz - \$2,500 (39.8%)          *ProEnglish - \$2,500 (39.8%)          *OregonTaxpayers United - \$1,277 (20.3%)          *Miscellaneous Contributions of \$100 or less - \$10 (0.2%)</p>		
<p><b>No on Measure 59</b></p>	<p><b>\$104,868</b></p>	<p>No specific committee formed to support Measure 59</p>	
<p>*SEIU (Service Employees International Union) Local 503 - \$40,000 (38.1%)          *AARP Oregon - \$16,372 (15.6%)          *Nike Inc and Affiliates - \$12,500 (11.9%)          *Portland General Electric - \$10,000 (9.5%)          *Oregon AEA PAC (high tech industry) - \$10,000 (9.5%)          *Our Oregon - \$7,792 (7.4%)          *Oregon Health Care Association - \$5,000 (4.8%)          *Providence Health System - \$2,000 (1.9%)          *Portland State University Alumni Assoc and Alliance-PAC (Portland Business Alliance PAC) - \$500 each (0.5% each)          *Miscellaneous Contributions of \$100 or less - \$204 (0.2%)</p>			

<b>Oregonians Against Unsafe Housing – No on 63</b>	<b>\$507,317</b>	<b>Oregon Homeowners Association PAC – Yes on 63</b>	<b>\$80,006</b> <i>(\$34,006)</i>
<p>*Barnes Labor Management Cooperative Committee - \$100,000 (19.9%)          *Oregonians to Maintain Community Standards - \$55,000 (10.9%)          *Oregon AFSCME (American Federation of State County and Municipal Employees) Council 75 - \$40,025 (8.0%)          *Bridge, Structural, Ornamental Local 29, 280 Labor Management, Local 290 Industry Advancement Fund, and Kathryn Clarke - \$25,000 each (5.0% each)          *State Farm Mutual Automobile Insurance Co and Oregon Council of National Electrical Contractors Association Chapter PAC - \$20,000 each (4.0%)          *Local 48 Electricians PAC, International Brotherhood of Electrical Workers Local 280 PAC, Sheet Metal Workers Local 16 - \$15,000 each (3.0% each)          *Miscellaneous Contributions of \$100 or less - \$655 (0.01%)          *The rest - \$122,627 (24.4%)</p>		<p>*Hire Calling Public Affairs (Dick Wendt) - \$50,000 (62.5%)          *Taxpayer Defense Fund - \$13,750 (17.2%)          *FreedomWorks Issues PAC - \$13,750 (17.2%)          *CBS Consulting - \$1,950 (2.4%)          *Democracy Direct - \$250 (0.3%)          *Oregon Taxpayers United - \$40 (0.05%)          *Miscellaneous Contributions of \$100 or less - \$266 (0.3%)</p> <p><i>Hire Calling Public Affairs gave \$50,000 on 8/25 but received a \$46,000 refund on 10/16 – Below are top donor calculations reflecting this refund:</i></p> <p>*Taxpayer Defense Fund - \$13,750 (40.4%)          *FreedomWorks Issues PAC - \$13,750 (40.4%)          *Hire Calling Public Affairs (Dick Wendt) - \$4,000 (11.8%)          *CBS Consulting - \$1,950 (5.7%)          *Democracy Direct - \$250 (0.7%)          *Oregon Taxpayers United - \$40 (0.15%)          *Miscellaneous Contributions of \$100 or less - \$266 (0.8%)</p>	
<b>Don't Silence Our Voice Committee – No on 64</b>	<b>\$1,062,821</b>	No specific committee formed to support Measure 64	
<p>*Nurses United PAC - \$600,000 (56.4%)          *Oregon AFSCME (American Federation of State County and Municipal Employees) Council 75 - \$250,000 (23.5%)          *SEIU (Service Employees International Union) Local 503 - \$45,362 (4.3%)          *Oregon State Fire Fighters Council - \$40,000 (3.7%)          *AFSCME International - \$30,291 (2.9%)          *International Association of Fire Fighters - \$25,000 (2.3%)          *Sierra Club State Action Fund - \$20,000 (1.9%)          *SEIU Oregon State Council - \$14,438 (1.4%)          *Bradwood Landing LLC - \$10,000 (0.9%)          *Our Oregon - \$5,472 (0.5%)          *Local 48 Electricians PAC - \$5,000 (0.5%)          *Miscellaneous Contributions of \$100 or less - \$200 (0.02%)          *The rest - \$11,059 (1.04%)</p>			

The Better Way To Fight Crime Committee Yes on 57	\$507,042	Oregon Anti-Crime Alliance PAC – Yes on 61 and 62, No on 57	\$971,416
<p>*The Rokit Fund - \$200,000 (39.4%)            *Oregon AFSCME (American Federation of State County and Municipal Employees) Council 75 - \$82,500(16.3%)            *Eric Lemelson - \$45,000 (8.9%)            *Defend Oregon - \$25,250 (5.0%)            *SEIU (Service Employees International Union) Local 503 and Oregon Education Association - \$20,000 each (3.9% each)            *AARP Oregon - \$16,372 (3.2%)            *Ballot Initiative Strategy Center - \$15,000 (3.0%)            *Safety and Justice Action Fund - \$13,059 (2.6%)            *Linda Love and Portland General Electric - \$10,000 each (2.0 % each)            *Nike Inc and Affiliates - \$7,500 (1.5%)            *Stoel Rives LLP - \$5,000 (1.0%)            *Our Oregon - \$2,320 ((0.4%)            Basic Rights Oregon Measure PAC, Providence Health System, Northwest Natural Gas, and Arthur Johnson - \$2,000 each (0.4% each)            *Miscellaneous Contributions of \$100 or less - \$704 (0.1%)            *The rest - \$17,900 (3.5%)</p>			
	<p>*Loren Parks - \$600,000 (61.8%)            *Oregon War Veterans Association - \$165,00 (17.0%)            *Parks Medical Electronics - \$75,000 (7.7%)            *FreedomWorks Issue PAC- \$41,250 (4.3%)            *Taxpayer Defense Fund - \$41,250 (4.3%)            *Oregon Anti-Crime Alliance, inc - \$17,820 (2.9%)            *Oregon Excellence LLC DBA Oregon Crime Fighters - \$9,128 (1%)            *If you absolutely, positively, one hundred percent want to put felons in prison its mandatory that you vote yes on 61... \$3,918 (0.4%)            *Kevin L. Mannix PC - \$2,700(0.3%)            *Sierra Gopher Service LLC and Oregon Anti-Crime Alliance Foundation- \$1,000 each (0.1% each)            *Miscellaneous Contributions of \$100 or less - \$3,350 (0.3%)</p> <p>(Parks and Parks Medical together = 69.5% of contributions)</p>		
	<p><b>If you absolutely, positively, one hundred percent want to put felons in prison it's mandatory that you vote yes on 61</b></p>	<p><b>\$456,400</b></p>	
	<p>*Common Sense for Oregon PAC - \$456,150 (99.9%)            *Steve Doell - \$250 (0.1%)</p> <p>(Common Sense for Oregon PAC run by Ross Day got 98.5% of its money, \$451,250, from Oregon Anti-Crime Alliance PAC that (see above) got most of its money from Loren Parks. The only other donors to Common Sense PAC was \$5,000 from Ross Day doing business as TommyKnocker Ent and \$2,000 from the Oregon Loggers PAC</p>		

\*Includes cash and in-kind contributions and any loans received. Reflects data obtained from ORESTAR for transactions through December 31, 2008. Figures could change due to auditing or amendments.

Measure 56 was a legislative referral requiring that a majority of voters rather than votes cast, often called the double-majority requirement, to apply to May and November property tax measures rather than previous broader application of the double-majority requirement. A double-majority requirement for property tax measures is only found in Oregon and the original requirement was in Bill Sizemore's Measure 47 adopted in 1996.<sup>142</sup> The committee whose primary focus was opposition to Measure 56 was Oregonians for Honest Elections run by Bill Sizemore ally Tim Rohrer. Bill Sizemore, however, became a committee director in late November of 2008. For this reason the money to PACs focused primarily on this proposal is not included in chart 1 below or the aggregate donor tables in Section 5.

Measure 58 would have prohibited teaching public school students in any language other than English for more than two years. There were two political committees formed focused just on Measure 58. English for the Children urged a yes vote but raised only \$6,287 with \$2,500 coming from each ProEnglish and Ron Unz, a wealthy Californian who worked to pass a similar measure in that state in 1998. Bill Sizemore's Oregon Taxpayers United provided support valued at \$1,277. Committee for Protect Local Control of Schools raised \$66,625 with \$40,000 coming from the Oregon Education Association and \$7,792 from Our Oregon.

Measure 59 would have allowed Oregon taxpayers to deduct all of their federal taxes on state forms. This was essentially a repeat of Bill Sizemore's Measure 91 in 2000 and Measure 41 in 2006 that Bill Sizemore wrote in consultation with Russ Walker who handled that campaign. In 2000 the yes on 91 campaign received \$488,089 from Loren Parks. In 2006, the yes on 41 committee, Freedomworks Issue PAC, raised only \$22,011. There was no specific committee formed to support Measure 59 in 2008, though several committees listed this measure in the set of measures they supported or opposed.

Measure 60 would have required teacher pay and seniority to be based on classroom performance rather than seniority. This was similar to Bill Sizemore's Measure 95 on the ballot in November of 2000. Loren Parks was the only donor to the yes on 95 committee giving support valued at \$488,089 that year. There was no specific committee formed to support Measure 60 in 2008, though several committees listed this measure in the set of measures they supported or opposed.

Measure 61 would have required mandatory minimum sentences for identify theft, forgery, burglary and certain other crimes. Pro and con campaigns on this measure linked it to Measures 62 and 57. Measure 62 was a constitutional amendment that would have allowed 15 percent of lottery funds for a public safety fund. Measure 57 was a legislative referral designed as a replacement for Measure 61. Though it included stricter sentences it had more of a rehabilitation emphasis.

The yes on 57 campaign raised \$507,042 with a \$200,000 contribution from the Rokit Fund and \$82,500 from Oregon AFSCME (American Federation of State, County, and Municipal Employees) Council 75. The Oregon Anti-Crime Alliance PAC supported Measures 61 and 62

---

<sup>142</sup> Frazier, Joseph P. (October 14, 2008) *Oregon law requiring majority to vote could change*, Associated Press. Retrieved on September 27, 2009 from <http://www.ibtimes.com/articles/20081014/ore-law-requiring-majority-to-vote-could-change.htm>

and opposed Measure 57 and raised \$971,416 with \$600,000 coming from Loren Parks and \$165,000 from Oregon War Veterans Association.

The Oregon War Veterans Association is a 501 (c) 19 group. This is an Internal Revenue Service designation that allows the receipt of tax-deductible contributions while engaging in partisan policy activity, though that can't be the group's primary purpose. The Oregon War Veterans association federal tax form indicates that its primary purpose is to advocate for veterans including development of legislation, home loan assistance, charitable networking and member services. The tax report indicates that \$56,608 went to the Oregon Veterans PAC out of a total of \$119,165 in grant activity.<sup>143</sup> That 48 percent of foundation spending went to an affiliated political committee raises questions about whether Oregon War Veterans Association primary activity is political, that is getting close enough to the 50 percent guideline for allowable political activities that a complaint could be viable. Greg Warnock, Robin Brown, and Rob Bratian are listed as Oregon War Veterans Association officers and are also directors of the Oregon Veterans PAC that was formed in December of 2006.

Review of ORESTAR records of contributions to Oregon Veterans PAC is that \$21,561 was given by the Oregon War Veterans Association from March through June of 2007. This is a discrepancy with the \$58,608 is reported on the Oregon War Veterans Association tax forms.

The Parks Educational Foundation, controlled by Loren Parks, gave the Oregon War Veterans Association \$100,000 as reported on the Parks' foundation 2007 990 report that covered activity from September 2007 to September of 2008. The Oregon War Veterans Association's contribution of \$165,000 to the Oregon Anti-Crime Alliance against Measure 57 and for Measures 61 and 62 is a bit puzzling given the Associations' stated focus on concerns facing veterans.

Measure 63 would have not required building permits for improvements valued at or under \$35,000. The Oregon Homeowners Association PAC formed to support Measure 63 and raised \$34,006 with the top donation coming from Russ Walker's Taxpayer Defense Fund and FreedomWorks Issues PAC each giving \$13,750. Hire Calling Public Affairs affiliated with Dick Wendt originally gave \$50,000 but then received a \$46,000 refund. Oregonians Against Unsafe Housing formed to oppose Measure 63 and raised \$507,317. Its top contribution was \$100,000 from Barnes Labor Management Cooperative Committee with \$55,000 coming from Oregonians to Maintain Community Standards, a political committee with major support from building trade unions.

Measure 64 would have provided penalties for use of funds collected with public resources for political purposes. This concept pushed by Bill Sizemore as Measure 59 on the November ballot in 1998 and Measure 98 on the general election ballot in 2000. In 1998, three different committees raised a total of \$701,864 to support of Measure 59 and oppose Measures 62 and 63 designed to trump Bill Sizemore's measures. In 2000, no PAC was formed to support Measure 98. This pattern continued in 2008 with no PAC formed specifically to support Measure 64.

---

<sup>143</sup> 2006 990 form for Oregon War Veterans Association available at 990 finder for activity from November 2006 through 2007. This was the group's initial report and later reports are not yet available.

The Don't Silence Our Voice Committee raised \$1,062,821 with \$600,000 coming from Nurses United PAC.

Each of these ballot measures supported by Russ Walker lost with voters. Kevin Looper, executive director of Our Oregon saw the focus by conservatives on ballot measure politics in 2008 as reflecting their loss of clout in the legislature and represent a tactic designed to fundraising that maintains the political careers of activists.<sup>144</sup>

## **SECTION 5 – TOP AGGREGATE DONORS FOR AND AGAINST WALKER CAMPAIGNS – 2000 THROUGH 2008**

### **Top Donors to Walker - Aggregate Totals for 2000 through 2008**

Top donors to the ballot measures supported by Russ Walker as well as Walker's ongoing PACs from 2000 through 2008 are summarized below in chart 43.

Loren Parks either directly or in contributions from his company, Parks Medical Electronics, has given \$1,784,334 to all of Russ Walker's ballot measure campaign priorities.

The Oregon Family Farm Association PAC was a major donor to qualify Measure 40, the unsuccessful effort to elect by district appellate level judges, and continued support during that general election campaign in 2006. They gave a total of \$738,720.

Hire Calling Public Affairs affiliated with Dick Wendt gave \$385,250 while Dick Wendt gave \$30,000 and his company, Jeld-Wen, gave \$55,100. Total contributions came to \$470,350.

Support from Oregon Citizens for a Sound Economy and its affiliated political committees are obviously major donors giving a total of \$728,585 to Russ Walker campaign activities. Support from Washington D.C. from Citizens for a Sound Economy and FreedomWorks came to \$369,333.

Business support came from Wes LeMatta's Columbia Helicopters, A-DEC Inc, the Newberg based dental equipment company and numerous timber interests.

**Chart 43: Top 25 Contributors to Walker Ongoing PACs and Ballot Measure Campaigns, 2000-2008, includes cash and in-kind contributions and loans**

<b>Total Contributions</b>	<b>Contributor – Parks, Affiliates and Pass-Throughs</b>	<b>Supported</b>
\$1,784,334	Loren Parks - \$1,384,334 Parks Medical Electronics \$400,000	2006 – Yes on 40, 41, and 48 2008 – Support for Initiatives 51 and 53 that did not qualify for the ballot 2008 – No on 56 and 57. Yes on 58, 59, 60, 61, 62, 63, and 64
\$738,720	Oregon Family Farm Association PAC	2006 – Yes on 40
\$728,585	Oregon Citizens for a Sound Economy/Oregon Citizens for a Sound	2003 – No on 28 2004 – No on 30

<sup>144</sup> "Initiative filings lean to the right politically," *Eugene Register-Guard*, December 2, 2007



	Economy PAC/Taxpayer Defense Fund PAC	Legislative Candidate Contributions in 2004 and 2004 2006 – Yes on 40 and 41 2008 – No on 56 and 57. Yes on 58, 59, 60, 61, 62, 63, and 64
\$470,350	Hire Calling Public Affairs - \$385,250 Jeld-Wen - \$55,100 Dick Wendt - \$30,000	2004 – Oregon Citizens for a Sound Economy PAC 2006 – to Oregon Family Farm Association that supported Measure 40 2008 – No on 56 and 57. Yes on 58, 59, 60, 61, 62, 63, and 64
\$369,333	Citizens for a Sound Economy/FreedomWorks	2006 – Yes on 40, 41, and 48 2008 – Support for Initiatives 51 and 53 that did not qualify for the ballot 2008 – No on 56 and 57. Yes on 58, 59, 60, 61, 62, 63, and 64
\$199,100	Columbia Helicopters/Wes Lematta	2003 – No on 28 2004- No on 30 2006 – Yes on 40 and 41 2008 – Support for Initiatives 51 and 53 that did not qualify for the ballot
\$159,100	A-DEC Inc	2004- No on 30 2006 – Yes on 40 2008 – Support for Initiatives 51 and 53 that did not qualify for the ballot
\$147,375	Seneca Jones Timber/Sawmill Co.	2004- No on 30 2006 – Yes on 40
\$102,312	Oregonians in Action/Oregonians in Action PAC	2006 – Yes on 40 2008 – No on 56 and 57. Yes on 58, 59, 60, 61, 62, 63, and 64
\$99,438	Taxpayer Association of Oregon and affiliated PACs	2003 – No on 28 2004 – No on 30 2006 – Support to Judicial Integrity Coalition that gave to M 40 campaign
\$94,000	Swanson Group	2003 – No on 28 2006 – Yes on 40
\$86,773	Requires Legislative Supermajority to Declare Emergency PAC	2008 – helped qualify Measures 58, 59, 60 and 64
\$75,250	Norman Brenden	2006 – Yes on 40
\$75,100	Seneca Sawmill Co	2004 – No on 30
\$72,791	Goli Ameri for Congress	2004 – No on 30
\$69,350	Freres Lumber Co	2004 – No on 30 2006 – Yes on 40
\$57,310	Kevin L. Mannix P.C.	2004 – No on 30 2008 – Support for Initiatives 51 and 53 that did not qualify for the ballot
\$53,750	Frontier Resources	2006 – Yes on 40
\$49,035	Hold Criminals Accountable PAC	2008 – Support for Initiatives 51 and 53 that did not qualify for the ballot 2008 – helped qualify Measures 58, 59, 60, 63 and 64
\$47,000	Friends of David Nelson	2002 contribution to Oregon Citizens for a Sound Economy PAC

\$45,913	Pacwest Communications	2004 – No on 30
\$42,000	Peter Marsh	2006 – Yes on 40
\$33,000	Majority 2004 – leadership PAC focused on electing Republicans to Oregon House	2006 – to Oregon Citizens for a Sound Economy PAC
\$32,700	Oregon Tort Reform Coalition/Oregon Litigation Fairness Project	2008 – Support for Initiatives 51 and 53 that did not qualify for the ballot
\$29,000	Oregonians for Food and Shelter	2002 contribution to Oregon Citizens for a Sound Economy PAC

**Top Donors Against Walker - Aggregate Totals for 2000 through August 2008**

The Oregon Education Association and other public employee unions are major contributors against Russ Walker’s ballot measures. The largest contribution amounts were linked to defeat the positions of Walker’s committees in 2008 pertaining to Measures 56, 57, 58, 59, 60, 61, 62, 63, and 64.

The Oregon Education Association’s aggregated contributions since 2003 are \$6,411,519. The National Education Association has given \$3,093,617. These organizations represent over 3 million teachers including 47,000 workers in Oregon. Their combined fundraising is \$9,505,136

Local 503 of Service Employees International Union, its international, and affiliated PACs have given \$2,653,819. Their membership in Oregon is 40,000 workers.

The American Federation of Teachers and its affiliated PACs have given \$1,123,680. Their membership in Oregon is 11,000.

AFSCME Council 75 and its national partner has given \$1,105,248 and represents 25,000 workers.

Other unions that have been major contributors against Russ Walker’s positions on ballot measures include Oregon School Employees Association, Oregon AFL-CIO, Laborers Political League and the PAC of Local 483, Electricians Local 48, United Food and Commercial Workers, as well as the Nurses Union political committee

In Oregon the unions in chart 44 represent approximately 320,000 workers in Oregon. The American Association of Retired People (AARP) has also been a major donor opposing Russ Walker’s measures giving \$711,387. In Oregon there are 535,000 AARP members.

**Chart 44: Top 25 Contributors against Walker Ongoing PACs and Ballot Measure Campaigns, 2003-2008, includes cash and in-kind contributions and loans**

Total Contributions	Contributor	Supported
\$9,505,136	Oregon Education Association Current Oregon membership – 47,000 workers <sup>145</sup>  National Education Association NEA – national membership is 3.2 million	2003 – Yes on 28 2004 – Yes on 30 2006 – No on 40, 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57

<sup>145</sup> <http://www.oregoned.org/site/pp.asp?c=9dKKKYMDH&b=130916> retrieved October 10, 2009

\$2,653,819	Service Employees International Union Local 503/Oregon Public Employees Union PAC/Service Employees Union International  SEIU Current membership in Oregon – 40,000 workers <sup>146</sup>	2003 – Yes on 28 2004 – Yes on 30 2006 – No on 40, 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$1,123,680	American Federation of Teachers PACs  Current membership – 11,000 workers <sup>147</sup>	2003 – Yes on 28 2004 – Yes on 30 2006 – No on 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$1,105,248	AFSCME Council 75/National AFSCME  Current membership – 25,000 workers <sup>148</sup>	2003 – Yes on 28 2004 – Yes on 30 2006 – No on 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$932,296	Oregon School Employees Association/Voices of Involved Classified Employees/VOICE PAC/School Employees Exercising Democracy/SEED PAC  Current membership – 20,000 workers <sup>149</sup>	2003 – Yes on 28 2004 – Yes on 30 2006 – No on 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$922,457	Don't Silence Our Voices Committee	2008 – Given to Defend Oregon
\$711,387	American Association of Retired People/AARP Oregon  535,000 AARP members in Oregon <sup>150</sup>	2004 – Yes on 30 2006 – No on 41 and 48
\$485,158	Oregon State Council of Service Employees	2004 – Yes on 30 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$477,372	Oregon AFL-CIO/Oregon AFL-CIO Political Education Committee  Current membership – 145,000 workers 55,000 Working America members and 90,000 members of affiliated unions <sup>151</sup>	2003 – Yes on 28 2004 – Yes on 30 2006 – No on 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$229,916	The Better Way to Fight Crime PAC	2008 – Given to Defend Oregon
\$212,500	Laborers' Political League Education Fund/PAC 483 of Laborers Local 483	2006 – No on 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$177,489	Our Oregon	2006 – No on 40, 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$145,296	International Brotherhood of Electrical Workers/Local 48 Electricians PAC	2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57

<sup>146</sup> <http://www.seiu503.org/local503/Default.aspx> retrieved October 10, 2009

<sup>147</sup> <http://or.aft.org/index.cfm?action=cat&categoryID=4651bda0-3be6-49f9-b7b3-7ee2c2da570e> retrieved October 10, 2009

<sup>148</sup> <http://www.oregonafscme.com/> retrieved October 10, 2009

<sup>149</sup> [http://www.osea.org/pages/About\\_OSEA/about\\_osea.html](http://www.osea.org/pages/About_OSEA/about_osea.html) retrieved October 10, 2009

<sup>150</sup> Personal conversation October 12, 2009

<sup>151</sup> <http://orafclcio.org/aboutus/unionsoftheaflcio/> retrieved October 10, 2009

	Current membership – 4,000 workers <sup>152</sup>	
\$115,944	CareOregon	2004 – Yes on 30 2006 – No on 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$100,000	United Food and Commercial Workers Current membership – 20,000 <sup>153</sup>	2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$79,455	Voting Matters	2008 – Given to Defend Oregon
\$72,500	Nurses United PAC Current membership – 8,000 workers <sup>154</sup>	2004 – Yes on 30 2006 – No on 41 and 48 2008 – No on 59 and Yes on 57
\$60,500	Oregonians to Maintain Community Standards	2006 – No on 41 and 48 2008 – No on 58, 59, 60, 61, 62,63, and 64. Yes on 56 and 57
\$52,500	Nike Inc and Affiliates	2006 – No on 40, 41 and 48
\$50,000	Confederated Tribes of the Grand Ronde	2006 – No on 41 and 48
\$50,000	International Brotherhood of Teamsters	2008 – No on 58, 59 and 63. Yes on 56 and 57
\$50,000	Win McCormack	2008 – No on 58, 59 and 63. Yes on 56 and 57
\$50,000	Sierra Club State Action Fund	2008 – No on 58, 59 and 63. Yes on 56 and 57
\$36,720	Cappelli Miles Spring	2006 – Given to Defend Oregon Coalition
\$35,147	Oregon Business Association/OBA PAC	2004 – Yes on 30

<sup>152</sup> [http://www.ibew48.com/?zone=/unionactive/view\\_article.cfm&HomeID=55614](http://www.ibew48.com/?zone=/unionactive/view_article.cfm&HomeID=55614) retrieved October 10, 2009

<sup>153</sup> “Unions zero in on presidential vote, not initiatives,” *Oregonian*, March 30, 2004

<sup>154</sup> <http://www.oregonrn.org/displaycommon.cfm?an=3> retrieved October 10, 2009