

The Kitzhaber-Hayes Affair

Oregon's four-term governor falls to an environmentalist scandal

By Jim Pasero

Summary: Four-term Oregon Governor John Kitzhaber first came to the state's highest office by ruthlessly forcing a fellow Democrat, the incumbent, out of the position. But two decades later, when an epic scandal forced him out, he publicly wept for the state's loss of pleasant "public discourse." This is part one of a two-part report on a "green" scandal that reaches from Oregon to surrounding states, to the nation's capital, and to other countries.



Governor John Kitzhaber and environmental consultant Cylvia Hayes, seen at his swearing-in and with Bill Clinton, were Oregon's power couple.



[Editor's note: Whatever you think of his politics, you have to view John Kitzhaber as one of Oregon's most successful politicians. He was an emergency room physician who became a state representative and president of the state Senate, the creator of a healthcare rationing "death panel" scheme that was a precursor to Obamacare, the longest-serving governor in his state's history, and one of the fathers of policies that, even after his departure from public office, promote a radical "green" agenda in Oregon and far beyond.

Yet across the country the Governor will be remembered most of all for his ultimately disastrous relationship with Cylvia Hayes, a woman who committed immigration fraud, bought land for an illegal marijuana farm, and, while on the payroll of billionaire-backed environmentalists, pushed Kitzhaber to pursue anti-taxpayer schemes ranging from a hidden gasoline tax to an "index of well-being" that hid governmental failure from the voters.

The Kitzhaber-Hayes scandal resulted in his resignation and in an FBI investigation still active as this is written. The probe has subpoenaed tens of thousands of documents and is peeling back the

layers of corruption and cronyism that make up the modern environmental movement. —SJA]

On February 13, just a month into his fourth term, Gov. John Kitzhaber (D-Oregon) resigned. In his resignation letter, he explained that he was a victim.

I must say that it is deeply troubling to me to realize that we have come to a place in the history of this great state of ours where a person can be charged, tried, convicted and sentenced by the media with no due process and no independent verification of the allegations involved. But even more troubling—and on a very personal level as someone who has given 35 years of public service to Oregon—is that so many of my former allies have been willing to accept this judgment at its face value.

It is something that is hard for me to comprehend – something that we might expect in Washington, D.C., but surely not in Oregon. I do not know what it means for our shared future, but I do know that it is seriously undermining civic engagement in this state and the quality of public

discourse that once made Oregon stand out from the pack.

Among those who helped push him out of office—the leaders of his party, including Secretary of State (and now Governor) Kate Brown, State Treasurer Ted Wheeler, Oregon Senate President Peter Courtney, and Oregon House Speaker Tina Kotek—the letter may have evoked pity or sadness. But to those who saw him as a colossal political figure, the governor's tone was whiny and pathetic. Kitzhaber was no longer the powerful and historic four-term governor. He was just another politician who, with his career in ruins, felt sorry for himself and couldn't accept that his situation was his own fault—the kind of loser who, as he headed out the door, asked state employees to delete his e-mails.

November 2015

The Kitzhaber-Hayes Affair
Page 1

Green Notes
Page 8

Nigel Jaquiss of the alternative weekly *Willamette Week* is the reporter credited for setting the scandal in motion. “John Kitzhaber resigned last week,” Jaquiss wrote, “amid allegations his fiancée, former first lady of Oregon Cylvia Hayes, improperly used her access to him to influence policy while benefiting financially. From 2011 to 2013, Hayes collected more than \$220,000 from private consulting contracts she landed while working as an adviser to Kitzhaber. Her dealings have sparked state and federal criminal investigations.”

How did it come to this? How did a rock star in Oregon politics with the rugged aspect of a cowboy—“Oregon’s Marlboro Man,” they called him—become the first governor in the history of the state to resign due to corruption allegations?

John Kitzhaber was born in 1947 and raised in Eugene, Oregon. His father, Albert Kitzhaber, was an English professor at the University of Oregon. His mother, Annabel Reed Kitzhaber, was an educator, author, and president of the Oregon League of Women Voters. Kitzhaber attended Dartmouth College in the 1960s and later earned his medical degree from Oregon Health & Science University. He began his medical career as an emergency room physician in Roseburg, Oregon. In 1978, he won a seat in the Oregon House. Two years later he moved to the Oregon Senate, becoming Senate president in 1985.

He was ruthless. One day in 1993, Senate President Kitzhaber walked into the office of Barbara Roberts, a governor of his own party, and informed her coldly that she was

Editor: Steven J. Allen

Publisher: Terrence Scanlon

Address: 1513 16th Street, NW
Washington, DC 20036-1480

Phone: (202) 483-6900

E-mail: sallen@CapitalResearch.org

Website: CapitalResearch.org

Green Watch is published by Capital Research Center, a non-partisan education and research organization classified by the IRS as a 501(c)(3) public charity. Reprints are available for \$2.50 prepaid to Capital Research Center.

out and he was in. She would be not be seeking a second term, he informed her. It was a coup that was engineered with the help of Gerry Frank, Oregon power broker and longtime chief of staff to U.S. Sen. Mark Hatfield (R).

Kitzhaber managed to win an impressive victory in the general election, defeating five-term U.S. Congressman Denny Smith, whose father, Elmo, had been governor of Oregon in the 1950s. That happened despite the fact that it was a very good year for the GOP—the year that Newt Gingrich and the Republicans took the U.S. House for the first time in 40 years. Gov. Ann Richards (D-Texas) lost to George W. Bush. Closer to home, the Speaker of the U.S. House, Rep. Tom Foley, Democrat of Spokane, lost his congressional seat to Republican newcomer George Nethercutt. Foley was the first sitting Speaker to lose re-election since 1862. And surprisingly, Republicans captured the Oregon legislature.

When Kitzhaber first took office as governor in January 1995, he was seen as a leader, an innovator and a preserver of all things cherished by West Coast environmentalists. He was smart and good-looking, an emergency room doctor and a dedicated fly fishermen, always with beautiful women on his arm—the latest, who became his second wife, Sharon Lacroix, a physical and nutritional therapist from Hawaii. The Kitzhaber persona was so Western, so New Age, so iconically the “new Oregon.”

I was the publisher of an Oregon business and executive lifestyle magazine, *BrainstormNW*, which covered the charismatic governor and which noted the expectations that surrounded him during his first term in office, when everything about him seemed almost magical.

Few governors in the history of the state have taken office with the expectations, praise and hope that John Kitzhaber did in January 1995. He’d been feted by the international magazine, *The Economist*, for his Oregon Health Plan, because while serving as Oregon’s senate president, Kitzhaber had the guts to introduce medical rationing—via the Oregon Health Plan—to the United States. Wrote *The Economist*, “Dr. Kitzhaber has lightened one of the blemishes on

America (40 million citizens without health insurance) . . . yet the Clinton Administration ignores him. So he stays in Oregon, in his cowboy boots and on his rivers. It is no great loss to him, but it is a loss to the country.”

And throughout the 1990s, front page *New York Times* stories have discussed what a genius Oregon’s governor is for having conceived and implemented this innovative health plan. In 1998, the Oregon timber industry gave him a remarkable and unlikely unanimous endorsement for his efforts to keep the Coho salmon from being listed as an endangered species. With these international and national credentials, what state wouldn’t be ecstatic to have such a brilliant man as their chief executive?

Opposition legislature

Kitzhaber hadn’t counted on having a hostile legislature in his first term as governor. He’d been good at legislative strategy as Senate president, but he had never been open to ideas from others, especially from the other side of the aisle. That was a trait that would only worsen in coming years.

Like President Obama, Kitzhaber did not work well with the opposition. He considered himself smarter than everyone else. Facing an unresponsive Republican legislature led by Senate President and soon-to-be-U.S. Senator Gordon Smith, Kitzhaber quickly found himself on the defensive during the 1995 Oregon legislative session. The new governor would end up vetoing a record 95 bills.

Perhaps the most contentious veto was over a measure passed by the Republican Legislature that would have loosened restrictions on Oregon’s iconic land-use laws. These laws are the most restrictive in the country, modeled after the former West Germany’s land use laws, and have often been so extreme that building a new house on 75 acres of farmland was prohibited. No other American state chose to implement Oregon’s version of land-use planning, which was passed in the 1970s during the era of Gov. Tom McCall (D), an environmentalist icon. Twenty years later, by the mid-1990s, tension was building over the laws. Oregonians In Action, a local property-rights group that had won an important decision

before the U.S. Supreme Court, *Dolan v. City of Tigard* in 1994, chose to mobilize protestors at the governor's veto ceremony for the "Eco-Take Bill" in July 1995.

Kitzhaber chose Portland's historic Washington Park for the veto ceremony. With the Governor surrounded by World War II veterans, things became tense that July day. Both sides swaggered in, as *BrainstormNW* reported some years later.

"I was at Washington Park that day," says Kerr (a World War II veteran brought in by Oregonians In Action to protest the veto), "and the governor made a speech saying that he had to veto the bill because it would bankrupt the state, and then he asked the 40 or so of us that were in attendance if we had any questions. Well, you bet I did.

"I was standing only ten feet away from him and asked the Governor if he had taken an oath to defend the Constitution, and he made an arrogant gesture with his arm at me. And then I said, 'Then why are you violating it now?' Then he turned his back on me and retreated to the park's pagoda, and that's when the booing started. It lasted for two or three minutes."

Kitzhaber told the *Oregonian* his version, that the veto ceremony had "been a mistake. I got called a communist and a fascist right there at the news conference. I mean, I just don't do in-your-face politics."

After the disastrous ceremony, the governor began to view Republican critics as cranks and relished holding himself aloof, above the fray.

In the '97 legislative session, Kitzhaber's contempt for Republicans and the ideas of others ran up against Senate Majority Leader Gene Derfler. Derfler's reputation in the state capitol was that of a thoughtful legislator who helped Oregon pass and administer one the country's most effective welfare reform measures. Of Kitzhaber he said, "I find him very difficult to work with. He doesn't share information. He won't tell you his positions on issues. And neither is his staff up front with us on their positions. I told him bluntly he was a poor communicator, and I could see the hair stand up on the back of his head."

Brady Adams, the Oregon Senate president in the 1997 session, described Kitzhaber's leadership style in similar fashion, noting that Kitzhaber would constantly take notes during meetings, but not actively participate. "He doesn't come as a participant, but merely to take notes. After he's heard our views, he tells us that he needs to talk to his staff and think it over, and usually that's the end of it," he said.

Similarly, Phil Keisling, a Democrat and Oregon's secretary of state during Kitzhaber's first run as governor, described Kitzhaber as aloof during consideration of the state's historic "Vote By Mail" plan. (In Oregon today, almost all voting is by mail, effectively eliminating the protection of a secret ballot.) "The governor never weighed in during the 'Vote-by-Mail' debate," said Keisling. "He looked at it once it passed. We talked on the phone about the bill . . . If I were to sit around waiting for him to call and ask my opinion about a subject, it would be months between phone calls."

On the other hand, there's the view of the current Senate president, Peter Courtney—a Democrat who would, after the Kitzhaber-Hayes scandal broke, personally ask the Governor to resign. In the '90s, when Courtney was minority leader, he defended Kitzhaber as "a private man, shy. People misinterpret that as cold and elitist."

In November 1998, Kitzhaber won a resounding victory for re-election, defeating Republican tax activist Bill Sizemore by 64 percent to 30 percent. But he again faced a Republican legislature, and by the end of his second term in 2002, an economic downturn hurt the Oregon economy and brought a budget deficit of \$2 billion.

On June 21, 2002, he said he had "disengaged from my staff and the process" as he felt the "inability to do anything."

"Partly because of the insular nature of our governmental structure—and partly due to other factors—people have come to expect the government to solve problems for them," he wrote on July 13, 2002. "They elect leaders who tell them what they want to hear, not what they need to hear in order to solve problems."

The end of John Kitzhaber's second full term in office found him caving into

self-pity. Jeff Mapes, longtime political reporter for the *Oregonian*, examined a set of recently released e-mails that were written by Kitzhaber during his second term. They show the governor in full pout because things had not gone his way during the second term, and his reputation was diminished, something he couldn't handle.

Here are excerpts of Mapes' quoting Kitzhaber's reflections from the e-mails:

► "What a sad way to finish my political career."

► "I am ready for this all to be over. It is a bitter way to end a 22-year career in public service. But it is another reminder that our current governance structure and/or political system are incapable of effectively dealing with our problems. The private sector leadership of the State is not at all engaged. Such hypocrisy and cynicism and apathy. How very disillusioning."

► "Perhaps my future should not be about trying to solve public policy issues."

In one speech that fall, he called the state "ungovernable." It reminded some people of the hapless President Jimmy Carter, who complained about the American people's "malaise," and of Carter's defenders who suggested that, in the modern world, no one could govern successfully as president.

That year, he campaigned for a candidate for the state House, Sylvia Hayes. She lost handily in a strongly Republican district and, even before the election, was looking for another way to climb the political ladder.

An aide to Kitzhaber during his first term in office once commented that "there was always drama around the women in [Kitzhaber's] life." He soon divorced his second wife and became romantically involved with Hayes, 20 years his junior.

Hayes would tell friends that when she met Kitzhaber in 2002, she found him a broken man. According to Hayes, she picked him up and reinvigorated him, giving him new energy, more or less saving his life. During this period, Kitzhaber founded the Archimedes Movement, a health care advocacy group, and, in September 2009, announced he would seek a third term as governor of Oregon.

In November 2010, Kitzhaber narrowly defeated his Republican opponent Chris

Dudley, a former center for the Portland Trail Blazers basketball team. The margin was 22,000 votes, 49 percent to 48 percent. Kitzhaber had been elected to his first term in a tough year for Democrats (the year of the Gingrich Revolution) and he made his comeback in another tough year (the year of the Tea Party). Two months later, with Hayes by his side, he was sworn in for a third term.

From the beginning of that term, there were issues, especially concerning Oregon's new First Lady, Cylvia Hayes. The Governor appeared more relaxed at public events, but legislative leaders worried about Hayes' involvement in the Kitzhaber administration. She seemed to understand or care little about ethical boundaries. Kitzhaber and Hayes weren't married, and, although few cared about their private relationship as such, their nonmarital situation, together with her status as the Governor's closest advisor, raised serious issues such as whether Hayes would be considered a member of the Kitzhaber household for purposes of the state's ethics law.

Was she Oregon's First Lady, filling a mostly ceremonial role? Was she a paid consultant hired to lobby the governor on "climate change" issues? Was she a member of the governor's staff? When Kitzhaber staff members, particularly the governor's chief of staff, Curtis Robinhold, tried to rein her in, she would retaliate and often did so in very clumsy ways. During a speech she made at Portland State University in April 2014, Hayes described how she blithely dismissed the early concerns that Kitzhaber's staff had about her ambiguous role. Sarah Gilman of *High Country News* reported this quote from Hayes: "One of [the staff members] said, 'You know you work for the governor...'. And I said, 'I don't work for the governor, I work for the Earth.'"

From 2011 to 2013, Hayes collected more than \$220,000 from private consulting contacts she landed while working as an advisor to Kitzhaber.

A new beginning

In 2011, the legislature was a friendlier place for Kitzhaber than in his first two terms. Democrats controlled the Oregon Senate, while the Oregon House was evenly split between the parties. After the 2012 election, it was even better for Democrats;

they controlled both chambers of government, so Kitzhaber no longer faced an intractable or hostile legislature. (The only limitation on Democrats' legislative authority was that, in the Senate which was split 16-14, there was a moderate Democratic Senator who sometimes voted with Republicans.)

Despite the fact that, for the first time, he had a legislative majority of his party, Kitzhaber at the end of his third term stumbled over a series of policy issues. He presided over the failed launch of Cover Oregon, the state's "Affordable Care Act" Obamacare insurance exchange website, which cost taxpayers somewhere in the area of \$300 million. He was unable to deliver a new interstate bridge between Oregon and Washington, the Columbia River Crossing, because of opposition from the Washington State Senate and the local government in Clark County. Struggling to cope with a weak economy, he recommended that Oregon "weatherize" its school buildings as a way to encourage economic recovery.

Kitzhaber led the effort to abolish the 148-year-old elected position of Oregon Superintendent of Public Instruction, and he hand-picked, as Oregon's first Chief Education Officer, a man named Rudy Crew. The appointment of Crew, former chancellor of the New York City Board of Education, was much heralded but proved to be both short lived and disastrous; he left after a year, and controversy arose over his frequent out-of-state trips on personal business and his attempts, against state rules, to be reimbursed for first-class air travel.

Then there was the Genuine Progress Indicator. GPI is an alternative measure of how we as a people are doing, to replace traditional, relatively objective measures such as Gross Domestic Product (or, as one leftist described it with disdain, "how many widgets we're making"). The main entity pushing GPI is a project of the Center for a Sustainable Economy and the Institute for Policy Studies, a Marxist think tank [about which, see our sister publication *Foundation Watch*, February 2011]. The GPI website described the measure this way:

What if we defined success not by the money we spent and the goods we consumed but by the quality of life we create not only for ourselves but for everyone with whom we share the planet?

What if we added up the positives of economic growth and subtracted from them the clear negatives, so we had a better picture of whether we were headed in the right direction?

The Genuine Progress Indicator (GPI) does exactly that. With 26 indicators, the GPI consolidates critical economic, environmental and social factors into a single framework in order to give a more accurate picture of the progress—and the setbacks—we have made.

From the costs of crime, pollution, commuting and inequality to the value of education, volunteer work, leisure time and infrastructure, the GPI helps us understand the true impacts of our policies and will lead us on the path toward a genuinely sustainable economy.

There are 26 separate indicators that comprise the Genuine Progress Indicator.

The Left loves GPI, which, if adopted as a way to measure the success of government policies, would allow politicians, bureaucrats, left-wing academics, and the media to pronounce policies as successful, even if they destroy jobs and prevent economic growth.

John Fund, in a *National Review Online* article entitled, "Energy Isn't the Only Thing That's Green When You're Pushing the Clean-Energy Agenda," noted the involvement in Oregon's politics of the left-wing group Demos [about which, see our sister publication *Organization Trends*, July 2014]:

Then there was Demos, a New York-based left-wing group normally prominent in attacking voter-ID laws. But in Oregon, Demos persuaded Hayes and Kitzhaber to consider using a "genuine progress indicator" as a substitute for traditional GDP models of growth. In 2013, Governor Kitzhaber and Hayes accepted the invitation of Demos executive Lew Daly to accompany him to the Himalayan nation of Bhutan to study the "genuine progress indicator" concept. The next month, Hayes landed a \$25,000 consulting contact with Demos. Within days, in violation of the law, she held a meeting to promote Demos' concept at the state-owned governor's mansion.

If Kitzhaber needed a measurement indicator in 2014, other than GDP, to gauge the state's well-being, he had good reason. A column in the Portland Business Journal early that year chronicled his economic record in Oregon.

In 1995, when Kitzhaber began his first term as governor, the state ranked 22nd in per capita income. The average Oregon resident made 95 percent of what a Washington resident made. Now, 19 years later and 11 years into Kitzhaber's leadership, the state ranks 33rd in per capita income, and average Oregonians make just 85 percent of what Washingtonians make. That's quite a decline, at least if you measure GDP in dollars, not happiness.

The feeling throughout the state was that Kitzhaber had become lazy, arrogant, and frozen in his thinking, that he was impeding the state from moving. Many hoped he wouldn't run again, so new political talent could emerge. Democrats often mentioned State Treasurer Ted Wheeler as a replacement.

Yet despite Oregon's having dropped 11 places in per capita income, and despite the fact that more than one-third of children in rural Oregon were living below the poverty line, and despite the way Portland metro region's household income had dropped \$4,400 since the beginning of the 2008 recession—despite all of that dreary news, Kitzhaber in 2014 asked Oregon voters for a historic fourth term in office.

Many in the Oregon media, as well as in the business community, considered his re-election a certainty, despite his poor record. The dysfunction of the Oregon GOP had much to do with that view. But not everyone was certain 2014 would be a simple deal for Kitzhaber. The region's most respected pollster, Tim Hibbitts, also saw cracks in the Kitzhaber mystique. Hibbitts observed, "It's a myth that he is at his highest ever level of popularity. When he was governor in the 1990s, his approval ratings were in the 60s. Today . . . his numbers are not so good, if the GOP had a credible candidate."

While Kitzhaber's opponent Dennis Richardson and rest of the Oregon GOP may not have been a credible threat to Kitzhaber's hopes for a fourth term, there was one ma-

ior threat: *Willamette Week* reporter Nigel Jaquiss.

Writing in *USA Today* just days after Kitzhaber's resignation, John Reider detailed why Jaquiss proved a formidable obstacle to the governor:

If Nigel Jaquiss had stayed in the oil trading business or pulled off the transition to novelist, John Kitzhaber might still be governor of Oregon. Unfortunately for Kitzhaber, Jaquiss made a mid-career switch to journalism. Jaquiss' reporting in the alternative *Willamette Week* on Kitzhaber's ethical blinders regarding his fiancée triggered the governor's resignation. . . .

[Jaquiss] won a Pulitzer Prize in 2005 for reporting that former Oregon governor and ex-Cabinet official Neil Goldschmidt, a revered figure in the state, had had a long-term relationship with a teenage babysitter.

Then in 2009, Jaquiss disclosed that then-Portland Mayor Sam Adams had had a sexual relationship with a teenage legislative intern . . .

Jaquiss' most recent scoop centered on an influence-peddling scandal involving the dual roles of Kitzhaber's fiancée and first lady, Cylvia Hayes. Hayes, who has a consulting business, also served as an unpaid advisor to Kitzhaber. Jaquiss reported that Hayes' firm had received private contracts from groups trying to influence state policy. "The governor's weakness was his unwillingness to hold her to ethical standards," Jaquiss says.

On October 8, just weeks before John Kitzhaber was to be re-elected, *Willamette Week* reported that the governor's fiancée used taxpayer resources to aid her green energy consulting business.

At first, Kitzhaber used the War-on-Women defense, suggesting to the news media that it was "sad that in this day and age there were some who just were still threatened by a professional woman making a living." Across the state and even in the media, people took offense at the way the Governor sought to distract from his and Hayes' ethical lapses by citing prejudice against women.

His answer didn't pass the smell test.

According to *Willamette Week*, recently released emails show that "Kitzhaber's staff was especially alarmed by Hayes' role in the governor's office after she signed at least \$85,000 worth of consulting contracts with three nonprofit advocacy groups in 2013." The paper also said "emails revealed that Hayes told Kitzhaber in late 2013 that she wanted to further leverage her access to his office into 'lucrative work,' including an official state position, paid speaking appearances, and book contacts."

And then a day later, October 9, the governor was apparently blindsided by another revelation. Hayes tearfully admitted to a reporter that in 1997 she was paid \$5,000 to marry an 18-year-old Ethiopian immigrant seeking to stay in the United States. Because the statute of limitations had passed, she was not prosecuted. When she told Kitzhaber about the marriage, Hayes said, "He was stunned, and he was hurt."

Revelations kept coming. Britain's *Daily Mail* reported:

Oregon's First Lady took a month-long trip to Siberia with the lover she planned to run a pot farm with—just four weeks after she was secretly paid \$5,000 for a green card marriage to an Ethiopian immigrant.

In a dizzying timeline involving three men in a matter of months, Cylvia Hayes, 47, had her divorce from her second husband finalized in May 1997, married Ethiopian Abraham B. Abraham in July 1997, and travelled to Siberia with her lover Karl Topinka in August of 1997 . . .

The illegal pot farm was to be in Washington state near the Canadian border. Hayes said the plan never came to fruition, although a subsequent owner of the property said that there was evidence that it had.

Despite the growing scandal, Gov. John Kitzhaber was re-elected to a historic fourth term in office in November 2014, defeating his Republican opponent by a comfortable five-and-a-half percent. Democrats actually picked up a seat in the state senate, meaning that they no longer had to worry about that maverick Democratic Senator who sometimes sided with the opposition. For a moment, it looked like Kitzhaber would survive the scandal, his power enhanced by the Senate shift.

But the surprises just didn't stop. It turned out there was more money for Hayes—\$118,000 more—and this time funded by Tom Steyer, the hedge fund billionaire who is the sugar-daddy for the Global Warming cause. "The San Francisco-based Energy Foundation gave Hayes \$40,000 in 2013 to create a green-energy communications strategy," wrote John Fund. "The foundation also funded almost two-thirds of her \$118,000 CEDC [Clean Economy Development Center] fellowship. Although much of the funding is obscure, one of the Energy Foundation's most prominent backers is Tom Steyer, the California billionaire who last year poured millions into Democratic campaigns and fighting the Keystone pipeline."

Investigators began to examine Kitzhaber's records. The Governor tried to shield the First Lady from scrutiny, announcing that she would no longer serve as an advisor and suggesting that she was not a public official, therefore exempt from ethics laws.

On February 4, the *Oregonian* editorial board called for the governor's resignation. Two days later, Kitzhaber fired his communications director after she criticized Hayes. That week, he ordered his e-mails be destroyed. State workers refused to comply. Democratic leaders, led by the Senate president, called for his resignation. On February 11, Oregon Secretary of State Kate Brown, next in line to succeed Kitzhaber, returned abruptly from a conference in Washington, D.C., telling the press that she now questioned the governor's mental stability.

Two days later, February 13, Kitzhaber resigned, penning a bitter letter against his fellow Democratic leaders and accusing them of trying to convict him in the court of public opinion.

The FBI came in to investigate Kitzhaber and Hayes, to examine what may have been done as part of a cover-up (including the attempted destruction of the governor's e-mails).

Steyer's project

The Competitive Enterprise Institute's Chris Horner has helped put the spotlight on the connection between Kitzhaber and billionaire Tom Steyer. On the week of Kitzhaber's resignation, Horner wrote:

This week Oregon Gov. John Kitzhaber, a Democrat, leaves office, having resigned under the cloud of a cronyism and corruption scandal. A U.S. attorney has subpoenaed 'records that are a catalog of Kitzhaber climate and economy-related initiatives,' centering on money given to Mr. Kitzhaber's fiancée Sylvia Hayes. Ms. Hayes served a curious triple role of "first lady," adviser to the governor on energy policy and well compensated consultant for the 'clean energy' industry.

Any such investigation must not stop at Oregon's borders. This is not because the 'clean energy' industry seems unique for its associated scandals in recent years, or the prevalence of wealthy Democratic donors getting even richer from it. Of course, some of those same supporters, such as Tom Steyer, provided Democrats a financial surge on a par with a longtime force, the teacher's unions, in 2014, expressly for the purpose of advancing the "climate" agenda, transferring taxpayer money to uneconomic "clean energy" schemes.

Instead, a broader look into the depth of this ingrained collusion reveals that Mr. Kitzhaber enlisted others to use their governor's office to "spread climate coordination and collaboration to a larger group of governors across the U.S." underwritten by Mr. Steyer.

Horner described the scheme Steyer funded (uncovered via an 11-page email thread obtained from Washington State's freedom of information law) as an orchestrated campaign beginning with the California and Washington governors' offices, a private environmentalist law firm, and the Obama White House.

"The scheme was to recruit other governors to use their offices in the same way," Horner wrote. The plan was led by Dan Carol, an aide to Kitzhaber, and, according to the *Oregonian*, the central figure in Kitzhaber's resignation.

Here's how the *Oregonian* summed up the smoking gun evidence against the governor and Hayes:

How did Hayes end up with a fellowship funded by an organization with an interest in clean energy policy in

Oregon? A Kitzhaber campaign adviser, Dan Carol, helped arrange the funding following Kitzhaber's election in 2010 ... Carol consequently landed a position within the Kitzhaber administration. That position, *Willamette Week* has reported, pays more than \$165,000, making Carol Kitzhaber's highest paid aide.

Horner summarized the e-mails uncovered through the Washington State government:

According to the emails, the parties discuss "Dan's concept." Deploying the governors' offices in a coordinated push for the "climate" agenda would require paying outside parties as well, which would be funded by "major environmental donors" including Michael Bloomberg and Mr. Steyer. This would "serve as a standard setting left flank."

Specifically, the plan includes "a nationally coordinated, multi-year states strategy focused on driving outcomes contemplated by the president's climate action plan, resilient infrastructure and international treaty objectives at scales."

Using green-group slang, the emails refer to President Obama's push for windmills and solar panels to supplant our existing network of electricity generation and distribution, and to the Kyoto II treaty expected to be reached in December.

The parties sought to arrange a private White House dinner "to create buy-in" among the same crowd, to "signal where funders should support filling holes in missing capacity we need to pull off the multi-state strategy to keep outcomes and momentum moving on top of the public approach," wrote Mr. Carol.

According to the emails, Special Assistant to the President for Energy and Climate Change Dan Utech liked the idea. Sam Ricketts, director of Washington Gov. Jay Inslee's D.C. office, also assured his colleagues that "(Council on Environmental Quality) staff were interested and felt White House's David Agnew (Counselor to the President) John Podesta et al," would be interested as well.

About the planned White House meeting, they suggested “select Governors, senior White House officials, Tom Steyer, (Michael) Bloomberg, and a couple of other major environmental donors”: “The Ask to Funders at that Meeting: Support right now the hiring of a ‘grown-up’ in each state, trusted and recommended by each engaged governor who is capable and committed to developing and managing an integrated and multi-issue climate outcomes campaign through Paris 2015.”

In an article entitled, “How Tom Steyer, the White House, and a Scandal-Plagued Operative Paved the Way for EPA Regulations,” Lachlan Markay of the *Free Beacon* described how the White House, statehouses, and nonprofits backed by Steyer worked behind the scenes to create a network to promote the so-called “Clean Power Plan,” the President’s plan to shut down coal-fired power plants and increase the price of electricity in the name of fighting Global Warming. [For more on the “Clean Power Plan,” see *Green Watch*, February 2015.] Markay wrote:

The strategy to win support for the regulation, which critics call onerous, began in late 2013 when aides to Kitzhaber, Oregon Gov. Jay Inslee (D.), and California Gov. Jerry Brown (D.) opened talks with the White House regarding EPA’s regulations of carbon emissions from power plants, which were being drafted at the time.

Emails in December 2013 dub the plan “Dan’s concept.” That is a reference to Dan Carol, a former Kitzhaber campaign operative and then the highest paid member of his administration. Carol got that job after he landed a fellowship at the Clean Economy Development Center for Cylvia Hayes, Kitzhaber’s fiancé, even as she acted as an informal adviser to the governor.

Carol was a central figure in the ensuing scandal that in February forced Kitzhaber to resign. Internal communications described White House meetings on Carol’s “concept” as “a useful and frank discussion about how a group of engaged Governors (not just from the West) could work with the WH on transformational multi-state work

around 111d regulatory challenge, sub-national climate action, resilient infrastructure outcomes.”

Around that time, Carol was meeting with Dan Utech, the special assistant to President Obama for energy and climate change, and Rohan Patel, the White House’s deputy director of intergovernmental affairs, emails show. He was also working to recruit Steyer as the figure who, with his deep pockets and established political infrastructure, could unite disparate state and federal administrators, and infuse the effort with the political, policy, and business backing needed to sell it to a skeptical public and their elected representatives.

Most of the national accounts focused on the machinations behind the White House and Steyer efforts that helped drive Kitzhaber from office—the story of a “clean energy” conspiracy that, to this date, goes underreported in Oregon, where the focus has been on the idea of Cylvia Hayes as the Eve who corrupted poor Adam.

It’s a sad story, how Cylvia Hayes, Dan Carol, and others, with their greed and political agenda, played John Kitzhaber for a puppet, turning his remarkable two-decade political dominance of Oregon into tragedy. But, of course, none of it could have happened without the unwavering arrogance of the man himself. In the end, he was the cause of his fall. And the fact that he was humiliated by a woman he loves makes the story even more human, and even more appalling.

Jim Pasero, a public relations consultant in Oregon, is a former publisher of BrainstormNW magazine. He was a speechwriter for U.S. Senator Dave Durenberger (R-Minn.) and served as director of speechwriting for the Republican National Committee.

Afterword

By Steven J. Allen

Why is it important whether a public official like John Kitzhaber is aloof or elitist? Because, at the core of 21st Century Progressivism—the view that currently dominates our government—is the belief that people are too stupid to manage their own lives,

and that, therefore, critical decisions must be made by a corps of well-credentialed experts. Progressives believe: We (or, at least, our Progressive leaders) are smart; everyone else is stupid; people need us to make decisions for them, in order to protect them from themselves.

To Progressives, the normal back-and-forth of public debate is bothersome. Hence, their preference for government by executive order and bureaucratic rule; their disdain for “bitter clingers,” for working-class people, small-business-class people, and those people’s elected representatives; and their belief that the democratic process is hopelessly corrupted by the likes of Fox News and the Koch Brothers, so we need “true democracy” that eliminates those influences—the First Amendment be damned!

Once you accept the premise of Progressivism, behavior like that of Kitzhaber and Hayes is acceptable. It’s ethical to hide a Global Warming tax in a “clean fuels” plan, thus getting around the legal requirement of a legislative supermajority to pass a tax increase. It’s ethical to change the way we measure the success of government policies, away from such factors as whether the economy is growing and whether incomes are rising, to create a new system that measures success as Progressives see it. And, if you need to set up special-interest tax breaks and grants and mandates and, with it, a complex system of money pass-throughs that effectively conceals how much all this costs and who’s getting the money—well, that’s justified, because you’re saving the world, after all.

In next month’s *Green Watch*, we’ll take a look at how the environmentalist movement—a complex web of government officials, activists, and “consultants”—turned “green” into green, funneled money to Cylvia Hayes, created the scandal that brought down Gov. Kitzhaber, and, despite being caught red-handed, won anyway.

GW

The Capital Research Center is a watchdog over politicians, bureaucrats, and special interests in Washington, D.C., and in all 50 states. Please remember CRC in your will and estate planning.

GreenNotes

Paul Jenkins of the *Anchorage Daily Planet* reports on the decades-long struggle of the people of **King Cove, Alaska**, “to get a short medical evacuation road through the **Izembek National Wildlife Refuge**.” The **Agdaagux Tribe** of King Cove, the **Native** village of **Belkofski**, and others sued, but a federal judge ruled that **Interior Secretary Sally Jewell** had the legal power to kill the road, “a 9-mile, single-lane, gravel emergency medical evacuation road—with barricades on either side, mind you—through the refuge to the 10,415-foot, all-weather runway at Cold Bay. . . . For now, King Cove remains the victim of a bureaucracy that could not care less about federal trust responsibilities to Alaska Natives, a bureaucracy that values migratory ducks and eel grass more than human life. . . . Nobody checked with villagers when the 300,000-acre refuge was rammed down their throats in 1980. Road opponents seem unconcerned that more than 40 miles of roads already exist in the refuge. Nobody minds that waterfowl hunting is allowed—encouraged—in the refuge.” Locals say that some 19 people have died over the years during medevacs or waiting for evacuation.

In the September 2014 *Green Watch*, we reported on the effort by radical “greens” to rig government nutrition guidelines that are used to set meal plans in schools, military facilities, prisons, and federal cafeterias as well as SNAP (a.k.a. “food stamp”) benefits. Their plan was to emphasize so-called “sustainability” and anti-Global Warming efforts, and to force veganism (no meat, fish, eggs, or dairy) and vegetarianism over sound nutrition principles. The relevant government panel was packed with supporters of the plan. Yet the **Secretaries of Agriculture and of Health and Human Services** have now declared that, while the environment is important, they “do not believe that the [nutrition guidelines] are the appropriate vehicle” for dealing with such issues.

Why the shift? The effort faced a furious backlash from farmers and supporters of affordable food. Now the left-wing **Natural Resources Defense Council** (NRDC) is complaining that “Big Ag’s beef-loving cowboys just lasso[ed]” the guidelines. The group reports that approximately three-quarters of the 30,000 “public comments” supported the plan. [Regarding the “public comments” scam, see last month’s *Green Watch*.] NRDC claimed that, according to some experts, more could be done to fight Global Warming “by cutting beef from our diet than . . . by ditching our cars.” NRDC accused the plan’s opponents of “caricatur[ing] advocates for dietary shift” as “an insurrectionist army of vegetarian Carrie Nations, hell-bent on taking away the right of patriotic Americans to enjoy a hot dog during their Fourth of July barbecues.” Yep, that just about says it.

The *New York Post* reports that “**Gov. Andrew Cuomo** (D-New York) wasn’t taking any chances that there might be empty seats at a speech he delivered [in October] on climate change—so state workers were summoned on the taxpayer dime to fill the audience. . . . The workers said they left their jobs in the middle of the day Thursday and were paid their full salaries to hear Cuomo at **Columbia University** announce the state was joining a global effort to reduce greenhouse gas emissions. ‘I’d rather be at the park,’ said one of the workers, who is employed by the state **Office of Parks, Recreation and Historic Preservation** and who has no connection to climate issues.”

Interviewed on *60 Minutes*, **President Obama** deflected criticism that he created a leadership vacuum in the **Middle East** and thereby fostered the development of a **Russia-Iran-Syria** axis. “If what Russia’s doing in the region is leadership,” Obama said, “then we’ve got a different definition of leadership. My definition of leadership would be leading on climate change, an international accord that potentially we’ll get in **Paris**.” (An international Global Warming agreement, funneling trillions of dollars to kleptocrats and **Third World** dictators and to the solar and wind industries, is to be finalized in Paris in December. See *Green Watch*, February 2015.) Earlier, Mr. Obama declared at a town hall event in **Johannesburg, South Africa**, that “the planet will boil over” if people in Africa are allowed to use inexpensive sources of energy to run air conditioning, automobiles, and big houses. Apparently Mr. Obama will “lead,” while **Africans** hunker down in the village and sweat in their huts.

How should **Christians** approach the Global Warming issue? How do we protect the world’s poor from Warmer greed? The **Cornwall Alliance** has produced a documentary on the topic, *Where the Grass is Greener: Biblical Stewardship vs. Climate Alarmism*. Among the experts featured in the film: physicists **Dr. Will Happer** and **Dr. S. Fred Singer**, climate scientists **Dr. Roy W. Spencer** and **Dr. David R. Legates**, engineers **Dr. James H. Rust** and **Dr. Hal Doiron**, theologians **Dr. Jay Richards** and **Dr. James Tonkovich**, public policy experts **Elizabeth Yore** and **Marc Morano**, and economists **Dr. David Kreutzer** and **Dr. G. Cornelis van Kooten**. For more information, visit CornwallAlliance.org.