



Oregon Governor Resigns Amid Green Energy Scandal

By H. Sterling Burnett

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In the face of a growing pay-to-play green energy scandal, John Kitzhaber resigned as governor of Oregon effective February 18, only a month into his historic fourth term as the state's chief executive.

Despite previous statements defiantly announcing he would not resign and instead would continue as governor, his resignation surprised few. Pressure from ethics and legal investigations made it impossible for Kitzhaber to govern effectively. In his resignation letter, Kitzhaber stated, "I understand that I have become a liability to the very institutions and policies to which I have dedicated my career and, indeed, my entire adult life. As a former presiding officer I fully understand the reasons for which I have been asked to resign."

Pervasive Green Corruption Seen

Despite the governor's resignation, the ethics and criminal investigations into Kitzhaber and his green energy allies will continue.

John Charles, president and CEO of the Oregon-based Cascade Policy Institute, sees Kitzhaber's downfall as part of a broader problem with green energy promotion.

"The John Kitzhaber-Cylvia Hayes scandal is symbolic of the corruption that permeates the 'green energy' sector. Hopefully the governor's resignation and the ethics investigations now underway will help educate the American public on these points," Charles said.

Scandal Ends Career

Kitzhaber's resignation ends a storied career in Oregon politics. In one capacity or another he served Oregon as a public official for 37 years.

The scandal resulting in Kitzhaber's resignation stemmed from mounting corruption claims surrounding his promotion of green energy policies. In particular, high-paying state jobs were

given to some of Kitzhaber's green energy advisors, who had helped his fiancé, Cylvia Hayes get jobs with organizations and companies with business before the state.

Most notoriously, Hayes served as an unpaid clean-energy and economic policy adviser to the governor while working as a paid consultant to promote green energy companies and organizations. Since Kitzhaber took office in 2011, Hayes collected more than \$213,000 for her work with such firms while advising the governor on policies affecting them.

In one case, Hayes received a combined \$118,000 in 2011 and 2012 through the Washington, DC-based Clean Economy Development Center while advising Kitzhaber. Hayes did not fully account for this income on her tax forms, and the Kitzhaber did not account for the money in ethics filings. The IRS pulled the Clean Economy Development Center's tax-exempt status for failing to file tax returns in 2014, after Hayes' fellowship had ended.

Green Advisors Got State Jobs

Hayes also received \$75,000, from the San Francisco-based Energy Foundation, a nonprofit funding clean-energy initiatives such as the low-carbon fuel standard Kitzhaber made a legislative priority as governor.

Kitzhaber campaign advisor Dan Carol, helped Hayes' get her fellowship. Carol subsequently landed a \$165,000 position in the Kitzhaber administration as the governor's highest-paid aide.

Another Kitzhaber campaign adviser, Greg Wolf, helped Hayes get a job with Rural Development Initiatives, a nonprofit that needed Kitzhaber's support to land tens of thousands of dollars for a clean economy project. Wolf also received a position in Kitzhaber's administration.

The fact the state's leading newspapers and other elected Democrats in Oregon had endorsed Kitzhaber's 2014 reelection campaign for governor, yet only a month into his new term called on him to resign, does not surprise Randal O'Toole, a senior fellow with the Cato Institute. O'Toole says Kitzhaber's reelection and resignation were actually a calculated political maneuver on the part of the state's Democrats.

"Most of the scandal was known before the November election, but the state's leaders who brought Kitzhaber down nevertheless endorsed him in the election, including the two leading newspapers [The Oregonian and Willamette Week]," O'Toole said. "I think many of them individually decided that they would rather see him elected and then force him to resign than see his opponent, a fiscally conservative Republican, elected to office. That's pretty much the way politics works in Oregon."

It is unclear whether the governor's resignation and ongoing investigations will affect the green energy laws his administration had already successfully secured or the low-carbon fuel standard Kitzhaber and fellow Democrats have pushed early in 2015.