

Portland fines contractors for allegedly creating ‘front company’ to certify as woman-owned business

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By [Mike Rogoway](#) | [The Oregonian/OregonLive](#)

The City of Portland said Wednesday it will fine the owners of a painting contractor \$20,000 for allegedly creating a “front company” to qualify as a woman-owned business. The city is accusing the business, Portland Coatings, of receiving more than \$1 million in contracts while falsely claiming to be owned by a woman.

Portland had been investigating Terezia Nyland and her husband, Michael, since 2017, after an unspecified tip to the city’s ombudsman office. The city said Portland Coatings’ address is actually the loading dock for a business Michael Nyland owns, Williamsen & Bleid.

In addition to the \$20,000 fine, the city suspended the Nylands’ eligibility to do business for the city for three years. The Nylands’ lawyer said Tuesday they plan to challenge the city’s findings.

“Terezia Nyland is, and has always been, Portland Coatings’ majority shareholder and chief executive,” attorney Matthew Colley wrote in an email. “She and her husband have done nothing wrong, and they will be vindicated in the appeals process. Portland Coatings’ certification with the State of Oregon is current and has been renewed every year since 2011, when certification was first granted.”

This is the first time Portland enforced a 2015 state law that gives the city the authority to investigate whether businesses qualify for public contracts that give preference to “disadvantaged businesses.” That category includes businesses owned by Blacks, Hispanics, Native Americans, women and others who have historically had less access to lucrative government contracts.

Former Oregonian reporter Tony Green investigated the case for the city ombudsman’s office, which is a division of the city auditor. Green left the paper in 2008.

Former Oregonian/OregonLive reporter Gordon Friedman, who [reported on the Nylands’ case during the city’s investigation in 2019](#), left the paper later that year and joined the auditor’s office.

Last month, Friedman contributed to a city audit that found Portland’s efforts to reduce disparities in city construction contracting had some effect, “but they also suffered from design flaws and mismanagement, and were vulnerable to gamesmanship.”

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