

The Oregonian

Portland abandoned car towing scam: Former city inspector Barbara Peterson to be sentenced Tuesday

*By Maxine Bernstein
October 14, 2014*

Barbara Peterson, the Portland city employee who tipped off an unauthorized tow truck driver to abandoned cars in exchange for cash kickbacks, is set to be sentenced Tuesday morning to 18 months in prison.

Peterson, 54, pleaded guilty in May to official misconduct and three counts of unauthorized use of a vehicle.

Peterson, one of three inspectors in the city's abandoned vehicles division, told a tow truck driver about abandoned cars she had tagged with warnings for owners to move them with 72 hours or they would be towed away.

The tow truck driver, who did not have a contract with the city, would then haul them to two North Portland auto yards, West Coast Car Crushing and A-1 Light Truck & Van Parts. The driver would get paid cash for the cars although he had no titles or ownership documents.

The two yards, their owners and several employees have been charged with racketeering, theft and possession of stolen vehicles after a police investigation that began last year and led to indictments against 34 people, including Peterson.

Under a plea agreement, Peterson agreed to pay restitution to three car owners she admitted setting up.

Six months after Portland employee charged in abandoned car scam, city has yet to do full inquiry

*By Maxine Bernstein
October 13, 2014*

The Portland Bureau of Transportation hasn't instituted checks-and-balances in its abandoned car operation six months after the arrest of an inspector who was getting cash kickbacks in a scam with an unauthorized tow truck driver.

Barbara Peterson, who had worked for the city for 23 years, is scheduled to be sentenced Tuesday morning to 18 months in prison for her role in the scheme tied to what police have called one of the city's largest car theft rings.

The Transportation Bureau is considering making changes to how it tracks employees' work to prevent something similar from happening again, but hasn't come up with a plan yet, said Nolan Mackrill, manager of the city's parking enforcement division.

The Transportation Bureau has not conducted a full inquiry into how Peterson was able to do what she did. The city is waiting to get the Portland police reports tied to Peterson's April 23 arrest, Mackrill said.

"Once we get the police reports, we'll be able to get the license plates, and back track what happened," he said. "This was a shock to us."

In the meantime, he said, the city is looking at possible improvements to track the daily work of employees in the abandoned vehicles section – where Peterson was one of three inspectors.

"We've met with our IT department to talk about our reporting to monitor inspectors' activity," Mackrill said.

In May, Peterson, 54, pleaded guilty to official misconduct and three counts of unauthorized use of a vehicle.

It was her job to head into the field to put green warning tags on cars reported as abandoned, alerting owners to move them within 72 hours or they'd be hauled away by the city's contract tow company, Retriever Towing.

Peterson told an unlicensed tow truck driver, Jason Cotton, about cars she had tagged and he'd then take them to two North Portland auto yards, West Coast Car Crushing and A-1 Light Truck & Van Parts, which crushed the vehicles, police said. There, Cotton would get paid cash for the vehicles although he had no titles or ownership documents, according to court records.

The two yards, their owners and several employees have been charged with racketeering, theft and possession of stolen vehicles after police began an investigation in summer 2013. In all, 34 people face indictments on charges ranging from possession of stolen vehicles to theft.

Peterson had met Cotton through a family friend, police said. He did not have a contract with the city to tow abandoned cars. He told police that Peterson tipped him off to 30 to 40 vehicles and he had paid her \$10,000 since the summer of 2013, according to court records.

As part of a negotiated deal, Peterson pleaded guilty to alerting Cotton to taking three cars. She told investigators that Cotton paid her between \$300 and \$600 a car on 13 to 15 occasions.

The city gets reports or complaints of about 14,000 abandoned cars a year. Of those, about 700 are towed away. The rest, city officials thought, were moved by their owners to avoid a tow.

But there is no follow-up to cases that the three inspectors in the abandoned vehicles unit marked as either closed without a tow or towed.

"We have to find another way to look at the work that they're doing," Mackrill said. One idea is to compare the inspectors' work and tow rates to see if one inspector has a much higher tow rate or closed-without-a-tow rate to see if anything sticks out as suspicious, he said.

The city now tracks how many "service requests," or complaints come in regarding abandoned vehicles and how many vehicles are "towed," said Diane Dulken, a Transportation Bureau spokeswoman.

"But those are just two data points," she said. "What about the steps in between? We're going to create a lot more steps in the process so we can identify any anomalies."

As part of Peterson's plea deal, she agreed to take a polygraph, provide a "full debriefing and disclosure" to investigators and pay restitution to the three victims identified and "those yet-to-be identified," according to court records. Peterson told police she was "incredibly stupid" to get involved with the scheme that she described as "easy money," according to court records.

"Ms. Peterson agrees that if she provided information regarding vehicles location without legitimate authorization to any other person other than Jason Cotton, that the state can charge her for those crimes," the plea agreement said.

Under the deal, she agreed to pay \$1,800 to Jason Adams for his 15-passenger 1985 Ford van that she tagged and Cotton hauled off the street on Oct. 10, 2013. It had been parked a block south of the Northeast 122nd Avenue and Glisan Street intersection. Adams, who sells used cars in Northeast Portland, parked the van on the street because his lot was full, he said. The van was crushed at West Coast Car Crushing – one of 7,000 caught on police surveillance videotape being towed to the auto yards, police said.

The 1985 van was so distinct that investigators dubbed it the "Scooby Doo van," but at the time they didn't know it had been reported stolen.

Peterson agreed to pay Brian Stickney \$366.60 for his 1995 Dodge pickup's broken windows and key locks. The truck was taken on Oct. 17, 2013, but located still attached to the back of a tow truck, investigators said.

This past March 27, Christopher Cook ran out of his Southeast Portland home when he saw a tow truck hauling away his 1987 Ford Bronco that he had parked in front of a neighbor's house on Tibbett Street. Cook tried to stop the tow truck but he said, "It just kept on going." Then he noticed an unmarked Portland police car trailing behind the tow truck. Two police officers got out. They told Cook that the tow truck driver was part of a months-long investigation, and that they'd let Cook know when he could get his car back.

Cook said he doesn't think Peterson is getting what she deserves.

"She abused the trust of the freakin' public," Cook said. "Thank God I wasn't a single mom who relied on my vehicle to get my kids to school."

Cotton, 45, was sentenced to 36 months probation after he pleaded guilty to two counts of unauthorized use of a vehicle. He also must pay restitution.

Portland street fee: Mayor Charlie Hales supports capping residential fees at \$50 a month for rich

*By Brad Schmidt
October 13, 2014*

No clear plan for a controversial street fee emerged Monday during the Portland City Council's first public discussion about transportation funding since delaying its vote in June.

Instead, Mayor Charlie Hales and city commissioners spent the bulk of Monday's two-hour work session highlighting past work and asking detailed questions about various funding options still being considered.

It's not clear when a recommendation will emerge, although time is running low: the City Council is scheduled to review a proposal Nov. 12 with a vote slated Nov. 19.

The so-called street fee – which would create a new income tax on residents and flat fees for businesses – is projected to raise about \$40 million a year for transportation efforts. Half would come from residents and half from businesses, although officials expect to only net an annual average of \$29 million over six years.

Of that, 42 percent would be spent paving the city's crumbling roads, with the rest earmarked for improvements such as street crossings, lights, signs, sidewalks and bike lanes.

"The revenue will make a worthwhile difference in the overall needs," Leah Treat, the director of the Bureau of Transportation, told the City Council.

But details of an eventual proposal remain unresolved.

For instance, the City Council didn't state a preference about how progressive the street fee should be for residents. Hales suggested that each elected official will need to use the "Goldilocks" test – too high, too low, just right – to determine their personal comfort level.

With monthly charges that could range from \$20 to \$200 for Portland's highest-income households, Hales noted that he felt comfortable somewhere around \$50.

Commissioner Amanda Fritz, meanwhile, suggested that more low-income households should be exempt from paying. She questioned why a two-person household would be exempt only if income was below \$30,000, saying the cutoff should be higher.

Capping monthly charges for high-income earners while raising exemptions for low-income households would shift costs to middle earners with incomes between \$30,001 and \$250,000.

The City Council spent little time debating the business side of the equation, although questions emerged about why governments would have to pay and whether start-up sole proprietors could receive a one-year exemption.

Fritz also expressed some reservation about the city's proposed improvements list, questioning if officials had conducted public involvement when selecting projects.

"As part of this process, am I being asked to approve this list?" she said.

But Hales and Commissioner Steve Novick, who oversees transportation, said the list may change as priorities emerge. An oversight committee would track progress.

"This stuff changes," Hales said. "It's changes a lot on the maintenance side."

Although controversial, Hales and Novick want to pass the new street fee through a City Council vote without referring the funding plan to the ballot. If approved, officials are considering a sunset after six years, although the City Council could simply vote at that time to renew it.

Hales and Novick backed off their plan for a City Council vote in June, giving several special-interest groups time to help revise options. Hales said that work helped "Portland-ize" the latest options, which are significantly different than those considered earlier this year.

Fritz is the swing vote, as Commissioner Nick Fish and Commissioner Dan Saltzman have registered objections to approving a street fee without a public vote.

Willamette Week reported Monday that Fish has floated a proposal to split the City Council decision into two: one vote on the overall plan, a second to refer it to voters.

The division would enable Fish and Saltzman to walk a fine political line, possibly voting in favor of the overall proposal while still ending up in a minority on the question of referring it to the ballot.

"It seems like an unnecessary step," Novick said the idea after the meeting.

Hales' and Novick's offices will craft the final proposal, Novick said, with input from the rest of City Council. He said he didn't know a proposal will be finalized.

"We'll rattle it around," he said, "and see where we come out."

The Portland Tribune

'Portlandized' street fee includes income tax

*By Jim Redden
October 13, 2014*

The City Council discussed a "Portlandized" version of the street fee proposed by Mayor Charlie Hales and Commissioner Steve Novick on Monday.

The council did not vote or otherwise commit to the new version, which is radically different from the one first offered in May. It include a flat fee on households and a fee based on estimated motor vehicle trips generated by businesses.

The potential fee discussed Monday includes a progressive personal income tax and a sliding scale for businesses to pay. Residents would pay their fee along with their Portland Arts Tax, which is \$35 a person for those above the poverty line. Businesses would be billed with their annual city business license tax.

"The fee we proposed in May was mostly what other cities are doing. This version is Portlandized, which means it's not what everyone else is doing, which we mostly thinks is a good thing around here," Novick said at the end of Monday's council work session.

Critics of the original fee agree the potential new one is different — but not better.

"It's worse in every way," says economic consultant Eric Fruits, who attended the work session. "It's hard to believe they can spend all this time working on it, and make even worse."

Although none of the council members promised to be the third vote for the new fee, Hales said he will present it for a public hearing and vote, probably on Nov. 13.

"Even if this passes, Portland's street funding problems aren't over. Far from it. We still need the state and federal governments to do their part and increase their transportation spending," Hales said.

The original proposal was intended to raise around \$53 million a year for maintenance and safety projects. It was designed to raise the revenue 50/50 from residents and businesses, governments and nonprofit organizations, and to spend the funds 50/50 on maintenance and safety projects.

The changes were discussed and in some cases recommended by three advisory committees appointed to respond to criticisms of the original proposal.

The potential new fee would raise \$40 million a year, but still be divided 50/50 between residents and non-residents, although governments and non-profits might get discounts. Lower-income residents would be exempt from the fee, which would increase on residents as their income increases. The council discussed capping the fee at \$20, \$50, \$100 or \$200 a month for the wealthiest Portlanders, but left it up to Hales and Novick to work out the final proposal.

"There are so many unanswered questions, it's unbelievable," said Fruits. "If the council passes it, someone with deep pockets is certain to refer it to the voters."

Police change has spotty history

*By Jim Redden
October 14, 2014*

Charlie Hales made reforming the Portland Police Bureau one of his top priorities when he ran for mayor. He repeatedly said officer must improve their relationship with minority communities and reduce its use of excessive force, especially during confrontations with the mentally ill.

Now, less than two years into his first term, Hales says he is confident the bureau is moving in the right direction as he names a new chief.

Hales gave Chief Mike Reese credit for many of the improvements at the press conference held last Tuesday to announce Reese will retire in January. The mayor also said he expects the next chief, Assistant Chief Larry O'Dea, to continue the reforms.

"I am so excited about the direction we're moving," said Hales. "You can see it in the command staff and in the rank-and-file. It's about relationships with the community. It's not about the number of arrests; it's about working on the things that are important to the community."

For Hales, the switch is a chance to increase his push towards community policing. O'Dea, a 28-year bureau veteran, is recognized for his belief in walking beats and other outreach efforts.

But Hales credited with Reese with many positive accomplishments, including:

- A settlement of the U.S. Department of Justice civil rights investigation into the bureau's use of excessive force against the mentally ill. It requires new training procedures and disciplinary guidelines, which Reese is implementing.
- A 32 percent reduction in use of force complaints filed by citizens against officers.
- A 40 percent increase in the bureau's hiring of female and minority officers.
- Last month's opening of the first training facility to better prepare officers to respond to a wide range of potential situations.

Hale's also said that daily police reports he reads show that officers are doing a better jobs de-escalating confrontational situations, including those involving suicidal mentally ill people.

And Hales dismissed suggestions that he had a strained relationship with Reese because of such widely reported incidents as the controversial settlement with Mark Kruger, the police sergeant who admitted building a shrine honoring Nazis in a public park on his own time years ago. Hales called the controversy a "circus sideshow" and said he frequently has disagreements with bureau administrators, but that they move on.

"We had a good relationship throughout," Hales said.

Reese will continue working on several reforms during the next three months. They include preparing the bureau to work with the compliance officer and community Liaison that will soon be hired as part of the federal Department of Justice settlement. Reese will also continue overseeing a staffing level study approved by the City Council that many result in personnel changes in the draft 2015-16 budget that will be submitted to Hales in January, when O'Dea becomes chief.

Hales picked O'Dea without consulting with council or community members, saying he is the obvious choice to lead the bureau. For his part, O'Dea said he will continue working on Hale's priorities, including implementing the federal settlement on time, improving community relations, increasing diversity within the bureau, and ensuring the bureau spends its budget efficiently.

From integrity to integrity

Hales, Reese and O'Dae have three months to coordinate the transition, which is longer than any change since June 1993, when then-Chief Tom Potter retired and was replaced by Deputy Chief Charles Moose.

Every other switch since 1981 has been more abrupt and clouded with controversy, however.

Shortly after being elected mayor, Neil Goldschmidt appointed Bruce Baker as chief in January 1974. Baker, the former chief from Berkley, Calif., was not popular among rank-and-file officers, however. Goldschmidt assigned the bureau to then-Commissioner Charles Jordan, who kept Baker until he announced his retirement for health reasons in 1981.

By then Goldschmidt has been replaced as mayor by Frank Ivancie, a former commissioner. When Jordan announce he would conduct a national search for baker's replacement, Ivancie took the bureau from Jordan and appointed his own chief, Ron Still, a captain with the bureau.

Still remained chief until 1985, when Ivancie was replaced by Bud Clark. After Still resigned, Clark appointed Portland police Capt. Penny Harrington as the first female chief in city history. But Clark dismissed her in June 1986 after her husband, Officer Gary Harrington, was accused of compromising a drug investigation.

Clark appointed Jim Davis to replace Harrington, but fired him in April 1987 during a meeting at the Fat City cafe in Multnomah Village after squabbling about the bureau's budget. Davis' replacement, retired Portland police Commander Richard Walker, lasted until November 1980, when he left after being accused of slapping a female subordinate during an argument.

Clark appointed North Precinct captain Potter to replaced Walker. Potter served until June 1993, when he retired. He was replaced by Moose, who served until August 1999, when he abruptly resigned to become police chief in Montgomery County, Md.

Moose was replaced by former Los Angeles Police Chief Mark Kroeker, who resigned under pressure in August 2003 after numerous confrontations with community members.

Then-Mayor Vera Katz appointed former Northeast Precinct Commander Derrick Foxworth to replace Moose. He lasted until June 2006, when Potter, who had been elected mayor, removed him over accusations of an inappropriate relationship with a subordinate and misuse of his official email account.

Potter replaced Foxworth with Central Precinct Commander Rosie Sizer. She was chief when the next mayor, former Commissioner Sam Adams, transferred the bureau to Commissioner Dan Saltzman. But

Adams took the bureau back from Saltzman and dismissed Sizer in May 2010 after she held a press conference and criticized Adams' proposed budget for the bureau.

Adams appointed Reese to replace Sizer. Reese survived the switch to Mayor Charlie Hales, but began talking to Hales about wanting to retire during the summer of 2014.

"In the past, changing chiefs has been like, off with their heads, out the door, who's next," said Hales. "This is a transition from strength to strength, from integrity to integrity."

Willamette Week

Portland City Council May Open the Door Slightly to Letting Voters Have Their Say on the Street Fee

*By Aaron Mesh
October 13, 2014*

Portland City Council is nearing consensus on how to structure a street fee to raise \$40 million for road repairs and safety projects.

What they don't agree on: whether Portland voters will get a say.

As Portland commissioners discuss the shape of the street fee this afternoon, WW has learned Mayor Charlie Hales is considering having two City Council votes in November: One would be on the fee itself, and the second on whether City Hall should approve the fee without sending it to a public vote.

That move would make it easier for the fee to get majority or even unanimous support from City Council, while allowing commissioners who want a public vote—Nick Fish and Dan Saltzman—to attempt to find a third vote to send the proposal to the ballot.

"It's certainly something we have been discussing," says Josh Alpert, Hales' director of strategic initiatives. "We still have a month until something comes to council."

The street fee has changed significantly since it was met by public scorn in June—decried for placing big tax burdens on small businesses, churches and the poor.

City Commissioner Steve Novick has been pushing City Hall toward reworking the street fee as an income tax—with the highest burden on people making more than \$250,000. And citizen committees have discussed capping the possible monthly charge to businesses at \$135.

(UPDATE, Tuesday, Oct. 14: The latest proposals before City Council now include a bracket for people making more than \$500,000, and the business cap is suggested at \$120 a month.)

Those proposals are making their first appearances before City Council today, in preparation for a Nov. 19 vote by City Council. (The Oregonian has obtained detailed figures from the latest income tax proposals.)

A coalition of transportation advocates—including pedestrian group Oregon Walks—are pressing City Council to pass the income tax, while the anti-street fee contingent is sending out its own email blast.

But with an end game nearing on what the fee will look like, talk inside City Hall is turning to who will vote for it—and whether they'll send it to the ballot.

City Commissioner Nick Fish first proposed splitting the two votes to Hales last month. (The technical terminology for the split is dividing the resolution and the ordinance.) Fish has said he won't support the street fee without sending it to the ballot.

This change would allow him to back the reworked street fee without reneging on his promise not to bypass voters.

"We think it would be constructive to the process," Fish says. "It's a good idea to debate them separately, and to engage the full council on both issues. It doesn't shut anybody out from the sausage-making."