

## The Oregonian

### Parking meter vendor claims innocence, won't release investigation

*By Brad Schmidt  
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Four years to the day after FBI agents raided Portland offices as part of a public-corruption investigation, the parking-meter company tied to the scandal said it did nothing wrong.

Sweden-based Cale Group issued a public statement Monday saying an internal investigation found no evidence that company officials knew about or provided bribes to Portland's former parking manager, Ellis McCoy.

The company also said its investigation turned up no evidence that officials violated Portland contracting rules in 2006, though Cale does plan "correction actions."

But Cale's chief executive officer, Anton Kaya, declined to publicly release the investigation. He also declined to answer questions about recently disclosed emails from 2005 and 2006 – the emails that led to the investigation and that prompted "grave concerns" among Portland officials about a new \$11.9 million contract with Cale's U.S. subsidiary.

The upshot for Portland residents? It's not clear when or whether they'll ever learn specifics of the investigation, and installation of meters in Northwest Portland remains on hold.

City officials on Monday pledged an independent review of Cale's investigation by Portland law firm Stoll Berne, but a city spokesman said he didn't know what records would be publicly disclosed.

"It's early in the process," said John Brady of the Portland Bureau of Transportation. "We do have the desire to release this information."

Cale's announcement is the latest twist in a four-year saga. FBI agents raided McCoy's office and home in August 2011, and he pleaded guilty a year later to accepting bribes from George Levey, a Florida-based independent distributor of Cale machines. Levey pleaded guilty this past April to bribing McCoy. McCoy was sentenced to two years in prison this past May.

Cale executives said they had no prior knowledge of Levey's scheme.

But emails released by federal prosecutors in May suggested otherwise.

The records showed that Levey regularly emailed Edward Olender, a Cale executive in Canada, to share that McCoy was working behind the scenes to benefit Cale. The emails do not indicate that Cale officials knew about bribes.

In January 2006, for example, Levey forwarded correspondence showing that McCoy provided a confidential preliminary draft of bid documents. In March 2006, Levey forwarded correspondence showing that McCoy edited and proposed revisions for Cale's bid.

Olender went on to become president of Cale America, the company Portland picked this year to supply meters for Northwest 21st and 23rd avenues.

Leaking confidential bid documents "would violate the intent of the State procurement laws" for fair and ethical dealing, as well as impartial and open competition, city officials said in May.

But Cale's top executive said in a statement Monday that the company's investigation did not "find any evidence" that Cale or its subsidiaries violated any laws or rules.

Kaya declined to answer questions about Levey's emails to Olender.

"The Cale Group Board and I are satisfied with the outside law firms' findings that Edward Olender did not know of any bribes or violate any laws or public contracting rules," he wrote in an email to The Oregonian/OregonLive.

Olender, placed on leave in May, has been reinstated. He is no longer president of Cale America and will "focus exclusively on our Canadian customers," Kaya wrote.

Kaya did say Cale Group will take "corrective actions" to sever "any perceived connection to illegal actions of the former independent distributor."

Two senior employees who first worked for Levey are no longer with the company, he wrote. Kaya declined to identify the two employees, citing "confidential personnel issues." Cale also will create a new code of conduct for U.S. employees and will require annual training.

The company also filed a lawsuit against Levey, who will be sentenced in December, seeking \$10.5 million for damage to its reputation.

Kaya refused to release the company's investigation because "there is confidential information in there regarding employee matters that we cannot share."

Company representatives shared findings verbally with Portland's top attorney, Tracy Reeve; the city's transportation director, Leah Treat; and Chris Warner, chief of staff for Commissioner Steve Novick, who oversees city transportation at a secret July 31 meeting. Portland officials signed agreements prohibiting them from discussing the information.

Brady, the transportation spokesman, said officials have since asked Cale to turn over investigation documentation but with no timeframe or guarantee.

"We hope to receive it," he said. "It takes two to tango."

## **The Portland Tribune**

### **Leading the charge in the climate change fight**

*By Jim Redden  
August 11, 2015*

Many Portlanders may be surprised that Mayor Charlie Hales has suddenly emerged as an international climate change fighter.

While much of the city was focused on such local controversies as disconnecting the open Mount Tabor reservoirs and relocating the Right 2 Dream Too homeless camp, Hales was invited to global warming forums with two of the most powerful leaders in the world, Pope Francis in the Vatican and President Barack Obama in Washington, D.C.

The events focused attention on Hales as an influential voice on climate change in the months leading up to what is considered a critical United Nations conference on the issue in Paris in December. Hales has not yet decided whether he will attend that conference.

Hales says the recognition is neither sudden nor really about him, however. Speaking to the Portland Tribune last week, Hales described the invitation as a recognition of Portland's leadership on environmental and sustainability issues — something he was originally involved in as a city commissioner about 20 years ago.

"Portland has been environmentally thoughtful for a long time. It was the first city in the country to adopt a Climate Action Plan, when I was on the council. That was when I got the nickname "Choo-Choo Charlie" for my support of transit. Now these good ideas are being recognized," Hales says.

At the same time, Hales says he and his staff were surprised by the two invitations. The first was to attend a conference related to the July 21 release of Pope Francis' encyclical on climate change. The second was to attend President Obama's Aug. 3 release of new U.S. Environmental Protection Agency rules to reduce greenhouse gas emissions from energy plants.

"We weren't chasing after these invitations. In fact, my staff was skeptical about whether the invitation to the Vatican was real when it came in," says Hales.

Hales believes both invitations are long-overdue acknowledgements of the work local governments are doing to fight climate change. Among other things, Portland is a member of C40, a coalition of 40 cities committed to reducing greenhouse gas emissions.

"I feel like we've been pounding on the door, saying, 'Hey, we're the ones doing these things. Eighty-five percent of the world's population lives in cities, so you should be talking to us,'" Hales says.

That does not mean Portland should rest on its laurels, Hales says. Far from it. The council recently updated its Climate Change Action Plan. It is also scheduled to consider a comprehensive plan update by the end of the year that increases the incentives for sustainable development.

Energized by the two trips, Hales is ready to start pushing three climate change-related initiatives that he says were already part of his agenda.

One, Hales says, is the adoption of a policy against the export of fossil fuels through the city. Hales sparked the ire of many in the business community when he single-handedly derailed the propane export terminal proposed by the Pembina Pipeline Corp. at the City Council.

Although he originally supported it, Hales says he now opposes exporting fossil fuels through the city and believes most Portlanders do, too. He says the Planning and Sustainability Commission appears eager to take up the drafting of such a policy.

"The next time a situation like Pembina comes up, the city should have a policy on it," says Hales.

He says it should also apply to natural gas — even though it is a cleaner fossil fuel than coal.

"Natural gas has been called a transition fuel to renewable energy, but we don't have enough time to make that kind of transition. We need to move to renewable energy now," says Hales.

Another is divesting city funds from fossil fuel and other companies whose business practices are bad for the environment. Hales says he has appointed a committee to draft environmentally responsible investment policies for the council to consider.

And Hales also wants to greatly expand the amount of solar energy produced on city properties. He says solar panels currently on city buildings generate approximately 541 kilowatt hours (kWh) of electricity a year — an amount he believes can be increased to 2.36 million kWh a year if more city property is used. That's enough to power nearly 200 average homes a year. Hales also believes the city should pursue a policy of receiving all of its energy from renewable resources.

Despite criticism from the business community for blocking the propane terminal, Hales insists such policies are not anti-business. He notes that last week, *Forbes* named Portland the third-best city in the country for businesses and careers. The business magazine and website predicted an annual growth rate of 7.3 percent for the next three years, just behind first-place Denver and second-place Raleigh, N.C.

Despite the international attention Portland is receiving from climate change advocates, Hales says the city is still not nearly sustainable enough. He says there are many neighborhoods where it is still too difficult to walk or take transit to jobs, shopping, recreation or entertainment opportunities.

"We're a long ways from done," Hales says.

## **Uber lobby gets inside access at City Hall as city deregulates taxis**

*Steve Law*

*August 11, 2015*

Uber is getting inside access to City Hall officials as they deregulate Portland's taxi industry to accommodate Uber and Lyft, San Francisco-based companies that hire drivers who turn private cars into taxis hailed by smartphone.

Newly filed lobbying reports show Uber's five lobbyists had 34 sit-down meetings and 56 phone conversations with City Hall staffers in the second quarter of the year, as the city was launching a pilot project to ease Uber and Lyft into the Portland market.

During the same quarter, the Transportation Fairness Alliance, a coalition of local taxi companies, reported four personal meetings at City Hall and one phone conversation.

Raye Miles, president of Broadway Cab, said she and the alliance lobbyist met early on with Commissioner Steve Novick, who is spearheading taxi deregulation, but found him and his staff “wholly unresponsive” to their issues. “It feels as though they had a predetermined path they were going to take,” Miles said.

Darin Campbell, the elected driver representative for the city’s 1,200 taxi drivers, said he’s been unable to meet with Novick and his point person leading the taxi deregulation effort.

“I have sent multiple emails; I have texted Bryan Hockaday, his adviser on this issue, probably 15 times,” said Campbell, who drives for Radio Cab. “He usually blows me off.”

Several Lewis & Clark law students also are frustrated. They’ve been diligently researching, on their own time, one of the thorniest issues cities face in regulating the taxi industry — how to serve passengers in wheelchairs. The law students have met with or scheduled appointments with the other four City Council members to share their latest findings, but got no response to two email requests to meet with Novick, said Michael Schultz, a local attorney recruited by a Lewis & Clark dean to advise the students.

Last Tuesday, after the law students met with Commissioner Dan Saltzman and an aide to Commissioner Amanda Fritz, they looked through a window and observed Novick and Hockaday meeting with two Uber lobbyists, Schultz said.

“When an industry enjoys that kind of access, it’s challenging to break through,” he said. “It’s easy to understand how those representing the public interest who have a lower number of contacts may be outmaneuvered.”

Equal access?

Novick said it’s common for people who aren’t getting what they want from the city to complain about a lack of access.

He’s had only “minimal public contact” with Uber, Novick said. “I don’t think there’s any reason to think Bryan’s more receptive to requests from Uber and Lyft than any of the regular taxi companies.”

Novick said he met once with the Lewis & Clark law students several months ago, but his staff never forwarded their July 23 and Aug. 4 email requests to meet again.

Hockaday doesn’t dispute that he and other City Hall staff have met more with Uber than with local taxi industry leaders.

“They’ve asked for more meetings,” he said. “It’s not a difference of ease of access.”

Hockaday acknowledged he’s refused to meet with Campbell, the taxi driver representative. But he said he reached out to the Lewis & Clark law students, without success.

Aggressive lobbying

Uber, which has grown into a \$50 billion worldwide company in just five years, has the money to hire top lobbyists as it forces its way into heavily regulated taxi markets, often defying local ordinances. Those include David Plouffe, Barack Obama’s 2008 campaign manager, and Mark Wiener, the go-to political consultant in Portland local government. Wiener advised the majority of sitting city commissioners during their elections.

Willamette Week newspaper reported Dec. 31 that it was Wiener who brought together Uber lobbyists, Mayor Charlie Hales, Novick and their aides at his home Dec. 13. After that meeting, Hales promised temporary city regulations so Uber could enter the market by April, a promise he fulfilled when the four-month pilot project began late that month.

Lobby reports filed with the city Auditor’s Office show Wiener had seven phone conversations with City Hall officials in the second quarter and one personal meeting in the first quarter. But that was the tip of the iceberg for Uber’s lobbying efforts.

Uber, which declined to comment for this story, reported spending \$12,616 to lobby City Hall during the first quarter of the year, about one-third of the total reported by all lobbies. Broadway Cab and the Transportation Fairness Alliance had the second-highest spending, at \$7,500.

Lyft didn't file first- or second-quarter lobbying reports on time with the Auditor's Office. However, the company said Friday that it was filing late, and emailed records to the Tribune showing it spent \$19,967 in the first quarter.

During the second quarter, the lobbying gap mushroomed. Uber reported spending \$50,173 — 69 percent of the total lobbying expenditures reported by all entities at City Hall. Broadway Cab and the taxi coalition spent \$7,500.

Lyft's totals don't appear yet in the database, but its emailed report shows it spent \$36,027.

Uber has spent seven times what Pembina Pipeline Corp. spent to lobby City Hall the first six months of the year, a period when the Canadian company's \$500 million propane export terminal was vetted by the Planning and Sustainability Commission and then rejected by Hales, who denied the company a City Council hearing.

Selective input

Leaders of the Transportation Fairness Alliance have repeatedly complained they aren't getting listened to as the city plots taxi deregulation.

In contrast to most stakeholder and work groups deployed by the city, Novick didn't include the most affected parties — taxi industry representatives — on the Private For Hire Innovation Task Force, which was charged to recommend terms for the pilot test and permanent rules as the city deregulates the industry.

Taxi industry representatives were often flustered when they heard misinformation at the task force meetings and they couldn't respond, said Stephen Kafoury, lobbyist for Broadway Cab and the Transportation Fairness Coalition.

In contrast, it's common to see Hockaday huddling with Brooke Steger, Uber's Northwest general manager, at task force meetings, Campbell said.

"At every break, it's Brooke Steger and Bryan Hockaday running off to a corner," he said.

Often Lyft representatives are part of those sideline discussions.

"We're always open to working with the city," said Chelsea Wilson, Lyft spokeswoman. "We believe that that's a good way for crafting new regulations for these new industries."

In the first quarter, Uber lobbyists scored 19 personal meetings at City Hall, including one with Novick, two with his transportation director Leah Treat, three with his chief of staff Chris Warner, and 10 with Hockaday.

Uber also reported two personal meetings with Hales and three with Josh Alpert, the mayor's chief of staff. Uber also reported 12 phone conversations with Alpert and 12 with Hockaday.

The taxi coalition had 11 personal meetings at City Hall the first quarter, but six of those were with Commissioner Nick Fish, who has been critical of Uber. The coalition got one meeting each with Alpert, Novick and Hockaday.

During the second quarter, the imbalance grew.

Uber's lobbyists were in City Hall for insider meetings about once every two business days. They met 23 times with Hockaday, nine times with Alpert, twice with Novick, four times with Warner and twice with Mayor Hales.

The taxi coalition met once with Hockaday in the second quarter, once with Fritz, and once each with Saltzman and Fish aides.

Uber lobbyists reported 33 phone conversations with Hockaday the second quarter, 10 with Alpert and two with Novick. The taxi coalition reported just one phone conversation.

Schultz, the lawyer mentoring the Lewis & Clark law students, was shocked to hear that Uber was doing so much behind-the-scenes lobbying while a city task force charged with recommending new rules meets in open sessions.

“What’s the purpose of a task force if the elected officials are conducting parallel negotiations?” Schultz said. “It renders a task force a straw house.”

What’s next?

The Portland City Council is scheduled to meet at 2 p.m. Thursday, Aug. 20, to consider permanent rules that allow “transportation network companies” like Uber and Lyft to operate here along with regular taxi companies.

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### **Law students delve into wheelchair-accessible taxi issues**

A group of Lewis & Clark law students initially researched ordinances other cities have adopted to deregulate taxi service and accommodate transportation network companies like Uber and Lyft.

Once they delved in the issue, the law students decided to focus on wheelchair-accessible taxis. That’s because their research showed no city around the country has yet figured out how to serve that constituency well and pay for the service, said Michael Schultz, a Portland lawyer advising the students.

After meeting some initial resistance, the students got consideration of their Portland Equal Access Plan by the Private For Hire Innovation Task Force appointed by Commissioner Steve Novick, Schultz said. That plan called for the city to set a minimum response time for picking up wheelchair-bound taxi passengers, and gradually reduce it until it equalled the service for other passengers.

The law students later researched the Americans with Disabilities Act, and Uber’s claim that its vehicles don’t have to comply. They also found “defects” in the way the city is analyzing response-time data for wheelchair-accessible taxis in the pilot project, Schultz said, and that’s among the findings they hope to share with city officials.

Leslie Hallan, a representative of the law students, disputed the contention by Bryan Hockaday, Novick’s point person for taxi deregulation, that he reached out to the law students.

Hockaday did try to join a June 23 meeting they scheduled with Joe VanderVeer, the former chairman of the Portland Commission on Disability, but they asked him not to stay, Hallan said.

“In no way is Mr. Hockaday’s prior attempt to crash a private meeting a legitimate substitute for students’ later requests to meet with Commissioner Novick,” Hallan said in an email.

VanderVeer sent a followup June 23 email to Hockaday apologizing that he was excluded, but encouraged him to have a future meeting with the students.

“They have a lot of good ideas,” VanderVeer wrote Hockaday.

Such a meeting never occurred.