

THE CUTTING**Oregon Gov. Kate Brown Calls for Audit After Our Reporting on a State Institute That Lobbied for the Timber Industry**

The Oregon Forest Resources Institute worked to undercut academic research and acted as a lobbying and public relations arm for the timber industry. Now, the governor has asked for an audit.

by Tony Schick, OPB, and Rob Davis, The Oregonian/OregonLive, Sept. 2, 2020, 5:30 p.m. EDT



Oregon Gov. Kate Brown requested an audit of the Oregon Forest Resources Institute. (Kaylee Domzalski/OPB)

ProPublica is a nonprofit newsroom that investigates abuses of power. Sign up to receive our biggest stories as soon as they're published.

This article was produced in partnership with OPB and The Oregonian/OregonLive. You can sign up for The Oregonian/OregonLive special projects newsletter here and OPB's newsletter here. OPB is a member of the ProPublica Local Reporting Network.

Oregon Gov. Kate Brown this week requested an audit of the Oregon Forest Resources Institute after an investigation by The Oregonian/OregonLive, OPB and ProPublica revealed that the tax-funded agency worked to discredit academic research and acted as a lobbying and public relations arm for the timber industry.

In a letter dated Aug. 31, Brown's office asked Secretary of State Bev Clarno to conduct a thorough audit of the agency, pointing to a need for an investigation in light of "facts recently disclosed" in public records and media reports that "allege a variety of statutory and ethical concerns."

"An audit is necessary to bring transparency to whether OFRI conducts its mission in keeping with its statutory authority, including the clear prohibition on OFRI influencing, or attempting to influence state policy," Jason Miner, the governor's natural resource policy director, wrote in the letter. He added that the audit should also determine "whether there is any public benefit to OFRI."

The Oregon Forest Resources Institute, known as OFRI, was created in 1991 to educate the public about forestry and to teach landowners about logging laws and sound environmental practices. Lawmakers established a tax on logging to pay for the institute while cutting taxes paid by the timber industry that helped fund schools and local governments.

By law, OFRI is prohibited from attempting to influence policy.

Thousands of records obtained by the news organizations found the agency targeted university climate change research and spent millions of dollars on advertisements that promoted Oregon's logging laws as strong, even as federal biologists said they did not do enough to protect coastal rivers from pollution. Its leaders also sat in on a lobbying group's deliberations about attack ads against Brown during her 2018 bid for reelection.

"The revelations recently uncovered by OPB, the Oregonian, and ProPublica — that the Oregon Forest Resources Institute (OFRI) engaged in activities seeking to influence campaigns and legislation and interfere with university climate research -- are deeply concerning," Charles Boyle, a spokesman for Brown, said in an email.

Boyle noted there have been only two other audit requests during the governor's five years in office. He said the institute's use of tax dollars merits further examination, particularly at a time when the economic impacts of the coronavirus have forced the state to weigh difficult budget decisions to preserve health care, education and senior services.

"OFRI's work and stewardship of tax dollars have escaped public scrutiny for more than a decade," Boyle said. "In this fiscal climate, it's worth asking the question whether those tax dollars are needed elsewhere."

Erin Isselmann, OFRI's executive director, said in an email that the institute welcomes the audit from the secretary of state. She has previously said that, under her leadership, the institute has operated "under the highest ethical standards."

“We look forward to working with the audit team and learning from their analysis and recommendations,” Isselmann said.

The institute has not been audited since 1996, according to the secretary of state’s office. The office’s Audits Division said it would begin its work soon, but it is unclear how long the probe will take.

“Our independent auditors look forward to working with the Governor’s Office, OFRI leadership, and stakeholders to review how the agency can best deliver on its mission,” Kip Memmott, the secretary of state’s audits director, said in a statement.

Brown’s request comes as several Democrats in the Oregon Legislature, including the chairman of the Senate Environment and Natural Resources Committee and a high-ranking House member, said there would be legislation in the upcoming session in response to the yearlong investigation by the three news organizations.

A citizens group of 70 teachers, nurses, water managers, foresters and others last week also announced plans to introduce a ballot initiative, citing the investigation’s findings. In its current form, the initiative, which would need to gather more than 100,000 valid signatures before qualifying for the ballot, would redirect OFRI’s budget to support outdoor education programs and rural job training. It also would reinstate timber severance taxes, which are based on the value of the trees that are logged.

In a story published in June, the three news organizations found that the state’s largest timber companies received billions of dollars in tax cuts since the 1990s. The investigation, which analyzed data from the state Department of Forestry and Department of Revenue, found that without the tax cuts cities and counties would have collected about \$3 billion in severance taxes from the timber industry during the past three decades. Instead, they got about \$871 million.

State Sen. Jeff Golden, a Democrat from Ashland, who leads the Senate environment committee, said lawmakers would take a hard look at the institute when the Legislature convenes in February. He said details on how lawmakers will address concerns related to the institute, including plans to redirect its budget, would emerge during committee hearings in December.

Golden also expects lawmakers will more seriously debate reintroducing the state’s severance tax for timber companies. He said the investigation generated significant interest among lawmakers and constituents.

“I can’t tell you how many people wrote me after those, sent me the links and said, ‘Did you know about this stuff?’” Golden said. “It really brought things that have been on the back burner to the front burner.”

Among the measures already being drafted, state Rep. Marty Wilde, a Democrat from Eugene, said he is crafting legislation that would increase property taxes for industrial timberlands and give forest owners incentives to allow trees to grow older before cutting them down. Andrea Salinas, a state representative from Lake Oswego, said she would file a bill to restore severance taxes. The measure would offer tax breaks for ecological forestry that would promote selective tree logging instead of clearing large swaths of forest at once.

Democrats have a supermajority in both chambers of the Legislature, allowing them to pass laws without Republican support, but efforts to reform forest policies have stalled in recent years.

State Rep. Paul Holvey, a Democrat from Eugene, has been pushing legislation unsuccessfully to revisit timber taxes since 2014. Holvey said legislative action feels closer to reality than in previous years.

In 2018, Holvey tried to shrink OFRI's budget by 60% and use the savings to help combat wildfires. His bill died after the timber industry opposed defunding the institute. Holvey also previously attempted to introduce a new severance tax that would fund the state's wildfire response.

"I think people are much more concerned about it now, which has kind of elevated the conversation. And I think the industry has come to the realization that the conversation is going to happen so they need to be in it," Holvey said. "But at the end of the day, I'm not seeing everything through rose-colored glasses, because the political power of that industry inside the state of Oregon is very strong."

Filed under: [Environment](#)