

Lisa Udland  
Civil Enforcement Division  
Oregon Department of Justice

November 7, 2018

Dear Ms. Udland

I am attaching an email thread for you and wish to express both my puzzlement and my disappointment at the way this has been handled by the departmental representative.

It will be best to begin with what led up to this exchange.

I serve on the Board of the Neighbors West-Northwest (NWNW) district coalition. I was on my way the afternoon of October 15th with Roger Leachman (also on that board) to a meeting with Sandy McCall, the state Public Records Advocate. We had agreed we would go on our way there to the Department of Justice and ask some questions that had been troubling us since the previous week's NWNW Board Meeting.

At that meeting (October 10<sup>th</sup>) a statement from Mr. Pearson concerning the recent election held by the Downtown Neighborhood Association (DNA) was read to all of us attending. It was not distributed, and no one was given an opportunity to read it. It was not clear then, nor is it yet, what this purported to be --a ruling, an opinion, etc. Mr. Mark Sieber, executive director of NWNW seemed to be treating it as if it were the former, although he made no explicit indication that was the case.

The DNA is one of the eleven neighborhood associations served by NWNW. You may have seen the coverage of their election (which was held on the 25<sup>th</sup> of September) in the October issue of the *Northwest Examiner* ("Bitter remnant clutches controls," page 1; see [www.nwexaminer.com](http://www.nwexaminer.com) ).

Both Mr. Leachman and myself have served on election committees of our own neighborhood association, as well as on the NWNW Board. In our experience and observation, challenges to elections have been handled through the existing framework and procedures adopted by Portland City Council, and commonly known to us all as the *ONI Standards* ( in full: *Standards for Neighborhood Associations, District Coalitions, Business District Associations, And the Office of Neighborhood Involvement*).

When we arrived at DOJ on the 15<sup>th</sup>, we were admitted to see Ms. Wendy Lambo. Ms. Lambo was friendly, concerned, helpful, and accommodating throughout the brief time we spent with her.

We explained what had occurred the week before at NWNW, noted we had never heard of this kind of proceeding before, with the state being involved in place of the city --explaining about the process in the *ONI Standards* which we were familiar with, and which we would have normally expected to be followed. We asked her if this was the sort of thing DOJ had done in the past (she was not aware of that being so), and if this was what we might expect to be the case in the future --Mr. Leachman mentioned to her that there were 95 neighborhood associations in Portland. She said she didn't see how DOJ would be involved in that way.

I asked if the statement given at NWNW would be considered a ruling or an opinion and was there perhaps an appeal procedure? She seemed genuinely puzzled and did not know --she asked how we were notified about it. We explained it came through Mr. Sieber at the meeting and that we never saw it, it was read to us. She asked from whom it came, and Mr. Leachman said it was from someone named Pearson. "Oh, Doug Pearson," she said, "he's in the fraud division."

I asked why the fraud division would be involved in something like this. Wouldn't they be the one to investigate financial improprieties and such? She agreed with that, and asked again what it concerned, and when we indicated it was the DNA, she excused herself for a few minutes, saying she wanted to check into it and would be back.

When she returned she said the only thing she found under the DNA was an item number, but there were no texts, nor any indication what it might be about. She couldn't ask Mr. Pearson, he was gone for

the day. She promised she would pass our concerns along to him the next day, and that he would probably be in touch with me.

I was very gratified, then, to hear back from Mr. Pearson the next morning with an invitation to schedule an appointment at which he would be "happy to answer [our questions]." I replied the next morning, thanking him and saying I would gladly do so.

I believe you can understand my surprise at the quick *volte-face* 27 hours later when the invitation was peremptorily withdrawn.

The reply in fact raised questions additional to the (still unanswered) matters we wished to inquire about. For instance, if the division is understaffed and overworked, why would it become involved in a Portland neighborhood association election? Stating that "the Department will not be becoming more involved in this matter" begs the question of why and how it *did* become involved. Who asked for "guidance" from DOJ in this matter? I assume it was not NWNW, as the Board of Directors did not do so at any point, nor did our executive director (Mr. Sieber) ever consult us on the possibility of doing so. Also I have been made aware that Mr Pearson is not an attorney, which makes his assertion in the statement read to us at NWNW (I believe I have captured the sense of it, if not the actual words) that "this is the Department's position in the matter" seem questionable. It sounds very authoritative --is that indeed the case, and was it referred, e.g., to you or Ms. Rosenblum for approval?

Also very troubling, if Mr. Leachman and I heard it right, was Mr. Pearson's assertion, in his letter, that NWNW and OCCL had authority to "oversee" neighborhood associations. Perhaps he does not understand that neighborhood associations are grass roots democracy at its most basic and that they are independent entities, not subsidiary units of a city bureaucracy.

I would like to ask that you or someone in your office be willing to meet with Mr. Leachman and me to respond to our questions and concerns, as was originally offered. You should be aware that the actions of Mr. Pearson (all of which remain cloudy to this point, as there has been no transparency whatsoever), whether he has acted on his own or with the knowledge and concurrence of DOJ, has caused widespread concern and trepidation among the citizens active in Portland's neighborhood associations.

Thank you for your attention to this, and I will wait to hear from you.

Respectfully yours,



Eric Simon  
NWNW Board Member  
GHFL Board Member  
([masonstreet@comcast.net](mailto:masonstreet@comcast.net))

cc: Ellen Rosenblum, Attorney General

Frederick Boss, Deputy Attorney General

Roger Leachman ([rogerleachman@hotmail.com](mailto:rogerleachman@hotmail.com))

Pearson Douglas &lt;douglas.pearson@doj.state.or.us&gt;

10/17/2018 3:38 PM

**RE: Neighbors West-Northwest**

To Eric Simon &lt;masonstreet@comcast.net&gt;

Eric, the Department will not be becoming more involved in this matter. We have an enforcement staff of ten to provide oversight over ~21,000 registered charities in Oregon. From time to time, we provide guidance to other government agencies and organizations relating to operating nonprofits in Oregon. We do not provide guidance or advice to individual members of the public. I would strongly encourage you and other interested parties to work within your associations, coalitions, or with Civic Life should additional issues arise involving association matters.

If you have a complaint or inquiry you would like to submit to our office, you can do so at:  
<https://justice.oregon.gov/charities/complaint>

Douglas W. Pearson  
971.673.1955

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**From:** Eric Simon [mailto:[masonstreet@comcast.net](mailto:masonstreet@comcast.net)]  
**Sent:** Wednesday, October 17, 2018 12:22 PM  
**To:** Pearson Douglas  
**Subject:** Re: Neighbors West-Northwest

Mr. Pearson,

Your quick response is appreciated. I will schedule an appointment with your office in the near future to address the additional questions that I may have. Again, thanks for the quick response.

Eric Simon

On October 16, 2018 at 8:44 AM Pearson Douglas <[Douglas.Pearson@doj.state.or.us](mailto:Douglas.Pearson@doj.state.or.us)> wrote:

Dear Mr. Simon, I understand you stopped by to speak with our office regarding the Portland Downtown Neighborhood Association. I'm sorry I missed you but typically it's best to schedule an appointment with our office. Wendy Lambo provided a rough outline of your conversation. If you have any additional specific questions, I am happy to answer them.

Most of Portland's neighborhood associations are organized as Public Benefit nonprofits and most have been registered with the Department for several decades. Therefore, they fall under our direct regulatory oversight. From time to time, our office has received complaints related to the various associations operating throughout the City and we have occasionally provided legal guidance to those organizations, Coalitions, or ONI/Civic Life as requested. The nature of the complaints we receive is diverse, but oftentimes revolves around member rights and member disputes occurring within associations.

It is always our preference that matters involving internal disputes are handled internally through normal channels, however this is not always possible or the nature of the dispute is serious enough to impact the underlying function and stability of the association. Generally, as regards Portland's associations, it is the Department's general practice to defer to ONI/Civic Life and the associated Neighborhood Coalitions in matters concerning their recognized associations.

**Douglas W. Pearson, CFE**

Chief Investigator | Charitable Activities Section | Civil Enforcement Division

Oregon Department of Justice

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