

= Neil Goldschmidt =

Neil Edward Goldschmidt ( born June 16 , 1940 ) is an American businessman and Democratic politician from the state of Oregon who held local , state and federal offices over three decades . After serving as the governor of Oregon , Goldschmidt is widely considered the most influential figure in the state 's politics , both as an elected public official and as a lobbyist and policy consultant . His legacy and career were severely damaged by revelations that he had a sexual relationship with a young teenage girl during his first term as mayor of Portland .

Goldschmidt was elected to the Portland City Council in 1970 and then as mayor of Portland in 1972 , becoming the youngest mayor of any major American city . He promoted the revitalization of Downtown Portland and was influential on Portland @-@ area transportation policy , particularly with the abandonment of the Mount Hood Freeway and the establishment of the MAX Light Rail . He was appointed U.S. Secretary of Transportation by President Jimmy Carter in 1979 ; in that capacity he worked to revive the ailing automobile industry and to deregulate several industries . He served until the end of Carter 's presidency in 1981 and then served as a senior executive with Nike for several years .

He was elected the 33rd governor of Oregon in 1986 , serving a single term . He faced significant challenges , particularly a rising anti @-@ tax movement ( leading to 1990 's Measure 5 ) and a doubling of the state 's prison population . He worked across party lines to reduce regulation and to repair the state 's infrastructure . During his term , Oregon emerged from nearly eight years of recession . His reforms to the State Accident Insurance Fund ( SAIF ) , a state @-@ chartered worker 's compensation insurance company were heralded at the time , but drew strong criticism in later years .

Despite his popularity , Goldschmidt left office after only one term , becoming an influential and controversial lobbyist . Over the next dozen years or so , he was criticized by editorial boards and Oregonians for several of the causes he supported , including backing the forestry corporation , Weyerhaeuser in its hostile takeover of Oregon 's Willamette Industries and his advocacy for a private investment firm in its attempt to take over Portland General Electric , a local utility company . In 2003 , Governor Ted Kulongoski appointed him to the Oregon Board of Higher Education , a position he resigned after admitting he had a sexual relationship with a minor girl 30 years earlier .

= = Early life = =

Goldschmidt was born in Eugene , in Oregon 's Willamette Valley , on June 16 , 1940 , to Lester H. Goldschmidt and Annette Levin . He graduated from South Eugene High School . He later attended the University of Oregon , also in Eugene . He served as student body president at the school before graduating in 1963 with a Bachelor 's degree in political science .

He served as an intern for U.S. Senator Maurine Neuberger in 1964 in Washington , D.C. While there , he was recruited by New York Congressman Allard K. Lowenstein to do voter registration in Mississippi 's 1964 Freedom Summer civil rights campaign . Goldschmidt married Margaret Wood in 1965 . They had two children , Joshua and Rebecca , and divorced in 1990 . Goldschmidt earned a law degree from the University of California , Berkeley in 1967 . From 1967 to 1970 he worked as a legal aid lawyer in Portland , Oregon .

= = Political career = =

In 1970 , Neil Goldschmidt entered politics in Oregon . This began three decades of being in the public eye in the state , serving as mayor of Oregon 's most populous city and as the state 's governor . In between he served in the Cabinet of President Jimmy Carter .

= = = Portland City Commissioner and Mayor = = =

Goldschmidt won a seat on the Portland City Council in 1970 . As City Commissioner ( 1971 ? 1973

) and later as Mayor of Portland ( 1973 ? 1979 ) , Goldschmidt participated in the revitalization of the downtown section of that city . He led a freeway revolt against the unpopular Mount Hood Freeway , building consensus among labor unions and other powerful entities to divert Federal funds initially earmarked for the freeway to other projects , ultimately expanding the federal funds brought to the region to include the MAX Light Rail line and the Portland Transit Mall . He is widely credited with opening up the city 's government to neighborhood activists and minorities , appointing women and African @-@ Americans in a City Hall that had been dominated by an " old @-@ boy network . " During his mayoral campaign , he questioned the benefit of expanding the city 's police force , preferring to direct resources to crime prevention . According to Nigel Jaquiss , a reporter for Willamette Week , for thirty years he was " Oregon 's most successful and charismatic leader . "

In 1973 , Governor Tom McCall appointed Goldschmidt to what would be known as the Governor 's Task Force , which was tasked with exploring regional transportation solutions . Goldschmidt served alongside notable leaders : Glenn Jackson , chair of the board of Portland Power and Light and chair of the Oregon Transportation Commission , was considered the state 's leading power broker on transportation issues ; and Gerard Drummond , a prominent lawyer and lobbyist , was president of Tri @-@ Met 's board of directors . The task force considered an unpopular deal that would have funded the construction of the Mount Hood Freeway , which would have bisected southeast Portland . The deal , which would have been 90 % funded by the Federal Highway Administration , was rescinded , with first the Multnomah County Commission and , later , Portland City Council reversing their positions and advising against it . Goldschmidt was initially opposed to diverting funds to light rail , instead favoring busways and more suitable local road projects ; as the 1981 deadline to reallocate the funds approached , however , light rail became a more attractive prospect . By a process not clearly documented , light rail was included in the final plan . All federal money initially intended for the Mount Hood Freeway ultimately went to other road projects , but the total amount was doubled and the first leg of MAX light rail was approved and ultimately completed in 1986 .

= = = U.S. Secretary of Transportation = = =

Goldschmidt became the sixth U.S. Secretary of Transportation in 1979 . His recess appointment by President Jimmy Carter came on July 27 of that year , as part of a midterm restructuring of the Carter administration 's cabinet positions . The United States Senate confirmed his appointment on September 21 , and he was sworn in on September 24 . In this position , Goldschmidt was known for his work to revive the auto industry , and efforts to deregulate the airline , trucking and railroad industries .

A newcomer to the Carter administration and to national politics , Goldschmidt traded not only on his experience in transportation planning , but on his political acumen as well ; following Carter 's unsuccessful bid for re @-@ election , Goldschmidt expressed doubts about the Democratic Party 's future if it couldn 't learn to cultivate political allies more effectively . Goldschmidt 's time in Washington , DC , informed his own understanding of politics , as well . He remained in office through the remainder of the Carter administration . In late 1979 , Republican presidential hopeful John B. Anderson called for Goldschmidt 's resignation , and members of the United States Senate Banking Committee later chastised him , for having suggested that he would withhold transportation funds from municipalities , such as Chicago and Philadelphia , whose mayors supported Ted Kennedy in his primary election bid against Carter . Goldschmidt resigned at the conclusion of Carter 's term on January 20 , 1981 .

Between positions in public office , Goldschmidt was a Nike executive during the 1980s , serving as international Vice President and then as president of Nike Canada . He was considered as a potential chair of the Democratic National Committee in 1984 .

= = = Governor of Oregon = = =

In June 1985 Goldschmidt announced his candidacy for Oregon Governor . His name familiarity and access to large donations through his business and political ties made him the Democratic front

runner . He easily defeated Oregon State Senator Edward N. Fadeley in the May 1986 Democratic primary . Goldschmidt defeated Republican Secretary of State Norma Paulus in the 1986 general election 52 % to 48 % , succeeding two @-@ term Republican Governor Vic Atiyeh , becoming the state 's 33rd governor .

Goldschmidt 's policy for economic development brought together Democratic liberals and Republican business leaders . His personal focus was on children 's rights , poverty and crime , but the challenge of meeting increasing needs with a decreasing budget overshadowed his tenure . An anti @-@ tax movement took hold during his term , passing the landmark Measure 5 in 1990 , which restricted the generation of revenue by property tax . He was credited with leading " The Oregon Comeback , " bringing the state out of nearly eight years of recession , through regulatory reform and repair of the state 's infrastructure .

Goldschmidt oversaw a major expansion of the state 's prison system . In May 1987 , he hired Michael Francke to modernize the state 's prisons , which an investigator had described as overcrowded and operated as " independent fiefdoms . " Francke was charged with supervising a plan to add over 1000 new beds to the prison system . Francke was murdered in the Department of Corrections parking lot in 1989 .

In 1990 , Goldschmidt brokered agreements between business , labor and insurance interests that changed the state 's workers ' compensation regulations . Workers ' compensation has been a contentious issue in Oregon for some time , as the state @-@ run State Accident Insurance Fund ( SAIF ) insures approximately 35 % of the workforce . The legislature passed a law as a result . The changes were considered to benefit the insurance industry and business interests , at the expense of claimants , who were required to establish more extensively that their employers were responsible for injuries . The issue was contentious for some time , involving lawsuits and various efforts to modify the law . In 2000 , Governor John Kitzhaber attempted to reform the system again . This led to a new law in the 2001 Legislature , which was complicated by an Oregon Supreme Court ruling that occurred during deliberations .

Goldschmidt 's Children 's Agenda was important in Oregon with its community initiatives . In 1991 , he helped create the Oregon Children 's Foundation , as well as the Start Making A Reader Today ( SMART ) literacy program , which puts 10 @,@ 000 volunteers into Oregon schools to read to children .

Goldschmidt declined to run for re @-@ election in 1990 , despite the widely held perception that he could have been easily re @-@ elected ; at the time , he cited marital difficulties . Bernie Giusto , who was Goldschmidt 's driver at the start of his term and later became Multnomah County Sheriff , was widely rumored to be romantically involved with Goldschmidt 's wife Margie ( and would later date her openly after they divorced ) .

Goldschmidt had hoped at one time to serve two terms , noting that most of predecessor Tom McCall 's accomplishments came during his second term . In his farewell address to the City Club of Portland , he stated : " After only four years , everything is left undone . Nothing is finished . "

= = = After leaving elected office = = =

Goldschmidt founded a law and consulting firm , Neil Goldschmidt , Inc . , in Portland in 1991 , four days after leaving office as governor . His clients have included Schnitzer Investment , Nike , PacifiCorp , Paul Allen , Bechtel Enterprises ( a subsidiary of Bechtel Corporation ) , and SAIF .

Even out of elected office , he was widely considered the most powerful political figure in the state for many years . His influence extended all over the state and the nation . As a member of the Oregon Health & Science University board , Goldschmidt was an early advocate of the controversial Portland Aerial Tram , which connected the research hospital to real estate projects by his longtime associates Homer Williams and Irving Levin near land whose owners Goldschmidt later represented . He stayed active in Portland as well , advocating an expansion of the Park Blocks ( a strip of open park space cutting through downtown Portland . ) Goldschmidt assisted in the deal that led to the construction of TriMet 's MAX Red Line to Portland International Airport that opened in 2001 . He also started the Start Making a Reader Today ( SMART ) volunteer program in Oregon schools .

Goldschmidt drew criticism in recent years for some of his business activities . In 2002 , he lobbied business and political leaders to support Weyerhaeuser in its hostile takeover of Willamette Industries , Inc . , then the only Fortune 500 company headquartered in Portland . In early 2004 , he backed a purchase of Portland General Electric ( PGE ) by Texas Pacific Group which , though never consummated , put on hold city and county studies to acquire PGE by condemnation . Criticism of Goldschmidt 's business activities peaked when , on November 13 , 2003 , Governor Ted Kulongoski nominated him to the Oregon State Board of Higher Education .

Goldschmidt 's appointment was initially expected to meet with little opposition . Several state senators , however , voiced concerns about Goldschmidt 's involvement with SAIF and possible improprieties in the dealings he and his wife had with Texas Pacific . Senator Vicki Walker , in particular , emerged as an outspoken critic of Goldschmidt . The increased scrutiny on Goldschmidt 's career , including reporters ' difficulties accessing records from his time as governor , ultimately led to the revelation of an illegal sexual relationship with a minor girl , which had occurred decades before , during his time as Mayor of Portland . These revelations ended Goldschmidt 's extensive career at the center of Oregon politics and policymaking .

= = Revelation of sexual abuse = =

In May 2004 , a rapid series of events resulted in Goldschmidt 's confession to a sexual relationship with a young teenage girl in the 1970s ; the quick demise of his political career , including resignations from several prominent organizations ; and the transfer of his many documents from the privately run Oregon Historical Society to the state @-@ run Oregon State Archives .

On May 6 , under pressure from Willamette Week , Goldschmidt publicly announced that he had engaged in a sexual relationship with a 14 @-@ year @-@ old girl ( the victim later indicated she was 13 ) for an extended period during his first term as Mayor of Portland . Sex with a person under 16 years of age constitutes third degree rape under Oregon law , a felony punishable by up to five years in prison . By the time the relationship had become public , however , the statute of limitations had expired , making Goldschmidt immune from any prosecution over the matter .

Under Oregon law , Goldschmidt would have been required to register as a sex offender , had he been convicted of the crime of third degree rape . The fact that the registration law didn 't pass until 1997 , after the illicit sexual relationship ended , would not have exempted him from registration . Oregon case law has determined that the registration of offenders whose acts were committed prior to the passage of the law does not violate either Oregon 's Constitution or the United States Constitution 's prohibition on ex post facto laws .

Goldschmidt 's confessional letter was published on the front page of The Oregonian . It differed from the Willamette Week 's account , most notably in the length of the relationship ( " nearly a year " according to Goldschmidt , but three years according to Willamette Week ) and in Goldschmidt 's use of the term " affair " to characterize it . The Oregonian was criticized for its coverage and use of the term " affair . " Writers and editors at The Oregonian acknowledged mistakes in their handling of the story , but denied that a desire to protect Goldschmidt motivated the mistakes . The Willamette Week article , written by Nigel Jaquiss , was awarded the 2005 Pulitzer Prize for investigative reporting .

In his initial negotiations with Willamette Week , Goldschmidt agreed to resign his positions with the Texas Pacific Group and the Board of Higher Education , which he did . His decision in 1990 not to run for a second term as governor , long the subject of speculation , was finally explained . Further developments revealed that Goldschmidt was assisted by businessman Robert K. Burtchaell in keeping his molestation of the girl a secret . In return , Goldschmidt gave his support to Burtchaell 's ( unsuccessful ) bid to extend a lease for a houseboat moorage on the Willamette River .

Goldschmidt 's rabbi made an appeal in The Oregonian for forgiveness . Although Goldschmidt could no longer be prosecuted for the offense , the Oregon State Bar began an investigation into the matter . Goldschmidt submitted a Form B resignation , which was received by the bar on May 13 , where he says that he is aware that he would not be eligible for readmission .

Following complaints from local media over limited access to Goldschmidt 's public papers stored at

the Oregon Historical Society ( OHS ) , the state archivist announced May 29 that Goldschmidt would seize the 256 boxes of documents to guarantee public access as defined in a state law passed in 1973 . That law required that public access to such records be maintained , but did not specify where the records be kept . Following Goldschmidt 's decision to put the documents in the care of the OHS , the state legislature passed a law requiring future governors to leave their documents in the state archives . Many records were published on the state archives ' Web site in early 2005 .

The scandal has affected numerous people and organizations associated with Goldschmidt . Many people have been accused of knowing of the crime , but failing to act accordingly . Debby Kennedy , who worked for Goldschmidt while he was governor , recalled , " I just can 't tell you how many rumors there were about him then . " Multnomah County Sheriff Bernie Giusto , who admitted knowing about the abuse , announced his early retirement in February 2008 .

On March 7 , 2011 , the Oregon Senate President and Speaker of the House released a statement that Goldschmidt 's Governor 's portrait had been removed from the walls of the State Capital building in Salem and put into storage , out of respect for his victim .

= = Articles by Goldschmidt = =

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Goldschmidt , Neil ( May 7 , 2004 ) . " Statement by Neil Goldschmidt " . The Oregonian . Retrieved 2007 @-@ 07 @-@ 03 .