

Editorial: Oregon Secretary of State Shemia Fagan must resign

By [The Oregonian Editorial Board](#) | May 2, 2023

Secretary of State Shemia Fagan acknowledges her “poor judgment” in accepting a \$10,000-a-month consulting contract from two cannabis entrepreneurs – who are also powerhouse Democratic donors – while her office [audited regulation of their industry](#). She apologized in a Monday press conference for the “mistake,” explaining that she needed the money to supplement her \$77,000 state salary and pledged to rebuild trust in her office.

But this is more than one mistake. Fagan appears to have suffered multiple bouts of “poor judgment” in her dealings with La Mota owners Rosa Cazares and Aaron Mitchell, who contributed \$45,000 to Fagan’s campaign before hiring her last February. Among the lapses: She [pressed auditors in her office](#) to involve Cazares in scoping out an audit examining regulation of the cannabis industry, casting a shadow on the independence of that review. She continued to work for the couple even after an exhaustive investigation by [Willamette Week’s Sophie Peel](#) revealed that they owe millions in back taxes to the state and federal government and face lawsuits from Oregon contractors. And despite claiming that she wants to rebuild trust, Fagan is refusing to release her tax returns, saying that “[it’s not customary](#)” for the secretary of state to do so. As if what is customary at this point bears any relevance to the extraordinary situation Fagan has created.

This isn’t poor judgment – these are ethical failures from an elected official who feels entitled to put her needs above the public’s. While Gov. Tina Kotek has called for investigations into Fagan’s contract and the audit, Fagan should resign immediately and clear the way for a replacement who can restore the trust that Fagan has undermined. The faith of Oregonians in the secretary of state, who oversees elections, audits public services, enforces campaign finance laws and takes over as governor if necessary, is central for building Oregonians’ trust in government as a whole.

Silent for days after [Willamette Week first revealed](#) Fagan’s lucrative side job with La Mota affiliate Veriede Holdings LLC, Fagan maintains she did nothing unethical. She points out that she sought information from the Oregon Government Ethics Commission on guidelines for accepting work outside her elected position, although [she didn’t seek a written opinion](#) as the commission staff had suggested. Instead, she recused herself in February from her office’s then-nearly complete audit of the Oregon Liquor and Cannabis Commission’s oversight of the cannabis industry. That audit, released last week, echoes Cazares’ calls for relaxing regulations that she told auditors are holding cannabis businesses back.

Her recusal, however, shouldn't allay concerns. While outside work is not illegal, public officials may not use their office for personal gain. Cazares and Mitchell hired Fagan to research cannabis expansion into other states, even though she has no experience in the cannabis industry and her Oregon State Bar membership has lapsed. Did they hire Fagan because of her connections as an elected official? And did Fagan use her status for her clients? On Monday, Fagan admitted that she contacted the lieutenant governor for Connecticut – her counterpart in that state with whom she networks as part of her role as secretary of state – to inquire about marijuana licensing there. Under the terms of her contract, Fagan would earn an extra \$30,000 for each business license outside of Oregon and New Mexico that she delivers.

And then there are the questions that may not violate laws but certainly offend our sense of what's right. Should Fagan be recusing herself from the job that Oregonians elected her to do because of work she's picked up on the side? Additionally, Fagan claimed she did not know of tax liens filed against Cazares and Mitchell until Willamette Week's story more than a month ago. She should have ended the contract then. Instead she continued to accept payments from people accused of not paying cannabis taxes owed to the state, income taxes owed to the federal government, bills owed to Oregon vendors and wages earned by Oregon workers. That tells Oregonians everything they need to know about where Fagan's loyalties lie. Fagan's actions for her own self-interest are devastating for her and the state. Her rise in the state Legislature and election to secretary of state was a testament to her undeniable smarts, compelling backstory and alliances with progressive groups and labor unions who trusted her to fight their fight. While she was not our pick in the 2020 primary for secretary of state, we viewed her as the stronger candidate in the general election and expected she would show the competence and grit that she demonstrated as a legislator. And we agree that the salaries for our statewide elected officials and legislators are far too low and fail to compensate people for the work we expect them to do.

But Fagan knew the salary going into the job, and poor pay is not a justification for poor integrity from our elected officials. The critical importance of having trustworthy officials running our elections – particularly as some nationally seek to weaken voting rights and sow doubt about elections – is central to protecting our democracy. Rescuing the secretary of state's office from the scandal engulfing Fagan must be the top priority for Kotek and all Oregon's elected leadership.

In her Monday remarks, Fagan noted that "the first step to building trust is admitting that I broke it." The next step should be the one she takes out of the office of secretary of state. Democratic leaders who know that Oregon's needs must come first should encourage Fagan to take that step now.

-The Oregonian/OregonLive Editorial Board