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Candidate Calls on US Attorney to Investigate Oregon Congresswoman's Dealings with Defunct Pot Producer

A Republican challenger alleges their opponent accepted campaign contributions and then used her influence to steer a \$554,000 grant in the donor's direction.





Oregon Rep. Val Hoyle (D-Eugene), speaks during a legislative forum at the Capitol in Salem, Ore., on Jan. 27, 2015. (Don Ryan/AP Photo)



By <u>Scottie Barnes</u> 1/26/2024 Updated: 1/26/2024

Oregon Republican primary candidate Monique DeSpain has requested the U.S. Attorney for the District of Oregon, Natalie Wight, expand her office's current investig. A into the now-defunct marijuana producer La Mota and a former secretary of state.

Ms. DeSpain, the 4th Congressional District candidate, wants the investigation to include the actions CD4).

She alleges that while serving as the Commissioner of Oregon's Bureau of Labor and Industries (BOLI) Ms. Hoyle accepted campaign contributions from cannabis entrepreneurs, and then exerted her influence to ensure they were awarded a \$554,000 taxpayer-funded grant.



Ms. Hoyle has "disqualified herself from further public service in Congress as she has demonstrated a pattern of corruption, obstruction, and deceit over the past three years, accepting cash donations in an apparent exchange for favors to [a] marijuana firm," Ms. DeSpain said in a Jan. 24 letter to Ms. Wight.

After being elected to represent Oregon's CD4, Ms. Hoyle allegedly stonewalled repeated bureau requests to provide state records from her cell phone as required by law, according to reports in the Portlandbased Willamette Week.

When those records were finally turned over 11 months later, they had reportedly been curated by Ms. Hoyle's attorney.

"Today, I unveiled a detailed report of Val Hoyle's corruption and called on the U.S. Attorney to investigate her immediately," said Ms. DeSpain in a Jan. 24 press conference.

Ms. Hoyle dismissed Ms. DeSpain's allegations offhand.

"Well, it's 2024, so it must be time for tone-deaf political stunts," she wrote to The Epoch Times. "That's all this is. I've answered every question that's come up about this issue. There's simply no [issue] there."

Ongoing Investigation

Former Secretary of State Shemia Fagan resigned in April 2023 after admitting that she had been moonlighting as a cannabis industry consultant for La Mota while her office was conducting an audit that proved favorable to the industry. In June 2023, federal prosecutors launched an investigation into Ms. Fagan's connections to La Mota and its owners and co-founders, Rosa Cazares and Aaron Mitchell.

In addition to paying Ms. Fagan \$10,000 per month outside of her state salary of \$77,000, the pot producer also contributed more than \$200,000 in recent years to top Oregon Democrat campaigns, including those of Ms. Fagan and Ms. Hoyle, as well as Gov. Tina Kotek and Senate President Rob Wagner.

Some of those contributions were allegedly delivered in cash amounts said to be over the legal limit.



"Citizens of the 4th Congressional District, including myself, are greatly concerned about the numerous news reports indicating connections between Congresswoman Val Hoyle, La Mota, and Shemia Fagan, the subject of a current investigation," Ms. DeSpain said.

The La Mota scandal came on the heels of two other controversies

involving Oregon Democrats, including an investigation into \$500,000 in illegal campaign contributions from an entity connected with FTX founder Sam Bankman-Fried to the Democrat Party of Oregon—with some of those funds going to the campaigns of Ms. Kotek and Ms. Fagan.

Another was related to alleged abuse by the Oregon Liquor and Cannabis Commission, which Ms. Fagan oversaw. Dubbed "Bourbongate," OLCC employees used their state positions to obtain rare bottles of bourbon, which the public could not acquire.

While asking the DOJ to expand its investigation, Ms. DeSpain also launched a website called <u>WhatsValHiding?</u> that provides a timeline of reported interactions between Ms. Hoyle and La Mota based on publicly available data and news reports.

While BOLI Commissioner, Hoyle dined with La Mota CEO Ms. Cazares at the Portland City Grill in March 2021. Calendar records show Hoyle and the BOLI apprenticeship director met with Ms. Cazares to discuss "Rosa Cazares, La Mota re: Cannabis Apprenticeship."

On June 11, 2021, La Mota co-founder Mr. Mitchell donated \$20,000 in cash to Hoyle's BOLI Reelection PAC, according to the Oregon Elections System for Tracking and Reporting (ORESTAR), operated by the Oregon Secretary of State.

(Ms. Hoyle reportedly returned this contribution after she decided to run for Congress in 2022.)

Ms. Cazares and Mr. Mitchell also donated the maximum legal donation of \$5,800 to Hoyle's congressional campaign in April 2022, ORESTAR shows.

That same month, BOLI issued its first request for proposals for its "Future Ready Oregon" grant program.

With no prior history of running apprenticeships the La Mota nonprofit, ENDVR, was created. Two weeks later, it submitted a grant request to BOLI. Its headquarters was listed as a storage unit in Beaverton, Oregon.

On July 25, 2022, a BOLI press release included a La Mota nonprofit ENDVR in a list of its first round of grants under consideration.

Of the 11 applicants, ENDVR is the only one being considered that does not offer construction workforce training.

In the application, ENDVR is described as a "nonprofit organization in the cannabis industry that proposes to create a new, innovative registered apprenticeship program for a botanical extraction within the manufacturing industry."

Ms. Hoyle explained in the press release.

"It's been a high priority in my time as commissioner to expand apprenticeship and pre-apprenticeship opportunities across the state, including going beyond the traditional programs in construction," wrote then-BOLI Commissioner Hoyle.

One month later, the bureau awarded a \$554,000 grant to ENDVR, the largest grant of any awarded in that funding round, according to the website.

The Epoch Times reached out a second time, offering Ms. Hoyle the opportunity to explain this timeline. Her office politely declined.

In November 2022, Ms. Hoyle was elected congresswoman for Oregon's CD4.

In December 2022, BOLI's first request for state records came from Ms. Hoyle's cell phone.

Bureau staff stated that the request was extremely unusual as "elected officials are informed through training and policy that personal devices should not be used to conduct public business," according to the website.

The following month, Ms. Hoyle stepped down from BOLI and was sworn in as a congresswoman.



In March, news broke that La Mota had been sued in Oregon Circuit Courts 30 times since 2017 and owed more than \$1.7 million in unpaid bills.

In addition, the IRS and the Oregon Department of Revenue had issued tax liens totaling more than \$3 million for unpaid taxes.



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Scottie Barnes writes breaking news and investigative pieces for The Epoch Times from the Pacific Northwest. She has a background in researching the implications of public policy and emerging technologies on areas ranging from homeland security and national defense to forestry and urban planning.

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