

POLITICS & ELECTIONS

Dennis Richardson plans trade mission partly paid by Chinese governments

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Dennis Richardson, the Oregon secretary of state, is planning an unconventional trade mission to China, partly underwritten by that country's government.(Stephanie Yao Long)

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By **Gordon R. Friedman**, gfriedman@oregonian.com

The Oregonian/OregonLive

Oregon Secretary of State Dennis Richardson plans to embark on a 12-day trade mission to China this fall to promote a handful of Oregon firms that wish to do business there. His trip will be partly paid for by the national and local Chinese governments.

Nearly every aspect of the trip's planning is unconventional, according to current and former business development officials, and raises ethical concerns, one expert said.

Richardson offered shifting explanations of how the trade mission would be funded. Businesses he will promote while overseas nominated themselves for the trip and were selected by a private nonprofit, bucking usual public sector procedures.

Usually the governor is Oregon's primary trade-promoting official. That's because the state economic development, agriculture and tourism agency heads report to her.

State agencies follow certain protocols when conducting trade missions. Trips led by the governor are well-staffed, and businesses that are part of the delegation are publicly identified and vetted through a competitive process, said Chris Harder, head of Oregon's economic development agency.

Trade missions are paid for with money from the governor's state budget, Harder said, and foreign hosts do not pay for Oregon officials' expenses, said Nathan Buehler, a spokesman for the business development agency. Tim McCabe, who headed Oregon's economic development agency under Govs. Ted Kulongoski and John Kitzhaber, said his agency would "never" allow an official's travel or hotel expenses to be paid by a foreign government.

Richardson, who campaigned on promises to be an unconventional secretary of state, has turned much of that procedure on its head for his own trip.

He plans to travel without any staff accompanying him. Contrast that with a yet-to-be-announced trade mission that Gov. Kate Brown will take to Japan and Hong Kong in October. An itinerary provided by Harder's agency shows Brown will travel with more than two dozen staff and representatives of a dozen food and beverage exporters.

Richardson also plans to promote companies who were selected for the trade mission by a private association on a first-come-first-served basis, and to allow local Chinese governments to pay for all his hotel stays, meals and other in-country travel expenses.

Richardson is no stranger to China. He traveled to the country on 11 official junkets during his 12 years as a state lawmaker.

Over the last week, Richardson was reluctant to tell The Oregonian/OregonLive which firms would accompany him overseas, citing fears that he may "botch" potential negotiations by revealing participants' names. Richardson twice declined to name the businesses, and disclosed an incomplete list only after he was given permission by Jin Lan, a well-connected businessman who is Richardson's preferred liaison to China and facilitator of his upcoming trade mission.

The businesses that will accompany him include a Marion County haircare products firm, the Washington County water utility, a company that sells homemade jewelry on Etsy.com and a recent University of Oregon graduate hoping to break into the luxury tourism market.

Richardson also gave The Oregonian/OregonLive three different explanations of how his travel costs will be paid.

He first said participating businesses would pay his costs, an assertion he retracted days later. Speaking to The Oregonian/OregonLive Friday, Richardson said Lan, the businessman, is handling trip details, and that the two agreed Richardson's participation was conditional on having his "expenses covered."

"I've talked to Jin Lan about it," Richardson said Friday, "and he said, 'I

got it. I understand."

Lan runs a private international trade consulting firm and the nonprofit Oregon China Sister State Relations Council, which Richardson helped found in 2004 and for which he still serves as the registered agent. Lan has organized previous China trips for Oregon legislators, including excursions Richardson took part in.

In a subsequent interview Monday, Richardson said Lan's Oregon-China relations council would pay his travel costs. Then, in the same interview, he said the costs would be paid by the national and provincial divisions of the Chinese government

None of those arrangements are ethically sound, said Terry Cooper, professor of government ethics at the University of Southern California. Officials should not allow businesses or foreign governments to pay their expenses because that creates the appearance of a conflict of interest, said Cooper, whose research has included studying public administration in China.

"That should be avoided at all costs," Cooper said, because even the appearance of a tit-for-tat relationship "erodes trust" in government.

For example, an official who has been lavished with gifts, meals, entertainment or travel by a foreign government or businesses tied to that government could feel obliged to reciprocate, Cooper said. He said there is "no question" an official's judgment can be affected by receiving such gifts. The thin line between business and government in China makes the situation especially fraught, he said.

"In China, there's a lot that goes on that's corrupt," Cooper said. "You really have to be careful."

After being alerted Tuesday that The Oregonian/OregonLive would have an ethics expert weigh in on his handling of the trade mission, Richard said he will have state will pay for an economy-class plane ticket, and that he'll use his own personal funds upgrade to business class for

health reasons.

On Wednesday, he published an official [newsletter](#) announcing the trip, saying he organized the ticketing arrangement "to avoid any appearance of undue influence."

He also said Oregon businesses that want to join him on the promotional trip to China can by registering first for the remaining spots and paying \$7,000 plus the international air fare.

In interviews, Richardson said he is merely doing his part to aggressively boost Oregon businesses.

"I'm very involved with businesses in Oregon," he said. "Anything I can do to promote the success of Oregon businesses I'm going to do."

-- Gordon R. Friedman

GFriedman@Oregonian.com; [@GordonRFriedman](https://twitter.com/GordonRFriedman)

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