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Portland officials yank \$12M award from unqualified clean energy firm, vow to improve vetting for future grants

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By [Shane Dixon Kavanaugh | The Oregonian/OregonLive](#)

The Portland City Council on Wednesday rescinded a nearly \$12 million award to a local nonprofit that the city planned to entrust to carry out life-saving work, citing [an investigation by The Oregonian/OregonLive](#) that documented its chief executive's extensive history of financial misdeeds and apparent fabrications of her professional background.

The unanimous vote also paved the way for a different Portland-based organization to lead what officials say is an urgent city initiative to purchase, store and arrange for others to install 15,000 portable cooling units. That company, [Earth Advantage](#), will work with community groups to ensure they go to homes whose low-income residents are most at risk during deadly heat waves like that one that [killed at least 62 people in Multnomah County](#) last summer.

The council's newly approved agreement will save \$1.5 million, meaning more money will be available for other projects to fight climate change and promote well-being among vulnerable Portlanders.

[\[Portland awarded \\$12M clean energy contract to executive with long history of financial misdeeds, unpaid taxes\]](#)

City officials vowed that, in the wake of their near misstep, they will better vet firms who apply not only for grants from the city's clean energy fund, which is paying for the cooling units, but for city grants more broadly.

“We need to learn from mistakes that are made. This is a potentially large one that was averted,” said Mayor Ted Wheeler. “But we also have to be honest. It wasn’t averted because we caught it or because of our accountability mechanisms catching it, or because of anything that happened internal to a bureau catching it.”

“The press,” he said, did so.

The Oregonian/OregonLive revealed last month that Diversifying Energy’s executive director, Linda Woodley, had served time in prison for defrauding energy companies in the 1990s and subsequently racked up millions of dollars in liens for unpaid federal and state taxes, including an \$810,000 penalty filed in early 2021.

The news outlet also found Woodley, 71, had mischaracterized and likely fabricated portions of her professional background in her firm’s proposal to the Portland Clean Energy Community Benefits Fund. The new tax-funded program provides money to nonprofits to reduce carbon emissions, create jobs and promote resiliency.

The program aims to help those facing the most severe impacts from climate change, with a particular focus on helping Portlanders of color. It also prioritizes funding for groups created and operated by members of historically marginalized communities.

In November, the fund’s grants committee recommended Diversifying Energy to head Portland’s initiative to get 15,000 heat pumps/cooling devices to those most in need, despite concerns from city staffers about the nonprofit’s high personnel costs and proposed timeline to deliver. Staffers had recommended the sole rival bidder.

The Portland City Council then unanimously approved the nonprofit’s \$11.5 million proposal, the fund’s largest grants recipient to date.

[Portland to provide cooling units for low-income residents as city braces for more deadly heatwaves]

The clean energy program plans to issue an additional \$100 million in grants by the end of this year to potentially dozens of other nonprofits.

Portland officials did not know of Woodley’s troubling pattern of behavior when The Oregonian/OregonLive informed them of the reams of public records documenting her past and present misdeeds.

Similarly, city officials indicated Wednesday that they based their decision to entrust Diversifying Energy with the massive project based on assurances by Woodley, who is Black, that she and firms she headed had done work of a similar nature and scale – claims the news outlet detailed were undercut by the records and recollections of those who oversaw those projects.

The city subsequently launched its own review, which found additional instances in which companies or references provided by Woodley could not confirm the work she detailed in her winning grant proposal, according to clean energy fund officials.

Woodley has said her longstanding legal and financial woes are connected to a 1997 criminal bankruptcy and tax fraud conviction. She has also strongly denied she fabricated or greatly exaggerated claims in her proposal to Portland officials, including during the brief testimony she was allowed to offer ahead of Wednesday’s vote.

In a statement published on her firm’s website last week, Woodley described The Oregonian/OregonLive’s reporting as an “attack on my character, my reputation and credibility,” and urged city officials not to rescind the lucrative grant.

Woodley used her few allotted minutes at Wednesday’s meeting to point out that the clean energy fund awarded \$198,000 to Diversifying Energy, which she founded in 2020, on a smaller, separate project last spring. She asserted city officials did not give her enough time — just two days — to pull together the professional references they sought.

After her testimony, Sam Baraso, the clean energy fund’s program manager, praised Woodley’s previous work with the city providing ventilation and air quality upgrades to several buildings. But Baraso also reiterated that he and his team were unable to verify portions of her stated work history that played a key role to her firm winning the more

recent bid.

“Linda has done great work in recent years but on a substantially smaller scale,” he said. “There remain concerning inconsistencies that called into question Diversifying Energy’s ability to deliver on this particular grant award. Given the critical timeliness and importance of the heat response program to prevent future tragedies, we are eager to move ahead.”

The city will instead hire another local nonprofit, which was the rival bidder on the project and whose staff is 85% white. The group was founded in 2006 and employs more than two dozen people.

Baraso said Wednesday that all employees of nonprofit Earth Advantage who will be assigned to work on Portland’s heat response initiative cleared reference checks. Documents show its proposal will cost just over \$10 million, \$1.5 million less than the bid submitted by Diversifying Energy.

David Heslam, Earth Advantage’s executive director, did not respond to a phone message seeking comment Wednesday.

While city leaders have said they intend to look into the grants review process for the clean energy fund and find ways to strengthen it, they have yet to do so.

Portland possesses no citywide policy when it comes to vetting prospective grant recipients, which are excluded from procurement rules under Oregon state law, according to officials with the Office of Management and Finance. Nor does the city have established guidelines on whether or how to perform background checks on grant recipients.

Wheeler said Wednesday that needs to change.

“At the core of this is the question of who is accountable and what are the accountability mechanisms in the grant process,” he said.

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