

DAVID AND GOLIATH: THE LITTLE TOWN THAT BEAT A GIANT OIL COMPANY

This article tells a success story of grassroots movement against big money's influence on a small town election. It also demonstrates the importance of having an independent news outlet to inform voters who is funding the political campaign.

Background Information for the 2014 City Election of Richmond, California

The city of Richmond, California (CA), with a population of 105,000, is the site of a Chevron oil refinery, the major industry in the town. In an Interview with Bill Moyers, the Mayor, Gayle McLaughlin, who was at the end of the term limit as Mayor and won a city council seat in the 2014 Richmond election, said, "Chevron has \$26 billion in profit a year and 10 percent of their global sales come from the refinery in Richmond"^{1,2,3,4}. In 2012, the Richmond refinery erupted in fire and sent 15,000 residents to local hospitals seeking treatment. On December 17, 2013, SF Gate (the website of the [San Francisco Chronicle](#) newspaper) reported that the U.S. Environmental Protection Agency (EPA) notified Chevron that it could face fines of \$37,500 for every day it fails to rectify 62 regulatory violations the agency had identified since the smoky Richmond refinery fire of 2012. EPA noted that Chevron repeatedly failed to follow its own practices, plans and recommendations to limit the danger of such an environmental calamity⁵.

A year later, Richmond's City Council decided to file its own suit, accusing Chevron of "a continuation of years of neglect, lax oversight and corporate indifference to necessary safety inspection and repairs"⁶. In the 2014 Richmond city election, Chevron poured \$3 million into the city election campaign to elect three council seats and the mayor. *Citizen United*, a Supreme Court decision in 2010, allowed Chevron to give unlimited amounts of money to the three candidates of their choice. In turn, those campaigns were allowed to spend the unlimited amount of money given to them by Chevron to influence voters⁷.

¹ "Manufacturing", *Chevron Corp.*, May 2015, <http://www.chevron.com/about/ourbusiness/refiningmarketingtransportation/refining/>, viewed 12/19/15

² "What We Do" *Chevron Richmond*, <http://richmond.chevron.com/home/aboutchevronrichmond/whatwedo.aspx>, viewed 12/19/15

³ "Chevron Corporate Fact Sheet", *Chevron Corp.*, May 2015, <http://www.chevron.com/documents/pdf/corporatefactsheet.pdf>, viewed 12/19/15

⁴ "Facing Down Corporate Election Greed", *Moyers & Company*, Nov. 7, 2014 <http://billmoyers.com/episode/facing-corporate-greed/> viewed 12/19/15

⁵ Jaxon Van Derbeken, "EPA cites 62 Richmond violations by Chevron", *SFGATE*, Dec. 17, 2013, <http://www.sfgate.com/bayarea/article/EPA-cites-62-Richmond-violations-by-Chevron-5072914.php>, viewed 12/19/15

⁶ City of Richmond vs. Chevron Corp. *Superior Court of California*, 2 Aug. 2013. C 13-01654. http://www.cpmlegal.com/media/cases/147_RICHMOND%20CHEVRON%20COMPLAINT.pdf viewed 12/19/15

⁷ Rowan, Harriet, "\$3 million in Chevron's Moving Forward War Chest", *Richmond Confidential*, Oct. 10, 2014, <http://richmondconfidential.org/2014/10/10/3-million-in-chevrons-moving-forward-war-chest/>, viewed 12/19/15

The Chevron Richmond Refinery is a petroleum refinery which produces 245,000 barrels of oil per day in [Richmond, California](#) on [San Francisco Bay](#)⁸. It is owned and operated by [Chevron Corporation](#) and employs more than 1,950 workers, making it the city's largest employer⁹. Blogger David Helvarg wrote,

“Richmond was a Chevron company town until six years ago when progressive activists won a majority on the city council and forced the company to pay higher property taxes, increase its investments in the city and respond to challenges around pollution and hiring practices. In that context Chevron's promoting its candidates and attacking three 'Team Richmond' Progressives makes sense for its bottom line”¹⁰.

Chevron spent \$3 million in the election campaign to support their candidates for the 2014 council and mayor elections. The campaign expenditure was 20 times more than what the opposing candidates spent in the election¹¹. Yet all the candidates the company supported lost in the election¹². The election results received national media attention because a small town's grassroots movement beat a corporation's big money campaign. Two main factors were identified as helping to overcome the influence of the corporate money in the election. They were: 1) a coordinated grassroots campaign and, 2) independent news coverage about disclosure of the campaign money.

Beating the Influence of Big Money in Campaigns

Progressive candidates for the mayor and city council (McLaughlin, Beckles, and Martinez) formed Team Richmond and ran a coordinated campaign¹³, and Richmond Progressive Alliance (RPA), which is an all-volunteer organization, helped advance the Team Richmond campaign. RPA was formed in late 2003 from two groups, the Richmond Greens and Latino Progressive Democrats. Richmond Greens was advancing social issues such as decriminalization of homelessness, stopping police brutalities and environmental issues. The Richmond Greens and Latino Liberal Democrats came together in a response to a police beating on Cinco de Mayo in 2002. Mike Parker wrote in *Social Policy*,

“Both groups recognized that the only way to make significant positive change in Richmond was to challenge the existing political power in the city. The two groups agreed to work together as the RPA supporting two candidates for City Council: Gayle McLaughlin, a Green Party activist, and Andres Soto, a Latino community activist in the Democratic Party. Richmond city council elections are non-partisan, so the alliance of Greens and Democrats did not need to overcome

⁸ “Comprehensive Annual Financial Report for the Fiscal Year Ended” *City of Richmond, California*, June 30, 2012, <http://www.ci.richmond.ca.us/DocumentCenter/View/26907>, viewed 12/19/15

⁹ “Building a World-class Organization: 1971 – Present”, *Chevron Richmond, History*, http://richmond.chevron.com/home/aboutchevronrichmond/history/history_building.aspx, viewed 05/26/16

¹⁰ Helvarg, David, “Can Chevron Buy Back My City”, *Huffington Post Politics*, Oct. 21, 2014, http://www.huffingtonpost.com/david-helvarg/can-chevron-buy-back-my-c_b_6015686.html?utm_hp_ref=politics&ir=Politics, viewed 12/19/15

¹¹ “Richmond voters defy Chevron coup”, *SF Gate*, Nov. 7, 2014 <http://www.sfgate.com/opinion/editorials/article/Richmond-voters-defy-Chevron-coup-5876778.php>, viewed 12/19/15

¹² Ibid.

¹³ “Voters Tell Chevron ‘No Sale!’ Team Richmond Prevails in Richmond City Council Election” *Team Richmond* <http://www.teamrichmond.net>, viewed 12/19/15

any structural obstacles. Both could maintain their identities and work together, and both needed outside support to compete successfully in the at-large City Council elections”¹⁴.

With the support of RPA, Gayle McLaughlin won a city council position in 2004 and the mayoral seat in 2008. Since 2008, Richmond passed *Measure T: Substantially Increase Business License Fee for Large Corporations*^{15,16}. The important element for the success was that Richmond Progressive Alliance (RPA) had been organizing and developing for 10 years. It had built roots through everyday community activity sharing its building as a community center with other local groups which shared basic values. It was the cooperative organization that enabled them to put together the successful election campaigns^{17,18}.

News Coverage Disclosing Sources of Campaign Funds

James Madison wrote, “*People who mean to be their own Governors, must arm themselves with the power which knowledge gives*”¹⁹.

In the 2014 Richmond election, Chevron formed a political campaign committee (PAC) called Moving Forward. Through Moving Forward, the company spent \$3.1 million dollars to advance its four Richmond city candidates²⁰. For nine years Chevron had been trying to upgrade its 2,900-acre petroleum refinery in this city while fending off community resistance from residents angered by its refinery’s fires and safety record²¹. During the summer of 2014, the Richmond City Council approved the \$1 billion modernization project. But the company needed to clear other legal steps before starting construction. The legal regulations might affect the company’s bottom line. Chevron recognized the value of having a company-friendly mayor and city council²². The company further created two other PACs for Chevron to funnel its money into from the main PAC. Those two were Moving Forward with Nat Bates, and Donna Powers, Charles Ramsey, and Al Martinez for City Council 2014 and Moving Forward, Opposing Gayle McLaughlin, Eduardo Martinez, and Jovanka Beckles for City Council 2014 (see Figure 1 below). As part of the strategy to influence the community, the company also started its own

¹⁴ Parker, Mike, “Richmond Progressive Alliance: Communities Fight for Community Control over Corporate Power”, *Social Policy*, Summer 2013 | Volume 43 #2, <http://richmondprogressivealliance.net/docs/RPA%20in%20Social%20Policy%20magaziine%20summer%202013.pdf>, viewed 12/19/15

¹⁵ “Richmond Progressive Alliance”, *Wikipedia*, http://en.wikipedia.org/wiki/Richmond_Progressive_Alliance, viewed 12/19/15

¹⁶ Early, Steve, “Police Violence is not inevitable: Four ways a California Police chief connected cops with communities”, *BETA Yes Magazine*, <http://www.yesmagazine.org/peace-justice/police-violence-is-not-inevitable-four-ways-a-california-police-chief-connected-cops-with-communities>, viewed 12/19/15

¹⁷ Slaughter, Jane, “Unbought Slate Wins against Democrats-for-Chevron”, *Labor Note*, Jan. 20, 2015, <http://www.labornotes.org/2015/01/unbought-slate-wins-against-democrats-chevron>, viewed 12/19/15

¹⁸ Parker, Mike, “The campaign Coordinator’s perspective: Why did progressives win Richmond”, *Richmond Progressive Alliance*, <http://richmondprogressivealliance.net/2014Election.html>, viewed 12/19/15

¹⁹ “Epilog: Securing the Republic”, Chap 18 document 35, The Founder Constitution, *The University of Chicago Press*, <http://press-pubs.uchicago.edu/founders/documents/v1ch18s35.html>, viewed 12/19/15

²⁰ Rowan, Harriet, “\$3 million in Chevron’s Moving Forward War Chest”, *Richmond Confidential*, Oct. 10, 2014, <http://richmondconfidential.org/2014/10/10/3-million-in-chevrons-moving-forward-war-chest/>, viewed 12/19/15

²¹ Fina, Stacy, “Refining in Richmond: UC Berkeley J-School Reporters Surpass Chevron ‘News’ Site”, Nov. 12, 2014, *California Magazine*, <http://alumni.berkeley.edu/california-magazine/just-in/2014-11-14/refining-richmond-uc-berkeley-j-school-reporters-surpass>, viewed 12/19/15

²² Ibid.

news website, the *Richmond Standard*, and has been publishing community news on a daily basis except negative stories about Chevron²³.

Every Chevron-backed candidate lost in the election. For that, many are crediting a news website, *Richmond Confidential*, run by UC Berkeley's Graduate School of Journalism. The student reporters of the *Richmond Confidential* had been relentlessly covering the election and were the first to expose Chevron's big-dollar contributions. They also set the record straight on some of the attack campaigns against anti-Chevron candidates, and reported on the *Richmond Standards* supported by the company²⁴.

In an interview with Bill Moyers, Harriet Rowan, who was first to break the story of the Chevron's \$3.1 million campaign spending, disclosed how the campaign money story developed²⁵. The story was a part of her school work to run the articles on political issues in *Richmond Confidential*. She broke the stories of campaign financing in the 2014 Richmond city election by studying the campaign finance reports. She discovered that Chevron was giving \$3 million to a central PAC, Moving Forward. Furthermore, the central PAC was transferring the money to two other PACs, whose names also started with "Moving Forward" (See Figure 1 below)²⁶. Those two PACs were the front organizations to spend the campaign money. She reasoned that the purpose of having the three PACs to support Chevron's candidates was to obfuscate where the money was coming from. Her journalistic scoop was that \$3 million was spent in the election in the city of only 105,000 people.

A Los Angeles Time columnist Michael Hiltzik commended the superb reporting of Harriet Rowan of *Richmond Confidential*. He wrote,

*"Richmond Confidential may be one of the most important newsgathering enterprises in the country right now. The site runs on a relative shoestring--a Ford Foundation grant that funded its launch ran out some years ago--but it demonstrates how important it is to have a counterweight to corporate PR in what is, essentially, a company town... Richmond Confidential performs a crucial service because the city receives only spotty coverage from the mainstream Bay Area dailies, the San Francisco Chronicle, Oakland Tribune and Contra Costa Times"*²⁷.

²³ Hiltzik, Michael, "A Chevron PR Website Pretends to Be an Objective News Source", *Los Angeles Times*, 22 Sept. 2014. Web. 24 Aug. 2015. <http://www.latimes.com/business/hiltzik/la-fi-mh-a-chevron-pr-website-20140922-column.html>, viewed 12/19/15

²⁴ Hiltzik, Michael, "How Chevron swamps a small city with campaign money and bogus news", *Los Angeles Times*, Oct. 1, 2014, <http://www.latimes.com/business/hiltzik/la-fi-mh-chevron-deluge-of-campaign-money-20141013-column.html>, viewed 12/19/15

²⁵ "Facing Down Corporate Election Greed", *Moyers & Company*, Nov. 7, 2014 <http://billmoyers.com/episode/facing-corporate-greed/>, viewed 12/19/15

²⁶ Rowan, Harriet, "\$3 million in Chevron's Moving Forward War Chest", *Richmond Confidential*, Oct. 10, 2014, <http://richmondconfidential.org/2014/10/10/3-million-in-chevrons-moving-forward-war-chest/>, viewed 12/19/15

²⁷ Hiltzik, Michael, "How Chevron swamps a small city with campaign money and bogus news", *Los Angeles Times*, Oct. 1, 2014, <http://www.latimes.com/business/hiltzik/la-fi-mh-chevron-deluge-of-campaign-money-20141013-column.html>

