

# Senator Nielsen's Official From Obscurity To Notoriety

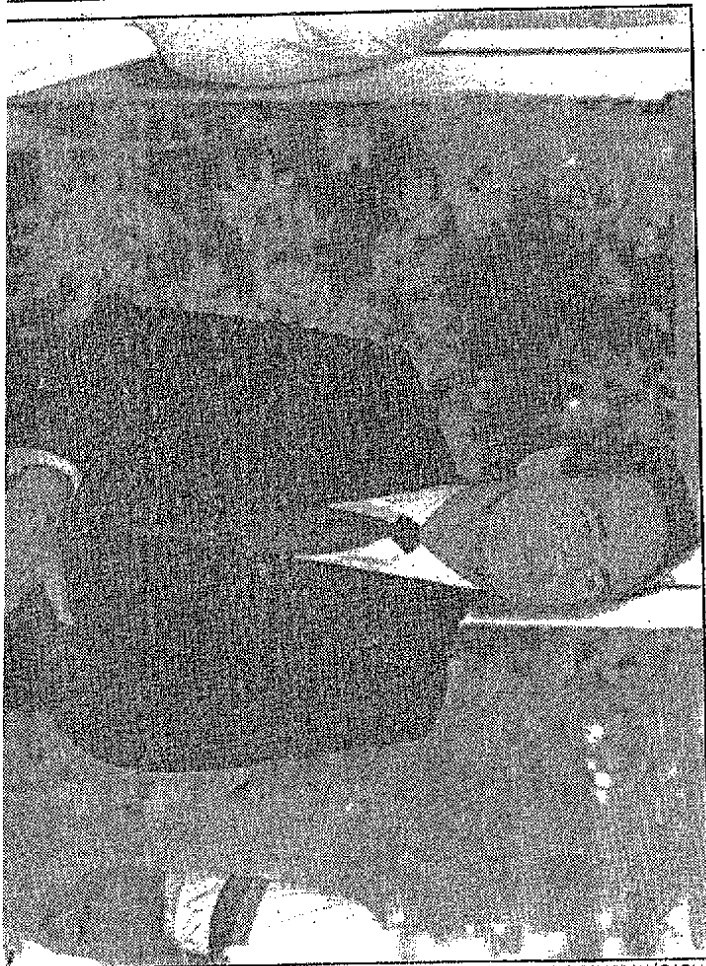
ath Filled With  
hical Lapses

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PHOTO/MARK THALMAN

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...Jim Nielsen, at the  
...tically tender age of  
...out of obscurity,  
...known Democrat-  
...and won election  
...California Senate.

...years later Nielsen  
...even higher, joining  
...arch-conservative  
...Richardson and win-  
...tion as the Senate  
...minority leader.

...was talk that Nielsen  
...some day run for a  
...office, maybe even  
...1983 Nielsen told  
...Review, "I enjoy  
...That may take  
...to a statewide

office, but I don't have any  
consideration of that at this  
point."

But a funny thing happened  
to Jim Nielsen on his way from  
humble roots in Sanger, Cali-  
fornia, to the plush red-and-  
gold furnishings of the Senate  
chambers.

He divorced his first wife,  
remarried, then divorced his  
second wife. He began taking  
unusually large honoraria from  
obscure businessmen. He  
mixed his political business  
with his private business. And  
he stopped talking to reporters  
who raised questions about his  
ethics.

**continued on page 20**

**By George Thulow**

**"I do not  
have any  
conflict  
whatsoever.  
I'm a real  
world person,  
not a political  
insider."  
—Sen. Jim Nielsen**







• In 1987 Nielsen lobbied for and then voted on a \$500,000 state grant, the bulk of which ended up going to a cogeneration plant in Williams, Colusa County. It was later revealed that both he and his second wife, Brenda Wahl, had business interests in the construction of the plant. Nielsen later said he received as much as \$600,000 for his financial interest in getting the plant operating.

• In 1990, after divorcing Wahl, he was sued by a former partner in the cogeneration plant deal who accused him and his former wife of a conflict of interest and double dealing. Nielsen has since lost the services of his attorney in that suit after that attorney filed legal briefs saying Nielsen owed him \$13,000 in legal fees.

• Since 1989 Nielsen has routinely used his state office staff for campaign work, paying them consulting fees and bonuses even as they remain on the state payroll. His current campaign manager is a top assistant in his state office.

• Nielsen has declared under penalty of perjury that his legal residence is in his state Senate district, in Rohnert Park. But on his voter registration form he misspelled Rohnert Park, and he routinely tells his constituents that he lives outside the district, in Woodland. In a Sacramento court document he filed this August Nielsen listed his address as Woodland.

For 12 years Nielsen has defended his outside business activities and his pesticide company salary. As recently as last month, at a forum in Chico, Nielsen said, "The founding fathers of this land conceived of the citizen political leader. I think some outside concern is in order as long as there is no conflict of interest.... I do not have any conflict whatsoever. I'm a real-world person, not a political insider."

For this story the News & Review specifically asked Nielsen's campaign manager, Jim Kjol, for an interview. Kjol's response was, "Not for you."

Nielsen has refused to return any phone calls from the News & Review seeking answers to questions about his private business dealings and how they have overlapped with his public office.

An examination of the Nielsen record, dating back to his first election to office, reveals not a "real-world person," but a young man who was recruited by special-interest groups

to push a specific political agenda, a financially ambitious political insider who has used his clout for his own political benefit, and a man who has obtained a taste for luxury that comes with being a state senator in the most powerful state of the most powerful country in the world.

It is as much a story about how the political system corrupts as it is about how easy it is in California today to use political power for selfish personal interests.

## AGRI-BUSINESS NEEDS A CANDIDATE

In 1974 the agricultural fields of California were in turmoil. Cesar Chavez was organizing farmworkers, and his fights against both the Teamsters Union and the agribusiness industry were wreaking havoc in fields from El Centro to Fresno.

Then-Gov. Jerry Brown, an ally of Chavez, was convinced that the only solution to the plight of California farmworkers was to extend to them the same protections that all other workers in the U.S. enjoyed. Farmers, facing boycotts and increased labor violence, were ready to cut a deal.

So in 1975 liberal Sen. John Dunlap joined with farm interests in crafting the Agricultural Labor Relations Act, a bill that gave farmworkers the right to join unions and bargain with employers.

Agriculturalists had hoped the bill would bring peace to the fields. But when Gov. Brown filled the new Agricultural Labor Relations Board (ALRB) with bureaucrats sympathetic to the unions, the class war in the fields worsened. The agribusiness industry felt betrayed. It wanted blood.

Looking back almost two decades later, Sen. John Dunlap commented during a recent interview that he believes this was the beginning of the end of his political career, a career that had included stints in both the Assembly and Senate, where he had been a champion for consumers, unions and the poor.

Agribusiness interests set out to find someone to knock off Dunlap, someone who would roll back the ALRB and Cesar Chavez.

The industry did not have far to look. In

the early 1970s agribusiness industrialists had formed the Agricultural Education Foundation, a high-powered, well-financed two-year training program to skim off the cream of the crop of young farmers and other rural stars. These young men and women were flown all over the United States and the world, where they met political and economic leaders, discussed the critical issues of the day, and sat in on lectures by the titans of American industry.

The Agricultural Education Foundation's goal was to compensate for the decreasing political clout of rural areas in California by creating a cadre of leaders who could assume political and economic leadership positions at all levels of government.

One of their star pupils was a young farmer Sanger farm boy, Fresno State graduate, and farm consultant named Jim Nielsen.

Nielsen's pre-Senate resume has always been murky. Despite three different campaigns for public office, he has never been forthcoming about his background other than to reiterate continually that he has been "a farmer all my life."

When he announced for Dunlap's seat in 1978, he indicated that he had graduated from Fresno State in 1967 and then spent two years "managing farming operations on a large farm near Madera." He failed to reveal that the "large farm" belonged to one of California's most powerful agribusiness entities, the Newhall Land & Cattle Co.

In 1969 Nielsen moved to Woodland, in the heart of Dunlap's district, as an employee of the Roy Riegels Chemical Co., a subsidiary of the John Taylor Co., of Sacramento.

Things become even murkier here. There were persistent reports that Nielsen was recruited to come to Woodland to run against Dunlap, reports Nielsen denied.

But his resume indicates he spent just as much time on politics as pushing Roy Riegels products. Nielsen was sent around the state to lecture on farm issues and was a statewide director of the No on Prop. 14 campaign in 1976. That proposition would have put farm-worker union rights into the state Constitution; it was defeated by the voters after a huge push from agribusiness interests.

In 1976 Nielsen was named National Agricultural Spokesman of the Year, even as

he remained on the payroll of Sacramento Valley's largest agricultural-chemical distributor.

In 1978 Nielsen took on Dunlap's campaign. Backed by agribusiness interests, Nielsen raised from agribusiness interests \$100,000 to run against Dunlap.

Prop. 13, his ALRA authorship record on crime measures to recall that Dunlap was out of touch with the district criticizing Dunlap Prop. 13.

Nielsen won easily.

From his first day in office, on the Roy Riegels Chemical Co. this day he has refused to reveal how much he is paid each year, only that it is \$10,000.

At one point Nielsen said that his "substantially less" than his salary, but he also has said that a disclosure statement is "all I have. I will fully inform everybody who is required by disclosure...."

Within 10 months of his taking office, the Roy Riegels company raised questions about Nielsen's

## THE PESTICIDE CONNECTION

As a spokesman for agricultural interests, Nielsen made sure he won a seat on the California Agricultural and Water Resources Board, where all major agriculture and pesticide legislation must be reviewed and can be bottled up, heavily amended or outright.

In 1979, within months of his taking office, Nielsen played a key role in the scenes in killing AB 1933, a reporting reform bill that the California Bureau was neutral on. The bill toughened rules requiring chemical companies to disclose potential health hazards associated with their pesticides.

Ralph Lightstone, an attorney with the Rural Legal Assistance and

the pesticide manufacturers and it should have passed. If it had, it would have been a good committee, AB195 would have been passed.

and against the bill in the Senate committee, and it died on a 4-4 vote.

was also working on the floor of the Assembly budget language that would have been used to tax pesticides in California.

1977 Nielsen proposed his own bill that gutted the tighter procedures that had been used to tax pesticides. So Nielsen took his bill to the Senate-Assembly joint budget committee. The tougher new pesticides bill was watered down. In that Nielsen was successful at removing reporting requirements.

He included his lobbying, pointing to the fact that he received from Legislative Counsel Gregory, an opinion he would have been questioned about his pesticide bill. Nielsen received no specific financial benefit from the legislation.

1978 Nielsen later noted that his bill was not passed by the Assembly of Roy Riege's Chemical Co. Nielsen's "incidental interest" in pesticides was not passed.

legitimate. Sacramento attorneys and legislative counsel opinions said Nielsen's final legal advice is often given by the form in which the bill is drafted.

the legal question. Nielsen's narrow conflict-of-interest bill was passed by the Assembly.

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# THE BUYING OF A STATE LEGISLATOR

## How Special Interests Shine Nielsen's Boots

On Sen. Jim Nielsen's first day in office, just a few hours before being sworn in, he turned to a reporter in the midst of the hustle and bustle of the state Capitol and observed, "I don't get excited about it all. I've never been in awe of this institution or the people in it. They're just common folks like you or I."

A few months later, when talking to a group of constituents about his voting record, Nielsen remarked that he neither drank nor smoked very much. "It's a joke in the capital that all I drink is milk."

That was back in 1979. A decade later Nielsen had shown that even his simple tastes could change in the high-powered atmosphere of the state Senate.

Between 1979 and 1989 Nielsen pocketed \$72,195 in honoraria from special-interest groups. All but a tiny handful had legislative business before the state Legislature.

In one situation Nielsen collected back-to-back \$5,000 honoraria from a Solano County garbage-company owner and then

explained that the payments were simply speaking fees.

Nielsen's liquid tastes also changed after a few years in Sacramento.

While he may have been drinking milk in 1979, by 1988 he was accepting cases of wine as gifts from wineries and special-interest groups.

Even Nielsen's celebrated \$225 cowboy boots were freebies, given to him by development interests in his district.

As for being "just like you or I," Nielsen gave up that life in 1985 when he began accepting tickets, valued at more than \$1,200, as a VIP guest at the Academy Awards. In 1987 Atlantic Richfield Oil Co., one of California's biggest oil firms, gave Nielsen six tickets to the Superbowl game valued at \$6,600.

And, to work off the high life, Nielsen now has a free membership in the Tony Capital Athletic Club, the club where the power players in California work off the rich living that comes with elected office.

**Honoraria:**

Allied Grape Growers	1979	\$300
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**Honoraria:**

Ag. Education Foundation	1980	\$75
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**Honoraria:**

Dow Chemical	1981	\$500
Ag. Education Foundation		\$75
Capitol Restoration Comm. tickets		\$500

**Honoraria:**

Dentists Assn.	1982	\$750
Assn. of School Admin.		\$200
San Diego Co. School Bds. Assn.		\$150
Calif. Assn. of OB/GYNs		\$250

**Honoraria:**

Coalition for School Housing	1983	\$200
Fire Districts Assn.		\$100
Calif. Ambulance Assn.		\$500
Calif. Cable TV Assn.		\$500
Construction Industry		\$2,000
El Cerrito Republicans		\$175
Ag. Education Foundation		\$75

**Honoraria:**

Ag. Education Foundation	1979	\$75
Empire Disposal Co.		\$5,000
Empire Disposal Co.		\$5,000

**Honoraria:**

Alliance of Mexican Picture and TV Producers for limo, show, ball, hotel for two	1981	\$1,272
Merchants and Manufacturers Assn.		\$100
Professional Engineers charter flight		\$1,155
Calif. Fertilizer Assn. hotel		\$122
Disneyland Co.		\$64.00
L.A. Turf Club ceramic horse head		\$85.00
Northstar Aviation private flight		\$229

**Amendment to honoraria:** changed Empire Disposal Co. to Thomas Walters

### 1986

**Honoraria:**

Calif. Pharmacists Assn.	\$2,000
Calif. Nevada Soft Drink Assn.	\$1,000
Coalition for School Housing	\$300
American Medical Int'l	\$2,500
Dow Chemical	\$500
Calif. Optometric Assn. PAC	\$1,500
Calif. Hospital Assn.	\$1,000
McDonald's Corp.	\$500
Calif. Mortgage Bankers Assn.	\$1,000
Assn. of Calif. Water Agencies	\$1,000
Calif. Retailers Assn.	\$1,000
Dr. Benson You	\$500

**Honoraria:**

Kern Co. Farm Bureau	\$500
San Diego Comm. College District	\$1,000
Calif. School Board Assn.	\$100
Calif. Assn. of Hospitals	\$500
Calif. Medical PAC	\$1,000
Ag. Education Foundation	\$100
Foundation for Educational Admin.	\$500
Small School District Assn.	\$350

**Honoraria:**

ARCO 6 Superbowl tickets	\$6,600
ARCO 4 Kings tickets	\$78
Calif. Trustees Assn. air travel	\$198
So. Calif. Edison Co. 4 Kings tickets	\$78
PG&E Boy cruise	\$280
Gen. Telephone Co. gov. inaugural	\$628
Bob Fox Cal Expo	\$24
8 box seats	\$24
Michael Rosen Development Co.	\$225
cowboy boots	\$225
Red Carpet Real Estate	\$225
cowboy boots	\$225
County Supes Assn. hotel/dinner	\$139
Assorted Medical lobbies/portfolio	\$56
San Diego Comm. College air travel	\$220
Gov. Inaugural Comm. tickets	\$130
Calif. Beer & Wine Wholesalers	\$269
refreshments	\$269
So. Calif. Edison 4 Kings tickets	\$78
First Interstate lunch	\$23
LP air travel	\$155
Capital Athletic Club dues	\$920

<b>Honoraria:</b>	
Denturists Assn. ....	\$750
Assn. of School Admin. ....	\$200
San Diego Co. School Bds. Assn. ....	\$150
Calif. Assn. of OB/GYNs. ....	\$250

8 box seats.....	\$24
Bob Fox Ltd Expo	
Michael Rosen Development Co.	
cowboy boots.....	\$225
Red Carpet Red Estate	

Calif. Assn. of OB/GYNs ..... \$250

**1983**

**Honoraria:**

Red Carpet Real Estate	
cowboy boots .....	\$225
County Supes Assn. hotel/dinner .....	\$139
Assorted Medical lobbies-portfolio .....	\$56

Coalition for School Housing	.....	\$200
Fire Districts Assn.	.....	\$100
Calif. Ambulance Assn.	.....	\$500
C-11f, Cable TV Assn.	.....	\$500
Construction Industry	.....	\$2,000
El Centro Republicans	.....	\$175
El Centro Education Foundation	.....	\$75

Gov. Inaugural Comm. tickets	\$1300
Calif. Beer & Wine Wholesalers refreshments	\$269
So. Calif. Edison 4 Kings tickets	\$78
First Invertebrate lunch	\$23
1st air travel	\$155

1984	
<b>Honoraria:</b>	
Calif. Land Title Assn. ....	\$1,000
Calif. Retailers Assn. ....	\$1,000
First Interstate Bank. ....	\$1,000
State Bar of Cal. ....	\$1,000

Rice Growers' Assn.....	\$1,000
Ag. Education Foundation.....	\$75
Pest Control Operators.....	\$500
U.S. Borax.....	500
Calif. Cable TV Assn.....	\$500

small school district Assn.	.....	\$200
Continental Telephone Co.	.....	\$400
Ag. Education Foundation	.....	\$100
Calif. Medical Assn. PAC	.....	\$1,500
<b>Gifts:</b>		
Anderson Kiwanis air travel	.....	\$200
		\$200

Calif. Cable TV lunch.....	\$18.76
Am. Mfgs. Assoc. reception.....	\$86
Pearle Vision Center reception.....	\$54
<b>1985</b>	

LP air travel	\$102
So. Calif. Edison 2 Kings tickets	\$53
Chateau St. Jean Winery wine	\$199B
LP private plane flight	\$214
LP private plane flight	\$189
Capital Athletic Club membership	\$280
LP private plane flight	\$102

1985	
<b>Honoraria:</b>	
Rice Growers Assn. ....	\$1,000

Farmers' Rice Coop.....	\$500
Coalition for School Housing .....	\$250
Calif. Manufacturers Assn.....	\$750
Benson I. You .....	\$500
Calif. Retailers Assn.....	\$1,000
Calif. Manufacturers Assn.....	\$300

So. Calif Edison 2 Kings tickets .....	\$37
LP air travel .....	\$29
Carter House air travel .....	\$26
<b>Memoranda:</b>	
<b>1989</b>	

A.M.I.	\$1,500
Nor'l Medical Enterprises	\$2,000
Small School District Assn.	\$250
Calif. Trucking Assn.	\$2,500
Japan Bus. Assn. of So. Calif.	\$1,500
Merchants & Manufacturers	\$500

Coalition for School Housing .....	\$500
<b>Gifts:</b>	
Capital Athletic Club dues .....	\$828
Assorted wedding gifts .....	\$556
Fireboard Corp. hotel room .....	\$280
High Coalition of Travel .....	\$181

Calif. Dental P.C.	\$1,000
Calif. Manufacturers Assn.	\$700
Professional Engineers	\$750
Calif. Fertilizer Assn.	\$1,500
Calif. Hospital Assn.	\$1,000

K&S Research toiletries .....	\$157
Holiday Harbor houseboat rental .....	\$120
Empire Waste Management wine .....	\$60
Trelehen Vineyards wine .....	\$189
Stanford Univ. brunch/football tickets ..	\$120



afused.

Then Nielsen used strong-arm tactics. Before the vote by the water quality board, Nielsen went so far as to threaten to have one member of the board canned if she did not vote the way he wanted. That board member did not go along with Nielsen and was subsequently not reappointed to her post.

Two days before the critical vote on Bolero, Nielsen wrote to Regional Water Quality Control Chair Cliff Wisdom and said he wanted the Department of Food and Agriculture to control Bolero use. His letter urged Wisdom to "reject the staff proposal" that called for limiting Bolero use.

Nielsen was no lightweight. He was the republican minority leader and thus one of the leaders of the state Legislature, with strong influence over both legislation and the state bureaucracy.

Water board attorneys have long held that legislators or those who have an interest in a water quality ruling may not lobby members of the water quality board. Those familiar with the process liken it to a judge's being lobbied by a defendant just before he is to make a ruling in a civil case.

But Nielsen was so incensed by the lobbying ban that he obtained yet another opinion from the legislative counsel indicating that he fact could lobby the water board.

All the while he was lobbying against the Bolero use in the Sacramento Valley, he was receiving payments from Roy Riegels. The company told the News & Review that the new Bolero restrictions gone into effect, sales of Bolero by Roy Riegels would have been reduced.

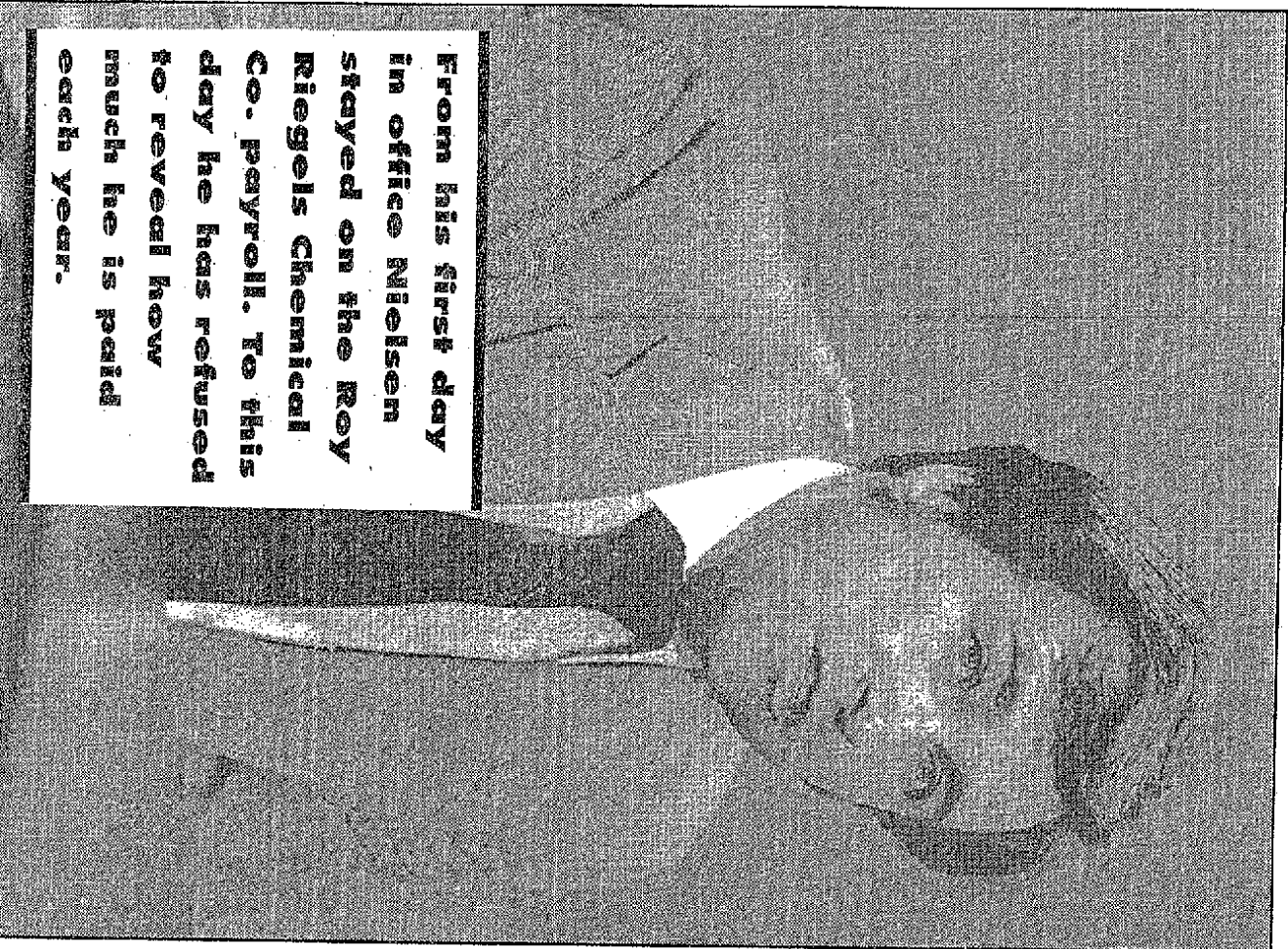
## A CASH FLOW PROBLEM

The turning point in Jim Nielsen's personal and political career came out of nowhere in June 1983.

Up until that time Nielsen was an obscure legislator, a water carrier for the Republican minority in the state Senate. He was not considered overly assertive in his first years in office, "still water running deep," as one publican colleague described him.

But after months of intra-party wrangling early 1983 between conservative and moderate Senate Republicans, the minority party

**From his first day in office Nielsen stayed on the Roy Riegels Chemical Co. payroll. To this day he has refused to reveal how much he is paid each year.**



PHOTO/MAK TRAMMAN

behalf.... There's nothing unscrupulous about it or any political favors being paid off. I know that's the implication, but I challenge that assumption."

Nielsen said of the larva sneaking face

of their marriage was as a clerk at her family's Woodland trucking company, Wahl Trucking Co.

In 1983 and 1984 Nielsen Wahl out of his campaign fund-raised Wahl Enterprises.

In 1986 Wahl reported, in a financial-disclosure statement, that he was a consultant for state Sen. John Campbell and income from that campaign and income from that modify firms for work she did as a ties broker.

It was not until 1987 that Nielsen said that he and Wahl had set up several companies, including Wahl Marketing Corporation Inc., Alternative Power and Industrial Resource Recovery, each of the firms Wahl and Wahl controlling interests of 50 percent.

According to court records, Nielsen that sometime prior to 1984 was aware of the potential for burning al waste and generating electricity. PG&E is required to buy. Court records indicate that she had been eyeing 1980 plans to build a cogeneration plant in Northern California.

In September 1986 Wahl Wahl exclusive agent for handling the waste to be burned at a proposed cogeneration plant in Williams, Colusa County. In December 1986 Wahl Wahl option to sell a cogeneration plant to PG&E.

In early 1987 Wahl, Nielsen and Bert Williamson and Robert Wahl formed a partnership for the purpose of building the plant. The next month AP Energy, a conglomerate in the area, entered into an agreement with Nielsen's knowledge and contracts for a cogeneration plant.

The deal was lucrative for Nielsen and Wahl, who held 50 percent of AP Energy. According to court records, Nielsen AP at least \$1 million as a cash payment anywhere from \$100,000 to \$1 million for the next 15 years, depending on profits from the cogeneration plant. Nielsen later told the Sacramento Bee that he received only \$600,000, but that he received payments during the life of the cogeneration plant.

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But after months of intra-party wrangling in early 1983 between conservative and moderate Senate Republicans, the minority party wanted a new face with no political baggage to take over their leadership. As the California Journal wrote at the time, "lightning struck" Jim Nielsen.

Sen. William Campbell, a moderate, was dumped by a coup led by conservative Sen. H.L. Richardson.

"Nielsen may have succeeded," concluded the Journal, "because no one but he and his predecessor wanted the job."

Even then, Nielsen enjoyed far less political power than his predecessor. He was, in the words of Sen. Ed Davis, a Republican powerhouse at the time, "on a short leash."

But if the minority leader's position lacked political power, it made up for it in "juice," or the ability to attract money.

Before winning the leadership position Nielsen attracted little attention from the host of powerful lobbyists and campaign contributors in Sacramento.

In his first year as Senate minority leader Nielsen's honoraria jumped from \$1,350 to \$3,550. By 1985, the senator's third year as minority leader, he collected \$27,575 in honoraria, including two controversial \$5,000 speech fees from a Santa Rosa garbage company, Empire Waste Management.

For \$5,000 a talk, Nielsen appeared at a garbage industry convention in Santa Rosa and an event in Yolo County. Empire Waste Management owner Tom Walters, who said he was a personal friend of Nielsen's, later told reporters, "It's very nice to have somebody of his caliber show up and speak in my

**Co. payroll. To this day he has refused to reveal how much he is paid each year.**

behalf.... There's nothing unscrupulous about it or any political favors being paid off. I know that's the implication, but I challenge that assumption."

Nielsen said of the large speaking fees, "It's all public information, and anyone can identify where the money is coming from, and you [media] folks can check if there's a particular issue involved." Subsequently, Nielsen amended his financial-disclosure statements to show that the fees came directly from Walters, not his company.

Something else happened as Nielsen was ascending to the Senate leadership throne. Pressure started mounting on his pocketbook. In mid-1983 Nielsen divorced his first wife of nearly 17 years, Deborah, who with his family had played a prominent role in his 1978 election campaign.

The divorce settlement was costly for Nielsen, according to published reports at the time.

The terms of the divorce required Nielsen to pay his former wife 42.24 percent of the income from the state Senate and Roy Riegels for four years. After the first four years Nielsen would continue to pay at least 46 percent of his combined gross income for another four years, or until 1991.

In what political columnists characterized as an end-run around the settlement, Nielsen put his new wife, Brenda Wahl, on his campaign payroll, leaving the appearance that he was not only funneling campaign money to his personal use but also was avoiding paying his ex-wife from this new income.

In 1983 and 1984, according to campaign statements, Nielsen paid his new wife nearly \$75,000, a significant sum for even the most seasoned political operator but an astounding

amount for a woman he listed in his first financial-disclosure statement as a "clerical."

Under state law it is illegal for a candidate to pay himself out of campaign funds, and several legislators have gotten into legal trouble simply by buying personal items with campaign money. But it is not illegal to put one's own family members on the payroll.

Nielsen later told reporters that despite the \$75,000, Brenda Wahl was "underpaid" for her work on his campaign, which apparently included computerizing campaign records.

Although Nielsen's campaign committee reported the payments to Wahl, burying them in payments to dozens of other campaign vendors and suppliers, Nielsen did not declare the money on his financial disclosure statements for 1983 and 1984 and finally disclosed it in April 1986, after press accounts of the arrangement appeared.

The pattern of funneling money to Wahl would continue later when Wahl and Nielsen set up several private businesses. The Wahl-Nielsen business and matrimonial partnership lasted almost as long as Deborah Nielsen's divorce settlement. In April 1989 Wahl and Nielsen were divorced and Nielsen married a third time.

But the Wahl-Nielsen partnership, a tangled web of personal and business relationships, would soon lead to still more controversy about Nielsen's mixing of his political office and his personal business.

## THE MILLION-DOLLAR DEAL

According to Nielsen's financial-disclosure statement filed shortly after he married Brenda Wahl, her sole source of income at the time

ing the plant. The next month API Energy, a conglomerate in the energy entered into an agreement with its knowledge and contracts for Oxford Energy.

The deal was lucrative for Wahl and Wahl, who held 50 percent of

API at least \$1 million as a cash anywhere from \$100,000 to \$1 million for the next 15 years, depending on profits from the cogeneration plant later told the Sacramento Bee received only \$600,000, but that receive payments during the life of the energy-generating plant.

The court records indicate that ment to API was for "developmentes." The massive court files in the memo and Colusa counties are what it was that API provided, say that Wahl worked with Oxford from March 1987 to November 1987, general aspects of the development of

It is clear that Nielsen provided But that "something" raised still questions over Nielsen's public business dealings.

After Wahl and Nielsen had Nielsen began jobbing in California behalf of a \$500,000 state grant aimed at providing money for students for rice burning. According Santa Rosa Press-Democrat, Nielsen helped write the language that money for rice waste-burning in the Senate floor Nielsen voted for

As it turned out, the \$500,000 Rice Research Board, which in \$216,000 on the Oxford-API Williams.

Nielsen denied he did anything saying he had no control over money would ultimately end up.

Once again, according to press the time, Nielsen contacted the counsel. He told a Chico newspaper answer was simple. If you have how that money is expended, you conflict of interest.

But the timing of Nielsen's action  
**Continued on page**



...court file is a letter from the state Comptroller to Brenda Wahl, dated Sept. 26, 1986, months before the language into the Senate bill that approved the \$500,000 funding alternatives.

...includes the question to Wahl, "Did Jim what he was talking about when he was mentioning state projects? I recollect a fairly important and it would be important to know if this project continues. Also, let me best guess on the cost and benefits."

...from the letter what is meant by "benefits."

...helping along the cogeneration which was a financial windfall for his wife, went beyond lobbying of the state Senate.

...Boiero issue, Nielsen was not dealing with state bureaucrats on business interests.

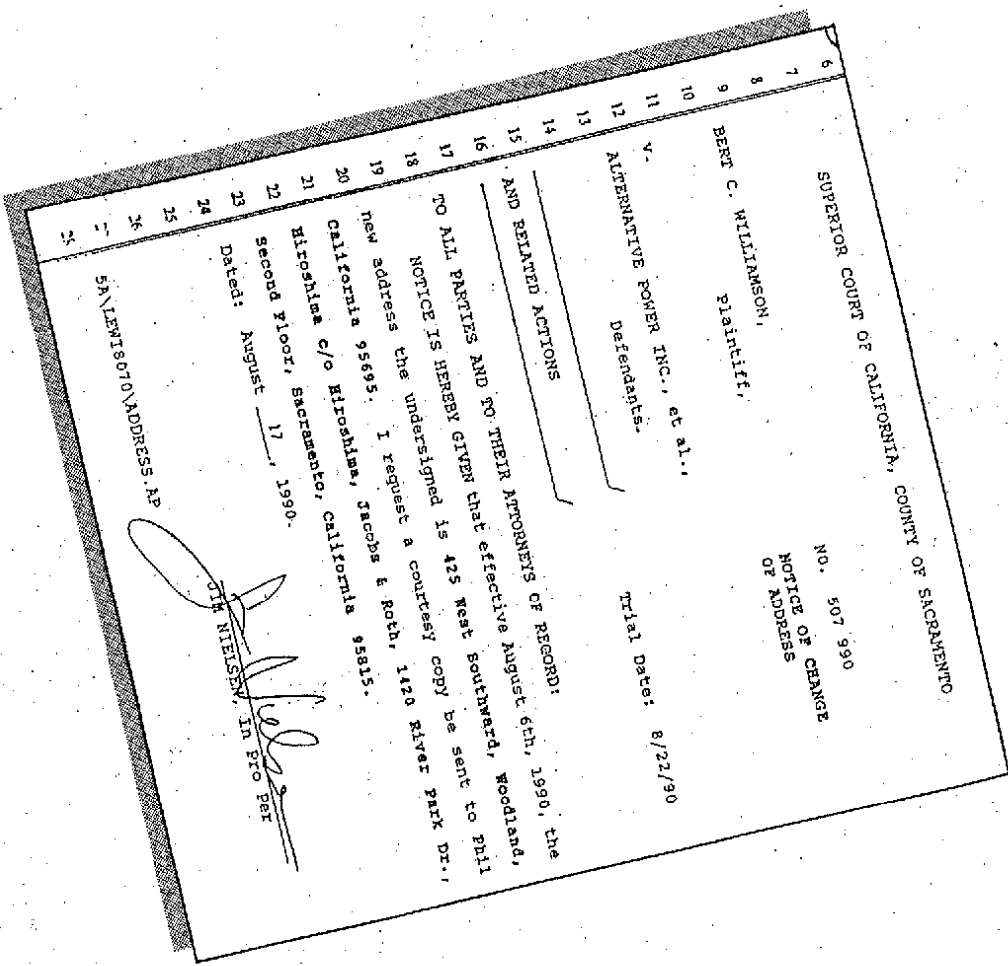
...one of a conflict of interest between Nielsen and his wife, Brenda Wahl, to target another arena: Sacramento.

## THE TOXIC TWIST

...the Williams cogeneration plant burning agricultural wastes, its understanding that it had to operate under technological standards or risk products that could become a toxic waste.

...1989 officials with the state Department of Health Services notified the plant that the ash being produced was a health hazard. The plant produced 10,000 tons of the ash which had been dumped in the landfill.

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Sen. Jim Nielsen has decided to represent himself in a suit against him and his former wife. This document, filed in August, indicates that Nielsen wants all legal documents sent to his home address in Woodland. That home is outside Nielsen's district.

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The inquiries, said Nielsen, were a result of his interest in agricultural matters and the environment.

Nielsen and Wahl divorced in April 1989 and Nielsen sold his 25 percent interest in the trucking firm he and his wife had formed for \$25,000. But the firm never returned.

## WHERE DOES THE SENATOR LAY HIS HEAD?

Since he was reapportioned out of his former Senate district in 1983, Nielsen has main-

future. In many ways his career has come full circle.

He was an underdog against Sen. John Dunlap, but he parlayed an anti-incumbent mood in his district into a stunning upset.

He capitalized on anti-crime sentiments and Dunlap's perceived "insider" political image. He played up his image as a family man, knowing that Dunlap had recently been divorced.

Now the roles may be reversed.

It is Nielsen who has cashed in on his public office to collect nearly \$75,000 in honoraria from special-interest groups over the last 12 years.

In his first years in office Nielsen liked to talk about himself as the "outsider" in Sacramento, as just "one of the folks."

But as his power in Sacramento grew he began taking the types of political perks reserved for the power elite: free tickets, limousines and luxury hotel rooms for the Academy Awards, six free tickets to the Super Bowl, regular free tickets to Sacramento Kings games, a free membership to a health club frequented by powerful Sacramento politicians, and free booze and wine.

Even Nielsen's cowboy boots, long his personal symbol of disdain for the fashion trappings found in the corridors of power, were taken as freebies from special-interest groups.

Some traditional allies are now deserting him.

The Redding Record-Searchlight, the main paper in Shasta County, which is considered Nielsen's strongest bastion of support, endorsed his opponent and blistered Nielsen's long list of ethical lapses.

"The truth is that Jim Nielsen is part of the problem in a Legislature that is an embarrassment to the people of California," the Record-Searchlight wrote.

Nielsen's "hometown" newspaper, the Rohnert Park Clarion, also endorsed Mike Thompson, with a barb aimed at Nielsen's alleged residence in the community.

"Jim Nielsen may occasionally rest his head in Rohnert Park," the newspaper wrote, "but now, if find precious few people who've

the Williams cogeneration plant burning agricultural wastes, its understanding that it had to operate within technological standards or risk products that could become a tox-hazard.

In 1989 officials with the state health Services notified the plant that the ash being produced rice waste contained a percentage that created a health hazard. It had produced 10,000 tons of the ash which had been dumped in the landfill.

Initially, the company with the landfill that ash to the landfill, Engineering and Transportation Co., was bought by Nielsen and Wahl in 1987. The ash was being bought from Nielsen and Wahl also

Department of Health Services probably not been aware of the problem that erupted between Wahl and Nielsen and Oxford, the operator of the plant.

When she was not being paid for hauling away the ash and that the levels of silica. According to the court records, as early as March 1989 she indicated the plant was producing a problem. The court records indicate that her employees until June 1989 for toxic exposure and also Wahl threatened Wahl with retaliation if he was being taken to a public

Wahl bid to gain leverage in her contact the Department of Health Services and complained about the problem of the Oxford ash.

Wahl, but still a partner in the company to receive cash from Oxford. Nielsen, recently contacted the Department of Health Services about its investigation of the ash being dumped from the Oxford plant by Nielsen.

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The inquiries, said Nielsen, were a result of his interest in agricultural matters and the environment.

Nielsen and Wahl divorced in April 1989 and Nielsen sold his 25 percent interest in the trucking firm he and his wife had formed for \$25,000. But their fates remain intertwined, and Nielsen's latest financial-disclosure statements indicate he continues to own a piece of API.

The manner in which Nielsen and Wahl set up their ash waste trucking company, which also was being used to haul raw rice waste products to the Oxford plant, outraged the couple's partner in API, Bert Williamson.

According to court records, Williamson was assured that API was the principal agent for all business dealings with Oxford. Unknown to Williamson, however, Wahl and Nielsen negotiated a side deal with Oxford to buy and haul away rice ash.

Williamson, in court filings, claims that deal cut Williamson out of profits that should have gone to API and that Wahl and Nielsen had signed contracts with Williamson that bound them to share any proceeds from dealings with Oxford.

Williamson subsequently sued Wahl and Nielsen in Sacramento Superior Court, charging them with underhanded corporate deals and cheating him out of profits that should have gone to his partnership.

In a move aimed at minimizing the political damage, Nielsen has succeeded in getting the civil trial postponed until after the upcoming Nov. 6 election.

It could be a rough trial. Nielsen's attorney in that matter has asked to be removed, citing Nielsen's lack of cooperation and the fact that Nielsen has failed to pay \$13,000 in attorney's fees.

Nielsen has substituted himself as the attorney of record in the case and listed his address for all legal correspondence as 425 West Southward, Woodland.

The problem is, that isn't in Sen. Nielsen's

## WHERE DOES THE SENATOR LAY HIS HEAD?

Since he was reapportioned out of his former Senate district in 1983, Nielsen has maintained a home in Woodland, which is not in his Senate district.

In January 1986 Nielsen bought a condo in Rohnert Park, which is in the district. But in July 1989, according to news accounts in Napa, Nielsen sold the condo and rented another condo. According to the Napa Sentinel, a weekly in Napa County, when Nielsen was questioned about his new condo he gave the San Francisco Chronicle the wrong address.

When the Sentinel sent a reporter to the correct address the resident next door said she thought the condo was empty and that she had never seen Nielsen.

But Nielsen's biggest gaffe may be that when he filled out his voter's registration card in Rohnert Park he misspelled Rohnert Park.

On the most recent court document filed in Sacramento County Superior Court and during a recent debate in Chico, Nielsen indicated his residence is in Woodland.

The issue becomes a financial one because if a legislator lives more than 50 miles from Sacramento he receives an \$18,000 annual per-diem allowance, tax free. If he lives closer than 50 miles, the per-diem is taxable.

Nielsen's Democratic opponent, Mike Thompson, has asked that Nielsen disclose his income tax records since he first assumed his Senate seat, not only to check on his per-diem status but also to determine how much Nielsen has been paid by Roy Riegels.

To date, Nielsen has declined.

## WHO IS JIM NIELSEN?

Jim Nielsen came to the state Senate as a young, ambitious advocate for the Republican

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"Jim Nielsen may occasionally rest his head in Rohnert Park," the newspaper wrote, "but you'll find precious few people who've run into him at the supermarket."

To prop up his campaign Nielsen has turned to a time-honored Sacramento ploy, taking his state-paid staff off the payroll and putting them on his campaign payroll.

Nielsen's campaign manager, Jim Kjol, is one of his top-paid state Senate-office managers. Nielsen's campaign consultant, Jim Branham, is paid more than \$60,000 a year as a consultant on a Senate "ghost committee" that Nielsen controls. The committee seldom meets and has no agenda, but its consultant, Branham, is currently turning out campaign material for Nielsen's campaign.

Even Nielsen's office secretaries have been paid bonuses out of Nielsen's campaign funds.

The race will be close. Nielsen remains the favored candidate. In the last days of the campaign he can expect to collect large campaign contributions from the same special-interest groups that backed him in 1978. Thompson is reportedly running short on campaign cash just when television advertising is critical.

In 1978, in his race to unseat Dunlap, Nielsen told the Sacramento Bee, "Being a farmer all my life, out and about in the sun, rain, sleet and hail, that's what I like."

Nielsen has come a long way from those days when he talked of how he preferred milk to Capitol cocktails.

The voters may send Jim Nielsen back to Sacramento Nov. 6, but they won't be electing the same man who sent voters a campaign mailer in 1978 that stated, "He's a good and decent man. A man of high principle. A man who works hard and places high value on his independence, his family and our communities...."