

Business steers clear of Dixon's woes

Execs, developers won't take sides until legal issues cleared

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Baltimore's top executives are weighing whether to stand by Mayor Sheila Dixon, still very much the center of a City Hall corruption investigation that shows no signs of waning.

The question re-emerged this week when local developer Ronald H. Lipscomb accepted a plea deal and agreed to cooperate in the case against Dixon, his former girlfriend.

Since Baltimore's first female mayor was indicted on theft and perjury charges in January, the

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local business community has been unsure how to react. The situation became more complicated in late May when the perjury charges against Dixon were dropped.

Throw in recent invitations to expensive mayoral fundraisers, and a down economy, and many who do business with City Hall are facing a real conundrum.

Most have decided to stand publicly behind their city's leader, regardless of concerns that are voiced quietly in corner offices. At issue is an underlying fear that the mayor will deny lucrative contracts or needed help to those who are sitting on the sidelines, withholding their support. Still, some are waiting until the outcome of Dixon's criminal trial, which starts Sept. 8, before deciding whether to back the mayor.

Dixon, a Democrat, was initially charged with 12 counts of felony theft, perjury, fraud and misconduct in office. The case is rooted in more than \$15,000 worth of gifts the mayor allegedly received from Lipscomb when she was City Council president. Also, she is accused of using close to \$3,500 in gift cards, donated to her office and intended for needy families.

Lipscomb accepted a plea deal June 22 in which he admitted to violating campaign finance laws and agreed to help with the state prosecutor's case against Dixon.

"I don't know of anyone who is anxious

to see her thrown out of office," said David Nevins, CEO of Nevins & Associates, a Baltimore County-based public relations firm. "In the background, there is always concern about her future. But I don't know of anyone who is hedging their bets. She is still the mayor until she's not."

Donald C. Fry, CEO of the Greater Baltimore Committee, said his regional business organization and its members continue to work closely with Dixon. The GBC invited the mayor to its annual meeting in May, where she posed for photos with high-level executives and other city leaders. Those photos are posted on the GBC's Web site.

"We didn't think twice about inviting her," Fry said of the GBC's May 5 annual meeting. Fry said he and his organization remain impressed with the mayor's ability to stay focused on the city as the criminal case weighs heavily on her.

Recession still businesses' focus

Fry and others interviewed for this article said businesspeople may not be as focused on Dixon and her legal challenges as they may have been in a better economy.

"You can't go without reading the paper to know that there are legal issues still pending," Fry said. "But businesspeople recognize that the legal issues need to play themselves out. I don't think it's anything the business community is preoccupied with. I think they are preoccupied with moving their businesses forward."

Doug Schmidt, a founding principal of Chesapeake Real Estate Group LLC, said he is aware of the mayor's indictment and does care. But that hasn't stopped him or his firm from supporting Dixon. While Schmidt said he was unable to attend a June 11 mayoral fundraiser to which he was invited, he has recently contributed to Dixon's campaign fund.

According to the most recent campaign finance records, Schmidt personally gave a total of \$350 to Dixon in 2007 and 2008.

Conversely, Wayne R. Frazier Sr., president of the Maryland Washington



Minority Contractors' Association Inc. and a politically connected businessman, said he was unaware of Dixon's June 11 fundraiser at the Harborview Marina and Yacht Club, where individual tickets ranged from \$150 to \$2,000.

On the issue of her indictment, Frazier said he believes it has hurt her rapport with minority business leaders.

"I think it definitely has affected her relationship specifically with those who chose to invest in Baltimore," he said. "Until the [court] decision is made, those people will be very squeamish about investing in Baltimore. It just sets Baltimore a tad closer to Detroit [in terms of] corruption, and there's no escaping that."

A handful of high-level businesspeople, who asked not to be identified, agreed with Frazier, and said they are distancing themselves from City Hall out of what they cited as "disgust" and "necessity." Others, who declined to go on the record, said they fear they have to support Dixon or face losing city business in a recession.

Deputy Mayor Andrew B. Frank said Dixon does not make her decisions based on campaign contributions. "That's outrageous," he said. "When decisions are being made about who we are doing business with or who we are responding to, we have no idea if those people have contributed to the mayor. We don't ask, and the mayor doesn't ask."

In general, Frank said, the business community only cares about results, not legal challenges. "It's in the business community's best interest to see the administration be successful," he said.

Franklin M. Lee, a partner with Baltimore law firm Tydings & Rosenberg, said he is impressed with the focus Dixon

has maintained despite her legal challenges. "Things seem to be going along OK," he said. "She seems to manage the adversity she is facing fairly well."

Lee said he did not attend Dixon's most recent fundraiser, but he said he hasn't attended any political events in the past year.

Dixon's fundraising on pace

Rachael Rice, a consultant for Dixon's campaign, said neither the indictment nor the recession has dampened the mayor's fundraising efforts. About 200 people attended the mayor's June 11 event, bringing in \$150,000.

Dixon had at least five previous events this year and has 12 more on the books for 2009, Rice said. The mayor, she said, is hands-on and tireless in her fundraising, calling potential contributors herself and asking personally for their support.

The money raised from these events is solely for Dixon's campaign. "There is no legal defense fund," Rice said.

Ross K. Goldstein, deputy administrator for the Maryland State Board of Elections, said generally, campaign finances can be used for a defense as long as the defense relates to the campaign.

Dixon has raised \$2.1 million for the election cycle from Jan. 1, 2007, through Dec. 31, 2010, according to the Maryland State Board of Elections. But her expenses total roughly \$2.2 million, according to the information that includes money from two authorized committees.

Mayor Sheila Dixon speaks at a June 18 press conference at Living Classrooms.



Dixon's Dilemma

Key dates in the case against Baltimore Mayor Sheila Dixon.

Sheila Dixon becomes mayor of Baltimore after Martin O'Malley is elected Maryland's governor.	Investigators from the state prosecutor's office took boxes of documents during a search of Dixon's home.	Perjury charges against Dixon were dismissed.
Jan. 17, 2007	Nov. 4, 2007	June 17, 2008
Dixon elected to a full term as Baltimore mayor.	Dixon was charged with 12 counts of felony theft, perjury, fraud and misconduct in office, making her the city's first mayor to be criminally indicted.	Ronald H. Lipsomb, a developer entwined in the Dixon case, accepted a plea deal and agreed to cooperate in the case against Dixon.
Jan. 9, 2009	May 28, 2009	June 22, 2009