



*Calendar Year 2024*

# State Government Accountability Hotline Summary Report

April 2025

Report 2025-11



Oregon  
Secretary of State

# Report Highlights

Calendar Year 2024

State Government Accountability Hotline

## By the Numbers

Calendar Year 2024

**200**

Total reports to the hotline in 2024

**16**

Of those required further investigation, four of which were substantiated

**\$12,272**

In questioned costs identified

**2**

Reports remain open and may result in a management letter to the involved agencies

**12**

Reports alleged fraud, theft by misuse of resources, or conflict of interest violations on the part of a specific state employee



Since the inception of the Oregon Secretary of State Government Accountability Hotline, we have received hundreds of reports regarding questioned costs related to state operations. These questioned costs represent misappropriated public and private funds, questionable expenditures, monies not spent in accordance with applicable laws, errors in federal awards, and potential savings that could result from improved efficiencies or elimination of waste or misuse.

The toll-free hotline was established in 1995 for individuals to report the misuse of state funds and resources by state agencies, state employees, or persons under contract with state agencies. Audits Division staff review each hotline report and determine which reports to investigate further.

This report summarizes activity reported through the Government Accountability Hotline in calendar year 2024. As required by Oregon Revised Statute 177.180, we describe the number, nature, and resolution of hotline reports received during the year.



Secretary of State **Tobias Read**  
Audits Director **Steve Bergmann**

# Introduction

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Tips are critical to the successful detection of fraud. According to the Association of Certified Fraud Examiners' 2024 Global Fraud Study, tips were the method of identification in 43% of all fraud cases.<sup>1</sup> More than half the tips received come from employees of organizations. According to the study, 12.4% of the reported fraud cases reviewed were related to government and public administration, which was the third leading industry behind banking and financial services, and manufacturing. The study also found the six most common fraud schemes used in government and public administration were: corruption, billing, payroll, cash larceny, expense reimbursement, and noncash (e.g., inventory or confidential customer information). The median loss in government due to fraud was \$150,000.

The presence of a reporting hotline has a substantial positive impact on how frauds are discovered. According to the association's study, organizations with a hotline are nearly twice as likely to detect fraud through tips than organizations without a hotline.

To ensure state employees are aware of the Oregon Secretary of State Government Accountability Hotline, we distribute a poster for state offices explaining the function of the hotline; the poster displays the hotline telephone number and web address.<sup>2</sup> Additionally, a hotline page is available on the Oregon Secretary of State website.<sup>3</sup>

## The Legislature requires an annual summary report on hotline activity

In 1995, the Legislature created the Government Waste Hotline (now called the State Government Accountability Hotline) for employees and members of the public to report misuse of state funds or resources by state agencies, employees, or persons under contract with state agencies. State law provides confidentiality for the identity of any person making a report through the hotline.<sup>4</sup>

We are required to notify the Oregon Government Ethics Commission if we find potential violations of Oregon ethics law (ORS Chapter 244). We are also required to notify the appropriate law enforcement agency if we find potential criminal activity. For calendar year 2024, we made no direct referrals to the Oregon Government Ethics Commission; however, we suggested the informant contact the commission for nine of the 200 reports.

We are also required to prepare and submit an annual report to the Legislature and appropriate interim committees that describes the number, nature, and resolution of reports made through the hotline. We are required to include in the report any savings resulting from improved efficiencies or eliminated waste or misuse that resulted from hotline reports and investigations. To meet the required reporting requirements, we prepare this annual report of summary-level information.

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<sup>1</sup> 2024 Report to the Nations on Occupational Fraud and Abuse. Copyright 2024 by the Association of Certified Fraud Examiners Inc., pages 4, 23, 36, and 37. Available at [2024 ACFE Report to the Nations](#)

<sup>2</sup> See Appendix A. Any state office can request a poster free of charge by contacting the audits division at [audits.sos@oregon.gov](mailto:audits.sos@oregon.gov).

<sup>3</sup> <https://sos.oregon.gov/audits/Pages/accountability.aspx>

<sup>4</sup> See ORS 177.180

# How the Hotline Works

To administer the toll-free hotline, we contract with a third party that provides 24-hour call center services and case management software.<sup>5</sup> All hotline reports are logged into a database that selected division staff access through the case management software. We conduct an initial review of each report and determine which reports to investigate further.

Some reports warrant an audit or investigation. Others do not involve claims of misuse of state funds and resources and are outside our authority to review under the hotline statutes. If we believe a report would be more appropriate for another public body to review, we refer the information to the appropriate public entity. For reports that do not fall under the authority of the hotline, if appropriate, we provide individuals with alternative contacts for reporting their concerns.

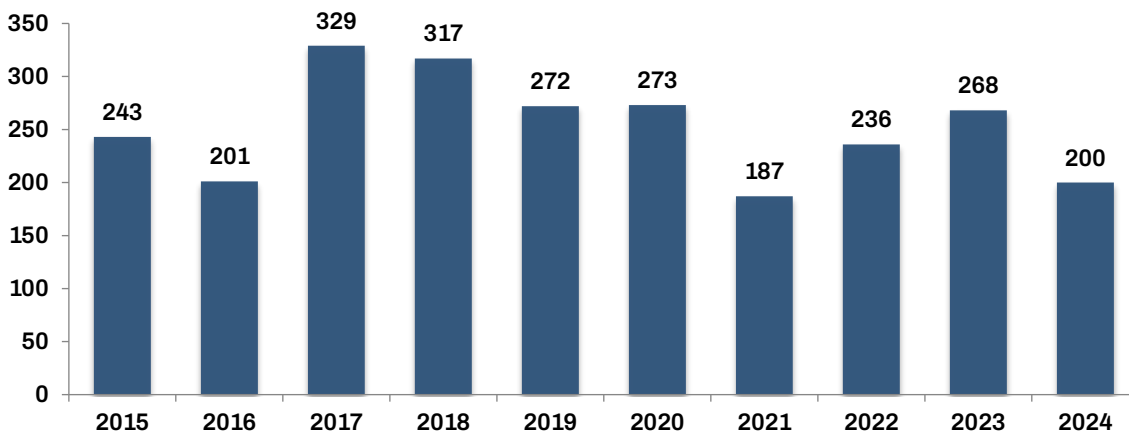
If, after completing an investigation, we find that an officer, employee, or contractor of a state agency or public body was involved in activities constituting misuse of state funds and resources, we must prepare a written report to the involved state agency or public body. If requested, we also provide a copy of any report to the person who contacted the hotline.

Currently, the hotline is administered by an audit manager, and a principal auditor who reviews and responds to hotline reports. Most reports are addressed by the lead and the manager. Occasionally, we assign other staff, including other Certified Fraud Examiners, to help review those reports.

## Hotline reports declined in 2024 after three years of increasing reports

Figure 1 shows the number of hotline reports received since 2015. The volume of reports that come into the hotline is inconsistent, but can be higher after publicized instances of fraud, and after public officials (such as the Governor or the Secretary of State) send emails promoting the hotline to all state employees. The decrease in the current year brings the number of reports below the average of 251 reports over the last ten years.

Figure 1: Number of reports made to the hotline



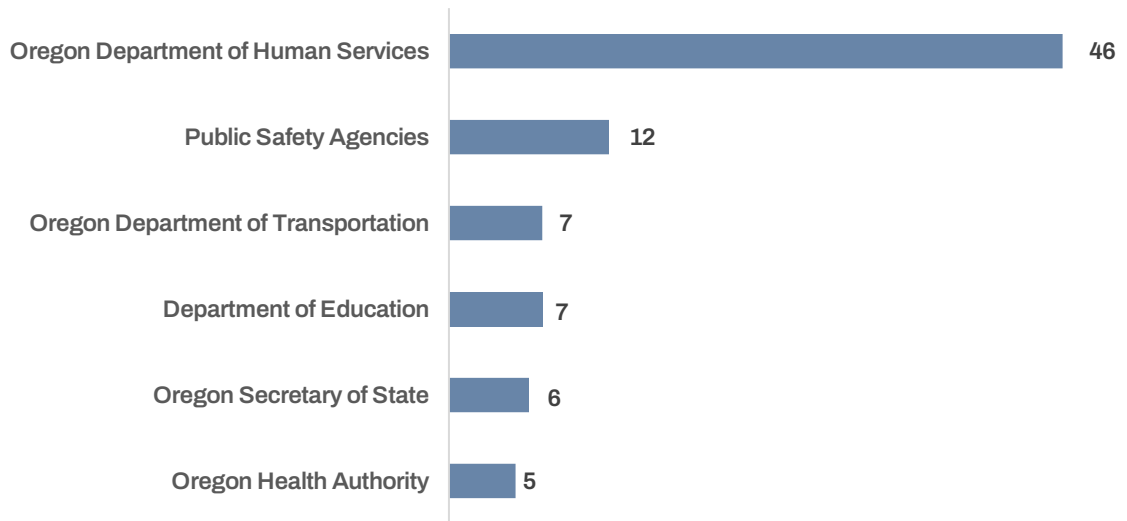
<sup>5</sup> Navex Global Inc.

## Human services allegations are reported most

Figure 2 lists the agencies which were the most frequent subjects of hotline reports in 2024. Since reports are rarely substantiated, this chart cannot be relied on as an indicator of which agencies are subjects of true misuse of state funds or resources but an indicator of the agencies that are the subject of the most concerns.

The Oregon Department of Human Services (ODHS) was the subject of the most hotline calls, with 31 out of 46 reports specifically alleging fraud related to public assistance. We directed those informants to ODHS's fraud hotline.

**Figure 2: In 2024, most reports we received pertained to the Oregon Department of Human Services**



Note: Excludes agencies with four or fewer reports

# 2024 Hotline Results

## Six reports pertained to the Secretary of State's Office

When hotline reports come in that are especially concerning or urgent, the hotline lead auditor discusses them with the audit manager. Reports are elevated to the Audits Deputy Director and Director as necessary. When reports come in about the Secretary of State's Office, the reports are immediately elevated to the Audits Director to determine appropriate actions to take.

In 2024, the hotline received six calls that pertained to the Secretary of State's Office:

- Someone was using the reporter's address as a business address for a business registered in Oregon.
- The General Election Voters' Pamphlet did not contain a statement for one of the Presidential candidates.
- A candidate was inappropriately using the Seal of the State of Oregon on their Facebook page.
- A corporation registered a non-employee as an agent without their consent.
- Someone questioned why certain Presidential and Vice-Presidential candidates were not in the Voters' Pamphlet.
- A Presidential candidate was allegedly not seen on the Secretary of State website.

To address the reports, the hotline team either referred the reporters to the appropriate division of the Secretary of State's Office or provided the reporters with information provided on the Secretary of State's website.

## Most hotline reports were related to fraud, theft, or ethics

We classify reports received through the hotline as shown in Figure 3. A large portion of reports pertain to fraud, theft, and ethics. 41% of those reports were specific to public assistance fraud for programs such as the supplemental nutrition assistance program (SNAP, a.k.a. food stamps).

*Figure 3: 38% of all reports received in 2024 pertained to fraud, theft, or ethics*

	Description	Number of 2024 Reports	Percent of 2024 Reports
<b>Fraud, Theft, or Ethics</b>	Reports alleging fraud, falsification or destruction of information, embezzlement, theft, corrupt practices, conflict of interest, or kickbacks	76	38%
<b>Business Practices</b>	Reports concerning state business practices and public contracting, policies and procedures, and cost saving recommendations	45	22.5%
<b>Unrelated/Insignificant</b>	Reports determined unrelated or insignificant to state funds or resources	32	16%

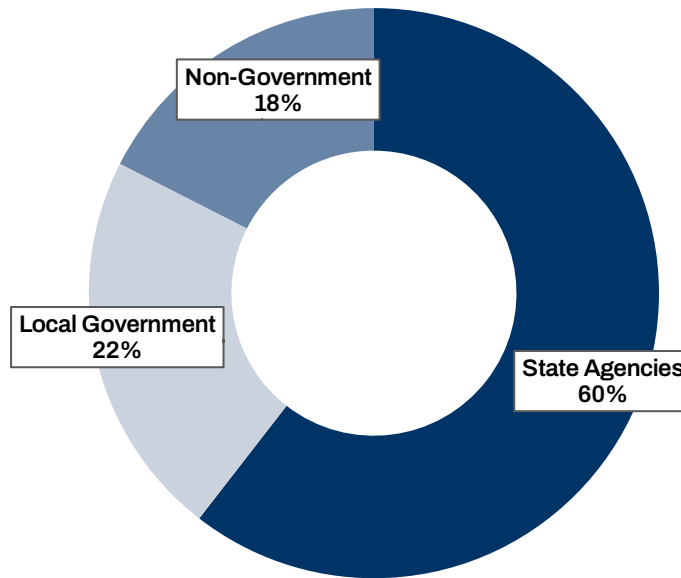
# 2024 Hotline Results

	Description	Number of 2024 Reports	Percent of 2024 Reports
<b>Work Environment</b>	Reports alleging improper behavior, discrimination, wrongful termination, time theft, overtime use, or employee performance	21	10.5%
<b>Financial Management</b>	Reports concerning accounting and state spending practices and documentation concerns	20	10%
<b>Elections</b>	Reports concerning election systems or voter fraud	6	3%
<b>Total</b>		200	100%

## Most hotline reports concern state agencies and local governments

Figure 4 details the type of entities that were the subject of hotline reports received in 2024. Approximately 83% of the reports were related to entities with the potential to receive state funds. Non-government entities, such as businesses, are less likely to receive state funds.

*Figure 4: Most reports pertain to entities with the potential to receive state funds*



## Resolution of hotline reports is dependent on information provided by the informant

Our ability to act on a report depends on the specificity and nature of the information provided. If an informant provides their contact information, we may contact them directly to obtain additional information. If informants are anonymous through the online reporting application, we can communicate through the

# 2024 Hotline Results

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application to request necessary additional information, but those informants do not always respond to our requests for more details.

We resolve reports by performing reviews and reporting findings, referring reports to contacts at other public bodies for their consideration and review, referring informants to appropriate contacts, and providing requested information.

We have flexibility in how hotline reports are addressed. Specifically, we can refer reports received through the hotline to other public bodies (e.g., state government, local governments, and special purpose governments) more appropriate to address the report. For example, if we receive a report regarding alleged tax evasion, we can refer that report to the Department of Revenue. When a report is referred, generally only the content of the report is referred; the informant's identity is withheld unless the informant waives confidentiality.

## 2024 hotline reports

- **66 reports** were closed after our initial assessment determined the allegations lacked actionable evidence that state funds or resources were misused. Many of these reports related to local government or personal legal matters outside the purview of the hotline.
- **81 reports** were closed after we provided the informant with alternative contacts more appropriate to address their concerns, such as a state agency's human resources department or a local government's board or commission.
- **12 reports** in which we directly referred the informant to another public body that could more appropriately investigate the allegation(s).
- **Three reports** included allegations of wrongdoing that lacked actionable evidence yet highlighted potential suggestions for improving efficiencies. These were added to the division's internal listing of ideas for future performance audits.
- **16 reports** required further review to determine whether the described concerns involved misuse of state funds and resources.
  - Four were substantiated, with three reports resulting in \$12,272 in questioned costs.<sup>6</sup> The remaining case did not have an associated monetary value.
  - 11 were unsubstantiated.
  - One was referred to an audit team.
- **16 reports** were closed after the informant did not respond to our requests for additional information needed to proceed with an investigation.
- **Four reports** were closed as they were duplicative of other reports.
- **Two reports** remain open.
  - One may result in a management letter to the involved agency.
  - One report was directly referred to the appropriate agency for investigation and will remain open until the agency provide us the results of its investigation.

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<sup>6</sup> Questioned costs are amounts expended that are noncompliant with state statutes or policies, grant agreements, or federal laws.



# 2024 Hotline Results

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For the **12 reports** alleging fraud or theft by the misuse of state resources or conflict of interest ethics violations on the part of a specific state employee.

- **Five** are included in our direct referrals to the appropriate public body for investigation (see above).
- **Five** are included in those reports in which we provided the informant with alternative contacts more appropriate to address their concerns (see above).
- **One** is included in our totals for reports requiring further review (see above).
- **One** is included in our totals for ideas for future performance audits (see above).

## 2023 hotline reports

At the time of last year's hotline summary report in August 2024, four reports from 2023 remained open. As of this report, based on procedures performed, we either found the violations were not substantiated or we referred the report to the appropriate entity.

### *Audit team*

Ian Green, CGAP, CFE, CISA, CIA, MS Econ, Audit Manager  
Olivia Recheke, MPA, Audit Manager  
Kyle Rossi, Principal Auditor  
Kari Mott, CPA, MBA, Principal Auditor

## ABOUT THE SECRETARY OF STATE AUDITS DIVISION

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The Secretary of State has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

# Appendix A: State Government Accountability Hotline Poster



Have you spotted state resources being used the wrong way?

# STATE GOVERNMENT ACCOUNTABILITY HOTLINE

CALL TOLL FREE 24/7  
**800-336-8218**

REPORT ONLINE  
[accountability.oregon.gov](https://accountability.oregon.gov)

We investigate potential misuse of state resources by state agencies or other entities that receive funding from state agencies. We're looking out for fraud, waste, or abuse related to state money, equipment, or employees.

Your report can be anonymous.





Secretary of State **Tobias Read**  
Audits Director **Steve Bergmann**

This report is intended to promote the best possible management of public resources.

Copies may be obtained from:

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