



Calendar Year 2025

State Government Waste Hotline Summary Report

February 2026

Report 2026-03



**Oregon Secretary of State
Tobias Read**

Report Highlights

Calendar Year 2025

State Government Waste Hotline

By the Numbers

Calendar Year 2025

219

Total reports to the hotline in 2025

8

Of those required further investigation, **one** of which was substantiated

\$2,900,856

In questioned costs identified

9

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

87

Reports where alternative contacts more appropriate to address concerns were provided to reporters

0

Reports remain open



Since the inception of the Oregon State Government Waste Hotline, several million dollars in questioned costs have been identified. The term “questioned costs” represents misappropriated public funds, questionable expenditures, monies not spent in accordance with applicable laws, 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. Secretary of State staff review each hotline report and determine which reports to investigate further in accordance with statutory guidelines.

This report summarizes activity reported through the State Government Waste Hotline in calendar year 2025. It also provides final disposition for reports from 2024 that remained open at the time of last year’s hotline report. As required by Oregon Revised Statute 177.180, we describe the number, nature, and resolution of hotline reports received during the year.



Oregon Secretary of State
Tobias Read

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

Introduction

The reporting hotline provides an opportunity for public employees and members of the public to report waste, inefficiency, or abuse by state agencies, state employees, or persons under contract with state agencies. The Secretary of State's Office receives reports through a toll-free telephone line, online submission, and through other means. Reports can be made anonymously.

To ensure state employees are aware of the Oregon State Government Waste Hotline, we distribute a poster for state offices explaining the function of the hotline; the poster displays the hotline telephone number and web address. Additionally, a hotline page is available on the Oregon Secretary of State website.¹

The Secretary of State is required to prepare an annual report and submit it to each regular session of the Legislative Assembly. This report is required to describe the number, nature, and resolution of reports made through the hotline, and to include any savings resulting from improved efficiencies or eliminated waste or abuse that resulted from hotline reports and investigations. To meet the required reporting requirements, the Secretary of State prepares this annual report of summary-level information.

In addition to legislative requirements, the hotline statutes also have requirements for specific types of calls that the hotline may receive. For example, the Secretary of State is required to notify the Oregon Government Ethics Commission if the Secretary finds potential violations of Oregon ethics law. The Secretary of State is also required to notify the appropriate law enforcement agency if we find potential criminal activities.

The Secretary of State established an enhanced hotline review process

Toward the end of 2025, Secretary of State Tobias Read established an enhanced hotline review process through the creation of a review panel composed of subject matter experts from across the agency. The panel is intended to improve the quality of decisions around processing hotline reports. The panel meets regularly to review and respond to hotline reports. Compared with the former two-person hotline team, the panel brings substantially greater capacity and expertise in deciding the disposition of complex reports. This means our office is in a stronger position to manage hotline matters and meet our statutory obligations in an efficient and effective manner. The Secretary of State anticipates that dedicated resources beyond the internal team currently in place will further enhance our ability to respond effectively to hotline reports.

¹ [Report Waste, Inefficiency, or Abuse of State Government Resources](#)

How the Hotline Works

To administer the toll-free hotline, the Secretary of State contracts with a third party that provides 24-hour call center services and case management software.² All hotline reports are logged into a database that selected agency staff access through case management software. We conduct an initial review of each report and the hotline panel determines which reports to investigate further.

Some reports warrant an audit or investigation. Others are outside our authority to review under the hotline statutes. If the Secretary of State believes a report would be more appropriate for another public body to review, the Secretary of State refers the information to the appropriate public entity. For reports that do not fall under the authority of the hotline, if appropriate, the Secretary of State provides individuals with alternative contacts for reporting their concerns.

As previously mentioned, the Secretary of State is required to notify the Oregon Government Ethics Commission if the Secretary finds potential violations of Oregon ethics law and notify the appropriate law enforcement agency if the Secretary finds potential criminal activity. For calendar year 2025, the Secretary of State made two direct referrals to the Oregon Government Ethics Commission, and suggested reporters contact the commission for two other reports. The Secretary of State had no referrals to law enforcement for calendar year 2025.

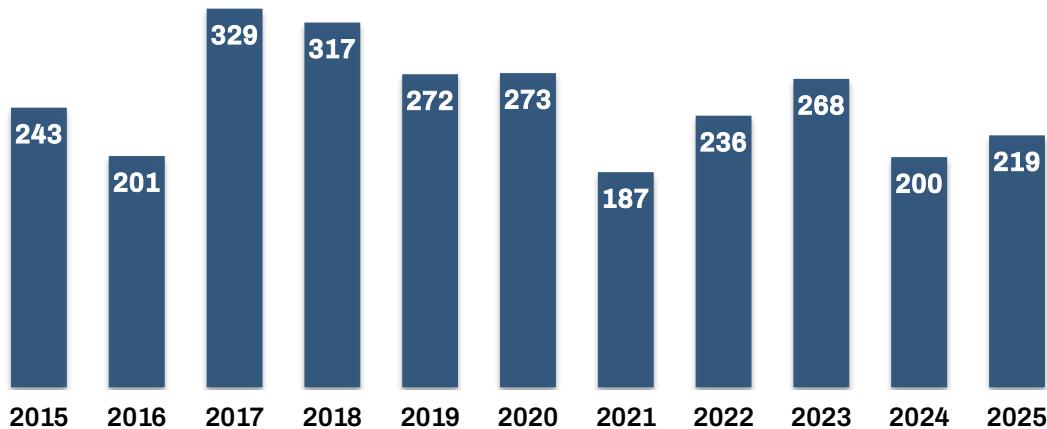
If, after completing an investigation, the Secretary of State finds that an officer, employee, or contractor of a state agency or public body was involved in activities constituting waste, inefficiency or abuse, the Secretary of State prepares a written report to the state agency or public body involved. If requested, the Secretary of State also provides a copy of the report to the person who contacted the hotline.

Hotline reports increased slightly in 2025

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. Though reporting increased in 2025, the number of reports was still below the average of 253 reports over the last ten years.

² Navex Global Inc.

Figure 1: Hotline reports increased slightly in 2025

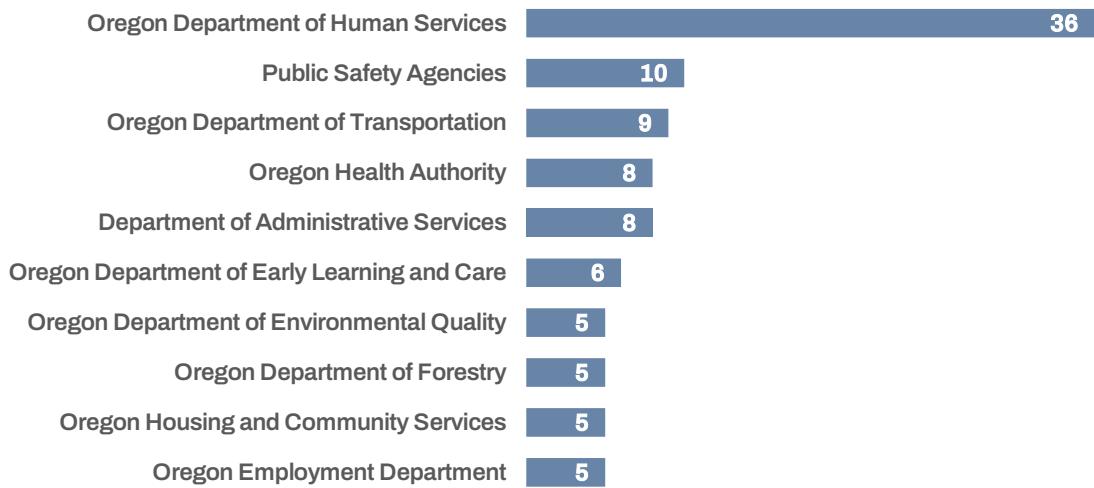


Human services allegations are reported most

Figure 2 lists the agencies which were the most frequent subjects of hotline reports in 2025. Since reports are rarely substantiated, this chart should not be considered evidence of actual activities that constituted waste, inefficiency, or abuse.

However, the chart does show which agencies were most frequently the focus of reported concerns. The Oregon Department of Human Services (ODHS) was the subject of the most hotline reports, with 19 out of 36 reports specifically alleging fraud related to public assistance. The Secretary of State directed those reporters to ODHS's fraud hotline.

Figure 2: In 2025, most reports we received pertained to the Oregon Department of Human Services



Note: Excludes agencies with four or fewer reports

2025 Hotline Results

Three reports pertained to the Secretary of State's office

When the Secretary of State receives reports that are especially concerning or urgent, the reports are elevated to the hotline panel. Reports about the Secretary of State's Office are also elevated to the hotline panel to determine appropriate actions.

In 2025, the hotline received three reports that pertained to the Secretary of State's Office:

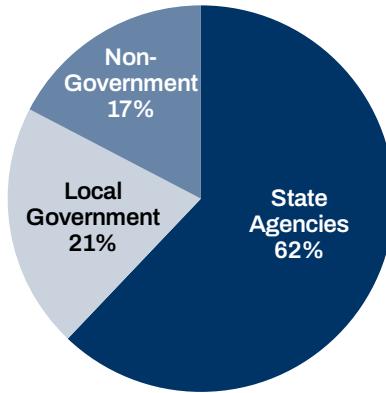
- A reporter had questions about the details of their business registration records.
- Someone was using the reporter's personal address as a business address.
- A reporter was concerned about campaign contribution limits.

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.

Only 62% of hotline reports identified state agencies as the subject

Figure 3 details the type of entities that were the subject of hotline reports received in 2025. While around 62% of entities were state agencies, approximately 21% of the reports were related to local governments that potentially received state funds. Non-government entities, such as businesses, are less likely to receive state funds.

Figure 3: Most reports pertain to entities with the potential to receive state funds



Nearly three quarters of hotline reports reviewed had potential for state resource involvement

The Secretary of State classifies allegations received through the hotline into the categories shown in Figure 4. Nearly three quarters of the reports the Secretary of State received and reviewed in 2025 had potential for waste, inefficiency, or abuse of state funds or resources. In these instances, the Secretary of State attempted to provide reporters with the appropriate entity to address their concerns. The next largest

2025 Hotline Results

category of reports pertained to fraud, theft, and ethics. Forty percent of the 50 reports were specific to public assistance fraud for programs such as the supplemental nutrition assistance program (SNAP, a.k.a. food stamps).

Figure 4: Nearly three quarters of reports received in 2025 had potential for state funds or resources

	Description	Number of 2025 Reports	Percent of 2025 Reports
Unrelated/Insignificant	Reports determined unrelated to state funds or resources	58	26.5%
Fraud, Theft, or Ethics	Reports alleging fraud, falsification or destruction of information, embezzlement, theft, corrupt practices, conflict of interest, or kickbacks	50	22.8%
Business Practices	Reports concerning state business practices and public contracting, policies and procedures, and cost saving recommendations	40	18.3%
Work Environment	Reports alleging improper behavior, discrimination, wrongful termination, time theft, overtime use, or employee performance	37	16.9%
Financial Management	Reports concerning accounting and state spending practices and documentation concerns	31	14.2%
Elections	Reports concerning election systems or voter fraud	3	1.3%
Total		219	100%

Resolution of hotline reports is dependent on information provided by the reporter

The Secretary of State's ability to act on a report depends on the specificity and nature of the information provided. If a reporter provides their contact information, the Secretary of State may contact them directly to obtain additional information. If reporters are anonymous through the online reporting application, the Secretary of State can communicate through the application to request necessary additional information, but those reporters do not always respond to our requests for more details.

The Secretary of State resolves reports by performing reviews and reporting findings, referring reports to contacts at other public bodies for their consideration and review, referring reporters to appropriate contacts, and providing requested information.

The Secretary of State has flexibility in how hotline reports are addressed. Specifically, the Secretary of State 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 reporter's identity is withheld unless the reporter waives confidentiality.

2025 Hotline Results

2025 hotline report outcomes

There were **219 reports** received in 2025. We took the following actions on these reports.

- **77 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.
- **87 reports** were closed after the Secretary of State provided the reporter 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.
- **19 reports** were closed after the Secretary of State referred the report to another public body that could more appropriately investigate the allegation(s).
- **11 reports** included allegations of wrongdoing that lacked actionable evidence yet highlighted potential suggestions for improving efficiencies. These were closed and added to our internal risk register, which is a component of the Secretary of State's risk-based methodology to inform the selection of performance audits in its annual audit plan.
- **8 reports** required further review to determine whether the described concerns involved misuse of state funds and resources.
 - One was substantiated resulting in \$856 in questioned costs.³
 - Six were unsubstantiated.
 - One related to child safety and was closed once the appropriate referrals were made.
- **17 reports** were closed after the reporter did not respond to our requests for additional information needed to proceed with an investigation.

Among these were **9 reports** alleging fraud, theft, or conflict of interest violations on the part of a specific state employee.

- **3 reports** are included in our direct referrals to the appropriate public body for investigation.
- **3 reports** are included in those reports in which the Secretary of State provided the reporter with alternative contacts more appropriate to address their concerns.
- **1 report** is included in our totals for reports requiring further review.
- **1 report** is included in our totals for the internal risk register that informs the selection of future performance audits.
- **1 report** is included in our totals for reports in which the reporter did not respond to our requests for additional information.

³ Questioned costs are amounts expended that are noncompliant with state statutes or policies, grant agreements, or federal laws.

2025 Hotline Results

2024 hotline outstanding report outcomes

At the time of last year's hotline summary report in April 2025, two reports from 2024 remained open. Their disposition as of the date of this report is described below.

- One resulted in a management letter to the agency with questioned costs of \$2.9 million.⁴
- One was directly referred to the agency's internal auditor for investigation, who did not find any evidence of misuse of state funds or resources.

Hotline team

Olivia Recheked, MPA, Audit Manager

Kyle Rossi, Principal Auditor

Karen Peterson, CFE, 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.

⁴ Secretary of State Audits Division [report #2025-29: "Preschool Promise Program Hotline Investigation Management Letter"](#)

Appendix A: State Government Waste Hotline Poster



Have you spotted state resources being used the wrong way?

STATE GOVERNMENT **WASTE HOTLINE**

CALL TOLL FREE 24/7

800-336-8218

REPORT ONLINE

wastehotline.oregon.gov.

We investigate potential misuse of state resources by state agencies, employees, or contractors. We're looking out for waste, inefficiency, or abuse.

Your report is confidential unless disclosure is otherwise required by law.





Oregon Secretary of State
Tobias Read

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

Oregon Audits Division
255 Capitol St NE, Suite 180
Salem OR 97310
(503) 986-2255

audits.sos@oregon.gov
sos.oregon.gov/audits