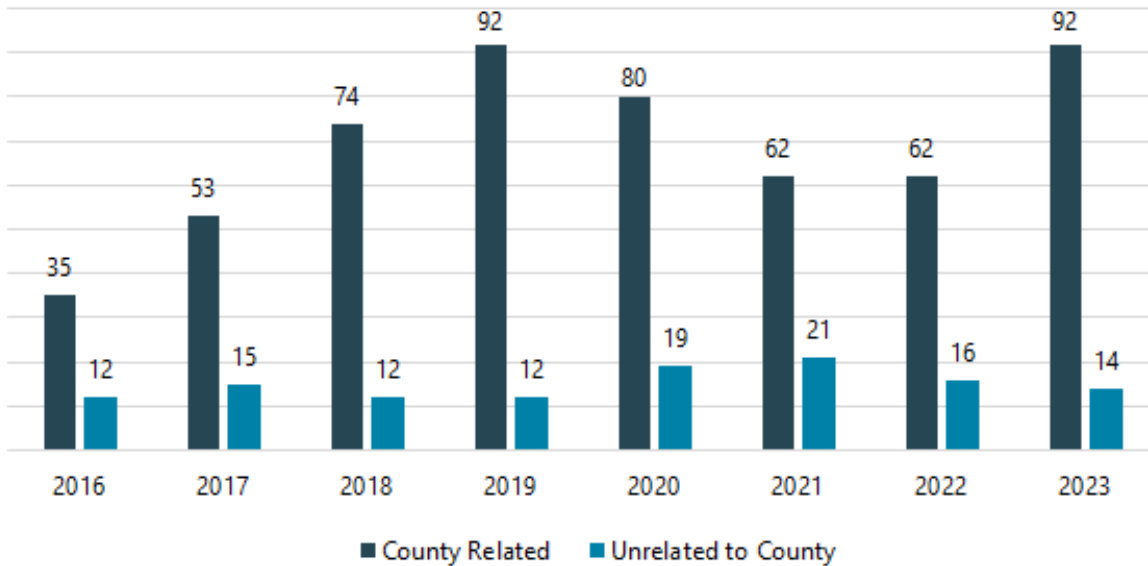


Good Government Hotline Activity Report 2023

The Multnomah County Auditor’s Hotline provides a way for county employees and community members to report concerns of fraud, waste, inefficiency and abuse of position.

After declining by 33% from 2019 to 2022, the number of county-related hotline reports increased by nearly 50% in 2023. This significant increase appears to be attributable to a great increase in employee misconduct reports.

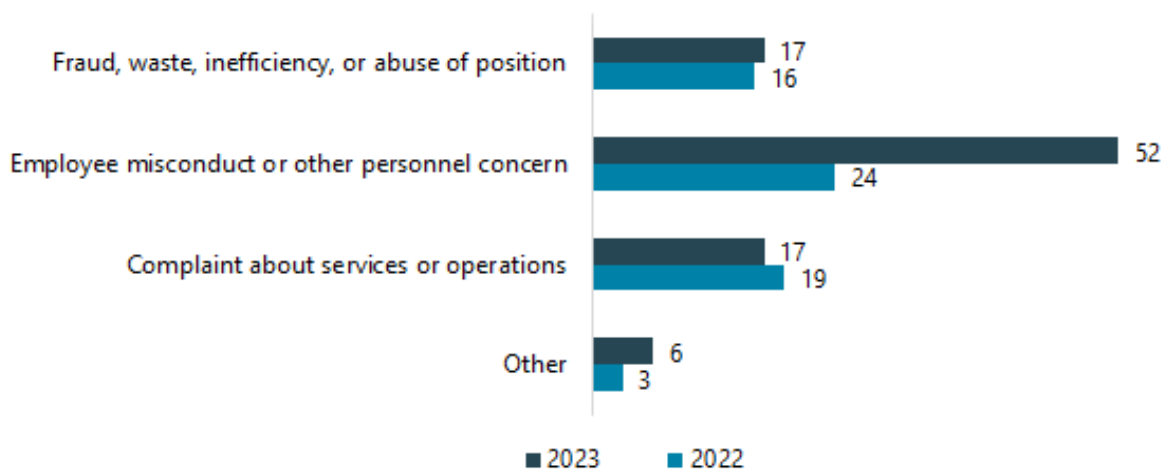
The number of county-related reports reached a 4-year high



Reports can be made anonymously. Reporter confidentiality is protected by Oregon Law.

In 2023, we received 17 fraud, waste, inefficiency, or abuse of position reports. However, the hotline receives reports about many issues, and in 2023, we saw a 117% increase in reports about employee misconduct, which we do not investigate.

Employee misconduct reports increased by 117%, signaling a need for outreach on what types of complaints the hotline can investigate



Good Government Hotline Activity Report 2023

The Auditor’s Office reviews every hotline report that comes in, and determines the best way to handle the report. In some cases, there isn’t enough detailed information to investigate. In other cases, the issue the reporter has identified is not related to fraud, waste, inefficiency, or abuse of position, but an issue of employee misconduct. Examples of employee misconduct include poor job performance, not showing up on time, or rude behavior. We typically request that reporters take these issues directly to management, but in some situations we refer these reports directly to department human resources or management.

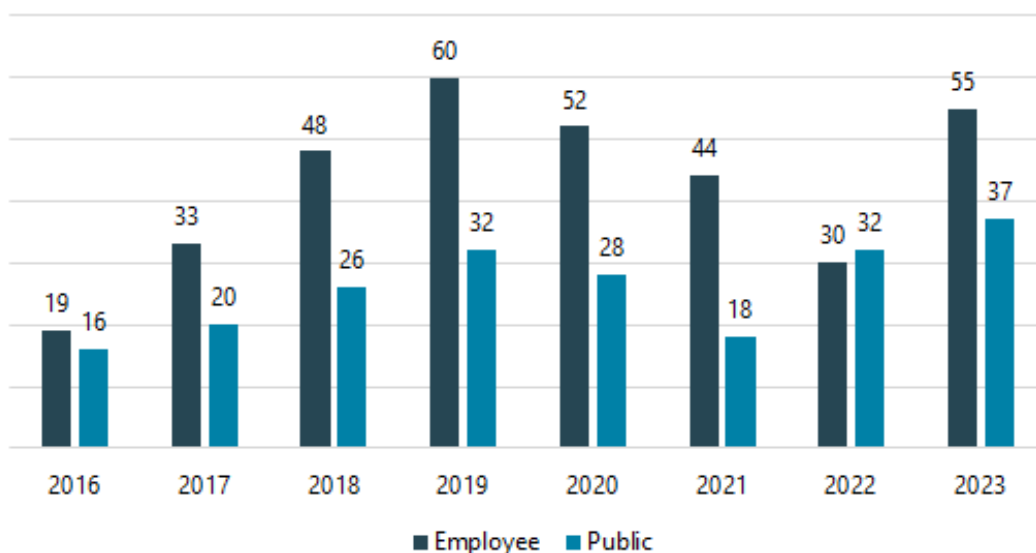
In 2023, we investigated, or incorporated into audit or a potential audit, 17 reports



Reports can be made anonymously. Reporter confidentiality is protected by Oregon Law.

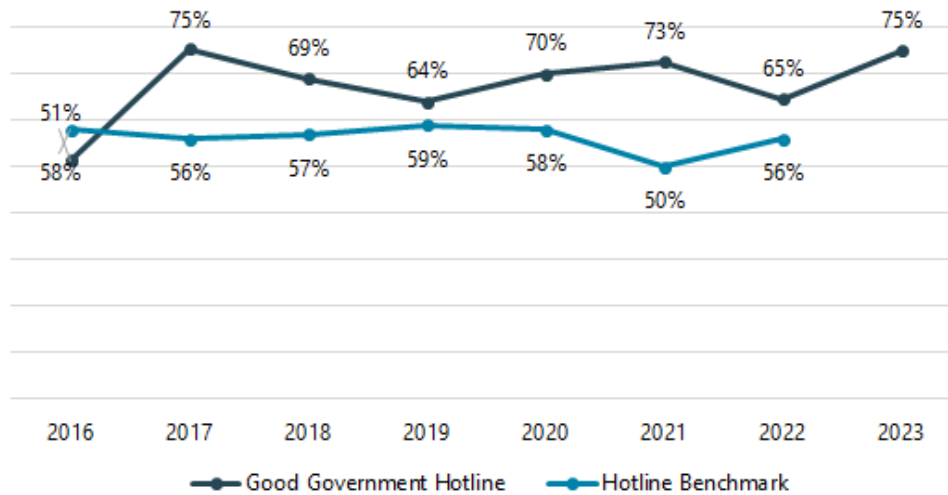
Reports from community members increased 16% from 2022 to 2023, which is a positive trend for the hotline. Community members, including county contractors and vendors, are an important source for reports of fraud, waste, and abuse. The 83% increase in reports from employees may be cause for concern, since hotline report volume can be an indicator for how employees feel about the ethical culture.

Reports from employees increased by 83% in 2023, while the number of reports from community members reached an all-time high



The rate of anonymous reports rose to 75% in 2023. Because anonymous reports tend to be more difficult to substantiate, we want this rate to be as low as possible. The ability to report anonymously is a best practice for an effective hotline. However, a high rate of anonymous reports may indicate that reporters fear retaliation. Anonymous reports also tend to be more difficult to substantiate. When reporters leave contact information, we are more likely to be able to ask follow-up questions and gather more information, which may help substantiate reports.

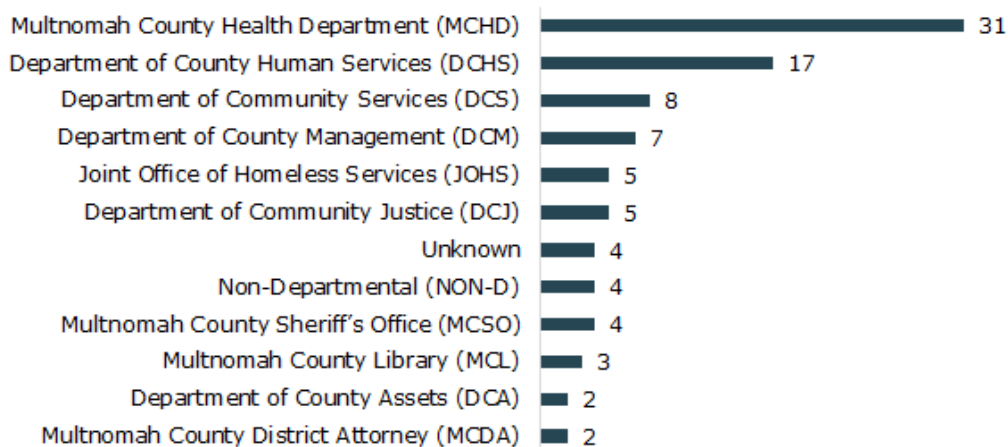
2023's rate of anonymous reports was far above the benchmark



Reports can be made anonymously. Reporter confidentiality is protected by Oregon Law.

We categorize each county-related hotline report we receive based on the department in which the allegation was reported to have occurred. The hotline received 31 reports regarding the Health Department. Next highest was the Department of County Human Services with 17, followed by the Department of Community Services, with 8. The Health Department has by far the largest number of employees among county departments and among the largest budgets. However, it is cause for concern that about one third of the county-related reports received to the hotline were regarding the Health Department.

About one third of 2023 hotline reports were related to the Health Department



2023 Fraud, Waste, Inefficiency, or Abuse of Position Investigation Results

The Hotline investigated 12 reports in 2023, and incorporated 5 additional reports into a current audit or potential audit. Of the 12 reports the Hotline investigated, we determined that 9 were unsubstantiated, and 3 investigations are still in progress.

In the spring of 2023, the Good Government Hotline received a hotline report regarding a contract award allocation process taking place in the Joint Office of Homeless Services. The allegation was that an elected official used their position to gain an advantage for a particular provider in the contract award allocation process. The County Auditor issued a memo to management about this hotline investigation, because although the allegation was not substantiated as fraud, waste, inefficiency, or abuse of position, the issue required the attention of the Board.

The memo provided transparency about what we found when investigating this report. Our investigation caused us concern that the county's contract award allocation process was not insulated enough from outside influence to assure impartial and open competition, and that outside influence put undue pressure on Joint Office employees.

A brief history of the Hotline

The County Auditor established the Good Government Hotline in 2007 to provide county employees and community members with a secure, confidential method for reporting suspected fraud, waste, or abuse of position.

Hotlines are effective reporting mechanisms and are an integral part of an anti-fraud control system. Organizations with hotlines experience significantly fewer fraud losses than organizations without hotlines. And tips are by far the most effective method for detecting fraud.

With the County Auditor's support, the hotline was adopted into county ordinance in 2023.

How we process and investigate reports

Upon receiving a hotline report, the Good Government Hotline investigator does an initial review of the report for relevance to county operations, quality of the information provided, and nature of the report, among other considerations. Some reports lack the detail to investigate, and some are really customer-service issues that can be resolved relatively easily without an investigation.

For each county-related report, the investigator conducts a preliminary review. Depending on the type of report, preliminary review may include reviewing documents and/or data, or talking with employees. In that preliminary review phase, our fact finding is used to determine whether the report will be further investigated, and who will investigate. The hotline investigator investigates all reports involving fraud, waste, and abuse of position. We do fact-finding, and don't have disciplinary authority over county employees.

While reporters can report anonymously if they choose, it is worth noting that even if they don't, we protect reporter confidentiality to the fullest legal extent. According to Oregon Revised Statute 297.765, reporter identity cannot be disclosed without the reporter's explicit permission. When referring anonymous reports to management, we summarize details of the report and remove any information that would potentially identify the reporter.