



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

March 13, 2025

Senator Aaron Woods, Co-Chair
Representative David Gomberg, Co-Chair
Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs Woods and Gomberg, and members of the committee,

During the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development hearing on March 11, 2025, members raised several questions during ODOT's presentation on SB 5541 – Oregon Department of Transportation Budget. Please see the department's responses below:

1. Please clarify which consultants are being utilized for public affairs for the Interstate Bridge Replacement Program, I-5 Rose Quarter, and I-205 Improvements.

Please see the attached spreadsheets for a list of consultants involved in the IBR, I-205, and Rose Quarter projects. Community Outreach and Public Involvement consultants have been highlighted for convenience.

Early stages of project development, particularly for large, complex projects like IBR, I-5 Rose Quarter, and I-205 include a significant amount of community engagement and public involvement work. This work is performed by both ODOT (project owner) employees directly and through consultant teams. As projects progress through design and engineering and ultimately to construction, the community engagement and public involvement work, while still ongoing, lessens while engineering work increases. As the IBR and I-5 RQ projects are not yet under construction, community engagement and public involvement costs may appear to represent a disproportionately high value. After full project construction is complete, greater cost share will exist between project management, design and engineering, and community engagement and public involvement efforts.

Appendix A – IBR

Appendix B – Rose Quarter

Appendix C – I-205

2. How does ODOT inform staff about the Government Waste Hotline?

ODOT takes allegations of waste, fraud, and abuse of agency or state resources seriously. Employees can report such activity through multiple channels, including their manager, another supervisor, a Human Resources Business Partner, the Human Resources Department, a Division Administrator, Internal Audit, or the Agency Director. Reports can also be submitted via AskODOT or by contacting the Secretary of State's Audits Division or the Department of Administrative Services (DAS).

In accordance with ORS 177.170 through 177.180, the Secretary of State's Audits Division operates and maintains the Government Waste, Fraud, and Abuse Hotline and website, available at <https://sos.oregon.gov/audits/Pages/accountability.aspx>. This resource provides valuable information for employees and the public on reporting allegations.

ODOT ensures that information about the Government Waste Hotline is accessible through multiple channels, including the employee intranet and office postings, to support awareness among all employees, including those in remote or hybrid roles.



Have concerns about the potential misuse of state government resources?

STATE GOVERNMENT ACCOUNTABILITY HOTLINE

Call toll free
800-336-8218

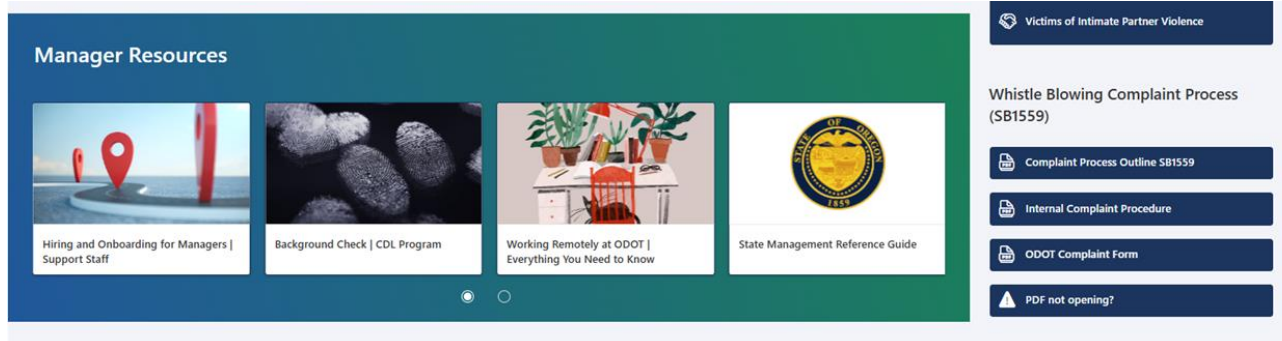
Report online
accountability.oregon.gov

We examine potential misuse of state resources. These inquiries mainly occur at state agencies, but may involve other entities receiving state or federal funds from state agencies. Misuse may involve fraud, waste, or abuse.

Your identity is protected by law.
You may report anonymously.



ODOT also offers direct access to the Whistleblowing Complaint Process on the Human Resources section of the employee intranet.



Employees can access the complaint form on the "Work Resources" page to report issues directly to Human Resources. Additionally, a DAS-developed toolkit is available, offering an overview of fraud, waste, and abuse, along with guidance on identification and reporting (see attached Appendix D and E).

Although ODOT shares information about reporting waste, fraud, and abuse, the program itself is administered by the Secretary of State's Audits Division. As the agency responsible for the program, the Secretary of State's office plays a key role in ensuring employees receive regular reminders about available reporting channels.

3. What steps has ODOT taken for accountability to fix the budget error and make sure it never happens again?

ODOT overestimated federal revenues in the 2023-2025 budget cycle due to planning more projects than available federal funding and because of how the agency's cash flow model translated projects that were programmed to use HB 2017 funds with the option to use federal funds. The cash flow model showed federal funding to cover these project costs, leading to the overestimation. Upon identifying the issue, ODOT took corrective actions to ensure spending remains within available resources. An audit was conducted, and additional reforms are being implemented to improve tracking of revenue sources and prevent similar errors in the future.

The following are some of the concrete steps ODOT has taken or is planning to implement to correct this error and prevent other errors from occurring in the future.

- The budget error in the 2023-2025 biennium was caused in part by frontloading projects in the first two years of the 2024-2027 Statewide Transportation Improvement Program (STIP), which then led to spending and revenue projections in the 2023-2025 budget that were not accurate and which ODOT feared could have led to overspending. To address this, at the May 2024 OTC meeting ODOT presented the Commission a proposal to push a number of projects out to 2026-2027 to avoid overspending in the 2023-2025 biennium.
- To avoid a similar situation in the 2027-2030 STIP, ODOT will not heavily frontload projects in the next STIP, instead spreading projects more evenly across time to match when federal funds are available.

- ODOT has been monitoring 2023-2025 expenditures against budget in Project Delivery and Local Government to ensure the agency does not overspend. This monitoring has shown that ODOT is not spending in a way that risks overspending against available revenue.
- Because the agency's cash flow model does not have a sufficient level of precision to accurately budget several years into the future across multiple types of funds, the agency built the 2025-2027 Project Delivery and Local Government budgets using historic actual federal funding rather than cash flow model output. This will prevent the overestimation of federal funds that occurred in 2023-2025.
- ODOT will explore options to replace the cash flow model that led to the inaccurate estimates of federal revenue and expenditures. Until the model can be replaced, it will not be used for functions, such as the budget, for which it cannot provide estimates with an appropriate level of accuracy.
- ODOT rebuilt its budget allocation to clearly divide revenue between operations and maintenance and capital and used this allocation to build its 2025-2027 budget.
- Beginning in July in the 2025-2027 biennium, ODOT will create specific fund details for HB 2017 funds to be able to track expenditures. This action was already in process.

ODOT will be held accountable to these actions through continued monitoring by ODOT's Audits group, which will review implementation of these steps. ODOT's executive leadership and the Oregon Transportation Commission will also monitor this work, as ODOT will continue to report to them.

Interstate Bridge Replacement Program Consultants

Consultant	Scope	Max Contract Value	Spent-to-Date	Amount Remaining
A.Yap dba/Multicultural Collaborative	Community Outreach & Public Involvement	\$ 22,500.00	\$ 2,250.00	\$ 20,250.00
Armeni Consulting Services, LLC.*	Engineering	\$ 16,989.14	\$ 16,989.14	\$ -
Alta Planning + Design, Inc.	Engineering	\$ 793,629.95	\$ 712,660.55	\$ 80,969.40
Architectural Resources Group	Environmental	\$ 678,558.98	\$ 492,741.09	\$ 185,817.89
Bolima Drafting & Design Inc	Engineering	\$ 699,349.00	\$ 123,902.88	\$ 575,446.12
Cooper Zietz Engineers, Inc.	Engineering, Program Management, and Procurement	\$ 1,502,893.72	\$ 544,471.56	\$ 958,422.16
Crunican, LLC.	Program Management	\$ 1,016,061.53	\$ 967,917.23	\$ 48,144.30
Dream Big Communications LLC	Program Management	\$ 100,100.30	\$ 42,382.71	\$ 57,717.59
Dss+ Transportation LLC	Engineering	\$ 580,470.00	\$ 100,797.16	\$ 479,672.84
Ecorp Consulting Inc	Environmental	\$ 59,063.00	\$ 24,189.92	\$ 34,873.08
Emerio Design, LLC.	Engineering	\$ 1,938,439.07	\$ 1,660,367.24	\$ 278,071.83
EnviroIssues, Inc.*	Environmental	\$ 355,825.18	\$ 355,825.18	\$ -
Epic Land Solutions, Inc.	Engineering	\$ 1,650,914.17	\$ 1,171,280.87	\$ 479,633.30
Equilibrium Engineers	Engineering	\$ 242,756.00	\$ 8,404.20	\$ 234,351.80
Espousal Strategies LLC.	Community Outreach & Public Involvement	\$ 9,598,915.13	\$ 8,810,505.39	\$ 788,409.74
Facet Engineering LLC	Engineering	\$ 136,015.00	\$ 10,056.26	\$ 125,958.74
Facility Support Inc.	Engineering	\$ 271,093.00	\$ 54,211.94	\$ 216,881.06
GKM, Inc. dba Amico Public Relations, Inc.	Community Outreach & Public Involvement	\$ 2,977,224.44	\$ 2,934,319.02	\$ 42,905.42
Good Company LLC*	Program Management	\$ 10,067.65	\$ 10,067.65	\$ -
Gravity Consulting LLC*	Environmental	\$ 47,738.20	\$ 27,135.84	\$ 20,602.36
Group AGB, LTD.*	Community Outreach & Public Involvement	\$ 278,845.89	\$ 278,845.89	\$ -
IML Services LLC.	Engineering	\$ 1,885,504.89	\$ 1,519,206.85	\$ 366,298.04
Intelligent Partnerships	Program Management	\$ 488,690.00	\$ 61,998.90	\$ 426,691.10
KAF Consulting LLC	Program Management	\$ 850,452.00	\$ 108,424.83	\$ 742,027.17
Kearns & West, Inc.*	Community Outreach & Public Involvement	\$ 807,632.70	\$ 807,632.70	\$ -
Kelly McNutt Consulting LLC	Engineering, Program Management, and Procurement	\$ 6,864,474.00	\$ 3,096,526.31	\$ 3,767,947.69
Knight Architects Limited	Engineering	\$ 1,065,854.92	\$ 971,520.75	\$ 94,334.17
LEEKA INC dba Leeka Architecture and Planning	Engineering	\$ 560,905.00	\$ 14,215.67	\$ 546,689.33
Lunar Strategic Consulting, LLC	Engineering	\$ 1,033,120.00	\$ 871,284.00	\$ 161,836.00
Michael Minor & Associates Inc	Engineering	\$ 55,302.00	\$ 35,711.18	\$ 19,590.82
Moffatt & Nichol Db a Moffatt & Nichol, Inc.	Environmental	\$ 612,101.94	\$ 450,744.85	\$ 161,357.09
Northwest Passage	Program Management	\$ 37,033.00	\$ 4,232.40	\$ 32,800.60
O'Bunco Engineering International Inc.	Engineering	\$ 100,506.00	\$ 4,256.65	\$ 96,249.35
Otak, Inc.*	Engineering	\$ 616,853.43	\$ 616,853.43	\$ -
Ott-Sakai & Associates, LLC.	Engineering and Program Management	\$ 821,612.39	\$ 451,615.74	\$ 369,996.65
Pacific Railway Enterprises	Engineering	\$ 276,128.00	\$ 66,827.53	\$ 209,300.47
Parametrix, Inc.	Program Support Across All Disciplines	\$ 64,162,252.53	\$ 50,250,791.87	\$ 13,911,460.66
PointNorth Consulting, Inc.	Community Outreach & Public Involvement	\$ 8,530,421.77	\$ 8,285,403.38	\$ 245,018.39

Rawlins Infra Consult	Procurement	\$	185,387.00	\$	53,979.53	\$	131,407.47
Rhino One, LLC.	Engineering	\$	384,576.00	\$	50,311.87	\$	334,264.13
Rivero Design	Engineering	\$	219,384.96	\$	68,208.00	\$	151,176.96
S2E Consulting LLC	Engineering	\$	19,140.00	\$	13,200.00	\$	5,940.00
Shannon & Wilson, Inc.	Engineering	\$	1,116,544.22	\$	1,046,368.92	\$	70,175.30
SRI Foundation	Program Management	\$	292,658.32	\$	257,639.45	\$	35,018.87
Stantec Consulting Services Inc.	Finance	\$	702,537.06	\$	666,942.58	\$	35,594.48
Steven M Siegel dba Siegel Consulting	Finance	\$	400,893.07	\$	400,893.07	\$	-
TCC & Associates Inc.	Engineering	\$	308,240.00	\$	8,484.00	\$	299,756.00
The Greenbusch Group, Inc	Engineering	\$	134,650.00	\$	23,458.26	\$	111,191.74
Thuy Tu Consulting, LLC.	Engineering	\$	640,401.79	\$	232,717.59	\$	407,684.20
Tom K Iverson Natural Resource Consulting LLC*	Environmental	\$	1,495.26	\$	1,495.26	\$	-
Triunity, Inc.	Engineering and Program Management	\$	3,644,340.65	\$	1,870,674.76	\$	1,773,665.89
Utility Mapping Services Inc	Engineering	\$	983,399.21	\$	952,154.87	\$	31,244.34
Willamette Cultural Resources Associates, Ltd.	Environmental and Procurement	\$	4,631,802.84	\$	2,193,250.11	\$	2,438,552.73
Winning Mark, LLC*	Community Outreach & Public Involvement	\$	467,646.78	\$	467,646.78	\$	-
WMM Consulting LLC	Program Management	\$	428,216.00	\$	54,879.67	\$	373,336.33
Wolf Water Resources, Inc.	Environmental & Procurement	\$	625,469.59	\$	433,009.89	\$	192,459.70
WSP USA Inc.	Program Support Across All Disciplines	\$	85,291,378.06	\$	68,288,518.59	\$	17,002,859.47
Zimmer Gunsul Frasca Architects LLP.	Engineering	\$	3,439,827.18	\$	3,139,460.49	\$	300,366.69
	TOTAL	\$	215,664,281.91	\$	166,189,862.45	\$	49,474,419.46
<i>*Represents firms with completed contracts</i>			<i>Contract values and expenditures as of 1/31/25</i>				

Urban Mobility Office: Outsourcing Model Summary

The Urban Mobility Office operates at approximately a 75% outsourcing level

75% of project work is done by consultants, 25% is done by ODOT as measured by FTE (full time equivalent staffing).

The Urban Mobility Office was developed to rely heavily on outsourced support from the consulting community to support project delivery.

This model allows the Urban Mobility Office to be a strong project owner while leveraging the expertise and scalability of consultant community.

This model allows:

Flexibility to scale with workload: expertise can be scaled to the emerging and current business needs

Cost considerations over the long term: While consultant rates may at times be higher than ODOT salaries, factoring in benefits/pension/overhead/hiring time can also be expensive over time

Access to specialized expertise: Large projects require niche experience that may not be needed full time and consultants provide on-demand access to specialized skills without long-term obligations

Maintaining a strong owner role: ODOT remains the ultimate decision maker and sets policy to ensure public accountability, with ODOT's focus on contract management and quality assurance programs

I-5 Rose Quarter - Lead Consultants

Consultant	Scope	Max Contract Value	Spent-to-Date	Amount Remaining
Owner's Representative Team		\$48,755,494	\$43,389,559	\$5,365,935
Prime: David Evans & Associates (DEA)	As the Owner's Representative prime, DEA provides management support to ODOT, including project controls, scheduling and cost estimating and public involvement and strategic communication services. In addition, the owner's rep provides design management services and DBE and workforce program support. Overall, DEA provides timely deliverables and recommendations that help the agency reduce risk to scope, schedule and budget for the project. DEA is supported by subconsultants.	\$24,031,041	\$21,239,894	
<i>Subconsultants:</i>				
Avenue	Construction Risk Modeling	\$170,776.25	\$121,643.95	
Bai	Environmental peer review: panel member	\$3,330.00	\$3,330.00	Subcontract complete
Black Excellence	Graphic Design	\$50,250.00	\$50,250.00	Subcontract complete
Buffalo	Community Outreach and Public Involvement	\$59,700.00	\$59,700.00	Subcontract complete
Cruncan	Partner Facilitation	\$65,050.00	\$61,118.75	
EcoNorthwest	Economic Analysis	\$140,085.00	\$88,574.08	Subcontract complete
Envirolssues	Community Outreach and Public Involvement	\$1,207,383.05	\$1,207,070.55	Subcontract complete
Espousal Strategies	Community Outreach and Public Involvement	\$1,111,018.28	\$957,083.77	
GRI	Geotechnical Engineering Expertise	\$770,146.09	\$743,162.57	
Group AGB	DBE Workforce Expertise	\$960,958.32	\$960,958.32	Subcontract complete
Hunte	Facilitator: Historical Community Liasion	\$647.50	\$647.50	Subcontract complete
LNS	Public Meeting Transcription	\$11,520.00	\$0.00	
KLP	Partner Facilitation, Strategic Planning	\$254,875.00	\$254,875.00	Subcontract complete
Martin Jones	Graphic Design / Videographer	\$30,900.75	\$30,900.75	Subcontract complete
Miller	Facilitator	\$360.00	\$360.00	Subcontract complete
Ontiveros	DBE Workforce Expertise	\$2,528,150.88	\$2,528,150.88	Subcontract complete
Ott-Sakai	Construction Management Expertise	\$2,415,616.53	\$2,023,093.71	
Paradyne	Partner Facilitation	\$83,250.00	\$68,033.74	
RHA	Facilitator	\$6,678.00	\$6,678.00	Subcontract complete
Scott	Environmental peer review: panel member	\$14,000.00	\$14,000.00	Subcontract complete
Sexton	Environmental peer review: panel member	\$6,000.00	\$5,325.00	Subcontract complete
Stanton	Facilitator	\$23,625.00	\$23,625.00	Subcontract complete
Strategies 360	Community Outreach and Public Involvement	\$573,222.15	\$573,222.15	Subcontract complete
Stryv	Project Controls	\$336,200.00	\$204,289.70	
Team HR	Partnering Facilitation	\$26,400.00	\$14,022.50	Subcontract complete
Try Excellence	Community Outreach and Public Involvement	\$3,379,558.33	\$2,966,112.50	
Wilson	Environmental peer review: panel member	\$11,629.73	\$11,629.73	Subcontract complete
Winn	Facilitator	\$11,275.00	\$11,194.12	Subcontract complete

WSP	Design Management , Communitons, Various Engineering Expertise	\$10,471,847.30	\$9,160,612.41			
	Subtotal Subconsultants	\$24,724,453.16	\$22,149,664.68			
A&E Design Team		\$67,631,531	\$53,183,869	\$14,447,662		
Prime: HDR Inc.	As the A&E team prime, HDR provides oversight of the project design work. Engineering plans for all facets of the project are completed under its oversight. HDR is supported by subconsultants.	\$30,752,752	\$25,596,291			
	<i>Subconsultants:</i>					
Nelson Nygaard Consulting Assoc	Urban Design	2,152,591.00	1,724,195.96			
OBEC Consulting Engineers / DOWL	Surveying and Pedestrian bridge Engineering	5,966,060.00	4,694,277.32			
CH2M Hill Inc	Tunnel Fire Life Safety Engineering	2,258,954.00	1,399,042.00			
Rhino One LLC	Geotechnical Engineering	1,090,935.00	870,624.92			
Shannon and Wilson Inc	Geotechnical Engineering	5,976,612.00	5,323,548.60			
Exeltech Consulting Inc	Structural Engineering	1,853,347.00	1,216,148.31			
Casso Consulting Inc	Utility Relocation coordination and Engineering	2,616,292.00	1,216,148.31			
Nemarium Engineering & Associates	Traffic Control Engineering	1,080,389.00	890,725.48			
Carleton Hart Architecture PC	Urban Design	205,600.00	205,428.75			Subcontract complete
Parametrix Inc	Local Street and Lightrail Engineering	5,317,620.00	3,321,574.55			
FM Burch & Associates Inc	Workforce and DBE advocate	163,200.00	135,817.50			
Harris Miller Miller & Hanson Inc	Noise Engineering	417,934.00	394,510.48			
Coles + Betts Environmental	Hazmat	756,296.00	719,882.99			
Willamette Cultural Resources Assoc	Historic and Archology Studies	59,505.00	38,983.26			
Global Transportation Engineering	ITS (Fiberoptics) Engineering	853,237.00	508,911.88			
Marianne Zarkin Landscape Arch	Landscape Architecture	783,774.00	601,538.25			
1 Alliance Geomatics LLC	Sureveying	535,602.00	525,575.23			
3D InFusion Inc	3-D graphic design	81,480.00	15,001.50			Subcontract complete
Fire & Risk Alliance	Tunnel Hazard Modeling	754,658.00	682,213.85			
Utility Mapping Services Inc	Subsurface Utility Engineering	1,734,392.00	1,671,035.13			
Hart Development	Urban Design	286,650.00	185,175.00			
Triunity Engineering & Management	Transit Communication Engineer	520,542.00	356,996.13			
Portland Valuation Group	ROW Appriasal	158,050.00	114,200.00			
ADS System Safety Consulting	Light Rail Safety engineers	129,009.00	82,020.41			
Marco Vargas & Associates	ROW Appriasal	124,850.00	55,901.73			
CBRE, Inc	ROW Appriasal	20,000.00	20,000.00			
SignValue, Inc.	ROW Appriasal	32,000.00	32,000.00			
TCC Associates	Erosion Control & General Civil Engineering	432,135.00	329,820.00			
Perkins & Will	Urban Design	454,065.00	222,309.61			
Fat Pencil Studio	3-D graphic design	50,000.00	20,970.50			
All Traffic Data Services, LLC	Traffic Counts	13,000.00	13,000.00			
	Subtotal Subconsultants	\$36,878,779	\$27,587,578			
Independent Cost Estimator		\$1,300,074	\$549,162	\$750,912		
Prime: Mott MacDonald	Independent Cost & Schedule Estimators	\$992,734	\$496,362			
	<i>Subconsultant:</i>					
MPM Consulting	Construction Risk/Estimating/Schedule	\$307,340	\$52,800			
Environmental Review Consultant		\$4,845,497.00	\$3,730,557.00	\$1,114,940		
Prime: AECOM	AECOM provides environmental planning work, including leading the NEPA activities	\$2,962,619.00	\$2,044,984.00			
HDR Engineering	Design engineering	\$1,155,663.00	\$1,218,256.00			
Alta Planning + Design	Alternative transportation planning	\$44,171.00	\$73,587.00			
ZGF	Visual design services and planning	\$330,012.00	\$7,688.00			
OBEC	Engineering	\$107,680.00	\$63,697.00			
Altcantar	Engineering	\$3,040.00	\$3,040.00			
Parametrix	Traffic planning	\$93,772.00	\$147,203.00			

Casso Consulting, Inc.	Scheduling	\$53,334.00	\$49,072.00	
Debra Mervyn and Associates	Engineering	\$31,306.00	\$31,281.00	
Newlands & Co Inc.	Visual design services and planning	\$63,900.00	\$91,749.00	
	Subtotal Subconsultants	\$1,882,878.00	\$1,685,573.00	
Contractor - Construction Management / General Contractor		\$12,479,849	\$11,314,158	\$1,165,691
Prime: Hamilton Sundt Joint Venture (HSJV)	HSJV provides lead Construction Manager/General Contractor services for the construction of the project	\$7,993,227	\$8,064,387	
Raimore Construction	Major Subcontractor - General Construction	\$3,272,832.00	\$2,582,775.00	
Pacific Project Partners LLC	Subcontractor- Workforce Compliance	\$249,600.00	\$9,255.00	
IML Services LLC	Subcontractor - Utility Coordination	\$365,488.00	\$351,135.00	
Betts on Training and Consulting LLC	Subcontractor - Workforce Training and Sourcing	\$85,875.00	\$1,002.00	
Just Bucket Excavating, Inc.	Mini-CMGC - Civil Work	\$173,974.00	\$124,410.00	
Advanced Tribal LLC	Mini CMGC - retaining walls	\$43,528.00	\$43,500.00	
Egami Construction Inc	Mini CMGC- HWY Signage	\$78,655.00	\$78,655.00	
VAK Construction Engineering Services LLC	Subcontractor - Engineer for temp work	\$216,670.00	\$59,039.00	
	Subtotal Subconsultants	\$4,486,622.00	\$3,249,771.00	
Independent Highway Cover Assessment		\$3,443,330.87	\$3,443,330.87	Contract is Complete/Closed
Prime: Zimmer Gunsul Frasca LLP	ZGF led the Governor-appointed Independent Cover Assessment	\$2,007,814.61	\$2,007,814.61	
ARUP	Engineering Expertise	\$427,821.59	\$427,821.59	
HR&A	Economic Development Consultant	\$147,950.00	\$147,950.00	
KPFF	Engineering Expertise	\$44,823.65	\$44,823.65	
Institute for Conflict Management	Community Outreach and Public Involvement	\$138,421.50	\$138,421.50	
IMELK	Urban Design Expertise	\$190,337.28	\$190,337.28	
Terry A Hayes Associates	Environmental Planning	\$33,197.50	\$33,197.50	
Olmsted Legacy	Placemaking Planning	\$45,311.15	\$45,311.15	
Suenn Ho Design	Placemaking Planning	\$108,960.00	\$108,960.00	
Leland Consulting Group	Real Estate Consulting	\$42,312.50	\$42,312.50	
Christine Rains Graphic Design	Graphic Design	\$6,935.00	\$6,935.00	
Toole	Urban Design Expertise	\$27,049.55	\$27,049.55	
JM Woolley	Economic Consulting	\$165,456.54	\$165,456.54	
MEK Design	Graphic Design	\$56,940.00	\$56,940.00	
	Subtotal Subconsultants	\$1,435,516.26	\$1,435,516.26	
Independent Project Management / Software System Review				Contract is Complete/Closed
Prime: IQMS	Provided project management software consulting services	\$84,932.50	\$84,932.50	

Appendix C

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Maintaining a strong owner role: ODOT remains the ultimate decision maker and sets policy to ensure public accountability, with ODOT's focus on contract management and quality assurance programs

I-205 Abernethy Bridge - Lead Consultants

Consultant	Scope	Max Contract Value	Spent-to-Date	Amount Remaining
A&E Design Team		\$88,253,401	\$56,602,720	\$31,650,682
HDR Engineering, Inc.	HDR provided preliminary engineering (PE) design services and continues to provide design services during construction. PE and construction services include project controls, risk management and mitigation, scheduling and cost estimating, public involvement, and strategic communication. Construction services include inspections, contract administration, review of CCOs, RFIs, submittals.	\$88,243,901	\$56,598,970	\$31,644,932
<i>Lead sub-consultants:</i>				
Casso Consulting Inc	Drawing and submittal review, utility coordination and design	\$1,624,066.00	\$917,628.73	
DKS Associates	Engineering	\$1,085,489.00	\$832,775.14	
Emerio Design LLC	Civil engineering	\$305,837.00	\$284,603.97	
Foundation Engineering	Foundation engineering	\$693,676.00	\$613,717.65	
Global Transportation Engineering	ITS (Fiberoptics) Engineering	\$453,161.16	\$312,241.32	
Group AGB	DBE Workforce Expertise	\$421,602.00	\$452,700.00	
Harris Miller Miller & Hanson Inc	Noise Engineering	\$271,511.00	\$266,694.94	
JLA Public Involvement	Community Outreach & Public Involvement	\$704,479.00	\$409,897.22	
NNA Landscape Architecture	Landscape architecture	\$875,246.00	\$428,863.00	
OBEC Consulting Engineers / DOWL	Engineering	\$12,882,278.00	\$8,472,704.05	
O-P Engineering PC	Engineering	\$210,210.00	\$138,111.75	
Quincy Engineering Inc.	Engineering	\$13,588,439.00	\$12,723,043.71	
Schneider Consulting LLC	Engineering consultant	\$187,254.00	\$288,999.00	
Shannon and Wilson Inc	Geotechnical Engineering	\$8,489,194.00	\$7,866,887.29	
D&H Flagging Inc. (sub to HDR only)	Safety / flagging	\$18,078.75	\$18,078.75	
Reynolds Engineering LLC	Engineering	\$35,267.00	\$34,835.55	
Solomar Hydro Inc	Engineering and forestry	\$23,947.00	\$23,913.71	
Murraysmith / Consor	Engineering	\$1,044,981.00	\$699,697.90	
Sprout Partners	Community Outreach & Public Involvement	\$132,020.00	\$43,284.20	
SC Solutions	Control engineering	\$117,492.00	\$117,491.61	
PKS International LLC	Community Outreach & Public Involvement	\$127,640.00	\$56,840.59	
JR Bonnett Construction Services	Engineering	\$51,800.00	\$11,800.00	
Ott-Sakai & Associates	Construction Management Expertise	\$138,258.00	\$33,536.00	
ACMS Northwest	Inspections during construction	\$1,222,762.00	\$1,284,554.38	
Kelly McNutt Consulting LLC	Scheduling, value engineering, risk management	\$3,563,801.00	\$1,764,769.95	
Summit Quality Management	Management and Administrative Support	\$322,440.00	\$146,496.88	
Illingworth & Rodkin	Engineering	\$172,344.00	\$122,932.96	
Stuart Collective	Community Outreach & Public Involvement	\$508,344.00	\$200,137.25	
WSP	Design Management, Communities, Various Engineering Expertise	\$63,950.00	\$62,077.85	
	Subtotal Subconsultants	\$49,335,566.91	\$38,629,315.35	
KLP Consulting	Project performance improvement	\$9,500	\$3,750	\$5,750
				Contract is Complete/Closed



ODOT COMPLAINT OF DISCRIMINATION, HARASSMENT OR WORKPLACE ISSUES

ODOT takes all complaints of discrimination, workplace harassment, sexual harassment, workplace intimidation, sexual assault, unethical, unfair or unprofessional conduct as serious matters. We ask that you complete this form as thoroughly as possible, so that we may properly review your concern. Information submitted on this form is treated confidentially, to the extent provided by applicable laws. Names and other identifying information may be disclosed where necessary for investigation purposes. It is illegal for anyone to intimidate, threaten, coerce, discriminate or retaliate against you for filing this complaint. Note: You are not required to complete this form for Human Resources staff to conduct an investigation. This form can also be completed anonymously for whistleblowing complaints ([ORS 659A.203](#)).

Use this form to document:

- A claim made by an individual regarding a specific act which is alleged to have adversely affected an employee's existing terms or conditions of employment; or
- A claim made by an individual alleging that a provision of the Oregon Department of Transportation or statewide Department of Administrative Services Policy(ies) has been violated.

You may fill out this form using a computer, then save and print out the completed form; or you may print out the form and complete it by printing or typing your answers.

If filling this form electronically, form fields will expand as you type. If filling manually, attach extra pages if necessary.

For correspondence purposes, please select one choice:

- Home mailing address
- Work mailing address
- Instead of sending correspondence to my home or work address, send correspondence to the email address listed below.
- This is being submitted anonymously based on whistleblower statutes (see disclaimer).

1.	NAME	EMAIL ADDRESS		
	WORK PHONE	HOME PHONE	CELL PHONE	
	MAILING ADDRESS	CITY	STATE	ZIP

2. Please identify the person or people and/or division/section against whom/which you are filing this complaint:

NAME(S) OF ACCUSED	
DIVISION / SECTION	PHONE

3. Please describe the events that occurred in as much detail as possible and where the events occurred (field will expand as you type, or attach additional pages):

DESCRIPTION

4. Please include the date(s) of the incident:

DATES

5. How were you adversely/negatively affected?

DESCRIPTION

6. Witnesses – List the names and positions of those who witnessed the conduct or incident:

WITNESSES

7. Have you attempted to resolve your concern/complaint? If so, with whom? Please describe in detail:

DESCRIPTION

8. Please describe any positive solutions you believe can help resolve your concern/complaint:

DESCRIPTION

9. Do you believe the action(s) taken against you were because of your protected status*? If so, how?

DESCRIPTION

* Protected class may include the following: Age, color, gender, Family and Medical Leave status, medical condition, religion, national origin/ancestry, race, sexual orientation, veteran status. (For a complete list, refer to DAS Discrimination and Harassment Free Workplace Policy ([50.010.01](#)).

10. If this complaint is based on potential whistleblowing violations, please describe in detail the alleged waste, fraud, abuse, public endangerment or other applicable workplace violations ([ORS 659A.203](#)):

DESCRIPTION

11. If this complaint is based on retaliation for a good faith whistleblowing report that was made, please describe in detail the alleged adverse employment action(s)** that was taken:

DESCRIPTION

** Adverse employment actions can include discharge, demotion, suspension, discrimination or retaliation in any manner against an employee ([ORS 659A.199](#)).

12. For complaints related to the Department of Administrative Services (DAS) Discrimination and Harassment Free Workplace Policy ([50.010.01](#)), have you received a copy of this policy? If not, the link to the policy is included below.

DESCRIPTION

Please include or attach any documentation or information you believe is relevant to your complaint. Information may be included in the field below, attached to the email by which this form is submitted, or manually attached to the paper form as additional pages.

ADDITIONAL DOCUMENTATION OR INFORMATION

By signing below, you certify that you have reviewed this complaint (including attachments) to confirm that it is accurate and complete. (This form does not need to be signed if submitted anonymously or via email; email submission represents signature).

PRINT NAME	SIGNATURE X	DATE
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Return this form to the ODOT HR Director, Deputy HR Director, or Human Resources Business Partner.

If you believe this is a protected class complaint (see your answer to Question 9), you may also send it to:

ODOT Deputy Human Resources Director MS 12
355 Capitol St. NE
Salem, OR 97301-3871

ODOT HUMAN RESOURCES USE ONLY	
DATE RECEIVED BY HUMAN RESOURCES:	
This form was completed by: <input type="checkbox"/> Anonymous source (whistleblower complaint) <input type="checkbox"/> Complainant (employee filing the complaint) <input type="checkbox"/> Another employee (on behalf of complainant) <input type="checkbox"/> Other (specify):	The information on this form was: <input type="checkbox"/> Gathered by phone <input type="checkbox"/> Gathered in person <input type="checkbox"/> Submitted by complainant <input type="checkbox"/> Other (specify):

Disclaimer: The identity of an employee who discloses matters described in 659A.203 or 659A.212 will not be disclosed by ODOT without the written consent of the employee during any investigation of the information provided by the employee. However, there may be times when a report is made anonymously and staff may attempt to guess who the complainant is based on the nature of the allegations. ODOT will keep complainant's name anonymous or confidential, but cannot guarantee that others won't attempt to guess their identity.

Link to DAS State HR Discrimination and Harassment Free Workplace policy, 50.010.01:
<https://www.oregon.gov/das/Policies/50-010-01.pdf>



***Prevention & Detection of Fraud,
Waste, & Abuse***

Government Toolkit

February 2010

DAS

DEPARTMENT OF
ADMINISTRATIVE
SERVICES

STATE CONTROLLER'S
DIVISION

(503) 378-3156

[State of Oregon, State Controller's Division](http://www.sos.or.gov)

PREVENTION & DETECTION OF FRAUD, WASTE, & ABUSE: A GOVERNMENT TOOLKIT

INTRODUCTION

This tool is designed to complement the existing materials on the Internal Control section of our website.

The most important message to take from this guide is that fraud prevention and detection must be a part of each employee's job. We need to remind employees of the competing responsibilities of treating taxpayers as customers while simultaneously maintaining a skeptical eye for those who are attempting to defraud us as well as being cognizant of potential internal fraud, waste, and abuse. As technology continues to provide us with new tools to do our jobs, it provides those who would defraud us with these same tools. Information security competes with hackers who try to break into our systems. Social engineers will link bits of public information into a web of lies that will make them appear credible. They will attempt to use our employees to defraud us.

We must not become complacent. It is important to incorporate into your businesses practices or performance metrics procedures to detect and prevent fraud. We hope this document helps in that effort. As always, thoughts and comments on how to improve this document and tools to assist in detecting fraud are always welcome.

**PREVENTION & DETECTION OF FRAUD, WASTE, & ABUSE:
A GOVERNMENT TOOLKIT**

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THE FRAUD TRIANGLE – A RECIPE FOR DISASTER

All fraud, waste, and abuse have the same pattern.

One part **Motivation**:

This is the “what” of the equation. Internal pressures to perform, too much work, too much expectation. External pressures from family, expectations to succeed, financial expectations, family medical issues and financial needs, divorce, gambling, alcohol, and drugs. And sometimes just plain old greed.

One part **Opportunity**:

This is the “how” of the equation. Breakdowns, or sometimes just lacking, internal controls. Too much trust and not enough checks and balances.

One part **Rationalization**:

This is the “when” of the equation. Rationalization, justification, attitude, behavior, ethics; for some it starts with a loan, for others it is a sense of entitlement, it may be justified by the need to help their family or loved one, or sometimes it's just driven by addiction.



WHAT IS FRAUD, WASTE, & ABUSE?

There are a variety of different definitions, but fraud is largely a deliberate deception to secure an unfair gain. This could be a monetary, contractual, or other type of advantage that is unlawful.

The Oregon Secretary of State, Audits Division (OAD) defines fraud, waste, and abuse as follows:

Fraud:

A dishonest and deliberate course of action that results in the obtaining of money, property, or an advantage to which state employees or an official committing the action would not normally be entitled. Intentional misleading or deceitful conduct that deprives the state of its resources or rights. There are three categories of fraud: financial statement fraud, misappropriation of assets, and corruption.

Financial Statement Fraud:

Intentional misstatements, omissions, or disclosures in financial statements designed to deceive financial statement users. Fraudulent financial reporting often involved management override of controls that otherwise may appear to be operating effectively. Common examples include overstating revenues and understating liabilities or expenses.

Asset Misappropriation:

The theft of an entity's assets that causes the financial statements not to be presented in conformity with GAAP. False or misleading records or documents, possibly created by circumventing controls, may accompany misappropriation of assets. Asset misappropriation can be further broken down in to nine sub-categories.

Corruption:

The Report to the Nation defines corruption as fraudsters who wrongfully use their influence in a business transaction in order to procure some benefit for themselves or another person, contrary to their duty to their employer or the rights of another.

Waste:

The needless, careless, or extravagant expenditure of state funds, incurring of unnecessary expenses, or mismanagement of state resources or property. Waste does not necessarily involve private use or personal gain, but almost always signifies poor management decisions, practices, or controls.

Abuse:

The intentional, wrongful, or improper use or destruction of state resources, or seriously improper practice that does not involve prosecutable fraud. Abuse can include the excessive or improper use of an employee or official's position in a manner other than its rightful or legal use.

COMMON TYPES OF FRAUD, WASTE, & ABUSE IN THE PUBLIC SECTOR

As noted above, the three major categories of fraud are corruption, financial statement fraud, and asset misappropriation.

Asset misappropriation can be further categorized into one of the following areas:

- **Billing:** a scheme that involves an employee causing a payment to be issued by submitting an invoice for fictitious goods or services, inflating an invoice, or submitting invoices for personal purchases.
- **Non-Cash:** an employee steals or misuses non-cash assets.
- **Skimming:** a scheme that involves cash being stolen before it is recorded in the organizations records.
- **Cash on Hand:** misappropriation of cash that is kept on hand at the organizations premises.
- **Expense Reimbursement:** an employee makes a claim for reimbursement of fictitious or inflated business expenses.
- **Check Tampering:** stealing money by forging or altering a check, or by stealing a legitimate check that has been issued by an organization.
- **Payroll:** an employee causes a payment to be issued by making false claims for compensation (i.e. overcharging time and ghost employees).
- **Cash Larceny:** a scheme that involves cash being stolen after it is recorded in the organizations records.
- **Cash Register Disbursements:** an employee makes false entries on a cash register to conceal the fraudulent theft of cash.
- **Payroll Fraud:** an employee manipulates the payroll system to receive or cause to be issued inappropriate payments. This often takes the form of ghost employees or excessive pay rates.

Financial statement frauds include, but are not limited to:

- Manipulation, falsification, or alteration of accounting records or supporting documents from which financial statements are prepared
- Misrepresentation in or an intentional omission from the financial statements of events, transactions, or other significant information
- Intentional misapplication of accounting principles relating to amounts, classification, manner of presentation, or disclosure

Corruption includes, but is not limited to:

- Accepting kickbacks
- Engaging in conflicts of interest
- Bid rigging
- Bribery
- Economic extortion
- Illegal gratuities

Waste includes, but is not limited to:

- Purchase of unneeded supplies or equipment
- Purchase of goods at inflated prices
- Failure to reuse or recycle major resources or reduce waste generation

Abuse includes, but is not limited to:

- Failure to report damage to state equipment or property
- Using one's position in one state department to gain an advantage over another state resident when conducting personal business in another state department
- Serious abuse of state time such as significant unauthorized time away from work or significant use of state time for personal business
- Abusing the system of travel reimbursement
- Receiving favors for awarding contracts to certain vendors
- Conflict of Interest
- Ethics Violations

“RED FLAGS” OR FRAUD INDICATORS

Red flag indicators are activities that may indicate trouble in any process. These are best described as clues or hints that something outside the norm is/has occurred and that a closer look at an area or activity is required. These indicators include, but are not limited to:

Asset Misappropriation

Asset misappropriations involve theft of an organizations assets. This is most commonly seen as inventory or cash misappropriations. Many asset misappropriation schemes have similar red flags or warning signals. Some of these include:

- Employees who do not take vacation or leave time
- Employees who consistently work late hours
- Employees who are willing to work the same position rather than moving up the career ladder
- Employees who are resistant to procedural changes
- Multiple vendors with the same address
- Sequentially numbered invoices
- Repeated invoices just below approval thresholds
- Invalidated federal tax identification numbers
- Vendor names that are very similar to other well known vendors
- Inadequate segregation of duties
- Employees living substantially beyond their means
- Decreases in cash sales
- Increases in customer account balances that normally pay in cash
- Increases in customer account write-offs
- Increases in petty cash requests
- Lack of documentation for petty cash requests
- Declining cash balance when cash sales have increased
- Differences in deposit totals when preparing bank reconciliations
- Discrepancies in physical inventory accounts and accounting records
- Large differences in actual to budget amounts
- Unexpected increases in professional service costs such as consulting
- Payments to companies that are similar in name to current vendors, but slightly different
- Payments to companies that management does not recognize as a vendor the organization does business with
- Un-reconciled differences between physical inventory count and the accounting records
- Large inventory shortages, specifically when in only certain types of inventory
- Increase in obsolete or damaged inventory write-offs approved by one specific individual

Payroll Fraud

Fraud involving payroll is typically perpetrated by an existing employee within the organization. It often occurs in the form of a ghost employee or excessive pay rates. Indicators for payroll fraud include, but are not limited to:

- No taxes or benefits
- Invalid Social Security Number
- Frequent employee address changes
- P.O. Box, Drop Box Address, Organization's Address, or no home address
- Unusual work location, no work phone or location
- No annual or sick leave used over a reasonable period
- No evaluations, raises, or promotion over an extended period
- Terminated employees still on the payroll
- Paycheck issued after the termination/last worked date
- Match paycheck file with active employee file
- Gross Pay Adjustments
- More than one pay increase/change without a position change in the last year
- Employees with the same address in the same unit (preferential hiring)
- Excess overtime or continual pattern of overtime
- Excessive comp-time accruals

Financial Statement Fraud

Fraud schemes involving financial misstatements are much less common than other forms of fraud, especially in the government sector. However, when they do occur they generally result in a much more significant loss than asset misappropriation or corruption. Some indicators include, but are not limited to:

- Alterations to financial records, such as curious erasures or changes to documents
- Pressures to do "whatever it takes" to meet goals or seek personal gain

Bid Rigging and Collusion

In bid rigging and collusion, contractors misrepresent that they are competing against each other when, in fact, they have agreed to cooperate on the winning bid to increase job profit.

- Unusual bid patterns: too close, too high, round numbers, or identical winning margins or percentages
- Different contractors making identical errors in contract bids
- Bid prices dropping when a new bidder enters the competition
- Rotation of winning bidders by job, type of work, or geographical area
- Losing bidders hired as subcontractors
- Apparent connections between bidders: common addresses, personnel, or telephone numbers
- Losing bidders submitting identical line-item bid amounts on non-standard items
- Persistent high prices by all bidders

- Joint venture bids by firms that usually bid alone
- Losing bids do not comply with bid specifications or only one bid is complete and other bids are poorly prepared
- “Sole sourcing” increases the likelihood of fraud, waste and abuse.

Bribery

Bribery occurs when a contractor misrepresents the cost of performing work by compensating a public official for permitting contract overcharges to increase contractor profit. These indicators include, but are not limited to:

- A public official or employee has a lifestyle that exceeds his or her salary
- Oversight officials socialize with, or have business relationships with, contractors or their families
- Involvement of an unnecessary middleman or broker
- A contracting employee declines a promotion to a non-procurement position
- A contracting employee insists contractors use a certain sub-contractor or broker
- A contracting employee shows a keen interest in the award of a contract or purchase order to a particular contractor or vendor
- A contract change order lacks sufficient justification
- Other inspectors at the job site notice a pattern of preferential contractor treatment

Conflicts of Interest

In fraud involving conflict of interest, a public official misrepresents that he or she is impartial in business decisions when he or she has an undisclosed financial interest in a contractor or consultant. These indicators include, but are not limited to:

- Unexplained or unusual favoritism shown to a particular contractor or consultant
- A public official disclosing confidential bid information to a contractor or assisting the contractor in preparing the bid
- A public official having discussions about employment with a current or prospective contractor or consultant
- A close socialization with and acceptance of inappropriate gifts, travel, or entertainment from a contractor or the ability to purchase such items at below fair market value
- A vendor or consultant address being incomplete or matching an employee’s address
- A public official leasing or renting equipment to a contractor for performing contract work
- A contracting or purchasing employee lives beyond his or her means
- A public official who is named as a designated employee fails to file Conflict of Interest or Financial Disclosure forms in accordance with Massachusetts General Laws Chapter 268B
- A public employee declines promotion from a procurement position

Kickbacks or Unlawful “pay to play”

In kickback schemes, a contractor or subcontractor misrepresents the cost of performing work by secretly paying a fee for being awarded the contract, therefore inflating the job cost to the government. These indicators include, but are not limited to:

- Unexplained or unreasonable limitations on the number of potential sub-contractors contracted for bid or offer
- Continuing awards to subcontractors with poor performance records
- “No–value-added” technical specifications that dictate contract awards to particular companies
- Non-qualified and / or unlicensed sub-contractors working on prime contracts
- Poor or no established contractor procedures for awarding of subcontracts through competition
- Lack of separation of duties between purchasing, receiving, and storing
- Purchasing employees maintaining a standard of living exceeding their income

**Note: these lists are intended to be examples and are not all inclusive.*

FRAUD, WASTE, AND ABUSE INDICATORS BY ORGANIZATIONAL RESPONSIBILITY

Fraud, waste and abuse can occur in other areas of business that may not be as evident as the “red flags” discussed above. These areas of business may have the following indicators:

<u>Management</u>	<u>Contracts</u>	<u>Accounting</u>	<u>Audit</u>	<u>Ethics and Conduct</u>
Lack of oversight	Lack of competition	Lack of or failure to follow internal controls	No audit trail reporting	Violations of State Laws
Lack of training for employees	Unexplained contract awards to contractors or subcontractors	Lack of controls over management overrides	No prior audits	Social relationship between employees and contractors
Lack of fraud hotline or a failure to support whistleblower programs	Unusual bidding practices	Unauthorized transactions	Repeat audit findings going unresolved	Failure to protect personally identifiable information
Failure to respond to identified issues	Failure to check debarment lists	Transactions with “round” numbers	Difficulty in providing information for audit purposes	Employee overly protective of information or is reluctant to train others
Lack of management understanding or support for systems, processes and controls	Failure to follow contract requirements	Unexplained entries in records	Inability to support questioned costs	Employee discussing prospective employment with a vendor during business period with employee
No checks and balances	Contract performance “too good to be true”	Unusual bank account transactions		
No segregation of duties	Unclear contract requirements	Failure to reconcile inventories and financial records		
Improper use of funds	Billing contract for costs not incurred or unreasonable costs	Current spending inconsistent with adjusted, budgeted spending levels		
Supervision assuming work of subordinates	Incomplete or lack of paperwork	Altered records		

<u>Management</u>	<u>Contracts</u>	<u>Accounting</u>	<u>Audit</u>	<u>Ethics and Conduct</u>
	(including inspection paperwork)			
Subordinates signing for managers	Lack of inspection	Large cash payments		
High personnel turnover	Excessive cost overruns	Sequentially numbered purchase orders, checks, invoices etc., for the same purpose		
	Unsupported contract or project estimates			
	Night time work in a non 24 x 7 x 365 environment			
	Failure to monitor past performance			
	Excessive number of contract claims			
	MBE / WBE / DBE lacks capability to perform			

WHAT TO DO IF YOU SUSPECT FRAUD, WASTE, OR ABUSE

In accordance with ORS 297.120, state agencies are required to report, in writing, any “loss of \$100 or more of public funds or property under circumstances involving a public official who is entrusted with the custody of the funds or property or who is charged with the duty to account for the funds or property” within 30 days from the point the agency becomes aware of the loss.

In addition, if you have evidence of Fraud, Waste or Abuse activity, report such activity to management or an oversight agency.

OR

Blow the Whistle:

If you have a whistleblower complaint involving public funds, the following contacts are available:

Secretary of State

Government Waste Hotline	800-336-8218
Salem Area Phone	503-986-2255
Salem Area Fax	503-378-6767

[Report Government Waste, Fraud or Abuse Online](#)

If you prefer to mail your concerns, you may mail them along with any related documentation. The envelope should be clearly marked "Confidential":

CONFIDENTIAL
Oregon Audits Division
Government Waste Hotline
255 Capitol Street NE, Suite 500
Salem, Oregon 97310

In addition, if you have an ethics violation you would like to report you can use the following contact information:

Oregon Government Ethics Commission

Phone	503-378-5105
Email	ogec.mail@state.or.us

WHISTLEBLOWER PROTECTIONS

The Government Waste Hotline was authorized by the state legislature in 1995 to provide public employees and citizens an avenue for reporting waste, inefficiency, or abuse in state programs. The law provides confidentiality for any person making a report through the hotline. Furthermore, the report and any resulting investigation remain confidential unless the allegations are substantiated. Upon completion of an investigation that does substantiate a caller's report, the division is required to prepare a written report, which becomes a public record. The division's report, in accordance with the confidentiality provision, does not include the caller's identity.

Public employees are protected from discrimination, dismissal, demotion, transfer, reassignment, reprimand, or other disciplinary action under ORS 659A.200 et seq. for responding to official requests to disclose employer violations of any federal or state law, rule or regulation, mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety.

In addition, special provisions exist for the American Recovery & Reinvestment Act (ARRA). Employees are protected from employer retaliation under Section 1553 of the ARRA for disclosing information they reasonably believe to be evidence of gross mismanagement or gross waste of stimulus funds; a substantial danger to public health or safety related to the use of stimulus funds; an abuse of authority regarding the use of stimulus funds; or a violation of law, rule or regulation related to the issuance or award of a stimulus funds grant or contract.

CHECKLIST FOR DEPARTMENTS TO COMBAT FRAUD, WASTE AND ABUSE

Introduction

While there is no 100% preventative measure against all forms of fraud, waste and abuse, departments can take many measures to prevent, detect, mitigate and learn from instances of their occurrences. The United States Government Accountability Office (GAO) has also stepped up inquiry as to what prime recipients of American Recovery and Reinvestment grants are doing to combat fraud, waste and abuse. Below is guidance in the form of a checklist.

Note: This list is not comprehensive and is not legal advice. It is intended as a helpful resource to be used for informational purposes only. Each state agency is familiar with its respective program requirements and is responsible for complying with state law, ARRA and other related federal laws, rules or guidance.

	Who Should Perform	Item Checked	Tools/Resources	Done	Not Done	NA
1	Management	Each state agency should have a Code of Conduct that promotes the highest standards of ethical behavior and is distributed to all employees.	Examples NASC Code of Conduct AGA Code of Ethics Oregon Government Ethics Commission			
2	Management	Conduct a Fraud Risk Assessment to identify where fraud may occur. A fraud risk assessment should consider relevant fraud schemes and scenarios and map them to mitigating controls. Fraud risks should be included in the enterprise risk assessment conducted as part of your Internal Control Plan development. <i>COSO's Enterprise Risk Management-Integrated Framework</i> describes the essential ERM components, principles, and concepts for all organizations, regardless of size. The Inspector General has issued an updated guide on developing fraud prevention policies and programs.	Appendix D in the Institute of Internal Auditor's Managing the Business Risk of Fraud has a risk assessment framework. COSO's Enterprise Risk Management Framework is used in the Comptroller's Risk Management training offering. Sign up for this training at the Comptroller's web site:			

	Who Should Perform	Item Checked	Tools/Resources	Done	Not Done	NA
3	Management	Update your Internal Control System consisting of the Internal Control Plan and the policies and procedures that govern your daily activities, to reflect how you will maintain compliance with federal stimulus requirements.	OAM Chapter 10 – Internal Controls ARRA Internal Control Toolkit			
4	Management	Agencies, particularly those new to operating or managing state and/or federal funds, or that have an entirely new program or business area, should fully document or update all policies, procedures and processes. Employees should receive paper or electronic copies of procedures for their areas of responsibility, and be trained in their application.	The State Controller’s Division Internal Control Guidebook and other pertinent information.			
5	Human Resources	Verify that agency guidelines regarding background checks have been followed for applicable employees and new hires.	HRSD Rules and Policies Check internal policies and procedures			
6	Management	Verify that segregation of duties/checks and balances are in place. These measures should be applied consistently across the agency and in all locations.	Example - Reconciliation of balances and activities is performed by someone who does not report them.			
7	Management	Document that all staff involved with ARRA or any other federal funds are trained on award requirements.	Review grants.gov , to find individual awards, grants and application procedures. Review revisions to OMB Circular A-133 (HTML or PDF) Audits of States, Local Governments, and Non-Profit Organizations , for areas subject to audit. , See Matrix of Requirements: 2009 OMB Compliance Supplement Addendum 1			

	Who Should Perform	Item Checked	Tools/Resources	Done	Not Done	NA
8	Management	If the agency's staffing levels prevent adequate segregation of duties, address by cross-training or job rotation.	OAM 10.10.00.PR – Management Responsibilities			
9	Finance	Review all documentation and reconciliations for unusual entries or deviations from programmatic purposes.	Check for corrections and amounts that appear too high or low; flag and review all management overrides; spot check for round numbers or multiple payments in same cycle for same amount/same recipient (absent a lease or recurring payment).			
10	Management/ Internal Audit	<p>If an agency has a process in place for notifying federal agencies of suspected fraud, waste or abuse, it should maintain that process, and also contact the appropriate state oversight agency hotline below. Agencies without an established process should contact an existing state hotline, as well as the Inspector General's Office (IGO) of their federal awarding agency.</p> <p>Agencies must also alert sub-recipients as to their responsibilities for reporting fraud, waste and abuse.</p>	<p><u>List of Federal IGO Hotlines:</u> See Directory at: Council of Inspectors General</p> <p><u>State Hotline Numbers</u></p> <p>Secretary of State Government Waste Hotline: 800-336-8218 Salem Area Phone 503-986-2255 Salem Area Fax 503-378-6767</p> <p>Report Online: http://fraud.oregon.gov</p>			
11	Legal/ Management Program/ Project Staff Human Resources	<p>Section 1553 of ARRA provides protections for individuals who make disclosures relating to Recovery Act funds. Any employer receiving covered funds is required to post a notice of the rights and remedies provided under this section. All Recovery Act job sites must prominently post signage of Whistleblower protections:</p> <p>Public employees are also subject to whistleblower protection.</p>	<p>ARRA Whistleblower Provisions</p> <p>Oregon Whistleblower Protections</p>			

	Who Should Perform	Item Checked	Tools/Resources	Done	Not Done	NA
12	Procurement	Establish process to check all bidders/vendors/contractors for debarment or exclusion from federal awards, suspended licenses.	<p>State Sites: State Procurement Office</p> <p>Federal Sites: Excluded Parties List System – Contains parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and non-financial assistance and benefits. List of Excluded Individuals/Entities - Listed parties are excluded from participation in the Medicare, Medicaid and all Federal health care programs.</p>			
13	Procurement	Ensure that all required forms are submitted prior to contract award and verify information provided.	<p>State Procurement Office</p> <p>Check internal policies and procedures</p>			
14	Procurement	Perform background/reference/credit checks on vendors to determine financial capacity to perform work.				
15	Procurement/Legal	Ensure contracts are awarded in accordance with applicable procurement processes, laws, regulations and sound business practices.	<p>Review various state finance laws and procurement laws. State Procurement Office</p>			
16	Management/Program Staff	Sub-Recipient Monitoring: Each prime recipient must develop a plan for how it will monitor the funds it awards and the activities of the entities to which it awards those funds. Monitoring plans should be based on a risk assessment.	<p>SCD Grant Guidance</p>			
17	Program/Project Staff	Perform oversight of prime/sub/vendor contract requirements to ensure agency gets what it pays for.	<p>Use on site visits, milestones achieved or reports filed to check performance/progress before next allotment of funds; inspect goods/services received - compare invoice and purchase order to prevent overpayment.</p>			

	Who Should Perform	Item Checked	Tools/Resources	Done	Not Done	NA
18	Procurement	Ensure goods and services are bought only when needed. This should be reviewed by someone who does <u>not</u> perform the inventory or purchase the goods.	Take regular inventories of goods. An example of an asset inventory spreadsheet for information technology is published by the University of Colorado for its departments. This can be customized for any good or commodity.			
19	Procurement	Ensure goods purchased are received by someone who does not order them.	The Federal Aviation Administration (US DOT) has a good example of receiving reports with signoffs that can easily be replicated.			
20	Financial	Inventory Control: Have a sign in/out sheet on all supplies/assets susceptible to theft. Spot inventories are done by those not in custody of the assets.	EISPD Statewide IT Policies.			
21	Financial	Perform random checks of addresses on payments made to vendors to employee payroll file addresses.	Download both results into a database or a spreadsheet and perform a match by address. Note that this yields personally identifiable information (PII) and the results must be secured.			
22	Financial	For benefit programs: compare addresses of benefit recipients to the employee payroll and vendor files.	Download both results into a database or a spreadsheet and perform a match by address. Note that this yields personally identifiable information (PII) and the results must be secured.			
23	Payroll/ Human Resources	Perform spot reviews of agency time sheets in a random sample to ascertain if hours worked match to payroll records.	Different types of inspection reports can be designed or are available on the internet.			
24	Program/ Project Staff	Perform spot reviews or audits on vendor time sheets in a random sample to ascertain if hours worked match to payroll invoices, or do site inspections.	Different types of inspection reports can be designed or are available on the internet. OSPS Reference Manual OSPS Internal Controls OSPS Recommended Practices			
25	Financial	Reconcile all SFMS transactions to subsidiary systems on a regular basis.	SFMS Analysis & Development			

	Who Should Perform	Item Checked	Tools/Resources	Done	Not Done	NA
26	Financial	Perform regular reviews of R*STARS Control Reports.	Agency Control Reports			
27	General	Resolve all audit findings on a timely basis.	OAM 30.10.00.PO OAM 30.10.00.PR			
28	IT/Legal	Establish protocols and department head approval for physical and logical access to information systems and the protection of any Personally Identifiable Information.	EISPD Statewide IT Policies.			