

Accountability Hotline Case 507: Stronger controls needed to prevent conflicts of interest

Why this audit is important

In late August 2025, an anonymous report was made to the Accountability Hotline. The report alleged that a former Oregon Zoo employee had a financial interest in a contract with Metro and profited from it. This audit was initiated to evaluate the accuracy of the allegations and determine if stronger controls were needed to manage potential or actual conflicts of interest.

State law, Metro Code, and Metro’s Employee Ethics policy prohibit public employees from using their position for financial benefit or to avoid financial costs. Metro Code also restricts all employees from having a direct financial interest in a public contract that was authorized when they were acting in their official capacity. Conflict of interest disclosures are one of the ways these ethics requirements are managed.

The procurement process was the primary way Metro learned about potential suppliers. For competitive procurements, potential suppliers had to provide things like descriptions of prior work, qualifications of personnel, and references.

However, not all procurements were competitively awarded. In these cases, Metro had less information about its suppliers and fewer people were involved in making the contract award. These conditions can increase the risk of fraud or abuse.

What we found

A former Zoo employee violated Metro’s Conflict of Interest Disclosure policy and may have violated Metro Code and the Employee Ethics policy. The former employee’s lack of disclosure about their association with the contractor was the primary cause. While Metro’s disclosure processes are helpful controls to prevent conflicts of interest, there are ways to strengthen them. There are also ways to implement other controls to detect conflicts of interest that were not disclosed.

More verification of some suppliers would strengthen Metro’s ability to detect potential or actual conflicts of interest, fraud, or abuse. Metro has less information about suppliers contracted through direct awards, special procurements, and exemptions to procurement rules. Requesting business registration information from the supplier and verifying it in state databases is one way to get more information at low cost.

During the audit, we sampled 30 suppliers to determine if documentation requirements were met and see if business information could be verified in state databases. The sample showed general compliance with documentation requirements. All but one contractor had an employer identification number or social security number on file. We found business information for all but one of the sampled suppliers in Secretary of State databases. The information varied among states, but most states provided a full history at no cost.

Sampled suppliers were mostly in compliance with documentation requirements and business information could be verified at no cost.

Test	Suppliers
Employer Identification Number (EIN) on file	27 of 30
Social Security Number (SSN) on file	2 of 30
No tax documentation (EIN or SSN) on file	1 of 30
Documentation unsigned and undated	2 of 29
Business registration information verified online	26 of 27

Source: Auditor’s Office summary of supplier data in the accounting system and business records from state secretary of state business records.

What we recommend

The audit included 10 recommendations. Two addressed the conflict of interest. Five focused on improvements to disclosure processes. The other three were designed to increase supplier verification.