



Accountability Hotline Case 507:

Stronger controls needed to prevent conflicts of interest

February 2026
A Report by the Office of the Auditor

Brian Evans
Metro Auditor

Metro Accountability Hotline

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MEMORANDUM

February 17, 2026

To: Lynn Peterson, Council President
Ashton Simpson, Councilor, District 1
Christine Lewis, Councilor, District 2
Gerritt Rosenthal, Councilor, District 3
Juan Carlos Gonzalez, Councilor, District 4
Mary Nolan, Councilor, District 5
Duncan Hwang, Councilor, District 6

From: Brian Evans, Metro Auditor

BE

Re: Accountability Hotline Case 507 Audit

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.

The 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 cause of the conflict of interest. While Metro's conflict of interest disclosure processes are helpful, they would benefit from improvements.

Additional verification of suppliers selected through non-competitive processes would strengthen Metro's ability to detect potential or actual conflicts of interest, fraud, or abuse. Requesting business registration information and verifying it in online databases is one way to learn more about suppliers at low cost.

I have discussed the report with the Chief Operating Officer; General Manager of Visitor Venues; Chief Financial Officer; Oregon Zoo Director; Human Resources Director; and Oregon Zoo Deputy Director. I would like to thank them and all the other employees for their assistance during the audit.

Summary

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.

The 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 was directly involved in awarding the contract and managing it on behalf of the Zoo. The former employee was the President and Registered Agent of the business in Oregon until it was dissolved in January 2021. It was reincorporated in Washington in February 2021. They became the Registered Agent for the contractor in Oregon in June 2024. A Registered Agent is an individual who is responsible for accepting delivery of legal documents on behalf of the business.

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 former employee's lack of disclosure about their association with the contractor was the cause of the conflict of interest. While Metro's conflict of interest disclosure processes are helpful, they would benefit from improvements. Disclosures related to procurement were not required for all award types and some employees were not required to complete them.

Additional verification of some suppliers would strengthen Metro's ability to detect potential or actual conflicts of interest, fraud, or abuse. Some contracts were awarded directly through non-competitive processes. 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.

Requesting business registration information and verifying it in online databases is one way to learn more about suppliers at low cost. A search of the Oregon Secretary of State's business registration database may have found the connection between the Zoo contractor and the Zoo employee before the contract was awarded. Another verification option is the Internal Revenue Service's free online tool to match tax information.

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.

Background

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. The contract was one of several awarded through special procurement rules for displays at ZooLights.

This audit was initiated to evaluate the accuracy of the hotline allegations and determine if stronger controls were needed to manage potential or actual conflicts of interest. Controls are the processes organizations use to achieve their objectives. Managing the risk of fraud or abuse in contracting is one of Metro's objectives.

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 employees from having a direct financial interest in a public contract that was authorized when they were acting in their official capacity for two years after the contract was authorized.

The Conflict of Interest Disclosure policy is one way these ethics requirements are managed. Each year employees are supposed to complete a disclosure form. Procurement procedures also require some employees involved in reviewing proposals or bids to fill out a Statement of Independence and Non-Conflict of Interest Form before participating in the contract award process.

Any conflicts disclosed are supposed to be addressed by management to ensure ethical compliance. For example, an employee associated with a contractor should not participate in the process of awarding contracts to that business or managing the contract. This is to ensure objectivity and reduce the chances of an employee making decisions that would benefit them financially.

Results

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 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.

A former employee violated the Conflict of Interest Disclosure policy

A former Zoo employee violated Metro's Conflict of Interest Disclosure policy by not disclosing that they were associated with a business that had a contract with the Zoo. They may have violated Metro Code (2.17.040 and 2.17.090) and the Employee Ethics policy if they personally benefited from the contract while employed by the Zoo.

The contract was for \$120,000 from May 2024 through June 2027. The contractor received about \$30,500 between May and September 2024. The contract was still active as of October 2025.

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 former employee was directly involved in awarding the contract and managing it on behalf of the Zoo. They were involved in selecting the contractor and were listed as the contract manager. They approved the draft contract. They also submitted the contractor's invoices and approved payments.

The former employee was associated with the contractor. They were the President and Registered Agent of the business in Oregon until it was dissolved in January 2021. It was reincorporated in Washington in February 2021. They became the Registered Agent for the contractor in Oregon in June 2024. This was seven days after submitting the contractor's first invoice for payment. A Registered Agent is an individual who is responsible for accepting delivery of legal documents on behalf of the business.

Exhibit 1 A former employee did not disclose a conflict of interest with a contractor with whom they were associated.

Date	Event	Significance
1/28/21	Business dissolved in Oregon	Former employee was the President and Registered Agent
2/23/21	Business started in Washington	Former employee was not listed as a representative of the business
4/23/23	Former employee hired by Zoo	Former employee becomes subject to ethics requirements
April 2024	Contract award process for ZooLights displays began	Former employee should have disclosed past association with a potential contractor and not participated in contract award
5/21/24	Contract approved by former employee	Former employee should not have been involved in contract approval
5/28/24	Former employee submitted contractor's invoice for payment	Former employee should not have been involved in payment processing and approval
6/4/24	Former employee became the contractor's Registered Agent in Oregon	Former employee should have declared a conflict of interest
9/25/24	Former employee submitted contractor's invoice for payment	Former employee should not have been involved in payment processing and approval
3/12/25	Business dissolved in Washington	
4/13/25	Former employee declared no conflicts of interest	Former employee should have declared a conflict of interest
7/31/25	Business dissolved in Oregon	
8/24/25	Former employee resigned from Zoo	

Source: Auditor's Office summary of employee records, business records, and contract documents.

Disclosure processes could be improved

The former employee's lack of disclosure about their association with the contractor was the cause of the conflict of interest and potential ethics violation. While Metro's conflict of interest disclosure processes are helpful, they would benefit from improvements. Disclosures related to procurement were not required for all award types and some employees were not required to complete them.

The process to award contracts for ZooLights displays in 2024 was made using special procurement rules. Disclosure forms were not completed by anyone involved in the process. Seven contracts totaling \$1.6 million were awarded. It appeared only two Zoo employees were involved in identifying potential suppliers, which gave them significant control over who received

contracts. Requiring the forms for all procurement types would strengthen controls.

Employees in Procurement Services do not fill out disclosure forms. The forms may not be needed when those employees are not involved in making contract awards. However, they do evaluate proposals for some procurement types, which could introduce a conflict of interest.

Their evaluation can affect who receives a contract. When reviewing proposals, Procurement Services awards points for three of the five categories evaluated (cost, diversity, and sustainability). The cost evaluation is based on a formula, so no subjectivity is involved. The other two categories, diversity and sustainability, are entirely subjective and account for 30% of the total points available. Requiring a disclosure form from the employees who complete that evaluation would improve controls.

**Shared responsibility
for the annual
disclosure process
reduced
accountability**

There were also gaps in the annual conflict of interest disclosure process that reduced its effectiveness. The process can help normalize consideration and discussion about potential or actual conflicts of interest that might arise and give supervisors time to address them. However, if forms are not completed as required and information is not available to decision makers, it reduces the value of the process.

Maintaining annual disclosure forms was a shared responsibility between department and venue coordinators, supervisors, and Human Resources. This can lead to duplicate information in some cases, and gaps in others. For example, the forms related to the Accountability Hotline report were difficult to obtain and required outreach to four different employees in two departments. None of the employees seemed to have all the documents for the three years requested.

While we were able to obtain the requested forms in the end, the process of getting them indicated that there was wide variation in how the forms were stored and how complete they were. Policy guidance stated forms would be stored in a shared folder accessible by Human Resources and the department or venue where the employee works. Human Resources employees did not appear to have access to the folders for some years. Some of the forms appeared to be stored in emails. Others may have been stored in supervisors' personal folders rather than the shared folder.

Another weakness was that supervisors were supposed to address conflicts of interest that were disclosed by their employees, but there was no requirement to document what was done. Without documentation, information may only be available to the employee and their supervisor. If one of them leaves employment or changes jobs, that information may be lost.

Lack of documentation could expose employees to ethics violations if their supervisor did not take appropriate action or did not document what was

done to address the conflict. Some of the forms we reviewed were not signed by the employee's supervisor as required. This could mean that the form was completed but never reviewed by the supervisor. If that happened, disclosed conflicts may not have been addressed at all.

In addition to reviewing some Zoo disclosure forms, we sampled three departments and venues to understand how they managed conflicts of interest. The sampled departments and venues stated they followed the process outlined in the agency-wide policy and timeline set by Human Resources. However, none had policies, procedures, or guidance for their specific type of work. This could be an area of improvement because the nature of potential conflicts likely varies.

For example, the Auditor's Office is required to follow audit standards. Those standards require each auditor to complete a statement of independence based on the audit topic they are assigned to. Other examples of variations among departments or venues may arise based on the amount of cash management, contracting, grants, or advisory committees involved in their work.

Decentralized management was identified as an area of risk in our sample. Department and venue directors may not be aware of conflicts of interest within their teams because the policy directs the employee's supervisor to address them. Requiring notification to directors would help them learn about potential conflicts and how supervisors addressed them.

Some of the people we spoke with felt more oversight by Human Resources would make the process more efficient and ensure accountability. They pointed to variation among departments in terms of resources and experience with managing conflicts. Some felt it would be better to have the forms completed as part of the annual required learning process or new employee orientation.

There does not appear to be any guidance or training about how supervisors can appropriately address conflicts of interest. The sampled departments and venues cited outreach to Human Resources or the Office of the Metro Attorney as the resources on which they would rely. While those are good resources, providing written guidance with case studies could increase efficiency and provide an opportunity for other supervisors to learn from real world examples.

Finally, the forms themselves were confusing for employees. The wording made it difficult to tell if all employees must fill out the form or only those with something to disclose.

Additional verification of suppliers could reduce the risk of fraud or abuse

Additional verification of some suppliers would strengthen Metro's ability to detect potential or actual conflicts of interest, fraud, or abuse. Supplier verification was done primarily to ensure accurate tax reporting and verify banking information for suppliers that receive electronic payments.

Procurement Services looked for "red flags" when entering new suppliers in Metro's accounting system, but there were no documented policies, procedures, or other guidance. The Procurement Manager stated that verbal training was provided about what to look for.

In the absence of documented supplier verification processes, the procurement process was the main 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. This information helped Metro get to know suppliers.

However, not all procurements were competitively awarded. Some contracts were awarded directly, through special processes, or through exemptions to procurement rules. 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.

The contracts related to the Accountability Hotline case were made through a special procurement. Although Procurement Services initially approved the special procurement for six businesses identified by the Zoo, a seventh contract was later awarded using the same approval. It is not clear what process was used to authorize the seventh contract. Procurement Services stated that special procurements were considered "pre-authorized" which could allow an employee to initiate a contract with a new supplier without additional oversight.

Other than the procurement process, obtaining the Employer Identification Number (EIN) and verifying banking information were two other ways Metro verified its suppliers. While these processes were helpful, they were done after the contract was awarded. As such, they were not as effective in detecting potential conflicts of interest, fraud, or abuse.

EINs are like social security numbers for businesses. They are used by the Internal Revenue Service to track business income to ensure accurate taxes have been paid. Metro uses the EIN to report contractor payments to the Internal Revenue Service. Having an EIN does not mean the business is in operation. The Internal Revenue Service has a free online service to match tax information numbers with business names. It also sends an exception report each year.

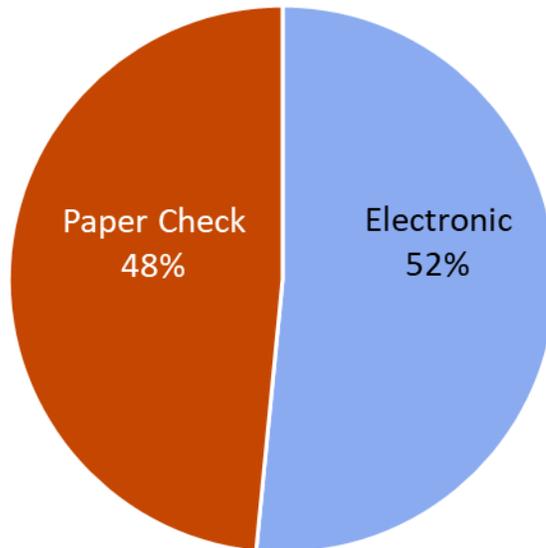
The Internal Revenue Service notified Metro that there were issues with the EINs of 17 suppliers in 2025. This is one detective control to reduce the risk of fraud or abuse. About 600 new suppliers were created last fiscal year,

but that includes employees. A conservative estimate by the Auditor’s Office is that about 3% of supplier EINs had some discrepancy.

Confirming banking information was another way to verify suppliers. Banking information allows Metro to use third party tools to ensure a match between the supplier and the recipient of contract payments. About 52% of suppliers created in the last five fiscal years were set up for electronic payments, so this process was only used to verify some suppliers.

The other 48% of recent suppliers were paid by paper checks. Metro had less ability to verify these suppliers. Processes to prevent unauthorized check-cashing at banks were the only way to verify that payments were received by the intended recipient. If an employee was representative of that business, they may be able to deposit the check on the supplier’s behalf.

Exhibit 2 About half of Metro’s suppliers* are paid by paper check.



*Source: Auditor's Office analysis of supplier data in the accounting system as of 10/28/2025.
Only includes suppliers created between FY 2020-21 and FY 2024-25.

Existing controls may provide sufficient supplier verification for contracts awarded through competitive processes or when the supplier has submitted banking information. For other suppliers, additional verification is needed to reduce the risk of fraud or abuse.

Requesting business registration information and verifying it in online databases is one way to do this at low cost. For example, a search of the Oregon Secretary of State’s business registration database may have found the connection between the ZooLights supplier and the Zoo employee before the contract was awarded. Another verification option is to use the Internal Revenue Services’ free online tool to match tax information.

During the audit, we sampled 30 suppliers to determine if EINs were documented. The sample showed general compliance with minor

exceptions. All but one contractor had an EIN or social security number on file. We did not find documented policies or procedures to help employees determine if a social security number was appropriate. The examples indicated performers at Portland’s Centers for the Arts and Zoo events may not need to have an EIN to receive payment.

One supplier had three separate supplier identification numbers in Metro’s accounting system. We were told each supplier should only have one. Separate EINs were on file for two of the three identification numbers. This indicated the suppliers may be different even though they had the same name. There was no EIN on file for one of the three.

Two suppliers’ EIN forms were unsigned and undated. Metro’s policies stated that the forms should be signed and dated to prevent delays in payment. EINs were also documented using different forms although the policy states that only one of them should be used.

While the discrepancies in the sample were relatively minor, they indicated that a periodic review or sample of suppliers would be beneficial. Given the limited documentation of supplier verification policies and procedures, there was a greater risk for actual processes differing from what management thought should be happening.

For the businesses in our sample, we searched for business records in state business registration databases. This was done to see if it was possible to verify suppliers from another source. We found business information for all but one of the sampled suppliers. The information available varied among states, but most states provided a full history at no cost. Two states provided more limited information, but it was still possible to verify that the business was in operation at no cost.

Exhibit 3 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 secretary of state business records.

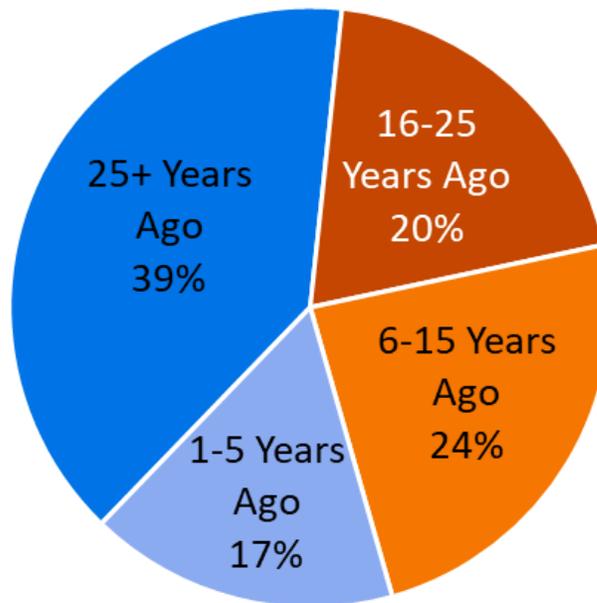
Updating the supplier list would be beneficial

Another way to reduce the risk of fraud or abuse would be to reduce the number of active suppliers in Metro’s accounting system. As of October 28, 2025, there were 18,420 active suppliers in the accounting system. About 39% of them were created more than 25 years ago, which indicated that some of them were not still doing business with Metro. Current and former Metro employees were included in the supplier list to reimburse them for work expenses.

The large number of active suppliers presents fraud and abuse risks. Once a supplier is in the system they could submit a fraudulent invoice for payment or a supplier’s banking information could be changed to redirect payments. Metro has processes to reduce this risk, but limiting the number of active suppliers would provide additional security.

Metro does not have a process to remove outdated suppliers. Metro is in the process of replacing its accounting system. Removing outdated suppliers now presents an opportunity to reduce the amount of data that needs to be transferred to the new system, while strengthening controls.

Exhibit 4 Most of Metro’s suppliers were created more than 16 years ago and may not be active anymore.



Source: Auditor’s Office analysis of active supplier data in the accounting system as of 10/28/2025.

Recommendations

To address the conflict of interest, the Oregon Zoo Director in collaboration with the Procurement Officer or Manager, and Human Resources Director should:

1. Cancel the contract.
2. Document the former employee's policy violation in their personnel record.

To improve the annual conflict of interest process, the Human Resources Director in collaboration with department and venue directors should:

3. Ensure forms are completed and signed by all employees and their supervisors.
4. Maintain all forms in one location that is accessible to department and venue directors, the Office of Metro Attorney, and authorized Human Resources Personnel.
5. Update the Conflict of Interest Disclosure Policy to require supervisors to document what was done in response to disclosed potential and actual conflicts of interest and communicate those actions to their department or venue director.
6. Create guidance for managers and supervisors about how to address conflicts of interest and provide examples.

To improve conflict of interest disclosure processes for procurements, the Procurement Officer should:

7. Require all people involved in making contract award decisions for all procurement types to complete a Statement of Independence and Non-Conflict of Interest Form.

To strengthen supplier verification controls, the Procurement Officer or their delegate should:

8. Create and document policies and procedures for additional research of suppliers awarded contracts through non-competitive processes.
9. Use Secretaries of State and Internal Revenue Service databases to increase Metro's knowledge of suppliers that receive contract awards through non-competitive processes.
10. Update the supplier list to remove suppliers that are no longer working with Metro.

Scope and methodology

The purpose of this audit was to determine if the information reported in Accountability Hotline Case 507 was accurate and whether corrective actions were needed to reduce risks. The scope was January 2023 through October 2025. There were three objectives:

- 1) Determine if the former employee violated Metro Code 2.17.090 Financial Interest in Public Contract and the Employee Ethics policy.
- 2) Determine if stronger controls are needed to verify contractor information during procurement and invoicing.
- 3) Determine if the conflict of interest disclosure process is efficient and effective.

To meet our objectives, we reviewed and analyzed employment records, conflict of interest disclosure forms, contract records, and business registration information in Secretaries of State online databases. We reviewed Metro Charter, Code, policies, and procedures to establish criteria. We reviewed best practices from the Government Finance Officers Association and the Federal Government Accountability Office. We also interviewed Metro employees with subject matter expertise.

For objective two, we selected a random stratified sample of 30 suppliers. The sample results cannot be used to generalize to the entire supplier population and was not intended to provide statistically significant results. The sample was selected from three groups:

- A. Suppliers awarded contracts in FY 2023-24 or FY 2024-25 through several different procurement types.
- B. Suppliers that were updated or created in FY 2023-24 or FY 2024-25.
- C. Suppliers awarded contracts through the same process as the contract identified in the Accountability Hotline Case.

For objective three, we selected a judgmental sample of departments or venues based on whether they were currently involved in another performance audit by the Metro Auditor's Office. We then randomly selected three to interview from the ones who were not being audited.

The audit was added to the FY 2025-26 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management response



Memo

Date: February 11, 2026
To: Brian Evans, Metro Auditor
From: Marissa Madrigal, Chief Operating Officer
Craig Stroud, General Manager
Brian Kennedy, Chief Financial Officer
Subject: Accountability Hotline Case 507 Audit - Management Response

Auditor Evans:

Thank you for the in-depth review spurring from Accountability Hotline case 507. This audit addressed specific allegations cited in that case and broadened to ethics and conflict of interest policies and procedures at Metro, as well as related procurement and contracting processes and controls. As your audit cites, there is a complex system in place to control the procurement and payment processes.

Metro's system of internal controls works to demonstrate the agency's commitment to integrity, transparency, and accountability while balancing controls with the need for effective and efficient operations. The most important part of any internal control system is management consistently communicating the importance of ethical standards and reinforcing a culture where compliance, stewardship of public resources, and responsible decision-making are core values. In this case, there are opportunities for clearer management expectations, policy improvements, and controls that reduce future risks.

Thank you for the thoughtful review and recommendations.

Audit Recommendations

To address the conflict of interest, the Oregon Zoo Director in collaboration with the Procurement Officer or Manager, and Human Resources Director should:

1. Cancel the contract.

Management agrees with this recommendation. The contract was closed on November 25, 2025.

2. Document the former employee's policy violation in their personnel record.

Management agrees with the recommendation. The former employee's policy violation was added to their personnel record in January 2026.

To improve the annual conflict of interest process, the Human Resources Director in collaboration with department and venue directors should:

3. Ensure forms are completed and signed by all employees and their supervisors.

Management agrees with this recommendation. Metro's current Employee Ethics Disclosure form supports annual employee ethics and conflict of interest disclosures and requires employee and supervisor signatures. In addition, Metro's updated Conflict of Interest Policy requires employees to complete and sign disclosure forms, even when no conflicts exist. Because of the time taken to complete the policy overhaul and process updates, Human Resources will send targeted communications about these requirements no later than February 28, 2026. Beginning in 2027, communication reinforcing these requirements will be done by January 31.

4. Maintain all forms in one location that is accessible to department and venue directors, the Office of Metro Attorney, and authorized Human Resources Personnel.

Management agrees with this recommendation. Metro has established that Conflict of Interest forms will be maintained by departments in a location accessible to department directors, the Office of Metro Attorney (OMA), and appropriate Human Resources (HR) staff. Human Resources will reinforce that process to these stakeholders no later than January 31 each year.

5. Update the Conflict of Interest Disclosure Policy to require supervisors to document what was done in response to disclosed potential and actual conflicts of interest and communicate those actions to their department or venue director.

Management agrees with this recommendation. The Conflict of Interest Disclosure policy has been updated to provide greater clarity and consistency across Metro. The revised policy expands guidance on disclosure form requirements and directs that the form must be signed by employees and supervisors. The policy increases supervisor responsibilities, including the requirement to document actions taken to remedy potential conflicts of interest. In addition, the policy now includes a comprehensive process for how disclosures are reviewed and managed, including the requirement that supervisors collaborate with their department director and review any potential or actual conflicts of interest. The updated policy is expected to be approved and in place by the end of February 2026.

6. Create guidance for managers and supervisors about how to address conflicts of interest and provide examples.

Management agrees with this recommendation. Guidance on identifying conflicts of interest will be provided through a dedicated MetroNet resources page. The resource page will include a frequently asked questions document with examples of scenarios that do and do not constitute conflicts requiring remediation and documentation. The website link and accompanying resources will be distributed to supervisors by February 28, 2026.

To improve conflict of interest disclosure processes for procurements, the Procurement Officer should:

7. Require all people involved in making contract award decisions for all procurement types to complete a Statement of Independence and Non-Conflict of Interest Form.

Management agrees with this recommendation and as of January 28, 2026, implemented this requirement. The lack of this process did not free employees from the obligation to disclose conflicts of interest and to engage in ethical behavior for the conditions assessed as part of the Accountability Hotline case. We recognize this requirement is a helpful reminder to employees about their ethical obligations in relation to procurement and contracting work.

To strengthen supplier verification controls, the Procurement Officer or their delegate should:

8. Create and document policies and procedures for additional research of suppliers awarded contracts through non-competitive processes.

Management agrees that additional research into new suppliers may reduce risks to Metro. We believe suppliers awarded contracts through non-competitive processes should be subject to the same scrutiny as vendors procured through competitive awards. Management will review policies and procedures by May 31, 2026, to ensure that all suppliers undergo review consistent with current best practice recommendations.

9. Use Secretaries of State and Internal Revenue Service databases to increase Metro's knowledge of suppliers that receive contract awards through non-competitive processes.

Management agrees that review of business registration databases (provided by the Secretary of State in Oregon) may be a useful control. While the information provided is incomplete and insufficient to verify whether employees have a financial interest in suppliers doing business with Metro, it is possible to uncover potential and actual conflicts of interest. Management also believes this issue is better mitigated through training for managers, improved policy compliance, and the utilization of detective controls to identify any potential vendor payments to employees.

Management believes that additional research should be conducted on all new suppliers. Management will review new supplier setup policies and procedures by May 31, 2026, to ensure that they meet current best practice recommendations.

10. Update the supplier list to remove suppliers that are no longer working with Metro.

Management will be reviewing the supplier list as part of the Enterprise Resource Planning System (ERP) project that is replacing Metro's core financial and human resources systems. Project timelines forecast Metro's transition to the new ERP by July 1, 2027. Outdated suppliers in the current system will not be migrated to the new system. Management does not believe modifying the supplier database now is a prudent use of limited resources. Metro's accounts payable processes and procedures use a robust system of internal controls to ensure vendor payments are accurate and appropriate.



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