

House Bill 2246

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Health Care for Secretary of State Kate Brown)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows persons making reports of waste, inefficiency or abuse through state Government Waste Hotline to waive confidentiality. Allows Secretary of State to convey substance of hotline report to relevant public body, unless person making report objects. Extends confidentiality to all callers of hotline, even if call does not constitute report of waste, inefficiency or abuse.

Authorizes local government bodies and local service districts to establish local government waste hotlines and establishes similar processes for investigation and disclosure of reports of waste, inefficiency or abuse occurring in local government bodies or local service districts that have established hotlines.

A BILL FOR AN ACT

1
2 Relating to government waste hotlines; creating new provisions; and amending ORS 177.180.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 177.180 is amended to read:

5 177.180. (1) The Secretary of State shall designate one person employed by the Division of Audits
6 of the Office of the Secretary of State to be responsible for reports of waste, inefficiency or abuse
7 received through the Government Waste Hotline or received by the secretary through any other
8 method. The person designated under this section shall log all reports received.

9 (2) *[Notwithstanding any other provision of law]* **Except as provided in subsection (3) or (5)**
10 **of this section**, the identity of any person **calling the Government Waste Hotline or otherwise**
11 **making a report under ORS 177.170 is confidential. A person making a report under ORS 177.170**
12 **may waive the confidentiality otherwise granted under this subsection.** *[A report of waste, in-*
13 *efficiency or abuse received under ORS 177.170 and any resulting investigation are confidential unless*
14 *the Secretary of State finds that waste, inefficiency or abuse has occurred and reports these findings*
15 *as provided under subsection (4) of this section. If the Secretary of State finds that waste, inefficiency*
16 *or abuse has occurred, a report of waste, inefficiency or abuse and any resulting investigation are*
17 *confidential until the investigation described in subsection (3) of this section is complete.]*

18 (3) The secretary shall conduct an initial investigation of each report of waste, inefficiency or
19 abuse made under ORS 177.170. Following the initial investigation, the secretary shall determine
20 which reports shall be investigated further and assign the investigation to audit staff qualified to
21 conduct waste, inefficiency and abuse investigations. The secretary may audit any state agency if
22 it appears that officers or employees of the agency, or persons under contract with the agency, are
23 engaging in activities that constitute waste, inefficiency or abuse. Notwithstanding subsection (2)
24 of this section:

25 (a) If the secretary determines during the investigation that a violation of any provision of ORS
26 chapter 244 may be occurring or may have occurred, the secretary shall notify the Oregon Govern-
27 ment Ethics Commission of the potential violation; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) If the secretary determines during the investigation that fraud or other criminal activity may
 2 be occurring or may have occurred, the secretary shall notify the appropriate law enforcement
 3 agency of the potential fraud or other criminal activity.

4 (4) **Except as provided in subsection (3) or (5) of this section, an investigation of a report**
 5 **of waste, inefficiency or abuse received under ORS 177.170 is confidential unless the secre-**
 6 **tary finds that waste, inefficiency or abuse has occurred and reports these determinations**
 7 **as provided under subsection (6) of this section. If the secretary finds that waste, inefficiency**
 8 **or abuse has occurred, the investigation and any determinations made are confidential until**
 9 **the investigation described in subsection (3) of this section is complete.**

10 (5) **Notwithstanding subsections (2) and (4) of this section:**

11 (a) **The secretary may convey the contents of a report of waste, inefficiency or abuse**
 12 **made under ORS 177.170 to a public body, as defined in ORS 174.109, unless the person mak-**
 13 **ing the report under ORS 177.170 objects to disclosure of the report to the public body.**

14 (b) **If an investigation under subsection (3) of this section results in a determination that**
 15 **further investigation is not warranted or, upon further investigation, that no waste, ineffi-**
 16 **ciency or abuse has occurred, the secretary may disclose a brief summary of the allegations**
 17 **and determination that the allegations are unfounded. The identity of the person making the**
 18 **report under ORS 177.170 may not be disclosed under this paragraph.**

19 [(4)] (6) Subject to the confidentiality requirements of subsection (2) of this section, upon com-
 20 pletion of an investigation under this section:

21 (a) The secretary shall determine in writing whether officers or employees of a state agency,
 22 or persons under contract with a state agency, are engaging in activities that constitute waste, in-
 23 efficiency or abuse. The written determination may include other information about the nature of
 24 the investigation or the secretary's determination.

25 (b) If the secretary finds that waste, inefficiency or abuse has occurred, upon request of the
 26 person who made the report under ORS 177.170, the secretary shall provide the person with a copy
 27 of the determination and any other information included by the secretary.

28 (c) If the secretary determines that officers or employees of another state agency or public body,
 29 or persons under contract with a state agency or public body, are involved in activities that con-
 30 stitute waste, inefficiency or abuse, the secretary shall notify the state agency or public body of the
 31 determination and deliver a copy of the secretary's findings to the agency or body.

32 [(5)] (7) A written determination prepared by the secretary under this section is a public record.

33 [(6)] (8) The secretary shall prepare an annual report and submit it to each regular session of
 34 the Legislative Assembly and to appropriate interim committees of the Legislative Assembly. The
 35 report shall describe the number, nature and resolution of reports made under ORS 177.170 and shall
 36 identify savings resulting from improved efficiencies or the elimination of waste or abuse resulting
 37 from reports received and investigations conducted under this section and ORS 177.170. The report
 38 shall also list the number and nature of any positive reports received relating to state agencies,
 39 state employees or persons under contract with state agencies.

40 **SECTION 2. (1) A local government body or local service district may establish a tele-**
 41 **phone line that is available to public employees and members of the public for the purpose**
 42 **of reporting waste, inefficiency or abuse by the local government body or local service dis-**
 43 **trict, employees of the local government body or local service district, or contractors of the**
 44 **local government body or local service district.**

45 (2) **If a local government body or local service district chooses to establish a local gov-**

ernment waste hotline under subsection (1) of this section:

(a) The local government body or local service district shall also accept reports of waste, inefficiency or abuse by the local government body or local service district, employees of the local government body or local service district, or contractors of the local government body or local service district by any other method; and

(b) The local government body or local service district shall prepare written or electronic notices that explain the purpose of the local government waste hotline and that prominently display the telephone number for the hotline. The notice shall be posted in local government body or local service district offices.

(3) As used in this section and section 3 of this 2011 Act, “local government body” and “local service district” have the meanings given those terms in ORS 174.116.

SECTION 3. (1) If a local government body or local service district chooses to establish a local government waste hotline under section 2 of this 2011 Act, the local government body or local service district shall establish written policies and procedures for logging all reports of waste, inefficiency or abuse received through the hotline or received through any other method.

(2) Except as provided in subsection (5) or (6) of this section, the identity of any person calling the hotline or otherwise making a report under section 2 of this 2011 Act is confidential. A person making a report under section 2 of this 2011 Act may waive the confidentiality otherwise granted under this subsection.

(3) The local government body or local service district shall conduct an initial investigation of each report of waste, inefficiency or abuse made under section 2 of this 2011 Act, following the written policies and procedures established under subsection (1) of this section. The local government body or local service district may audit any agency of the local government body or local service district if it appears that officers or employees of the agency, or persons under contract with the agency, are engaging in activities that constitute waste, inefficiency or abuse.

(4) An investigation of a report of waste, inefficiency or abuse received under section 2 of this 2011 Act is confidential unless the local government body or local service district finds that waste, inefficiency or abuse has occurred and reports these determinations as provided under subsection (5) or (6) of this section. If the local government body or local service district finds that waste, inefficiency or abuse has occurred, the investigation and any determinations made are confidential until the investigation described in subsection (3) of this section is complete.

(5) Notwithstanding subsections (2) and (4) of this section:

(a) If the local government body or local service district determines during the investigation that a violation of any provision of ORS chapter 244 may be occurring or may have occurred, the local government body or local service district shall notify the Oregon Government Ethics Commission of the potential violation; and

(b) If the local government body or local service district determines during the investigation that fraud or other criminal activity may be occurring or may have occurred, the local government body or local service district shall notify the appropriate law enforcement agency of the potential fraud or other criminal activity.

(6) Subject to the confidentiality requirements of subsections (2) and (4) of this section, upon completion of an investigation under this section:

1 **(a) The local government body or local service district shall determine in writing whether**
2 **officers or employees of the local government body or local service district, or persons under**
3 **contract with the local government body or local service district, are engaging in activities**
4 **that constitute waste, inefficiency or abuse. The written determination may include other**
5 **information about the nature of the investigation or the local government body's or local**
6 **service district's determination.**

7 **(b) If the local government body or local service district finds that waste, inefficiency or**
8 **abuse has occurred, upon request of the person who made the report under section 2 of this**
9 **2011 Act, the local government body or local service district shall provide the person with a**
10 **copy of the determination and any other information included by the local government body**
11 **or local service district.**

12 **(c) If the local government body or local service district determines that officers or em-**
13 **ployees of the local government body or local service district, or persons under contract with**
14 **the local government body or local service district, are involved in activities that constitute**
15 **waste, inefficiency or abuse, the local government body or local service district shall notify**
16 **the governing body of the local government body or local service district of the determi-**
17 **nation and deliver a copy of the local government body's or local service district's findings**
18 **to the governing body.**

19 **(7) A written determination prepared under this section is a public record.**
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