



Bureau of Labor and Industries: Performance Audit Found Failed Implementation of Key Management Principles

Michael Kaplan, Deputy Secretary of State

Steve Bergmann, Audits Division Director

Andrew Love, Performance Audit Manager



Why This Audit Matters

- For over 130 years, BOLI has enforced the state's employment laws.
- BOLI is an enforcement agency with an important role to protect Oregon's workers.
- Efficient and timely services are key.
- Years of poor management and lack of staff left the agency struggling to keep up with demand.
- Work backlogs in all BOLI's major program areas.



Objective & Scope

To evaluate how BOLI's governance structure and internal operations have led to backlogs and claim processing delays, and how this impacts Oregonians.

This audit examined BOLI's internal governance structure and internal controls. It documented backlog issues in each of the bureau's divisions: Wage and Hour, Civil Rights, Apprenticeship and Training, and Administrative Prosecution.

What We Found

- Past leadership failed to **maintain basic operations**, leaving the agency in crisis.
- Current administration is **rebuilding the agency** while managing **increased workloads**.
- Without clear, strategic initiatives, the agency **risks repeating prior mistakes**.

What We Found

Management decisions reflect poor planning and strategic neglect.

1

Poor management

Management made critical decisions without adequate planning or documentation.

2

Lack of policies and procedures

Many agency-wide and program specific policies and procedures were outdated or did not exist.

3

Turnover contributed to instability

Turnover was most pronounced in executive and management positions.

What We Found

BOLI's challenges weaken its enforcement of Oregon's labor and civil rights laws.

Employer violations may go unchecked.

Agency's mitigating efforts limit services.

Workers could wait years for resolution.

Backlogs at every stage of BOLI investigations mean that workers can wait years for a resolution.

What We Found

BOLI's success depends on clear priorities and aligned workforce.

1

Lack of strategic plan

Agency put a pause on strategic planning process.

2

Workforce planning is needed

The agency must plan for growth and build a sustainable, equitable workforce

3

Lack of leadership transition plan

Turnover was most pronounced in executive and management positions.

Recommendations	Target Completion Date (as of Report Issuance)
<p>1. Evaluate each programs' processes, including: (a) mapping out each program's process(es) with input from key staff and manager; (b) identifying and addressing any source of bottlenecks or confusion; (c) creating an action plan with due dates to implement changes in practice, policy or procedure; and (d) assuring written policies and procedures align with established process(es)</p>	<p>End of 2026</p>
<p>2. Regularly review claim data to identify trends, guide backlog triage, and assess the effectiveness of solutions.</p>	<p>Ongoing 2027</p>

Recommendations	Target Completion Date (as of Report Issuance)
<p>3. Conduct on-going workforce planning and management, including: (a) analyzing current workforce, including skills, experience, and performance; (b) forecasting future workforce needs using current data; (c) identifying differences between current and future workforce demands; and (d) developing strategies to address gaps.</p>	<p>End of 2026</p>
<p>4. Develop short-term and long-term staffing plans for each of the divisions and units using information garnered from workforce planning and analysis. (a) identify solutions that alleviate or reduce stress on staff who perform multiple roles or are the only staff member to own a task. (b) conduct an agency-wide wage parity and classification analysis.</p>	<p>October 2026</p>
<p>5. Ensure the case management system streamlines workflow, centralizes case data, tracks important deadlines, and improves communication within the division and externally.</p>	<p>December 2027</p>

Recommendations	Target Completion Date (as of Report Issuance)
6. Collect, monitor, and report backlog data publicly to stakeholders via a website or other means.	June 2026
7. Bring Apprenticeship program reviews into compliance with state and federal regulations	Ongoing

Recommendations	Target Completion Date (as of Report Issuance)
8. Develop and operationalize a strategic plan.	Implementation Ongoing
9. Develop a transition plan for incoming Commissioners	Ongoing
10. Create, document, and centralize agency-wide and program specific policies and procedures.	July 2026

Questions?

Ricardo Lujan Valerio

Deputy Chief of Staff – Government Relations

(503) 779 – 5451 | ricardo.lujanvalerio@sos.oregon.gov