

Portland fraud hotline nets tip that recoups \$17,000 in city money



By Beth Slovic, The Oregonian

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The city of Portland created a fraud hotline -- 1-866-342-4148 -- in 2010.

Portland's 3-year-old fraud hotline netted its first big tip this summer, setting off an investigation that is expected to culminate this week in a nearly \$17,000 settlement

with a contractor that billed Portland for services it never provided.

City Ombudsman Margie Sollinger announced the agreement Wednesday, the result of what was initially an anonymous call to the hotline in June that accused a company of accepting payment in 2006 for work on Portland's sheltered-market program that it never completed. The sheltered-market program offers support to minority-owned, women-owned and emerging small businesses.

Sollinger, who works under Portland's independently elected auditor, referred her preliminary investigation to the Portland Police Bureau's white collar crime unit for follow up. But Multnomah County Deputy District Attorney Dennis Shen said he withdrew the case late last year, meaning the contractor won't face criminal repercussions.

Shen on Wednesday declined to discuss the evidence -- or lack of evidence -- in the case.

Sollinger, for her part, declined to name the contractor. But The Oregonian has learned that it is Cabell Mercer Group. Portland officials in September declined a records request pertaining to Cabell Mercer Group because it was then the subject of an ongoing investigation.

Rachel Browning, a representative of the company that is no longer active in the state, did not respond to a phone call left with her on Tuesday evening.

Portland auditor's Fraud Alert Line

To report a case of possible fraud, call the hotline at 1-866 -342-4148.

In an interview, Sollinger said she intends to use the case as an opportunity to review Portland's contracting practices to make sure such overpayments don't happen again.

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The original tipster, Browning's ex-husband, hopes she's successful, he said. "As a citizen of Portland in these times when money is so tight ... I myself want the city to impose proper financial oversight," John deAndrade said. "This sort of thing shouldn't happen again."

Portland Auditor LaVonne Griffin-Valade created the hotline in 2010 so anonymous callers could report suspected fraud or wrongdoing in Portland government. As an independently elected official, the auditor does not report to the mayor.

-- Beth Slovic; on Twitter

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