



OREGON HOUSE REPUBLICANS

Research Briefing

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RESEARCH BRIEFING: THE RIVERBEND SCANDAL- YET ANOTHER REASON TO CREATE A LEGISLATIVE AUDITS OFFICE

Democrats Move Quickly to Sweep Another Scandal Under the Rug

The Oregonian Brings RiverBend Scandal to Surface; Legislature Would've Been None the Wiser

“An investigation into public corruption at a state youth detention center in eastern Oregon paints a picture of an out-of-control warden who bilked taxpayers for thousands of dollars while silencing staff with threats.” (Records Lay Out Disturbing Corruption, *The Oregonian*, Ashbel S. Green and Harry Esteve, 05/14/08)

Agency Promotes “Out-of-Control” Official

“Although the investigation has centered on RiverBend, it also raises broader questions about management of the agency. Supervisors in Salem not only didn't catch the problems but later promoted Humphreys to lead the state's biggest youth detention center.

“There were warning signs dating back at least three years that RiverBend had problems, from excessive cell phone use to a suspicious contract for a welcome sign. But the Youth Authority didn't investigate until a relative of a RiverBend worker complained to another state agency.” (Records Lay Out Disturbing Corruption, *The Oregonian*, Ashbel S. Green and Harry Esteve, 05/14/08)

Kulongoski Administration Satisfied

“We're asking questions, and so far, they're giving us satisfactory answers as to how they responded to this,” [Kulongoski deputy chief of staff Tim] Nesbitt said. (Records Lay Out Disturbing Corruption, *The Oregonian*, Ashbel S. Green and Harry Esteve, 05/14/08)

Legislators Learn About Scandal Through Preemptive E-Mail

“But Rep. Andy Olson, R-Albany, a retired Oregon State Police detective, is not satisfied. Olson said he first learned about the case Monday when he received an e-mail from Jester's deputy alerting legislators to an article coming in *The Oregonian*. Said Olson: ‘Why is it that the Legislature is the last one to know about these types of incidents in state government?’” (Records Lay Out Disturbing Corruption, *The Oregonian*, Ashbel S. Green and Harry Esteve, 05/14/08)

RiverBend Only the Latest Executive Branch Scandal

RiverBend is the latest in a long line of new stories that underscore the need for greater

oversight of executive branch agencies

Department of Human Services

“Anthony Kenner couldn't make a living running an escort service, so he turned to Oregon taxpayers. With just a few strokes of the pen and some fake IDs, Kenner got the state Department of Human Services to pay him and his wife \$174,000 in undeserved food stamps and child care over seven years. The Southeast Portland couple-- now sitting in prison-- got away with the scam for so long because no one checked to see whether they were telling the truth.” (Welfare Cheats Cash in on Oregon's Sloppy System, *The Oregonian*, Aimee Green, 3/9/2008)

Department of Corrections

“Bribes to former Oregon prison food buyer Fred Monem went on twice as long as earlier suspected and totaled more than \$1.1 million, based on Wednesday's admission by a food broker that he made more than half of the under-the-table payments. The admission in federal court renews questions about how long Monem could operate without raising suspicions within the state Corrections Department, where he was responsible for \$10 million a year in prison food purchases.” (Prison Bribe-Taking Started Far Earlier, Food Dealer Says, *The Oregonian*, Les Zaitz, 5/10/2007)

Department of Education

“Federal prosecutors have charged a former Oregon Department of Education accountant with stealing almost \$1 million in federal education funds. While he was a midlevel manager in the accounting unit, Brent Crosson of Salem diverted \$925,000 of federal grants away from schools and into the bank account of a company he controls, according to charges filed in federal court by the U.S. attorney's office.

“State Officials say they didn't catch Crosson because he knew the ins and outs of their accounting system so well. And in a department that processes more than \$500 million in federal grants a year and routinely cuts multimillion dollar checks, occasional payments of \$25,000 to \$150,000 to CGA Wholesale didn't stand out.” (Accountant Faces Theft Charges, *The Oregonian*, Betsy Hammond, 2/12/2008)

Board of Nursing

“A preliminary review of the 260 participants in the board's controversial nurse monitoring program — designed to allow nurses to continue on the job while they privately get help for substance abuse and psychiatric problems — has revealed that three out of four are not fulfilling the requirements of participation. They are missing or failing drug tests, failing to check in with their monitors, or are the subjects of poor reports from their employers, according to Mercer's letter. Nevertheless, they continue to retain their nursing licenses.” (Nursing chief digs up mess New official finds dropped complaints, many uninvestigated cases and more, *Portland Tribune*, Peter Korn, 3/7/2008)

Teachers Standards and Practices Commission

“It would take months for the agency that licenses Oregon teachers to discipline a Salem-area teacher for inappropriately touching at least eight girls. To get Kenneth John Cushing, then 44, away from Claggett Creek Middle School students immediately, administrators cut him a deal: If

Cushing resigned, they would conceal his alleged conduct --clutching students' waists, touching their buttocks and massaging their shoulders --from the public.

“Cushing signed the pact --obtained by The Oregonian through public records requests --with Salem-Keizer Public Schools in 2004, and officials promised not to reveal the teacher's behavior if potential employers called looking for a reference. They would attribute his departure to ‘personal reasons,’ the document reads, and make ‘no reference to this agreement.’” (Schools Cut Secret Deals with Abusive Teachers, *The Oregonian*, Amy Hsuan, Melissa Navas and Bill Graves, 2/18/2008)

House Republicans Continue to Call for Legislative Audits Office; Democrats Continue to Take Party Line

“Republicans will push bills that increase government accountability through agency audits.” (February Session Top Issues, *The Oregonian*, Michelle Cole, 2/3/2008)

“Maurer (R-Grants Pass) also said that the length of time the nursing board was able to operate under bad management — even after the initial Tribune stories — was proof that the state needed better oversight of state agencies. He said that he supports the formation of a legislative audits office so that legislators can order their own investigations of boards and agencies.

“But Greenlick (D-Portland) said the Legislature does not need its own auditing function. He said he supports better funding for the Oregon secretary of state’s current auditing division as a means of keeping a closer watch on state agencies.” (Nursing chief digs up mess New official finds dropped complaints, many uninvestigated cases and more, *Portland Tribune*, Peter Korn, 3/7/2008)

“House Republicans today presented a plan to create a new position within the Legislature to audit the performance of state government. Rep. Jerry Krummel (R-Wilsonville) led the caucus in seeking a Floor vote on HB 2550. On a party line vote, House Democrats voted to keep the reform in committee where it’ll die for the 2007 session.” (House Republicans Propose Legislative Audit Office to Increase Accountability in State Government, House Republican Press Release, 6/20/2007)