Fighting Fraud, Waste and Abuse at the Oregon Secretary of State

Company:	Oregon Scretary of State
Industry:	Agency Compliance
Location:	Oregon, USA

COMPANY OVERVIEW

The Oregon Secretary of State (Audits Division) team analyzes huge amounts of data, spots anomalies and protects taxpayer dollars.

The Audits Division provides oversight of public spending within Oregon state. It oversees state agency compliance with accounting rules and the standards for audits of local governments, and reports on the performance of state departments.

A lot of the division's time is spent getting data, analyzing it and doing the resulting audit work. Jamie Ralls, audit manager, and her team manage audits of huge programs, with large-scale data systems and many millions of records, across programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP) and foster care.

They visit multiple departments, agencies and service providers each year, conducting interviews and trying to identify and solve the problems that might result in fraud, waste and abuse.

"I found inmates that were in prison on public assistance. But I think the coolest thing was helping to bring down a Mexican drug cartel that was using food stamps and channeling those dollars to Mexico."

Jamie Ralls,
Audit Manager

QUICK FACTS

- Audits Division is one of five divisions within the Oregon Secretary of State
- Began operations in 1929
- Audits public spending in state agencies, programs and services
- Provides oversight of more than $11 billion in federal funding
- Employs approximately
- 70 auditors
- Delivers comprehensive performance, financial and IT/cybersecurity audits
- Assesses fraud risk and effectiveness of controls designed to detect and prevent fraud
- Chose Diligent's analytics solution over 17 years ago, and continues to use it for all of its audits today

SOLUTION

When Jamie started with the division, they were already using ACL Analytics (which became part of Diligent's HighBond platform in 2019). Jamie taught herself how to use the software and hasn't looked back.

> *"I started in the Audits Division 17 years ago, back when Diligent was ACL. And I was very fortunate when I started my career—my first audit, I was told to 'dabble' in some data, use ACL, and try and figure it out. So, I self-taught myself back then and I've been using it ever since on every audit I can."* **Jamie said.**

The Oregon Secretary of State makes data analysis and audit technologies a core component of its audit work. The division has used data analytics in partnership with the Department of Health and Human Services and the FBI to identify fraud within SNAP.

This focus on analytics will continue to expand through 2020–21 and beyond, as the Audits Division has established an internal audit team specifically focused on maximizing data analytics audit methodologies.

> "It's really about getting familiar with all the many capabilities. We love Benford's Law and use it all the time— it's literally a click of a button and you can find the fraud instantly."
>
> **Ian Green,
> Principal Auditor**

RESULTS

The organization has seen tremendous value from Diligent over the past decades, saving taxpayer dollars and analyzing enormous datasets.

> *"Being able to analyze the data and see anomalies, I've been able to find fraud and, you know, you can't do that with other programs. You can spend an hour or two and find literally millions of dollars in a large state program of waste, fraud and inefficiencies,"* **said Jamie**.

But it's not just about finding fraud and analyzing data during audits—they also support other Oregon government organizations, making recommendations for how agencies and departments can use technology to improve their processes.

"We see different agencies using spreadsheets, trying to match records together, until they reach limitations. So, we come in, match the records together for them and show them what they can achieve. There's just no way we could look at millions of records and match it to another dataset that large without it." **said Jamie**.

Ian Green, principal auditor, provides a clear example of how they've been able to use Diligent technology to solve this exact problem.

"In one audit—I was looking at 200 million Medicaid claims—and it's impossible to look at that many data points manually."

Jamie and Ian have worked on food-stamp fraud cases and have found the data analytics capabilities invaluable in quickly identifying fraud. While working on one audit, they found a merchant that was connected to a Mexican drug cartel. They took their evidence to the FBI and the USDA, who formed a task force to help take down the fraudulent merchants who had been operating throughout the state.

"Protecting taxpayer dollars is probably our key mission. Our role is to be transparent and accountable and ensure the wise use of public resources, and Diligent helps us do that work and develop impactful findings." **said Ian**.

And both of them have found Diligent to be a great support over the years—whatever problem they may be experiencing, or solution they may be chasing.

"Diligent has been great. There is unlimited support. Whenever I can't figure something out that I'm trying to do with the data, I can make a phone call. There's always someone there to help me." **said Jamie**.

"It's a great tool for managing things. It's a great tool for strategic planning, for analyzing data. You can do so much with it. We're finding millions of dollars in most programs that we look at. So we're saving tax dollars every day."

**Jamie Ralls,
Audit Manager**

For more information or to request a demo, contact us today:
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