



PRESIDENTIAL CAMPAIGN VISITS:
The City should follow policy and charge for services

May 2016

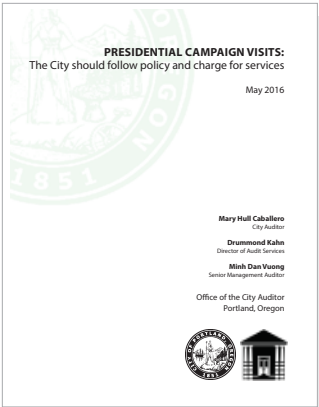
Mary Hull Caballero
City Auditor

Drummond Kahn
Director of Audit Services

Minh Dan Vuong
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Office of the City Auditor
Portland, Oregon





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May 31, 2016

TO: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman
Donna Henderson, Acting Chief, Portland Police Bureau

SUBJECT: Audit Report – *Presidential Campaign Visits: The City should follow policy and charge for services* (Report #489)

This report contains the results of our audit of the City's cost for presidential campaign visits. It also includes the Police Chief's response to our recommendations.

We will follow up in one year with the Commissioner-in-charge and the Chief of Police for a status report detailing the steps taken to address our audit recommendations.

We appreciate the cooperation and assistance we received from the Police Bureau as we conducted this audit.

Mary Hull Caballero
City Auditor

Audit Team: Drummond Kahn
Minh Dan Vuong



PRESIDENTIAL CAMPAIGN VISITS:

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Summary

Cities incur costs when presidential campaigns visit. It cost the City of Portland at least \$180,000 to protect recent visitors, including Barack Obama, Hillary Clinton, Bernie Sanders, and Bill Clinton. In Portland, current policy requires the City to bill and collect its costs, but the City has not billed campaigns for candidate visits. Given the current rules and the many pressures on City finances, we recommend that the City follow its policy and bill campaigns for the cost of City services.

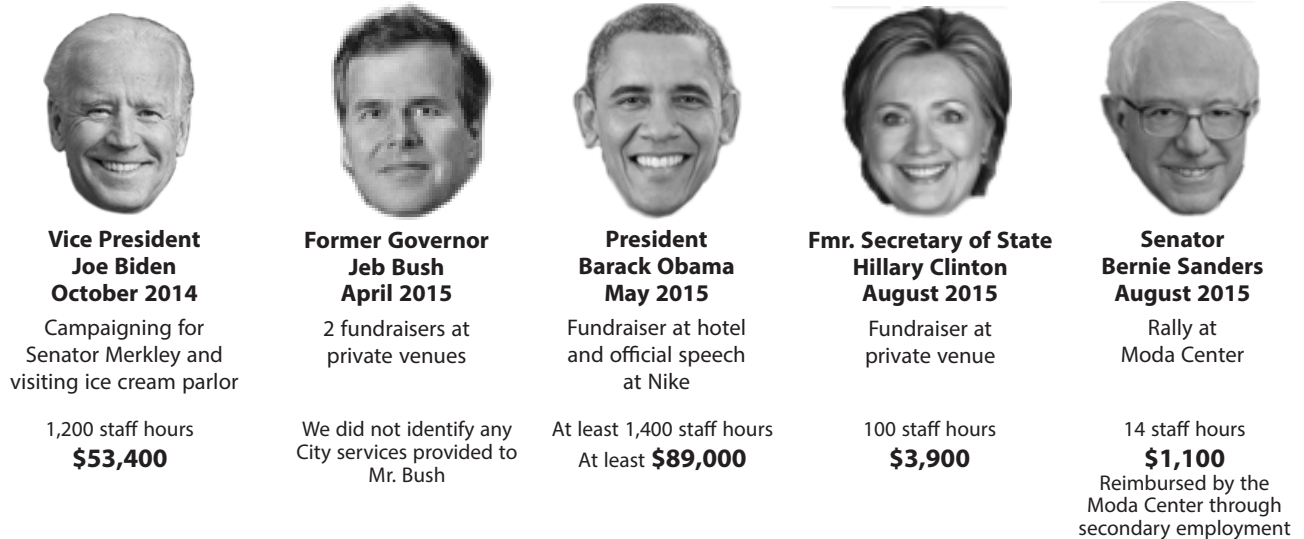
Recent campaign visits cost the City at least \$180,000

With the Oregon primary election on May 17, and the national election in November, several presidential campaigns have visited Portland. The City provided services such as police protection and traffic control. These services are provided often on short notice, which makes planning and coordination difficult. Although the U.S. Secret Service is responsible for the protection of major presidential candidates, it often asks local police agencies to provide assistance.

Portland police officers either worked on overtime, which is an added cost to the City budget, or they were drawn away from their regular duties serving Portland residents.

The cost to the City for campaign visits from October 2014 to April 2016 was at least \$180,000, as estimated by the Police Bureau and our analysis. These are estimates because the Police Bureau has not tracked its time in detail. Also missing from Police Bureau cost estimates were employee benefits and indirect costs, such as the proportional share of leave time, equipment, and internal City services. Internal City services include, for example, human resources, information technology, and City attorneys.

Figure 1 Recent campaign visits cost the City at least \$180,000 (estimates)



Portland has not charged campaigns for candidate visits

The Police Bureau has not tried to charge campaigns or event organizers for the City’s costs in the last two years. It did so many years ago, but more recently Police officials believed campaigns would not pay. The Secret Service did not reimburse Portland.

The City got reimbursed only once, when an event venue requested and paid for off-duty, secondary employment police officers. This was Bernie Sanders’ August 2015 visit.

As a result, taxpayers and the City’s General Fund subsidized these political campaign events, even as donors were asked to contribute \$500 to \$12,500 at political fundraisers. When City funds are scarce and the City has to prioritize many competing services, it is important for the City to recover its costs from private entities when it can.

Police officials said they were concerned about the administrative burden of tracking time in more detail and sending bills.

The City already has the authority to recover its costs

City Code allows bureaus to charge private entities for services (Title 5, Chapter 48, Section 030). Existing City policy requires bureaus to:

- Collect the resources to which the City is entitled
- Charge fees to fully recover costs when services provide private benefits to specific users
- Send bills within 30 days

The City also already has a process to collect on delinquent accounts.



**Former Governor
Jeb Bush
September 2015**

2 fundraisers at private venues

We did not identify any City services provided to Mr. Bush



**Then-House Speaker
John Boehner
September 2015**

We could not determine purpose of his visit

140 staff hours
\$7,100



**Fmr. President
Bill Clinton
March 2016**

Bookstore visit with Gov. Kate Brown for Hillary Clinton

100 staff hours
\$4,900



**Senator
Bernie Sanders
March 2016**

Rally at Moda Center

400 staff hours
\$22,200



**Governor
John Kasich
April 2016**

Town hall meeting

Less than 10 staff hours
\$400

Source: Estimates from auditor analysis and Portland Police Bureau

The City charges for similar events and services

The City charges users for similar events and services:

- When Portland businesses want police officers to provide traffic control, such as at a large event, or security at a sports game, they hire off-duty uniformed police officers on “secondary employment” and pay the City for the time that officers work at their event.
- Large-scale athletic events are charged for actual police and transportation staff time and some indirect costs.

Under an intergovernmental agreement for transit police, TriMet reimburses Portland for *more* cost items than just officers’ salaries and overtime. Portland also receives reimbursements for: benefits, insurance, training, administrative costs (capped at 5 percent), and vehicle fuel, maintenance, and replacement costs.

Other cities recently received reimbursements for candidate visits

Camapigns have reimbursed other cities for police overtime. This includes \$10,000 to Newport Beach from Mitt Romney; \$1,800 to Des Moines from Hillary Clinton; \$3,600 to Marshalltown, Iowa, from Donald Trump; and \$90 to Marshalltown from Bernie Sanders.

On the other hand, we also found many cities that did not bill campaigns or unsuccessfully tried to recover their costs later.

Recommendation

We recommend the City follow its current policy and charge political campaigns or event organizers for the cost of City services provided for candidate visits.

For future visits, the City may also decide to require advanced deposits and communicate its expectations about payment before an event.

For the past visits identified in this report, the Police Bureau should determine whether or not to send a bill, considering how long ago the event was, how much the services cost the City, and the administrative cost of billing.

If the user does not pay the bill, the City should follow its collection procedures, which includes charging interest and getting approvals before writing off uncollectible amounts.

Objective, scope, and methodology

The purpose of our audit was to identify the City's costs for recent campaign visits and whether the City sent and collected any bills. We focused this audit on political campaign visits, not on visits for official government business. To accomplish this objective, we reviewed applicable City code and policies and reviewed staffing and cost estimates provided by the Police Bureau for reasonableness. We interviewed staff from the Police Bureau about their past and current practices. We also reviewed practices in other jurisdictions, including TriMet, the City of Seattle, the City and County of Denver, the City of Kansas City, and various news stories about cities billing and collecting for candidate visits.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RESPONSE TO THE AUDIT



CITY OF PORTLAND, OREGON



Bureau of Police

Charlie Hales, Mayor
Lawrence P. O'Dea III, Chief of Police
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Integrity • Compassion • Accountability • Respect • Excellence • Service

May 16, 2016

Mary Hull Caballero
City Auditor
1221 SW 4th Avenue, Room 140
Portland, OR 97204

Dear Auditor Caballero:

I appreciate the opportunity to review and respond to the recent audit: **Presidential Campaign Visits: the City should follow policy and charges for services.**

First and foremost, thank you for the recognition of this issue which highlights the overwhelming amounts of staff time and money that is spent on these visits. This is especially important as we are in the midst of the last several months of what will be a very contentious campaign. It is also critical to bring to light at a time when the Police Bureau faces grave staffing challenges.

As noted in the audit, we have tried unsuccessfully in the past to obtain payment from campaigns. Without additional support from the City, we were unable to collect on those fees. I am hopeful this audit's findings will assist in the successful billing and collection of such payments from Presidential campaigns. The Police Bureau fully agrees with and supports this recommendation.

I would like to thank the Auditor's Office and particularly, Drummond Kahn, Director of Audit Services; and Minh Dan Vuong, Senior Management Auditor; for this thorough audit. Once again, the Auditor's Office has brought to the forefront an issue that deserves our attention, especially during these critical budget and staffing times.

Sincerely,

LAWRENCE P. O'DEA, III
Chief of Police

LPO/tws

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Report #489, May 2016

Audit Team: Minh Dan Vuong

Mary Hull Caballero, City Auditor
Drummond Kahn, Director of Audit Services

Other recent audit reports:

Payment Card Data Security: Consumer information is safer (#486, May 2016)

Technology Projects: Lack of governance hurts City projects and disaster planning (#460B, February 2016)

City Council Grants: No competition and limited oversight (#479, January 2016)

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