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City Investigation of Minority Contracting Fraud Yields Results



Nearly two years after a Portland government watchdog began questioning whether a masonry business **fraudulently obtained city contracts** intended for minority-owned businesses, that company has lost its eligibility for such contracts.

As *WW* [reported in July 2013](#), the city's procurement officer questioned whether **Elkins Masonry Restoration Inc.** was

eligible for the \$88,000 in city contracts it received from the Portland Housing Bureau.

Business Oregon, the state's economic development agency, is responsible for certifying companies' minority ownership. The agency dismissed allegations against Elkins.

When City Ombudsman **Margie Sollinger** questioned that decision, state officials blocked her from obtaining records about allegedly ineligible companies abusing the city's minority set-aside program.

Sollinger kept pursuing the case. The **Oregon Department of Justice** quietly picked up the investigation.

And last week, the DOJ reached a settlement with Elkins Masonry, requiring the company to give up its minority- and women-owned business certification and pay \$15,000.

In the settlement, Elkins Masonry denies wrongdoing. Company founder **Nichole Elkins** could not be reached for comment.

Sollinger says she's pleased by the result.

"I am grateful that the AG's office pursued this case," she says. "After the first *WW* article, I received an additional tip and uncovered more information that I thought potentially

demonstrated a pattern of conduct. I talked to a number of folks in law enforcement at the federal, local and state level; the AG's office was in the best position to pursue the case."

Since 1997, the city has had a policy of trying to promote minority-owned contractors.

Portland has set goals for any deal that includes city money. While the city's set-aside program is lauded by many, some minority contractors told *WW* in 2013 that the program is widely abused by front companies set up by white men.

That was the accusation against Elkins Masonry, which received more than \$88,000 in city contracts to perform masonry work on the Blanchet House of Hospitality, a transitional housing shelter in Old Town.

Nichole Elkins is a member of the **Confederated Tribes of the Grand Ronde**. But city officials suggested her company wasn't independent from a firm owned by her husband, Ray Elkins, who is white.

The details of the city's case were outlined in a 2013 *WW* story, "Mortar Combat."

Sollinger is now seeking state legislation to let the city run its own investigations of minority-contracting fraud.

She says Senate Bill 584 will give Portland the power "to ensure that everyone associated with a City project is following the law and to take meaningful enforcement action against those that engage in fraudulent conduct, including barring them from working on future City projects."

Business Oregon supports the bill.



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