

OFFICE OF THE  
SECRETARY OF STATE  
Bill Bradbury  
Secretary of State



AUDITS DIVISION  
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*Auditing for a Better Oregon*

October 12, 2004

Ron Rende, Interim Director  
Department of Aviation  
3040 25<sup>th</sup> Street SE  
Salem, Oregon 97302-1125

Dear Mr. Rende:

Earlier this year, the Audits Division received a complaint on our Fraud, Waste, and Abuse Hotline about the Department of Aviation (department) regarding a waste of state funds. The caller alleged that the department wasted approximately \$25,000 in state money by co-sponsoring a party to celebrate the anniversary marking 100 years of flight.

We reviewed the payment for this event, as well as several other donations made to co-sponsor other events. We spoke with management and board members regarding the circumstances of these sponsorships. We also sought advice from the Department of Justice regarding the appropriateness of using state funds in this manner.

Based on our limited review and the advice provided by the Department of Justice, the sponsorships of such events appear to be within the department's legal authority. Oregon Revised Statute 835 provides the State Aviation Board the broad authority to promote aviation in the state, and these event sponsorships could be seen as ways to meet this promotion responsibility.

During our review, we found that it was not always clearly documented how the events sponsored by the department promoted aviation, thus requiring us to seek additional information through interviews. We recommend the department clearly document the purpose of any future events it sponsors. In order to ensure proper accountability for the use of state funds, the department should also document how the use of state funds for these events is meeting the mission of promoting aviation in the state.

Should you have any questions concerning these issues, feel free to contact Ryan Dempster or me at (503) 986-2255.

Sincerely,  
OREGON AUDITS DIVISION

Jason M. Stanley, CPA, CFE  
Audit Manager

cc: Laurie Warner, Acting Director, Department of Administrative Services

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