



Auditing for a Better Oregon

December 20, 2004

Dale Penn, Director
Oregon State Lottery
500 Airport Road SE
Salem, Oregon 97301-5075

Dear Mr. Penn:

We have completed a change of director review of the Oregon State Lottery's former director, Brenda Rocklin, who resigned effective August 13, 2004. The review was conducted in compliance with Oregon Revised Statute 297.210, which requires the Audits Division to perform an audit or review when the executive head of a state agency leaves that position for any reason.

Our objective was to ensure that appropriate actions were taken to protect state assets when the former director resigned from her position. We reviewed representations from management and determined that assets assigned to the former director were returned and that her access to state and automated systems was terminated. In addition, we reviewed travel and other reimbursements submitted by her during her last three months of employment and determined that these claims complied with applicable laws and regulations. We also examined the former director's recent payroll disbursements and leave accruals, which were appropriate and accurate. Finally, we reviewed personal service contracts signed by her in the last three months of employment and determined that the contracts appeared to be for a valid business purpose.

Based on our limited review, we found that the agency took appropriate action to protect state assets upon the former director's separation from the agency.

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

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

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

Management Letter No. 177-2004-12-01