



Auditing for a Better Oregon

March 22, 2005

Elizabeth Harchenko, Director
Department of Revenue
955 Center Street NE
Salem, OR 97301-2555

Dear Ms. Harchenko:

During our audit of Written-Off Debt Review at the Oregon University System, we contacted your department to determine how your department could assist the university system in the collection of written-off debt. Through these discussions, your staff expressed interest in using data query software to facilitate your department's Other Agency Accounts collection processes.

At the request of your staff, we used data query software to match selected Other Agency Accounts debts to wage information. Our review included 54,000 individual debtors representing approximately 80 percent of debts in your Other Agency Accounts debt-tracking queue, which retains debts that did not have an immediate match with collection information during initial research. We found approximately 27,700 (51 percent) had worked in Oregon during fiscal year 2004. Approximately 10,150 of the 27,700 individuals earned more than the 2004 federal poverty guidelines of \$9,310 for the year or \$2,328 for a quarter. The total combined debt owed by the 10,150 individuals was approximately \$11 million.

We recommend the Department of Revenue continue to refine collection activities, which should include working with other entities to utilize data query software to facilitate data collection efforts. Newly developed data matching strategies should be formalized into the department's debt collection procedures.

Should you have any questions, feel free to contact me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

Sandra Hilton, CPA
Audit Manager

SH:brk

cc: Laurie Warner, Department of Administrative Services Acting Director

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