



Auditing for a Better Oregon

May 22, 2006

Matthew Garrett, Director
Oregon Department of Transportation
355 Capitol Street NE, Rm. 135
Salem, OR 97301-3871

Dear Mr. Garrett:

We have completed a change of director review of the Oregon Department of Transportation's (department) former director, Bruce Warner, and interim director, Lorna Youngs, who resigned as director and interim director effective July 31, 2005, and December 18, 2005, respectively. The review was conducted in compliance with Oregon Revised Statute 297.210, which requires the Audits Division to perform a 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 and interim directors resigned from their positions. We reviewed representations from management and examined supporting documentation and determined that the department took appropriate action to protect state assets upon the former and interim directors separation from the department. Specifically:

- Assets assigned to the former director were returned and his access to state and automated systems was terminated in a timely manner. The interim director's access was not terminated because she continued employment with the department in another position.
- A contract amendment signed by the former director during his last three months of employment appeared to be for a valid business purpose. There were no contracts signed by the interim director during the last three months of her employment.
- The former and interim directors' payroll disbursements and leave accruals, during their last three months in these positions, were appropriate.
- Travel and other reimbursement claims submitted by the former and interim directors during their last three months in these positions complied with applicable laws and regulations.

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Should you have any questions concerning these issues, please contact me at
(503) 986-2349.

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

KLO:brk

cc: Dennis Strachota, Chief Financial Officer
Marlene Hartinger, Chief Internal Auditor
Lindsay Ball, Director, Department of Administrative Services