

March 12, 2025



To Whom it May Concern,

Three simple words guide my approach to the duties Oregonians trust me and our office to carry out: integrity, accountability, and competence. It was with those values in mind that I asked our new Audits Director, Steve Bergmann, to identify immediate threats to the independence and objectivity of our Audits Division, both in process and perception. In response to his analysis, I have decided to remove the "Oregon Liquor and Cannabis Commission: Oregon Needs to Modernize Cannabis Laws to Help Grow the State's Economy and Ensure Equitable Opportunities and Benefits for all Communities" audit from our <u>public database</u> of State Audits and Reviews. While my decision contradicts that of former Secretary Griffin-Valade, I know that it is the proper and just determination.

My team and I concluded that the selection of the audit, the framework for the audit, and potential predetermination of its conclusions imperiled the audit from the outset. An independent third-party <u>review</u> recommended that the audit be removed and that the Secretary of State's office should take several additional steps to protect the independence of the audit process. While previous agency leadership <u>committed</u> to moving forward with four of those improvements, our review determined that the majority were never implemented. The flawed selection and framework of the audit, the failure to carry out process improvements, and public records exposed by investigative reporting all evidence a process that did not honor this agency's responsibility to Oregonians.

In the future, once a standardized and risk-based methodology for selecting audits is in place, my team and I will revisit the necessity and opportunity to conduct this audit again without impairments or threats to independence.

Protecting the integrity of the Audits Division and ensuring audits standards are rigorously adhered to is a responsibility of leadership. I do not believe the prior management of the audit functions at the Secretary of State's office lived up to that obvious and unambiguous responsibility. I am glad to bring this process to a conclusion that demonstrates a commitment to audit standards and common sense.

Sincerely,

Kead

Tobias Read Oregon Secretary of State

255 Capitol St NE, Ste 180 Salem, Oregon 97310