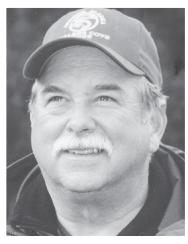


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## AUDITOR'S DEBACLE WITH DEDICATED LICENSE FUNDS

### State Auditor's Incompetence Raises Questions of Possible Conspiracy Theory



by Jim "Tug" Tuggle

In Washington State, the State Auditor's Office (SAO) has continued to fail those that asked it for help. In September of 2006, John Quade from the Port Angeles area, and an ardent outdoorsman, asked his representative, Lynn Kessler, for some help. Representative Kessler did the right thing, and helped her constituent by asking for a routine performance audit of the Puget Sound Dungeness Crab Fund that was established by the Legislature. At that time it seemed that the Washington Department of Fish and Wildlife (WDFW) was unable to accurately report how the special crab fund had been spent. More persons than Mr. Quade had requested clarification of the particular spending of this statutorily dedicated account.

It's not clear why the SAO decided to audit two other WDFW dedicated accounts – the Puget Sound Recreational Fisheries Enhancement Fund, and the State-wide Pheasant Release Program – but most license-buying hunters and anglers might agree that these funds needed auditing also, if for no other reason than to make certain where specific license monies were actually being expended in the financially strapped agency of WDFW.

Once the audit was initiated in early 2007, the highly regarded auditing firm of MGT of America was retained as a consultant to do a large part, if not all, of the specific performance audits. The leaders of several conservation and sportfishing organizations anxiously awaited the results. And they waited . . . and they waited . . . and they waited.

After several months, calls to the SAO by Mr. Quade and others were answered by promise after promise from the SAO's staff that the audit would be out soon. Representative Kessler continued to ply the SAO with requests for timeliness of the release of the audits. None of the Representative's requests were honored. No one's requests were honored. In the middle of this fiasco, the SAO fired MGT for not providing an acceptable work product. However, the SAO did pay MGT more than \$400,000 for this unacceptable product.

After a string of continued broken deadlines and promises by the SAO, an apparently exasperated Representative Kessler sent John Quade an email stating in part "What can I say? This is embarrassing." Completion dates of February 2008 came and went. Completion dates of April 2008 came and went. Another date established by the SAO of July 2008 came and went. Dates "No later than the fall of 2008" were promised by the SAO, but never fulfilled. In a letter from the State Auditor himself, Brian Sonntag, to John Quade, Sonntag stated:

"As you know, we contracted with a private firm to conduct this audit. I agree with you that the audit has been pending far too long. When we received the contractor's working papers at the conclusion of their field work, we concluded that it was incomplete and that additional field work was needed to meet the audit objectives and comply with Government Auditing Standards. We ended the contract and paid the contractor only for the portion of the work it completed.

"We now are using our own audit staff and have stepped up our resources to get the audit finished. You can be assured that completing this audit is a top priority of our Office. As soon as we know for certain when we intend to use this audit report, we will let you know."

The letter was dated November 24, 2008. More than eight months ago. Hard to believe the audit is a “top priority of our Office,” isn’t it? In December of 2008 the Puget Sound Recreational Fisheries Enhancement Program Oversight Committee (RCW 77.105.160) was promised that the audit would be completed by mid-January 2009 at the latest. Then the date was changed by the SAO to February 1st. The date was changed again, based on one of the auditors having a family emergency, to March 1st. Then to April 2009, then to June. But still no performance audits.

The SAO denied requests to release any numbers or work product to the public during the on-going audit. A request to the Attorney General’s Office provided the discovery that they had no influence over the SAO when it came to open audits and could not help with any public disclosure. It seems that the SAO could drag its feet on these, or any other audits, for as long as they cared to.

But why is the SAO taking so long to complete these three minor audits of relatively small, dedicated funds? That’s the real question. Most of the people curious about the findings of the audits believe it is more than the SAO’s incompetence. If it is merely incompetence, God help us on important items, because the office seems out of control even on these minor issues. The SAO’s lack of action has spawned a conspiracy theory among those following the plight of the three performance audits. Is the driver behind this lack of completion politically motivated? What dark secrets or perhaps criminal findings might this audit unveil? The longer the stall of the completion of the audits, the deeper the conspiracy theory roots itself. And, to have a conspiracy, it takes at least two conspirators. Who might they be? The longer the SAO stalls, the more the imagination fears the worst.

In early July, I decided to call the SAO myself to seek clarification about the lack of completion of these three performance audits. I was connected to the Deputy Director of Performance Audits, Ms. Harriet Richardson. I got right to the point. Ms. Richardson stated that the reason the audits have taken so long is that there were starts and stops on them due to other work. The Deputy Director went on to say that the contractor failed to make the deadline, and that they (SAO) had to go back through the work and realized that a lot more work was needed. The SAO re-worded the audit objective and that more work will make it clearer. She said that the audits were recently divided into three parts with the Pheasant portion close to being done, the Puget Sound Recreational Enhancement Fund scheduled next, and the Puget Sound Crab due last. She said that the results “will definitely be out by the end of the year.” I asked her about the other deadline promises that were not met. She said that they were “interpreted as promises, but were not promises.”

Do you think that the audits will be complete by the end of the year? If the State Auditor’s track record on this minor audit so far is any indication, I doubt that they will ever provide us with any worthwhile results. And that continues to support the belief in a conspiracy theory among those that wonder what really has taken so long. The SAO just can’t really be that inept, can it? The longer they take, the more people wonder: What are they hiding? 