Washington State Auditor
Brian Sonntag

September 16, 2009

To: **Karen Lee, Commissioner, Employment Security Department**

From: **Larisa Benson, Deputy for Performance Review, State Auditor's Office**

Subject: **Opportunities for government reform**

As I shared with you in the July 29 memo, our office has begun a performance review of state government that includes three major elements: an evaluation of shared services in information technology and property management; an analysis of several government reform ideas; and a broad-based assessment of state government to help identify opportunities for future performance audits. We very much appreciate responsiveness of you and your staff to our requests for information in the early stages of this work.

Today I am writing to you to provide information that pertains directly to your agency about the second element of the performance review – government reform ideas.

My performance review team has evaluated many ideas for possible reform, and eliminated the ideas that were already being reviewed by some other process. Two of the ideas that merit further analysis relate directly to the responsibilities of the Employment Security Department. I am writing to you to let you know that our staff will be contacting your staff in the next few days to begin the field work to fully evaluate opportunities for improved performance, cost savings, increased revenue or other benefits.

Here are the topics and objectives we plan to address that relate to your agency's responsibilities:

> **Tax amnesty.** Would administering a statewide tax amnesty program increase the collection of delinquent state debt, and if so, by how much?
>
> **U.S. Treasury Offset Program.** Would participating in the federal/state Reciprocal Agreement Program increase Washington's collection of delinquent state debt, and if so, by how much?

We worked with your staff earlier this summer when we were conducting preliminary analysis of the validity of these and other reform ideas, so your staff is already aware of the nature of our work. With this memo, I want to clarify that we have decided to move forward with our research in this area, and that our project team will continue to need the assistance of your staff in the coming days and weeks.

Again, thank you for your generous assistance so far. We look forward to continuing to work with you, and we will do everything we can to minimize the impact on your agency's day-to-day operation. Please contact me or the leader of our government reform project team, Joseph Archuleta, 725-9743 or archuletaj@sao.wa.gov, if you have questions or concerns.

Copies: Cindy Zehnder, Governor's Chief of Staff
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