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STATE'S COLLECTION AND USAGE OF FASTER MOTOR VEHICLE FEES LACK SUFFICIENT OVERSIGHT AND MANAGEMENT

DENVER— An audit by the Colorado Office of the State Auditor (OSA) has found that the Colorado Department of Transportation (CDOT) needs to improve its oversight and management of the State's allocation of FASTER motor vehicle fee revenue to ensure effective and appropriate usage. The audit also found deficiencies in some of the processes used for collecting three of the six FASTER fees at CDOT, the Department of Revenue (Revenue), and the Judicial Department (Judicial).

The Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act was passed in 2009, creating six new motor vehicle fees to provide CDOT and local governments with funding for bridge, road safety, and public transit projects. The FASTER Act also created the Bridge Enterprise, a CDOT-owned business. CDOT, Revenue, and Judicial are the primary state agencies responsible for collecting FASTER fees, which have totaled about \$1.4 billion since the legislation was enacted, and have funded 593 CDOT bridge, road safety, and transit projects.

However, auditors found that CDOT and the Bridge Enterprise could not demonstrate that the manner in which they selected bridges for FASTER funding was thorough, integrated, and strategic. The audit found that some individual FASTER bridge projects have been significantly overbudgeted and remained open for long periods of time, an average of 1.4 years after most of the bridge construction work was finished and the bridges were open for use, tying up unspent funds that could be allocated to other projects.

Additionally, CDOT spent \$10.7 million on projects that may not have met legislative requirements for FASTER road safety revenue and CDOT could not confirm how an additional \$6 million was

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allocated or spent. CDOT also could not demonstrate that 113 of the 282 (40 percent) FASTER safety projects were approved by the Transportation Commission (Commission) and neither CDOT management nor the Commission received information on how the transportation regions used the FASTER revenue allocated to these projects.

Additionally, CDOT did not maintain complete and accurate information on FASTER transit revenue and expenditures, and in a sample of eight transit contracts reviewed by auditors, six contracts did not comply with the State Procurement Code.

The audit also found issues with some of the collection processes for the FASTER fees, including that Revenue did not have adequate controls over exemptions of the FASTER late fee; CDOT did not maintain adequate recordkeeping and accounting controls over the FASTER oversize/overweight vehicle surcharge; and Judicial had not been assessing or collecting the FASTER unregistered vehicle fine at all, as required by statute.

The OSA has made ten recommendations.

The full report is available electronically on the OSA's website, <http://www.state.co.us/auditor>, via the link called "OSA Audit Reports."

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.