Adequate or Inadequate
that’s the Question

Marsha Douglas-Roy (QC)
Diana Kay (FL)
Rayna Ware (TN)

The Can’t Provide Carrier

Basic Facts....
• Haul for Hire Carrier
• General Freight
• Global Positioning System (GPS)
• Fuel purchased over the road
• Two vehicles (tractors)
• Licensee stated:
  – There were no changes to the internal controls
  – Records are retained for 3 years
Distance Records

- Freight Bills with:
  - Trip origin & destination
- List of pick-up & drop-off locations
- Licensee used GPS to record:
  - Origin & destination
  - Travel dates
  - Vehicle number
- Licensee could not provide any GPS records

Observations…

Adequate or inadequate & why?
Fuel Records

- Fuel Card Statements
  - Purchase date
  - Purchase location
  - Fuel type
  - Price per gallon
  - Quantity
  - Total dollars
  - Vehicle number
  - Company Name
  - Driver’s Name

Any Observations?

Adequate or inadequate & why?
Summary Data

• Monthly
  – Distance summaries by vehicle & fleet
  – Fuel summaries by vehicle & fleet

What would your overall rating be:
Adequate or inadequate?

Audit Process & Findings

Distance:

a) Licensee’s records rated adequate

b) Summaries compared to IFTA returns for the 4 quarter period; variances were discovered in most jurisdictions, the greatest being 500 miles

c) 1 vehicle sampled for 1 quarter; although lacking many required elements, the location list was determined sufficient and compliant

d) Location details entered into distance software as “an audit tool to create map miles”
The Audit Process (cont’d)

e) Jurisdictional and total map miles compared to summary distance; map miles accepted for the quarter

f) Audited distance disagreed with summary in all 34 jurisdictions traveled

g) Jurisdictional variances ranged from (692) to 362; total audited distance was 2,433 less than reported

h) Auditor stated errors were not projected because:
   1) They did not have all info available to the driver
   2) Map miles were used as audited miles
   3) Projecting would not be an accurate representation of travel for the audit period

Audit Process & Findings

Fuel:

a) Licensee’s records rated adequate

b) Summaries & IFTA returns compared for the 4 quarter period; variances were discovered in many jurisdictions, the greatest being 40 gallons

c) Fuel records examined for the sample quarter and accepted

d) Comparison of jurisdictional results to summary reflected a (1) gallon variance in a single jurisdiction
Audit Process & Findings

MPG:

a) Sample period audited MPG reduced by 5%; distance / fuel = 6.12 vs. the applied MPG of 5.81

b) Although report indicates the remaining 3 quarters were accepted as reported, the reported ranged from 6.00 – 6.39 while the audited ranged from 5.58 – 5.90

c) Audited MPGs were less than the reported due to the reduction in total distance; those MPGs (audited distance / audited fuel) were accepted without further adjustment.

d) The audit resulted in a net credit.

Final Discussion

• Agree or disagree?
• What would you do differently?
• Is there a better alternative?
The « Records Don’t Matter » Case!

Relative Company Facts:

- IFTA/IRP fleet consists of 2 vehicles.
- Non-traditional carrier
  - Long haul – transports periodically machines, trucks trailers and parts bought and sold by the company
  - Short haul – excavation materials such as rock, sand, salt, snow and cement
- Buys, sells and repairs trucks and trailers
Company Facts (cont’d)

- Company owner is also co-owner of a 2\textsuperscript{nd} company.
  - **Non** IFTA/IRP fleet consisting of more than 15 trucks at the same location
- Each co-owner also drives short haul trucks for a third company
- 555 gallon bulk fuel tank on premises
Do you have any questions at this point?

System & Reporting Processes

Distance:
- Carrier operated in multiple jurisdictions
- The reported distance was rounded for the base jurisdiction in 5 of 8 quarters
- Portable GPS device used to capture distance, which is jotted down for reporting purposes
- Odometer readings are not captured
System & Reporting Processes

Fuel & MPGs:
- OTR purchased with cash
- OTR reported based on date of purchase
- Reported bulk based on quantity purchased each quarter
- Bulk is never used to fuel sister company’s vehicles; it is syphoned from another vehicle when needed
- Reported MPGs ranged from 2.44 to 10.51

Perspectives please!
Distance Evaluation

• No records provided for portable GPS device
• The carrier admitted to estimating the base jurisdiction distance
• No logbooks, IVDR’s or other distance records
• A 3rd party certified inspection confirmed the odometer reading at purchase for unit ABC
• No other certificates for either of the 2 units was provided

Distance Evaluation

• The 2nd company’s vehicles are registered for local commercial activity
• The carrier stated they are antiques and are used in shows; they are model years 1979 - 2004
• No distance summaries were provided
Distance Evaluation

• Any other questions or observations?
• Adequate or Inadequate?
• How would you determine audited distance?

Fuel Evaluation & Info Provided

• Bulk invoices contain the necessary information and an invoice detail was provided
• 3 OTR receipts were provided; 2 were illegible
• No bulk inventory records maintained
• No withdrawal records maintained – carrier states they are unnecessary considering the single vehicle
• Sister company’s vehicles also rely on diesel
Fuel Evaluation & Info Provided

Fuel Evaluation

• Any other questions or observations?
• Adequate or Inadequate?
• How would you determine audited fuel for credit?
  – OTR
  – Bulk
• Sample or 100%
Overall Rating

Adequate or Inadequate

Evaluation

The carrier received an **inadequate distance** rating and an **inadequate fuel** rating because...

- No distance records provided
- Lack of controls to determine, if any, bulk fuel was placed in either of the 2 admissible units
So Now What?

• Adjust all quarters to 4.00 MPG’s
• Accept reported MPG’s below 4.00 and adjust the rest to 4.00 MPG
• Reduce average MPG’s by 20%
• Reduce each quarter’s MPG by 20%
• Reduce reported MPG’s below 4.00 by 20% and the rest to 4.00 MPG

How to obtain the desired MPG?

–Would you increase distances to increase the MPG’s below 4.00?
–Would you decrease fuel to increase MPG’s below 4.00?
–Why or why not?
–Or would you just increase fuel to obtain a 4.00 MPG on all quarters above 4.00 MPG
What Happened?

• Disallowed credit for all fuel except the single OTR receipt.
• Applied 4.00 MPG
  – Increased distances to increase reported MPG’s to 4.00
  – Increased fuel to reduce reported MPG’s to 4.00

• Do you agree or disagree?
• What would you do differently?
Looking back

- Would you make suggestions to the carrier to obtain alternative distance records?
- If so, what?
- Would your decision be different if this company had been previously audited?
Company Facts

- Owner operator, public subcontractor, 30 years in business
- IFTA/IRP fleet consists of 2 qualified trucks, 2 IFTA decals and 1 IRP registered truck
- Long haul carrier of refrigerated or dry merchandise such as fruits, vegetables, meats (12 to 26 jurisdictions visited every quarter)
- The reported MPG varies from 4.56 to 7.70
- No activity was reported for the 2nd, 3rd and 7th quarters
- Second audit in 10 years

Remittals

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<th>7</th>
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<td>22376</td>
<td>138650</td>
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<td>Gal</td>
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<td>3593</td>
<td>7159</td>
<td>2807</td>
<td>0</td>
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<td>0</td>
<td>4.59</td>
<td>7.70</td>
<td>4.95</td>
<td>0</td>
<td>5.23</td>
<td>5.64</td>
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What we had…

The following documents were received clipped together by trip:

- Distance report from mileage software
- Logbooks
- Fuel summary by trip
- Fuel receipts

The carrier states the documents were assembled at the end of each trimester

Distance Records

- Driver-owner maintains daily logbooks.
- A partial odometer reading is sometimes recorded, but rarely are both (begin/end) readings recorded
- Other elements observed:
  - the carrier’s base city
  - the date
  - the city and jurisdiction at each status change
- Dates are sometimes missing, and the total miles recorded may be for the day or an entire trip
Distance Records (cont’d)

- The mileage software is known and reliable. It is programmed at practical, open borders, highway only, 80,000 lbs, 48L X 96W 5 axles

Accounting change:
- 1st to 4th quarters - the owner operator generated the mileage reports
- 5th to 8th quarters - the external accountant generated the mileage reports
### Driver's Daily Log / Routier Journaliste

**Vehicle:**
- **Make:**
- **Model:**
- **Year:**
- **VIN:**
- **Engine:**
- **Fuel Type:**
- **Fuel Level:**
- **Temperature:**
- **Tire Pressure:**

**Speaker Part:**
- **Date:**
- **Time In:**
- **Time Out:**
- **Miles In:**
- **Miles Out:**
- **Speed:**
- **Fuel:**
- **Trip Meter:**
- **Total Hours:**

**Remarks:**
- **Vehicule du Jour:**
- **Product:**
- **Temperature de l'air:**
- **Humedité:**

**Schedule of Stops:**

<table>
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<tr>
<th>Stop</th>
<th>Miles</th>
<th>Total Hours</th>
<th>Leg Cost</th>
<th>Total Cost</th>
<th>Hours</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Route:**
- **Route Name:** Rosemere, QC to Rosemere, QC
- **Miles:** 3,165.6
- **Cost:** $4,120.84
- **Truck Config:** Weight: 80,000lbs; Height: 13ft 6in; Length: 48ft 0in; Width: 96in; Axles: 5
- **North America:** Practical, Borders Open, Highway Only, Ferry Distance

**Stop Details:**
- **Rosemere, QC, Thérèse-De Blainville:**
- **Leg Miles:** 0.0
- **Total Miles:** 3165.6
- **Leg Cost:** 426.42
- **Total Cost:** 4120.84
- **Hours:** 5:18

**Additional Notes:**
- **Date of Entry:** 1/17/2019
- **Signatures:**
- **Driver's Signature:**
- **Exhaustion:**

**Supporting Documents:**
- **DOCS:**
  - **Journal:**
  - **Exhaustion:**

---

*Note: The image contains a driving log with various details, but due to the nature of the content, it is not transcribed verbatim.*
Observations…

• No actual odometer reading has been reconciled with the mileage report
  – Would it matter?
  – Why or why not?

• The software reports do not identify the trip, date, truck or driver
  – Would it matter?
  – Why or why not?

• Any comments about the point of origin and the destination, or other items?

• Would you sample? Why or why not?
Does significant distance between stops matter?
Should 100 mile legs be viewed the same as 1,000 mile legs?
Why or why not?

Fuel Records
- The date, city, jurisdiction and the quantity of fuel for each purchase is recorded on a fuel trip sheet
- All fuel is purchased over the road with either a fuel card or cash
- All elements required by P550 are on the fuel receipts, except unit identification
- Does this matter?
- Would you sample fuel? Why or why not?
# ACHAT DE CARBURANTS

<table>
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<th>Ville</th>
<th>État</th>
<th>L/O</th>
<th>Quantité</th>
<th>Prix</th>
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<tr>
<td>Dandridge</td>
<td>TN</td>
<td>G</td>
<td>175.73</td>
<td>493.77</td>
</tr>
<tr>
<td>London</td>
<td>ON</td>
<td>L</td>
<td>628.00</td>
<td>580.27</td>
</tr>
<tr>
<td>Cornwall</td>
<td>ON</td>
<td>L</td>
<td>272.99</td>
<td>300.00</td>
</tr>
<tr>
<td>Hauiti</td>
<td>MO</td>
<td>G</td>
<td>146.558</td>
<td>351.59</td>
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</table>

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**HAYTI TRAVEL CENTER /1200 E WASHINGTON /HAYTI, MO 63851/(573) 359-2020**  
Number: 0101-027881  07/09/2015  Station: 1  Part 1 of 2

<table>
<thead>
<tr>
<th>Pusp</th>
<th>Products</th>
<th>Reefer</th>
<th>Quantity</th>
<th>Unit Cost</th>
<th>Total</th>
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<tbody>
<tr>
<td>13</td>
<td>Diesel 2</td>
<td>N</td>
<td>146.558</td>
<td>2.399</td>
<td>351.59</td>
</tr>
</tbody>
</table>

subtotal = 351.59  
sales tax = 0.00  
TOTAL = 351.59

payments received = 400.00  
change = 28.32

Salesperson ID: T LANRENC
Truck Number: --

Billing Company: HAYTI TRAVEL CENTER / CASH  
Company Name: --

THANK YOU! --- THANK YOU!
Any potential problems, weaknesses or other items we should discuss?
**Odometer Reconciliation**

<table>
<thead>
<tr>
<th>Date</th>
<th>Accounting</th>
<th>Logbooks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-07-02</td>
<td>98 325</td>
<td>---------</td>
</tr>
<tr>
<td>2015-10-04</td>
<td>129 121</td>
<td>4 300</td>
</tr>
<tr>
<td>2016-04-21</td>
<td>145 613</td>
<td>---------</td>
</tr>
<tr>
<td>2016-04-23</td>
<td></td>
<td>949 266</td>
</tr>
<tr>
<td>2017-06-30</td>
<td>42 440</td>
<td>41 879</td>
</tr>
</tbody>
</table>

- The odometer readings found in the spreadsheet do not correspond with the logbooks.
- The carrier confirmed the odometer never broke.

**Discovery - Distance Records**

- Mileage was not reported for the 2nd quarter; however the carrier provided mileage reports.
- No logbooks were provided for the 2nd or 4th quarter.
- The carrier determined distances using the mileage software until the beginning of the 5th quarter.
- From the 5th to the 8th quarter the external accountant determined distance with the aid of the same mileage software, but using 100% of the stops indicated on the logbooks; approximately 1 stop every 142 miles.
Perspectives Please…

- Adequate or inadequate?
- Additional questions?
- How would you handle distance?
- If the evaluation is adequate, could A350.300 (MPG reduction to reported of 20% or application of 4.00) still be considered?

Discovery - Fuel Records / MPG

- Fuel was not reported for the 2nd quarter; however the carrier provided fuel trip sheets and fuel receipts for this quarter
- The high reported MPG’s (7.70) observed for the 5th quarter result from a change in the accounting system and a conversion error
- Remember, the reported MPGs ranged from 4.56 to 5.23, with that exception
Perspectives Please…

- Adequate or inadequate?
- Additional questions or observations?

What did we do?

- We surveyed two quarters.
- The 1st quarter is representative of the activities and the accounting system for quarters 1-4.
- The 5th quarter is representative of the activities and the accounting system for quarters 5-8.
- 2 QTR - We determined and adjusted the miles and fuel based on the documents provided. The audited MPG’s are reasonable.
- Meanwhile, we received additional documents with yearly odometer readings!
Reconciliation / Best Information

We obtained odometer readings from the yearly safety inspection certificates.

<table>
<thead>
<tr>
<th>Date</th>
<th>Odometer reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1st, 2015</td>
<td>887 397 miles</td>
</tr>
<tr>
<td>June 15th, 2016</td>
<td>965 276 miles</td>
</tr>
<tr>
<td>June 1st, 2017</td>
<td>1 661 060 km</td>
</tr>
</tbody>
</table>

Reconciliation / Best Information

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>Reported (M)</th>
<th>Audited (M)</th>
<th>Unreported (M)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qtr 1 -4</td>
<td>47 287</td>
<td>67 331</td>
<td>20 044</td>
<td>30</td>
</tr>
<tr>
<td>Qtr 5 -8</td>
<td>91 364</td>
<td>74 674</td>
<td>-16 690</td>
<td></td>
</tr>
<tr>
<td>(Qtr 5-8, absent the 1Q conversion error)</td>
<td></td>
<td></td>
<td>1000</td>
<td>1</td>
</tr>
</tbody>
</table>

The combined reported MPG is 5.64; the combined audited MPG is 5.24
**1st Quarter Survey**

- **Fuel** - Based on the summary, the fuel trip sheets, and the fuel receipts - 1 fuel receipt was missing.

- Based on best information, at least 4,936 miles out of 35,731 were not reported for this quarter.

- Because of missing elements, we are unable to ascertain if logbooks and mileage reports are missing or if the unreported miles result from unreliable mileage reports.

- We cannot test the carrier’s mileage reports for the 2nd and the 4th QTR because the logbooks are missing.
The total difference between the two is minimal; (181 miles) however, several jurisdictional differences are observed.
Carrier Logbook test

- MI 275 miles
- IL 357 miles
- IN 45 miles
- MI 145 miles
- IL 222 miles
- IN 257 miles

All distances between two stops in same jurisdiction.
Carrier

MS 179 miles
AL 214 miles
TN 240 miles
VA 371 miles
MD 98 miles
DE 23 miles
NJ 70 miles

Logbook

MS 200 miles
AL 155 miles
TN 374 miles
VA 444 miles
MD 62 miles
DE 0 miles
NJ 0 miles
Mileage Differences

<table>
<thead>
<tr>
<th>Jur</th>
<th>Carrier</th>
<th>Logbooks</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA</td>
<td>52</td>
<td>333</td>
</tr>
<tr>
<td>NY</td>
<td>23</td>
<td>328</td>
</tr>
<tr>
<td>CT</td>
<td>119</td>
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<tr>
<td>MA</td>
<td>93</td>
<td>0</td>
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<tr>
<td>NH</td>
<td>96</td>
<td>0</td>
</tr>
<tr>
<td>VT</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>QC</td>
<td>127</td>
<td>128</td>
</tr>
</tbody>
</table>
5th Quarter Survey

• The over reported miles for this quarter resulted from conversion errors. We corrected the conversion errors.
• We did not do mileage tests on the carrier’s mileage reports, there were only a couple and no logbooks were provided.
• The external accountant’s mileage reports were clipped to the logbooks and we confirmed that 100% of the legible stops were used in the mileage software. About 1 stop per 142 miles
• No anomalies were found with fuel.

Perspectives…

Are the carrier’s mileage reports reliable for:
  1 – 4 Qtr Why or why not?
  5 – 8 Qtr Why or why not?

What do you think about the stops used:
  By the carrier?
  By the external accountant?

What would you do about the route deviations?
Perspectives…

Would your decision be different –
If all the logbooks were available?
If it was the first audit and/or a new carrier?

The Results

We chose to evaluate by year: Year 1 (1 – 4 Qtr)
The carrier received an inadequate distance rating and an adequate fuel rating because…

- Logbooks were not available for the other two quarters. (3-QTR =0)
- The trips are not repetitive, each of the 3 trips tested gave different jurisdictional results. Projection would not have been reasonable.
The Results – Year 1 (cont’d)

- The quality, sufficiency and appropriateness of the stops used by the carrier in the mileage software are not adequate enough to insure reasonably accurate distances.

Adjustments : 1-4 QTR

- 1\textsuperscript{st} quarter- We adjusted the differences obtained from the mileage tests.
- 2\textsuperscript{nd} quarter- The unreported miles were adjusted based on the mileage reports and the fuel receipts provided.
- The 30\% unreported distances, obtained from reconciling the odometers, were redistributed by period and redistributed based on the audited distances.
Adjustments : 1-4 QTR (cont’d)

Because we are unable to reasonably ascertain the real jurisdictions travelled for the majority of this audit period without doing an exhaustive audit, we applied A350.300 reducing the MPG’s by 20%, for each of the three trimesters.

Adjustments – Year 2 (5– 8 Quarter)

• All the other mileage reports were supported by logbooks
• At least 1, 5 digit odometer was recorded on each
• The total unreported miles was minimal; less than 1,000 miles for all three quarters. (7th QTR= 0)
• We adjusted the unreported miles proportionately according to the reported distances.
Q & A

How would you have rated the IRP segment?

Q & A

• Do you agree or disagree?
• What would you do differently?
• Do you have a better approach?
The 2nd Time Around…

“JUST THE FACTS, MA’AM. JUST THE FACTS.”

Company Facts:

- IFTA/IRP fleet consists of up to 19 vehicles (1 vehicle with a registered weight of 25,500 pounds)
- Vehicles are equipped with PTO’s (power take-offs) that operate the equipment mounted to them
- Operations require vehicles to drive to specific locations, park, and run equipment (often for multiple days without leaving)
- Company utilizes 100 gallon portable tanks on some vehicles to transport fuel to the stationary vehicles, when necessary
Company Facts (cont’d):

- Drivers often drive multiple vehicles within a day
- Not all vehicles are used at all times. Vehicles are utilized based on the equipment they carry and the job requirements
- The carrier reported a static 4.50 MPG

Do you see any issues or potential problems at this point?

1 + 1 = 3
Distance Records

- Maintenance personnel maintain quarterly odometer readings for each vehicle
- IVDR's are completed by the driver for interjurisdictional travel only
- Work orders were provided for all vehicles the company stated “did not leave” the base jurisdiction
### Table

<table>
<thead>
<tr>
<th>Vehicle #</th>
<th>003</th>
<th>Trail #</th>
<th>SEV</th>
</tr>
</thead>
</table>

### Individual Vehicle Mileage Report (IVMR)

- **Driver:** Andrew Quinlan
- **Origin:** Mobile, AL
- **Destination:** Natchez, LA

#### Trip Report

<table>
<thead>
<tr>
<th>Date</th>
<th>State or Province</th>
<th>Highways Used</th>
<th>Odometer Reading Beginning of Day</th>
<th>Odometer Reading Beginning of Report</th>
<th>Miles</th>
<th>Gallons</th>
<th>Vendor</th>
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<tbody>
<tr>
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<td>AL</td>
<td>I-10</td>
<td>8,407,048</td>
<td>8,407,969</td>
<td>97</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>1/10</td>
<td>MS</td>
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<td>8,407,969</td>
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<td>8,408,245</td>
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<tr>
<td>1/10</td>
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<td>I-10</td>
<td>8,409,901</td>
<td>8,410,951</td>
<td>52</td>
<td>N/A</td>
<td>N/A</td>
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</tbody>
</table>
Any new issues or potential problems?
Discovery - Distance

1) The same distance was reported for IFTA and IRP
2) Odometers often do not correspond with quarterly readings (specifically at the beginning and ending of the quarters)
3) Odometers on the summaries do not always correlate to the IVDRs
4) Trip testing showed the minimal distance required was not always indicated.
5) Intra only vehicles did indeed travel to other jurisdictions

Focus on Distance

- Additional observations you might have about the records?
- How would you handle distance?
- Are the records adequate or inadequate?
Fuel Records

- Fuel Account (OTR fuel)
- Cards are assigned by vehicle
- Weekly invoices
- Bulk fuel tank with withdrawal slips
- Bulk fuel purchase invoices
- Additional company vehicles fuel from the bulk tank
- No inventory reconciliation is performed
- The carrier admits to estimating reported fuel
**DIESEL FUEL DISPENSE TICKET**

***PLEASE COMPLETE ALL DATA FIELDS***

**DATE:** 4-13-17

**TIME:** AM

**TRUCK/EQUIP/JOB #:** 013-33

**METER BEGIN:** 09173

**GALLONS:** 73270

**METER END:** 09247

**MILEAGE:** 700232

**DRIVER:** R. TAYLOR

**PRINT:** Ray Taylor

**SIGNATURE:**

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**APRIL 2017**

<table>
<thead>
<tr>
<th>Date</th>
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What about fuel – issues, observations, etc.?

Discovery - Fuel

- Odometer readings are reflected on the fuel reports
- Drivers often use the assigned cards to fuel multiple vehicles
- Cards are often switched in vehicles
- Reported fuel was limited to the base jurisdiction
- Reported gallons were a product of the recorded distance and a 4.50 static MPG
Focus on Fuel

How would you handle fuel – sample or 100%?
Why?

The Whole Picture

- Should the overall rating be adequate or inadequate? Why?
- Would additional information change your mind?
- If so, what?
- Would it matter if this company had been previously audited and received an adequate rating?
The carrier received an *inadequate distance* rating but an *adequate fuel* rating because:

- Despite the volume of data, the vast majority of it conflicted, making it impossible to determine distance
- The summaries were used as the best information available for IFTA and were adjusted for unreported distance, odometer issues, and removal of the 25,500 vehicle

**The Process (cont’d)**

- Due to the carrier’s reporting methodology all fuel was scheduled
- Bulk withdrawals were scheduled for only the appropriate fleet vehicles
- A comparison of the bulk fuel invoices and the withdrawal slips revealed a balance greater than the tank’s capacity. While this supported the withdrawal records were incomplete, no additional credit was allowed.
The Process (cont’d)

- OTR purchases were scheduled from the invoices and sorted by odometer readings.
- Credit was limited to fuel purchases where the recorded reading was within the odometer range reflected on the summaries.
- Audited MPG’s ranged from 3.76 to 5.27.
- The MPGs were reduced to the IFTA default of 4.00 except for the quarter where the MPG was 3.76, it was reduced by 20 percent.

• Agree or disagree?
• What would you do differently?
• Do you have a better approach?