**General –**

**1) Scenario**:

An IRP registrant filed miles using average-per-vehicle distance (APVD) for 2015. It was discovered during audit that actual miles existed during the reporting period; however, due to poor record keeping and periods where records were missing, it was an inadequate records assessment. The minimal records that were available only reflected distance in 3 jurisdictions, which somewhat supports the carrier's stated activities. This specific situation is not addressed in the Plan, since generally speaking, accounts with APVD are not audited.

**Questions:**

1. How would you handle this audit knowing that the carrier should not have reported APVD when the records that support actual travel are inadequate?
2. Would you apply the 20% assessment to the APVD fees? Why or why not?
3. Would you attempt to correct the error by using the actual miles from the inadequate records? Why or why not?

**2) Scenario**:

A carrier had distance records that were hard to figure out, but had all the requirements. They put distance and fuel on an envelope and used the envelope to report.  They would round fuel up sometimes, down sometimes and would round a couple gallons up or down with no explanation.  There was a large disconnect from the original records, to the envelopes, to the returns.  For the IRP, the carrier reported the calendar year instead of the reporting period.  He knew it was incorrect and didn't want to change it.  He raised a huge fuss over the reporting period and felt he could get Congress and other political figures to change it. He was not happy with IRP but just paid the IFTA without disputing the large assessment.

**Questions:**

Would you issue an inadequate assessment or figure it out?

**3) Scenario**

The carrier is a dirt and land improvement contractor. Two vehicles haul the dirt and earth moving equipment to rural sites, oftentimes several miles from any town. The mileage records provided to the auditor consist of billing invoices to the carrier's customers showing dates the earth moving equipment was on site (often more than 1 day), but that does not mean the vehicles moved the equipment on those dates, and the field may not be close to the customer's billing address. There are no routes of travel, and the vehicle number is not on the billing invoices; there are quarterly odometer readings. There are 4 jurisdictions reflected on the IRP renewal, but the available billing documentation only shows travel to 1 of those jurisdictions. The only IFTA fuel records are payments by check to a fuel supplier.

**Question:**

How should these audits (IFTA & IRP) proceed?

**4) Scenario**

When reporting total and tax paid gallons, the licensee applied a static 5 MPG to the reported jurisdictional miles. Daily odometer readings are not maintained so a point to point MPG test can't be performed; however, quarterly odometer readings were available for each vehicle for 2 of the 4 quarters under audit. The carrier was able to provide partial fuel records.

**Questions:**

1. What would you do?
2. What if no fuel records were available?
3. What if despite the reporting, the carrier had compliant distance and fuel records?
4. What would you recommend going forward?

**5) Scenario**

The licensee has bulk fuel with fuel being purchased tax paid in the base jurisdiction (verified by the supplier).  There are no recorded bulk withdrawals, and the licensee reports a static 5 mpg.

**Questions:**

1. What would you do?
2. What would you recommend moving forward?

**6) Scenario**

Carrier has a 2006 80K pound unit. The industry average MPG for this unit is determined to be 6.00; the carrier reported a static 10.00.

Records have been received / reviewed, and based on the lack of necessary data elements, it has been determined the mileage records are “inadequate”. You audit the fuel and no fuel adjustments were found (reported and audited agree).

**Questions:**

1. Under the current IFTA language, what MPG adjustment would you make?
2. What options are available to you?