



Washington State Auditor's Office

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Washington State Department of Transportation: Improving the Toll Collection System

Joint Transportation Committee
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Background

Washington's statewide, all-electronic, toll collection system



Tolls now collected at four facilities

- Tacoma Narrows Bridge
- SR 520 Bridge
- SR 167 HOT Lanes
- I-405 Express Toll Lanes

December 2011-June 2015

- Collected more than \$425 million in toll revenue
- Processed more than 115 million toll transactions

Why we did this audit

- Prior toll system audit found problems with system implementation
- Customer complaints about toll bills raised questions on how well the system processes, collects and reports tolls
- Internal audits and one incident compromising customer payment information indicated security weaknesses

Tolling customer complaints in the news

- Toll charges for trips never taken or vehicles not owned
- Toll charges for trips made a year ago

Audit questions



How well is WSDOT'S toll collection system processing, collecting and reporting toll transactions? If issues exist, why?



Is WSDOT's toll collection system in compliance with information security standards issued by Washington's Office of the Chief Information Officer and payment card industry? If not, why not?

**To conduct this audit, we engaged the services of
TAP International, Inc.**

Toll system lacks key functions

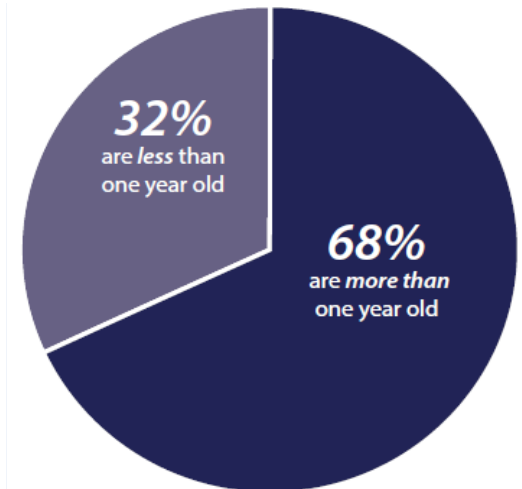
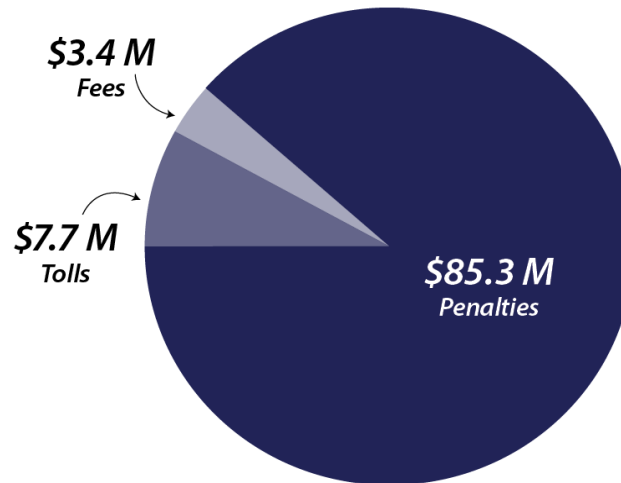
Toll system lacks key functions that affect toll processing, collection and reporting

Missing functions

Collections

Effects

Contributes to existing \$96.4 million in outstanding tolls, fees and penalties



Toll Division expects to recover only \$37.1 million of the outstanding debt

Toll system lacks key functions

Toll system lacks key functions that affect toll processing, collection and reporting

Missing functions

Write-off

- Cannot write-off uncollectable debt
- More effort needed to accurately reflect recoverable debt in financial reports

Data entry controls

- Bills sent to the wrong customers
- Customer frustration
- Missed revenue collection opportunity

Data warehouse

- No sub-system to assess and monitor performance
- Reliance on manual reconciliations

Effects

Toll system and operational limitations

Toll system and operational limitations complicate creation of toll bills and collection of tolls

System processing flaws

- System drops toll charge
- System does not assign facility ID

Good to Go! pass reader

- Improperly mounted, registered, damaged or missing pass
- Metallic windshields, weather

- 25-cent photo enforcement fee
- 75% toll bill adjustments related to 25-cent fee

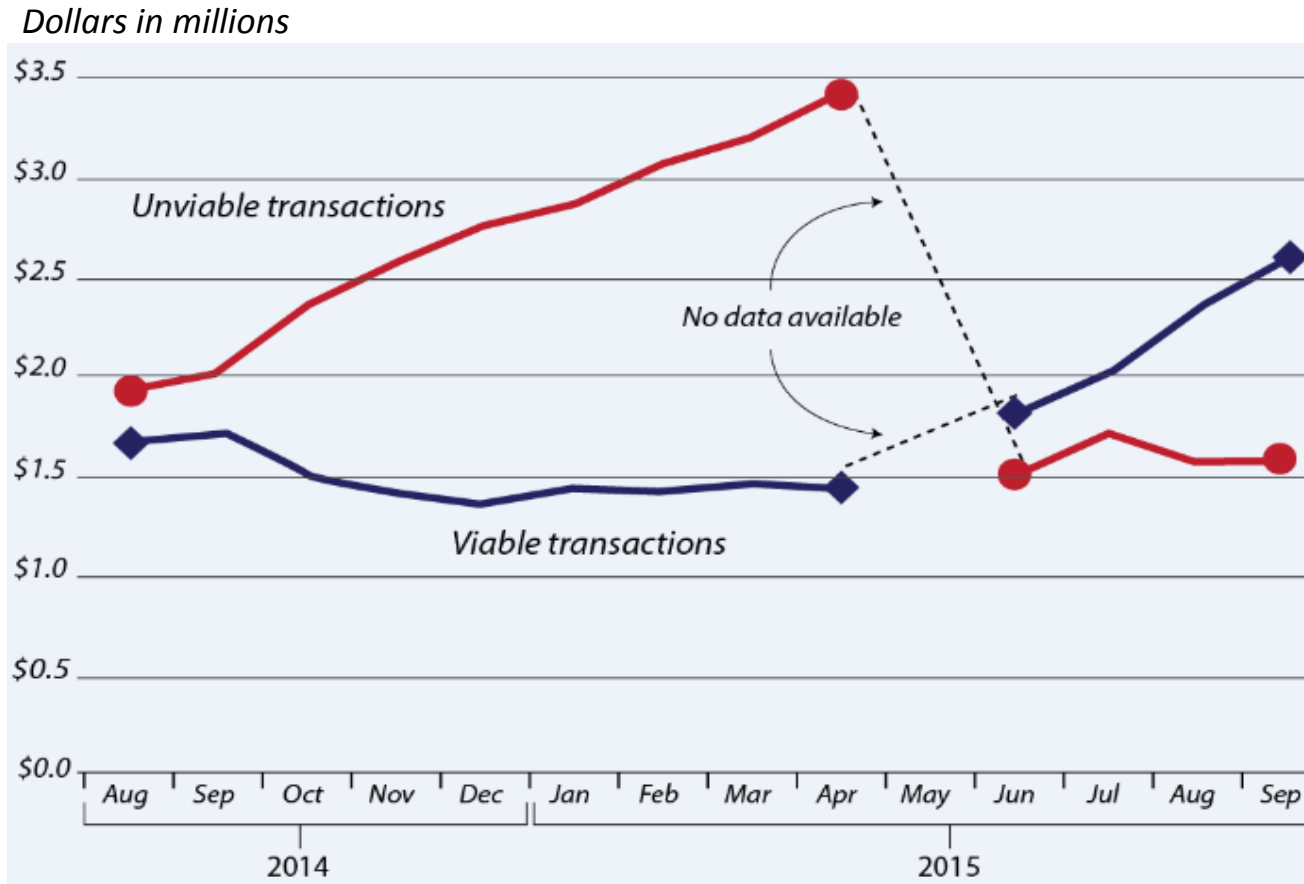
License plate image capture

- Bad camera aim, missing or obstructed license plates

- 36% of images required review
- 5.4% of images could not create toll bills
- \$1 million paid to vendor for image review

Viable unbilled toll transactions continue to grow

As of Sept. 2015, toll system had 800,000 unbilled toll transactions valued at \$4.2 million (\$1.6M unviable and \$2.6M viable)



WSDOT struggled to enforce vendor compliance

Office of Chief Information Officer (OCIO)'s security requirements

- ✓ Comply with 11 standards set out in Policy 141.10 to protect information systems from security threats
- ✓ Conduct independent information security audit every three years

Compliance status

- ✗ Our review of vendor compliance with standards found security risks

Compliance	Number of standards
Full	2
Partial	8
Noncompliance	1

- ❓ Vendor was scheduled to complete OCIO audit by May 31, 2016

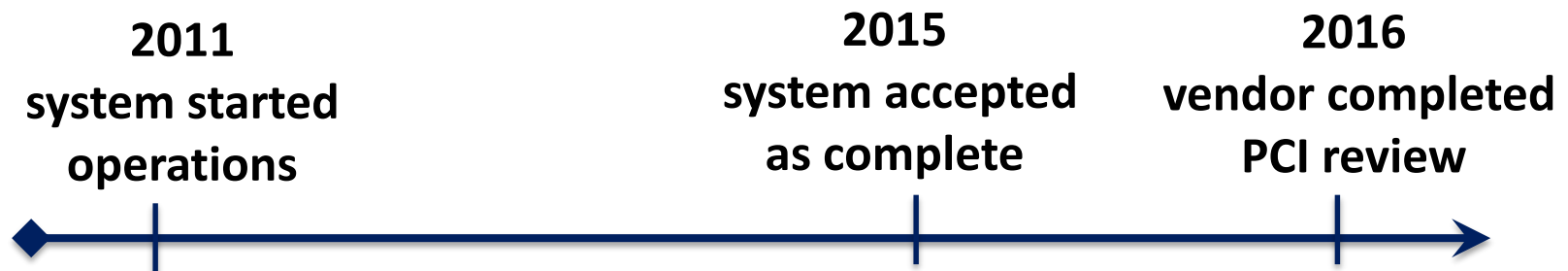
WSDOT struggled to enforce vendor compliance

Payment Card Industry (PCI) information security requirement

- ✓ Conduct information security reviews to protect customer payment information

Compliance status

- ✓ WSDOT's formal response to this audit states that the PCI compliance review was completed April 22, 2016



What caused toll system and vendor compliance issues

Leadership and management weaknesses caused issues

WSDOT and its Toll Division did not:

- ✘ **Sustain shared vision with stakeholders** to develop an all-electronic toll system with accounting functionality
- ✘ **Establish business functions and processes** to prevent, identify and resolve issues
- ✘ **Assign people with sufficient knowledge and expertise** to develop and operate tolling system
- ✘ **Effectively communicate and engage key stakeholders** at the Legislature and Transportation Commission to meet their needs and build trust

Future plans and concerns

WSDOT's future plans

More toll facilities

RFP for a more complex tolling system

2015-2017 Work Plan to guide future operations

Concerns

- No feasibility study done to assess need for a new system
- Work Plan lacks Toll Division's ultimate vision for tolling and detailed plans to address program needs

Without a clear understanding of the tolling program's goals and specific strategies to achieve them, the success of the program is at risk

Recommendations in brief

To the Secretary of Transportation:

- ✓ Require the Assistant Secretary of the Toll Division to develop a long-term business strategy and plan to support and improve current operations as well as the next generation toll system
- ✓ Address the leadership and management weaknesses identified in this report
- ✓ Address the current toll collection system limitations and operational challenges we identified in this report

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