



Department of Legislative Services
Office of Legislative Audits

Maryland Transportation Authority (MDTA)

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Presentation to Joint Audit and Evaluation Committee

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Report Overview

- MDTA is responsible for the supervision, financing, construction, operation, maintenance, and repair of the State's nine toll facilities. During fiscal year 2020, MDTA's operating revenues and expenses totaled \$733 million and \$475 million, respectively.
- The audit report contains two findings and covers activity during the period from May 10, 2016 through March 4, 2020. MDTA's response indicated agreement with the factual accuracy of the report findings, and generally agreed to implement the related recommendations.



Toll Collections - Background

- MDTA is responsible for the collection of toll revenue at the State's nine toll collection facilities. During the audit period, customers paid tolls via cash at toll booths, electronically through *E-ZPass*, or through video tolling billing notices. On August 6, 2020 the Governor announced that electronic tolling would be the exclusive method for toll collection in the State.
- In February 2018, two separate contracts totaling \$359.4 million were approved to replace MDTA's existing contractor that provided both the toll collection system and the customer service call center. The transition to the new contractor began in May 2019, which involved installing new tolling system equipment and software.
- We received allegations on our fraud, waste, and abuse hotline alleging that MDTA was not taking sufficient action to detect and address the overbilling of customers for electronic tolling due to issues with its new tolling equipment. We reviewed MDTA's processes to monitor its electronic tolling system and the actions taken to address any deficiencies it had identified from December 2019 to October 2020.



Toll Collections - Background

During Fiscal Year 2020, MDTA collected \$584.6 million at the State's nine toll collection facilities, including \$510.9 million in electronic tolling (*E-ZPass* and Video Tolling).

Fiscal Year 2020 Toll Collections by Facility (in Millions)

Toll Facility	Cash Tolls	<i>E-ZPass</i> Tolls	Video Tolls	Total Toll Revenue
Fort McHenry Tunnel	\$26.2	\$157.8	\$9.6	\$193.6
John F. Kennedy Memorial Highway/I-95	19.1	128.8	5.5	153.4
Intercounty Connector	-	50.0	6.2	56.3
Francis Scott Key Bridge	3.4	40.3	4.2	47.8
Baltimore Harbor Tunnel	10.1	34.3	3.0	47.4
William Preston Lane Jr. Memorial (Bay) Bridge	8.8	34.6	2.6	46.0
Governor Harry W. Nice Memorial / Senator Thomas "Mac" Middleton (Nice) Bridge	5.3	11.3	0.9	17.6
Thomas J. Hatem Memorial (Hatem) Bridge	0.7	9.5	1.5	11.7
I-95 Express Toll Lanes	-	10.4	0.4	10.8
Total	\$73.7	\$476.9	\$34.0	\$584.6

Note: Numbers may not sum to total due to rounding.



Toll Collections (Finding 1)

MDTA did not sufficiently determine the impact of certain issues with its electronic toll collection system on its customers and identify and correct related customer overbillings.

- MDTA documented certain incidents of tolling errors resulting from problems with tolling equipment at four facilities (the Fort McHenry Tunnel, Intercounty Connector, I-95 Express Toll Lanes, and Thomas J. Hatem Memorial Bridge), but it did not identify an issue at the Francis Scott Key Bridge.
- Although MDTA investigated and corrected tolling equipment errors during the implementation of its new tolling system, it did not always ensure all customers were refunded for any overbilling.
- We were unable to quantify the potential overbilling related to these issues due to the lack of available data.



Toll Collections (Finding 1 continued)

- MDTA conducted limited investigations of tolling equipment malfunctions (certain days and at certain facilities), but did not determine the total extent of the problem or ensure all customers received a refund for amounts overbilled. For example, at the Fort McHenry Tunnel, MDTA documented that it had fixed the tolling equipment, but could not document that it researched the impact of the problem on customers and made any related refunds. In response to our inquiries, MDTA identified approximately 7,700 customers overbilled \$84,400.
- We identified customers at multiple facilities that were being billed twice and/or incorrectly due to several reasons and MDTA was not aware of these overbillings. For example, at the Francis Scott Key Bridge, customers were correctly charged for a 2-axle vehicle (\$3), and then incorrectly charged again for a 5-axle vehicle (\$24) one second later.



System Access (Finding 2)

MDTA did not perform periodic documented reviews of system access capabilities granted to State and contractor employees on the old electronic tolling and customer service system used during our audit period.

- According to available system records, as of July 2020, there were 296 active users that had access to the old system, and the new systems had not yet been fully implemented.
- We could not readily determine the propriety of the system access, because MDTA could not provide us with a detailed system report of user capabilities. For example, MDTA provided us with a report that identified 121 users that had the ability to dismiss a toll violation, but MDTA could not confirm whether this capability was subject to appropriate supervisory review and approval.



Conclusions

MDTA should:

- formally review and evaluate significant tolling issues (such as, an increase in similar customer complaints or a pattern of tolling abnormalities);
- review previously identified electronic toll issues to determine the extent of customer overbillings and in consultation with legal counsel, assess the practicality of related customer restitution; and
- perform periodic documented reviews of user access to its electronic tolling and customer service system, including the new systems once implemented, and take appropriate corrective action for any improper or unnecessary user access.