| UNITED STATES BANKRUPTCY COURT<br>DISTRICT OF DELAWARE | PROOF OF CLAIM |
|---|---|
| Name of Debtor:<br>CUSA, LLC | Case Number:<br>12-10045 |

*NOTE: See reverse and attached for List of Debtors/Case Numbers/important details. Other than claims under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for Administrative Expenses arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503(a).*

**Name of Creditor** (the person or other entity to whom the debtor owes money or property):
California Dept. of Motor Vehicles

Name and address where notices should be sent:
California Department of Motor Vehicles
Audits Office
9415 First Ave. MS F157
Sacramento, CA 95818

RECEIVED
JUN 22 2012
BMC GROUP

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.

THIS SPACE IS FOR COURT USE ONLY

Creditor Telephone Number (916) 657-9084 email: Vahid.Hojjat@DMV.ca.gov

Name and address where **payment** should be sent (if different from above):

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box to indicate that this claim amends a previously filed claim.

**Court Claim Number (if known):** _____

Filed on: _____

Payment Telephone Number ( ) email:

**1. AMOUNT OF CLAIM AS OF DATE CASE FILED** $ 903,702. Underpaid registration fees for license years 2007 through 2012.

If all or part of your claim is secured, complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

**2. BASIS FOR CLAIM:** (See instruction #2) California registration fees for license years 2007 through 2012.

| 3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: | 3a. Debtor may have scheduled account as: (See instruction #3a) | 3b. Uniform Claim Identifier (optional): (See instruction #3b) |
|---|---|---|
| 2462 | State of Wyoming | 2462 |

**4. SECURED CLAIM:** (See instruction #4)

Check the appropriate box if your claim is secured by a lien on property or a right of set off, attach required redacted documents, and provide the requested information.

**Amount of arrearage and other charges, as of time case filed, included in secured claim, if any:** $ _____

**Nature of property or right of setoff:**
**Describe:**

☐ Real Estate ☐ Motor Vehicle ☐ Other _____

**Basis for Perfection:** _____

**Amount of Secured Claim:** $ _____

**Value of Property:** $ _____

**Amount Unsecured:** $ _____

**Annual Interest Rate:** _____ % ☐ Fixed or ☐ Variable
**(when case was filed)**

**5. Amount of Claim Entitled to Administrative Expense status under 11 U.S.C. § 503(b)(9) or Priority under 11 U.S.C. § 507(a). If any part of the claim falls into one of the following categories, check the box specifying the administrative expense or priority and state the amount.**

**Amount entitled to priority:** $ All

**Amount entitled to administrative expense under 11 U.S.C. § 503(b)(9):** $ _____

**You MUST specify the priority of the claim:**

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to $11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

☑ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( ).

☐ Value of goods received by the debtor within 20 days before the date of the bankruptcy filing - 11 U.S.C. § 503(b)(9).

** Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

Coach America
02237

**6. CREDITS:** The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)

**7. DOCUMENTS:** *Attached are redacted copies of documents that support the claim,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and definition of "redacted").

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

**DATE-STAMPED COPY** To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

**The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Eastern Time on April 2, 2012 for Non-Governmental Claimants OR on or before July 2, 2012 for Governmental Units.**

**BY MAIL TO:**
BMC Group, Inc.
Attn: Coach America Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

**BY MESSENGER OR OVERNIGHT DELIVERY TO:**
BMC Group, Inc.
Attn: Coach America Claims Processing
18675 Lake Drive East
Chanhassen, MN 55317

**8. SIGNATURE:** (See instruction #8)

Check the appropriate box.

☐ I am the creditor. ☒ I am the creditor's authorized agent. (Attach copy of power of attorney, if any.) ☐ I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information providedin this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Valid Hojjat
Title: Audit Manager
Company: California Department of Motor Vehicles

Valid Hojjat (Signature) 6/19/12 (Date)

Address and telephone number (if different from notice address above):

Telephone number: email:

*Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.*

**LIST OF DEBTORS:**

| Debtor Name | Case Number | Debtor Name | Case Number | Debtor Name | Case Number |
|---|---|---|---|---|---|
| ACL Leasing, LLC | 12-10042 | CUSA AT, LLC | 12-10047 | CUSA RAZ, LLC | 12-10064 |
| America Charters, Ltd. | 12-10021 | CUSA AWC, LLC | 12-10048 | CUSA Transit Services, LLC | 12-10065 |
| American Coach Lines of Atlanta, Inc. | 12-10022 | CUSA BCCAE, LLC | 12-10049 | CUSA, LLC | 12-10045 |
| American Coach Lines of Jacksonville, Inc. | 12-10023 | CUSA BESS, LLC | 12-10050 | Dillon's Bus Service, Inc. | 12-10029 |
| American Coach Lines of Miami, Inc. | 12-10024 | CUSA CC, LLC | 12-10051 | Florida Cruise Connection, Inc. | 12-10030 |
| American Coach Lines of Orlando, Inc. | 12-10026 | CUSA CSS, LLC | 12-10052 | Get A Bus, LLC | 12-10066 |
| American Coach Lines, Inc. | 12-10019 | CUSA EE, LLC | 12-10053 | Hopkins Airport Limousine Services, Inc. | 12-10032 |
| B & A Charter Tours, Inc. | 12-10028 | CUSA ELKO, LLC | 12-10054 | KBUS Holdings, LLC | 12-10041 |
| CAPD, LLC | 12-10043 | CUSA ES, LLC | 12-10055 | Lakefront Lines, Inc. | 12-10033 |
| Coach Am Group Holdings Corp. | 12-10010 | CUSA FL, LLC | 12-10056 | Midnight Sun Tours, Inc. | 12-10035 |
| Coach Am Holdings Corp. | 12-10017 | CUSA GCBS, LLC | 12-10057 | Royal Tours of America, Inc. | 12-10036 |
| Coach America Group, Inc. | 12-10027 | CUSA GCT, LLC | 12-10058 | Southern Coach Company | 12-10037 |
| Coach America Holdings, Inc. | 12-10018 | CUSA KBC, LLC | 12-10059 | The McMahon Transportation Company | 12-10034 |
| Coach America Transportation Solutions, LLC | 12-10044 | CUSA K-TCS, LLC | 12-10060 | Tippett Travel, Inc. | 12-10038 |
| Coach BCCAE, L.P. | 12-10067 | CUSA Leasing, LLC | 12-10061 | Trykap Airport Services, Inc. | 12-10039 |
| Coach Leasing BCCAE, L.P. | 12-10068 | CUSA PCSTC, LLC | 12-10062 | Trykap Transportation Management, Inc. | 12-10040 |
| CUSA ASL, LLC | 12-10046 | CUSA PRTS, LLC | 12-10063 | | |

IRP Account No. 2462-01

# CUSA, LLC

## CALCULATION OF ESTIMATED FEES DUE

## For Registration Years 2007, 2008, 2009, 2010, 2011, & 2012

**AUDITED [1]**

Number of Buses Placed on Full CA Fees

| California Terminals [2] | Audit Report Registration Years 2005 | 2006 |
|---|---|---|
| Sacramento | 0 | 0 |
| Long Beach | 20 | 21 |
| San Francisco | 22 | 2 |
| San Diego | 27 | 36 |
| Anaheim | 13 | 8 |
| Total Buses [3] | 82 | 67 |
| | | |
| 100% Fees Calculated [4] | $142,739.39 | $126,412.08 |
| Bus Fees | $1,741 | $1,887 |
| Average Bus Fees [5] | $1,806 | |

**PROJECTED [6]**

Number of Buses Projected to be Place on Full CA Fees

| California Terminals [7] | Fleet Listing [8] Registration Years 2007 | 2008 | 2009 | Average (Based on 07-09) [9] Registration Years 2010 | 2011 | 2012 | Projected Total Buses/Fees |
|---|---|---|---|---|---|---|---|
| Sacramento | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long Beach | 26 | 26 | 24 | 25 | 25 | 25 | 151 |
| San Francisco | 20 | 19 | 13 | 17 | 17 | 17 | 103 |
| San Diego | 36 | 36 | 24 | 32 | 32 | 32 | 192 |
| Anaheim | 15 | 12 | 8 | 12 | 12 | 12 | 71 |
| Total Buses | 97 | 93 | 69 | 86 | 86 | 86 | 517 |
| | | | | | | | |
| Average Bus Fees | $1,806 | $1,806 | $1,806 | $1,806 | $1,806 | $1,806 | $1,806 |
| Total Fees [10] | $175,182 | $167,958 | $124,614 | $155,316 | $155,316 | $155,316 | $933,702 |

NOTES:

Audited

1. The audited information is based on an audit report completed and issued by Wyoming with Memorandum date March 16, 2012.
2. Based on the completed audit report, CUSA, LLC has five terminals in California.
3. For registration years 2005 and 2006, there were 82 and 67 buses, respectively, that operated only in California and placed on Full CA Fees.
4. For registration years 2005 and 2006, $142,739.39 and 126,412.08, respectively, were the fees assessed for the buses placed on Full CA Fees.
5. Based on the 100% Fees Calculated in the audit report for registration years 2005 and 2006, the average bus fee is calcuated @ $1,806.

Projected

6. The projected information is based on the audit report for registration years 2005 and 2006, and fleet listings for 2007, 2008, and 2009.
7. The five terminals in California are used to indicate the number of buses in each terminal that are projceted to be place on Full CA Fees
8. Available fleetings for 2007, 2008, and 2009 were used to count the buses registered which had been placed on Full CA Fees in the audit of 2005 and 2006.
9. An average based on 2007, 2008, and 2009 were used to project the number of buses for 2010, 2011, and 2012 for which fleet listings were not available.
10. These are the total fees projected would be due by registration year with a grand total for the six years calculated @ $933,702.

# STATE OF WYOMING
## DEPARTMENT OF AUDIT

**EXCISE TAX DIVISION**
(307) 777-7307 Fax (307) 777-5642 Email: rick.scheer@wyo.gov

**Matthew H. Mead**
Governor

**Jeffrey C. Vogel**
Director

**Rick Scheer**
Administrator


## Memorandum

**To:** All Affected IRP Jurisdictions

**From:** Gerald Jackson, Auditing Manager

**Subject:** Wyoming IRP Audits

**Date:** Friday, March 16, 2012

IRP Audit Staff:

The enclosed audit examination was performed in accordance with the IRP Audit Procedures Manual. The audit will be processed using the audit netting requirements as adopted by the member jurisdictions. The Wyoming Department of Transportation will include the audit in a future transmittal.

The final audit is being e-mailed to all member jurisdictions in which the registrant was apportioned or in which it accrued distance. The date of this memo, not any dates on the enclosed reports or workpapers, shall be used to begin the time periods specified in IRP Plan Sections 1608 and 1610. If your jurisdiction disagrees with an audit, please notify the Department of Audit, in writing, within 45 days of the date of this memo.

Should you have any further questions regarding the audit, please call me at or write to the following address:

The Wyoming Department of Audit
Excise Tax Division
Herschler Building, 3rd Floor East
Cheyenne, WY 82002


Gerald Jackson
Auditing Manager
Excise tax Division
(307) 777-5974
gerald.jackson@wyo.gov

# STATE OF WYOMING

## DEPARTMENT OF AUDIT

**EXCISE TAX DIVISION**
(307) 777-7307 Fax (307) 777-5642 Email: rscheer@wyaudit.state.wy.us

**Matthew H. Mead**
Governor

**Michael Geesey**
Director

**Rick Scheer**
Administrator


# International Fuel Tax Agreement (IFTA)
# International Registration Plan (IRP)
# Combined Audit Report

| | | | |
|---|---|---|---|
| **Carrier Name:** | **CUSA, LLC** | **Date:** | **February 17, 2011** |
| **Address:** | **8150 North Central Expressway,** | | |
| | **Suite M1000** | | |
| | **Dallas, TX 75206** | **Accounts:** | |
| | | **IFTA:** | **WY-651193523** |
| | | **IRP:** | **WY-2462** |
| **Carrier Rep:** | **Jeffrey Griffin** | **Fleet #:** | **01** |
| **Telephone:** | **(972) 354-3569** | **Federal DOT #:** | **1167669** |
| | | **# of Vehicles Apportioned:** | **1,163** |
| **Audit Periods:** | | | |
| **IFTA:** | **1/1/04 – 12/31/06** | **Lead Auditor:** | **Stacey Hammock** |
| **IRP:** | **2005, 2006** | | |

## Audit Findings

**LICENSEE/REGISTRANT INFORMATION:**

CUSA, LLC is an interstate transportation company transporting passengers for hire all across the Bused States, Canada, and Mexico. They maintained a fleet of around 1,163 vehicles during the audit period. There are buses not qualified for IFTA based on their IRP registered weight. Buses are added and deleted throughout the audit period. Their reporting agent, Brian Crowe, files their IFTA returns and IRP Applications. This is the carrier's initial IFTA/IRP audit.

CUSA, LLC began business January 2004. The primary audit contact changed from Brian Crowe to Max Bachman in September 2009. The primary audit contact changed again in September 2010 from Max Bachman to Jeff Griffin. All audit contacts are located in Texas. Rich Behounek was originally the lead auditor, after his retirement, Stacey Hammock took over as lead auditor.

During the audit period there are 17 companies and 20 terminals under this LLC. The terminals are located in Gillette, WY, Phoenix, AZ, Little Rock, AR, Memphis, TN, Golden, CO, Elko, NV, Shreveport, LA, , Portland, OR, Bismarck, ND, two terminals in Houston, TX, Grand Prairie, TX, San Antonio, TX, Corpus Christi, TX, Sacramento, CA, Long Beach, CA, San Francisco, CA, San Diego, CA and Anaheim, CA. Each location was reviewed separately and will be detailed separately in this report.

There are exemptions pertaining specifically to buses. Each of these jurisdictions was contacted to gain understanding of their specific exemptions:

Indiana – distance and fuel
Kentucky – distance and fuel
Michigan – distance until September 30, 2005
Ohio – distance and fuel until June 30, 2005
- This exemption wasn't taken until 3rd qtr 2004 and was taken in error in 3rd quarter 2005.

Oklahoma - distance is exempt ONLY when there are NO fuel purchases in Oklahoma.

- This exemption was taken from 3rd qtr 2004 through 4th qtr 2006. No tax paid gallons were reported. Fuel purchases were found throughout the audit period and terminals. Brian uses the exempt gallons on his spreadsheets and puts them under "non tax fuel" and these gallons do not get reported.

Vermont – distance

Wyoming – off-road distance

- The Gillette, WY terminal is the only terminal using this exemption.

Maryland – This exemption applies only to Maryland companies transporting people within Maryland.

- This exemption was taken in 2nd through 4th quarters 2006 in error.

The overall tax due summary approach was to combine all companies with the calculated tax due. We then gave them credit for what was actually paid to the Wyoming Department of Transportation for each jurisdiction by quarter to calculate the additional tax due.

The approach taken for figures given by company was to use Brian Crowe's summary spreadsheet by company for our combined summary workpaper (w/p 501). Each company has their own workpapers all the way up to the combined workpaper 501. However, the 501 workpaper additional tax due at the terminal level was calculated using Brians' summary spreadsheet for the reported column. This figure was ***not*** what was actually paid to DOT by quarter and jurisdiction. This approach was used to come up with a potential tax due amount for each company. We explained the figures given per company were not the combined total figures, based on the above explanation.

The companies infrequently borrowed each others' buses. We stressed distance needs to be reported with fuel when the company reports for a specific borrowed bus. We never wanted distance to be reported by one terminal and fuel reported by another.

Vanessa de Jong from the Dallas office and Jeff Griffin from the Sacramento office (at the time) made a visit in August 2009 to help us understand some of the records and reduce some of the potential tax assessments already discussed. Their visit was helpful and productive.

**PRE-AUDIT CONTACT:**

This was a joint audit with two auditors from California, assisting for two of the initial weeks. Brian Crowe was contacted April 27, 2007 regarding an audit of his client. A pre-audit packet consisting of the audit notification letter, pre-audit questionnaire, a *Wyoming Taxpayers' Bill of Rights* and other pertinent information was subsequently mailed to his attention.

**OPENING CONFERENCE:**

The opening conference was held with Brian Crowe (CUSA), Teena Atalig (CA), Vahid Hojjat (CA), Tom Godfrey (WY), Mark Howshar (WY), Gerald Jackson (WY) and Rich Behounek (WY) at 8:50 a.m. on June 4, 2007 at our Wyoming office. During the conference, the distance/fuel accounting system, existing records and audit process were discussed in detail. There were 34 boxes of documents originally sent for our review. Additional boxes and information was sent during the audit process.

**EVALUATION OF INTERNAL CONTROLS:**

Each company has their own system of documenting distance and fuel. However, they all sent Brian, their reporting agent, an IFTA return for their individual company. He compiled all the returns into one spreadsheet and reported the combined information to the Department of Transportation. Brian reviewed the returns to make sure there are no missing jurisdictions based on what they have reported.

**SAMPLING METHODOLOGY:**

The 2nd quarter 2004, 3rd quarter 2004 and 4th quarter 2005 were selected as the sample periods for detailed testing of the company's distance records for both the IFTA and IRP audits. Buses were also sampled and randomly selected using a RAT Stat program using a population from each terminal. There were 77 buses selected for review for all terminals. Originally 145 buses were selected for the sample. It was suggested to decrease the sample size and it was accepted by all parties.

**DISTANCE AND FUEL EXAMINATION DETAILED BY COMPANY:**

**ASL Phoenix, AZ (1)**

A preliminary findings letter was sent out with a **potential** tax due amount and issues involved with this terminal only. The following are the issues discussed in that letter:

The sample buses were 64105, 64510, 64530, 64539, 64573, and 69880. Our sample quarters are 2nd quarter 2004, 3rd quarter 2004 and 4th quarter 2005. Bus 64573 was added in 2006. We have distance records for 64510 for only 4th quarter 2005. The records we do have are for 2nd and 3rd quarters of 2005. We do not have detailed summaries for this terminal either electronically or as paper copies for the entire audit period. We do have summaries showing bus, month, year, total mileage, total fuel and total cost. We do not know where the distance or fuel is being reported. The vehicle activity report has neither distance nor fuel. We don't have summaries to do a comparison for sample buses for sample quarters. There are no fuel summaries. We projected a negative 41% error rate for AZ. We are missing fuel for AZ. We brought the mpg up to average audited in some quarters because the average was a more reasonable mpg. There was a clerical error made for AZ fuel in 1st quarter 2005 and corrected during the audit. Jurisdictions AB, BC, OR, SD & WA were not projected for fuel based on one missing trip.

We were unable to sample the buses for this terminal. We changed our approach based on the information they could provide for distance and fuel and Max agreed to this change.

The Interstate Charter Miles Report was used for distance records and reviewed for the sample quarters. A full block of the quarters was conducted because we could not get reported information by bus by jurisdiction by quarter. The error rates were projected to the non-sampled quarters. The 3rd quarter 2004 was not used to calculate the error rates. This quarter needed to be a stand-alone quarter due to one missing trip and the likelihood of this error reoccurring in the non-sampled quarters.

Bulk fuel receipts, Fuel by State & Vehicle Reports, and Bulk Reports were reviewed for all four quarters of 2005. Error rates were projected to 2004 & 2006. The error rates for AB, BC, OR, SD & WA were not projected. It was explained the distance and fuel for AB & BC were missing because the charter and driver were fired on this trip and the paperwork never made it back to dispatch to be recorded. OR & WA were reported to SD in error. These errors were all part of the same trip and this trip was viewed as a one-time error. Additional fuel invoices were received, decreasing the projected error rates.

The average audited mpg was 5.31 and the average reported mpg was 5.38. The audited mpg was brought up to average audited because it was a more reasonable mpg.

We made revisions based on jurisdictional discussions. Instead of using the average audited mpg, we used the audited mpg. We brought the mpg up to 4.0 in 3rd & 4th quarters 2006 because it was below 4.0 mpg.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

We only had 2nd & 3rd quarters 2004 to use for Application Year 2005 and 3rd quarter 2004 and 2nd quarter 2005 for Application Year 2006. We doubled the miles traveled to calculate the number of miles to take out of IRP. We are asking 100% fees be calculated based on the explanation that all buses were registered and reported under IFTA and IRP. There are bus numbers on the summary with a four digit number; however, the bus numbers on the sample population and WY DOT system have a five digit number. This is noted on the workpapers with a (6) in front of the bus number. It was also verified through the WY DOT system these buses belong to the ASL Company. Buses were calculated at 100% for the jurisdiction they were domiciled if they did not travel in two or member jurisdictions within an 18-month period, no records were received, or they were not reported. Miles were taken out of IRP if they did not travel in two or member jurisdictions, they were not in IRP per WY DOT system or they did not travel in two or more member jurisdictions and did not renew for Application Year 2005 or 2006.

Application Year 2005:

Buses 10, 16, 20, (6)3505, (6)3506, 62127, and 62128 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage. Bus (6)3509 did not travel in two or more member jurisdictions for the 18-month period. The mileage for this bus was removed from IRP total mileage and fees were calculated at 100% for AZ.

Application Year 2006:

Buses 10, 16, 20, (6)3505, (6)3506, 62127, and 62128 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage. Buses (6)3509, 61201, and 62141 did not travel in two or more member jurisdictions for the 18-month period. The mileage for these buses was removed from IRP total mileage and fees were calculated at 100% for AZ.

Buses 10, 16, 20, (6)3505, (6)3506, 62127, 62128, 64549, 64550, 64559 and 64560 were on the summaries but were not on the sample population list.

**AT Little Rock, AR/AT Memphis, TN (2)**

This company had two locations during the audit period. These two locations ceased operations in 1st quarter 2008. Our sample buses were 62872 and 9622, one bus from each location.

An information request was sent requesting and discussing the following:

We have yet to receive distance records for bus number 62872 of the AT Little Rock, AR Terminal. These records must contain the following information:

- Registrant's name
- Date of trip
- Trip origin and destination
- Routes of travel and/or, beginning and ending odometer readings
- Bus number
- Total distance
- Distance by jurisdiction

We also have no fuel receipts for this bus for the three sample quarters. The sample quarters again are 2nd quarter 2004, 3rd quarter 2004 and 4th quarter 2005. We are missing distance records and fuel receipts for bus number 9622 of the AT Memphis, TN Terminal for 4th quarter 2005.

The additional information provided included driver wage pay sheets and driver payroll sheets for buses not in our sample, and charter invoices. Charter invoices do not match the payroll sheets or the bus summaries. The charter invoices and payroll sheets do not have odometer readings or jurisdictional breakout.

Trip envelopes were reviewed for distance records for sample buses and quarters. Bus 62872 was added 1/05. The bus summary was used for reported distance by charter number. There are two large gaps for this bus. I used all jurisdictions reported in the quarter and broke them out using a percentage traveled for the quarter. Fuel receipts were found in 4th quarter 2005 in MI and NJ. A 4.0 mpg was used to calculate the distance added for these jurisdictions. There was more distance audited than reported. Error rates were projected to the entire audit period.

The Fuel Expense Journal, bulk invoices and fuel receipts were reviewed for fuel purchases for all buses for our sample quarters. Little Rock did have a bulk tank and we accepted the bulk invoices as tax paid fuel. There are fuel purchases for the end of June 2004 in with the 3rd quarter 2004 purchases. I verified these charters ended in July 2004 and miles were reported in 3rd quarter 2004. It looks like the June purchases were taken out for reported but were not reported in 2nd quarter 2004. I left them in with 3rd quarter 2004. This also happened in 4th quarter 2005. We received additional fuel reports. Overall, more gallons were audited than reported and error rates were projected to the non-sampled quarters. However, there were four jurisdictions that had negative error rates projected to the non-sampled quarters.

The average audited mpg was 5.71 and the average reported mpg was 5.33. No adjustments were made to the mpg.

*IRP*

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were differences.

Application Year 2005:

With the exception of one bus, all other buses on the summary for these terminals traveled in two or more member jurisdictions for the 18-month period. There was only one bus that did not travel out of TN; however, it did not travel during the reporting period. Buses 100, 149, 155, 481, 602, and 604 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AR, MS & TN.

Application Year 2006:

All buses traveled in two or more member jurisdictions for the 18-month period. Buses 100, 602, 604, 811, 812, and 813 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AL, AR, GA, MO, MS & TN.

Buses 216, 1100, 9008, 9010 and 43231 were on the summaries but were not on the sample population list.

**AWC Sacramento, CA (3)**

A preliminary findings letter was sent out with a **potential** tax due amount and issues involved with this terminal only. The following are the issues discussed in that letter:

Our sample buses were 68144, 68151 and 68167.

Bus 68144 was deleted 4/8/04 and not on the 2004 mileage terminal summary. We found distance records for this bus for 4/2/04 – 4/6/04. This additional distance was added to the totals on the terminal summary. No fuel was found for this bus. Bus 68151 was active during all three sample quarters. However, this buses' distance was not on the 2004 or 2005 mileage terminal summaries. We found distance in all three sample quarters. This distance was added to the totals on the terminal summary. There was California gallons reported to Nevada in error in 2nd & 3rd quarters in 2004. The fuel terminal summary was missing 8/20/04 – 9/30/04 of fuel purchases. Because of the days missing in that one quarter, the 3rd quarter 2004 was not used to calculate the variance and error rate. This was viewed as an isolated error. However, the other two quarters were used to calculate the projected error rates.

Bus 68167 was added 5/2/06, therefore, it was not reviewed for our three sample quarters. There were several gap miles found between the odometer readings. The fuel summaries for 2005 & 2006 do not specify the jurisdiction where the fuel was purchased when it was an external purchase. Also, the terminal summaries did not match the auditee summaries reported on the return.

We received a letter from Kenneth Sanders, Vice President and General Manager disputing our preliminary findings. They disputed the fact our sample buses were not on the terminal summary. They explained that buses 133 (68133), 134 (68134), 143 (68143), 144 (68144), 145 (68145) and 146 (68146) were all on the terminal summary, but were missing the first two digits. All of these buses were deleted 4/8/04. I verified the buses in question were on the summaries. Mr. Sanders also disputed they reported CA fuel to NV in error. He stated their review indicated they properly reported fuel to CA as indicated on their IFTA Mileage and Fuel Use Tax Data Report. I reviewed fuel purchases made in CA but the fuel summary shows NV. This happened in 2nd & 3rd quarters of 2004. Mr. Sanders also requested an informal meeting to discuss our findings. A conference call was held with Ken Sanders (CUSA), Brian Crowe (CUSA), Dan Eisentrager (CUSA), Carla Eisentrager (CUSA), Rick Scheer (WY), Gerald Jackson (WY) and I. We addressed all the issues in their letter and our findings.

Charter invoices were reviewed for our sample buses and sample quarters. I went thru all charter invoices again to make sure no invoices were missed based on the additional information regarding bus numbers. No changes were made to gap miles and they all went to CA based on the travel day before and after the gap. I added distance based on fuel receipts for bus 68144 in 2nd quarter 2004. More distance was audited in CA than reported and error rates were projected to the entire audit period.

Bulk withdrawals and fuel invoices were reviewed for our sample buses and sample quarters. I went back thru all fuel documentation based on our conversation with auditee. I had put some entries in as CA that should have been NV and those corrections were made. Another NV fuel purchase was added in 3rd quarter 2004. There were more gallons audited than reported in CA and fewer gallons audited than reported in NV. These error rates were projected to the entire audit period.

The average audited mpg was 4.76 and the average reported mpg was 5.46. No adjustments were made to the mpg.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses (68)133, (68)144, and (68)145 did not travel in two or more member jurisdictions during the 18-month period and did not renew for Application Year 2005. They were deleted in 2004. Miles were taken out for these three buses affecting CA only.

Application Year 2006:

All buses traveled in two or more member jurisdictions for the 18-month period.

Buses 6206, 6209, 6210, 6224, 6233, 6234, 6236, 6237, 67007, 67008, and 68801 were on the summaries but were not on the sample population list.

**BCCAE Golden, CO (4)**

An e-mail was sent to Max the following questions:

The casino runs do not trace to the "miles by state detail report".

There are "schedule miles" by month that are added to the charter miles to get total miles by month. However, I do not know where these figures come from. Please explain the "schedule miles" and why the casino runs are not on the detail report. I am thinking that the casino runs are the "schedule miles"; I just need to be able to trace these miles through the documentation.

It looks like they are backing into the Colorado miles and fuel. From the backup to the "IFTA mileage & fuel use tax data report" there is a worksheet that shows using total miles and subtracting out the other jurisdictions to get the reported Colorado miles. This technique was also used for fuel.

There are two buses that are registered with IRP for 16,000 lbs. These buses do not qualify for IFTA. Therefore, the miles for buses 69847 and 69848 will be taken out of the reported miles for IFTA.

I have the "miles by state summary report" and the "miles by state detail report" that show miles and fuel. These reports do not have/show the bulk withdrawals by bus or totals. Do you have a report showing total bulk withdrawals by bus by quarter by jurisdiction? I am using the "equipment fuel & fluid history by equipment" for the original bulk disbursement for our sample buses. I need another report for comparison purposes and to verify fuel flows from bulk disbursements to summary reports to returns.

Max explained the casino runs are "schedule miles". The IFTA miles and fuel for states other than CO are all charter service and documented in the charter expense side of the charter system. These distances come directly from the driver reports. Schedule miles were never entered into this system; however, they are now with the Distinctive system. The total miles and fuel were calculated by taking the total miles and fuel for the month, deducting the out of state miles and fuel and then allocating the balance to CO. Max was also working on getting the additional information requested.

The Miles by State Detail Report, Vehicle Mileage Summary and the Report by Month Schedule Miles were reviewed for distance records. We did a spot check to verify trip envelopes for our sample buses were documented on the summary. A full block of the sample quarters was conducted. All CO distance was reported to CA in error in 4th quarter 2005. CA should have been zero and was corrected during the audit. There were slightly more miles audited in CO and the error rate was projected to the non-sampled quarters.

Bulk Disbursement Reports and fuel invoices were reviewed for our sample buses and quarters. Overall, less fuel was found than reported and the error rates were projected to the entire audit period. There were only two jurisdictions with positive error rates projected.

There are two buses not qualifying for IFTA based on their registered weight in IRP. Buses 69847 and 69848 had distance and fuel taken out of IFTA and that distance is reflected on workpaper 513-4.

The average audited mpg was 5.70 and the average reported mpg was 5.75. No adjustments were made to the mpg.

*IRP*

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 1008, 6603, 61008, 61009, 63100, 69720, and 69721 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AZ, CO, ID, KS, MT, ND, NE, NM, NV, OK, SD, TX, UT, and WY. Buses 6119, 6601, 6602, 67023, 67145, 69847, and 69848 did not travel in two or more member jurisdictions for the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CO.

Application Year 2006:

Buses 6603 and 61008 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AZ, CO, IA, KS, NE, NM, NV, OK, SD, TX, UT, and WY. Buses 6119, 67023, 69847, and 69848 did not travel in two or more member jurisdictions for the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CO.

Buses 1008, 6235, 6239, 6242, 6601, 6602, 6603, 61008, 61009, 63100, 63105, 67157, 67158, 67159, 69720, and 69721 were on the summary but were not on the sample population list.

**CC LONG BEACH, CA (5)**

A preliminary findings letter was sent out with a **potential** tax due amount and issues involved with this terminal only. The following are the issues discussed in that letter:

Our sample buses were 61309, 61316, 63124, 63156, 63168, 63202, 67073, 68002, and 68052. All nine buses for the sample quarters (2nd quarter 2004, 3rd quarter 2004 and 4th quarter 2005) were reviewed.

Bus 68002 was deleted 1/5/05. There were thousands of gap miles found between the odometer readings. Some gaps were filled in using over the road fuel receipts or bulk withdrawal records. Attached are copies of trips run from our PC Miler software program explaining why they were added along with the date and bus number. More distance was found than reported on the terminal summaries. The error rates were projected to the entire audit period. Less fuel was found in AZ & CA than reported on the terminal summaries. More fuel was found in AB, BC, CO, LA, MT, NV, SD, TX, UT, WA & WY than reported on the terminal summaries. The error rates were projected to the entire audit period.

Bus 61309 – More distance was found in all three sample quarters than reported on the terminal summaries. Miles were added to NV & UT in 3rd quarter 2004 to equal reported on the terminal summaries. Distance was added to AR, AZ, CA, CO, DE, FL, GA, MD, NC, NJ, NM, NV, NY, PA, SC, TN, UT, & WA in 4th quarter 2005 to equal reported on the terminal summaries. Less fuel was found in 2nd quarter 2004 and 4th quarter 2005 and more fuel was found in 3rd quarter 2004 than reported on the terminal summaries.

Bus 61316 – No distance was found or reported for 2nd & 3rd quarters of 2004. Distance was added to AZ, CA, NV & UT in 4th quarter 2005 to equal reported on the terminal summaries. Less fuel was found in 4th quarter 2005 than reported on the terminal summaries. Bus 63124 – More distance was found in all three sample quarters than reported on the terminal summaries. Distance was added to NV in 2nd & 3rd quarters of 2004 to equal reported on the terminal summaries. Distance was added to CA in 4th quarter 2005 to equal reported on the terminal summaries. Less fuel was found in all three sample quarters than reported on the terminal summaries.

Bus 63156 – More distance was found in all three sample quarters than reported on the terminal summaries. Miles were added to AZ, MX, NV & UT in 2nd quarter 2004 to equal reported on the terminal summaries. Miles were added to OR & WA in 3rd quarter 2004 to equal reported on the terminal summaries. Miles were added to AZ, CA, CT, ID, IL, IN, ME, MN, MS, NH, NV, NY, OH, PA, QC, RI, SD, & WI in 4th quarter 2005 to equal reported on the terminal summaries. More fuel was found in all three sample quarters than reported on the terminal summaries. Bus 63168 – More distance was found in 2nd quarter 2004 and 4th quarter 2005 than reported on the terminal summaries. Miles were added to CA & MX in 2nd quarter 2004 to equal reported on the terminal summaries. Miles were added to AZ, CA, MX, NV & UT in 3rd quarter 2004 to equal reported on the terminal summaries. More fuel was found in 2nd quarter 2004 and less fuel was found in 3rd quarter 2004 and 4th quarter 2005 than reported on the terminal summaries. There were fuel stops at the Long Beach bulk tank with no distances reported. Distance was added based on a 4.0 mpg.

Bus 63202 – More distance was found in 4th quarter 2005 than reported on the terminal summaries. Distance was added to CA in 3rd quarter 2004 to equal reported on the terminal summaries. Distance was added to AZ, CA, NV, UT & WY in 4th quarter 2005 to equal reported on the terminal summaries. No fuel receipts were found for all three sample quarters. There was a total of 9,672 gallons reported on the terminal summaries but not seen during our review. Bus 67073 – More distance was found in all three sample quarters than reported on the terminal summaries. Less fuel was found in all three sample quarters than reported on the terminal summaries.

Bus 68002 – More distance was found in 2nd quarter 2004 than reported on the terminal summaries. Less fuel was found in 2nd quarter 2004 than reported on the terminal summaries.

Bus 68052 – More distance was found in 2nd & 3rd quarters of 2004 than reported on the terminal summaries. Distance was added to CA in 4th quarter 2005 to equal reported on the terminal summaries. Less fuel was found in all three sample quarters than reported on the terminal summaries. Distance added to equal reported on the terminal summaries simply means we did not see these trips during our review but the distance was reported on the terminal summaries. We are holding you accountable for the miles reported on the IFTA returns. There are distance exemptions in Indiana and Michigan. The Ohio exemption was in effect until 7/1/05. The Oklahoma distance exemption was in effect ONLY when there were NO fuel purchases in Oklahoma. The Wyoming exemption is only for off-road distance traveled. This terminal would not have off-road travel in Wyoming. Distance and jurisdictions were added based on the travel to certain jurisdictions where the jurisdictions in between were not reported. Distance and jurisdictions were also added based on fuel receipts found. There were charter invoices and line run trip tickets that did not have trip origin and destination. This is a requirement of the IFTA Agreement. These trips were entered. However, in the future the original documentation needs to show origin and destination along with

stops in between. It is possible that for this terminal, jurisdictions were misreported either to the incorrect jurisdiction or completely in error. Please explain these differences and provide documentation to justify the error. There were gallons reviewed on the bulk fuel sheet that didn't have the location of the bulk tank. These gallons were not accepted. It is important that the distance and fuel get reported together. If there is a trip beginning in one quarter and ending in another, the miles and fuel for that particular bus needs to be reported together.

Charter invoices, expense reports, line run invoices, and fuel invoices were reviewed for distance records for the nine sample buses and three sample quarters. Missing trips were added filling in some of the gap miles. There were no odometer readings or jurisdictional breakout on the text files from Vanessa De Jong. I used percentages for audited distance from PC Miler to determine jurisdictional breakout for reported distance. This terminal has contracts with the Military, Amtrak, schools and other entities that allow them to claim exempt miles and fuel for those particular runs. We received a letter explaining CA exemptions. In 2nd & 3rd quarters 2004 they used 5.6 mpg to calculate gallons to exempt. In 4th quarter 2005 they used 5.8 mpg. The exempt trips and the exempt gallons were taken out of the audited figures. These changes along with the additional information received resulted in changes in the error rates from the preliminary findings documentation.

More miles were audited than reported and error rates were projected to the entire audit period. Fuel invoices were used to help distribute the large gap miles and determine the locations traveled. There were over-the-road fuel invoices that had no reported distance for that date. PC Miler and the practical route were used to add those miles for the affected jurisdictions. If it was reasonable that bus stayed in CA then the gap miles were given to CA. If fuel was found in CA with no miles associated with those gallons, a 4.0 mpg was used to calculate the miles. Miles were added based on fuel receipts or bulk withdrawals and no associated distance.

More fuel was audited than reported in all jurisdictions except CA. All error rates were projected to the entire audit period. The fuel summaries used for the comparison appear to be only bulk withdrawals. That would explain why we have audited so much more fuel than what was used on workpaper 524-5 for the bus comparison for reported gallons. A bulk fuel and over-the road fuel combined summary was requested but not received. The company did not dispute our terminal summary figures.

Some jurisdictions have very large error rates (over 100%) projected for distance and fuel. No additional information was received to dispute these large error rates. Jurisdictions were added that were on the yearly terminal summaries, but were not reported on Brian's return summaries. Distance was added to Louisiana based on fuel reported in the 3rd quarter 2005 but no distance reported. A 4.0 mpg was used to calculate the distance for Louisiana. In 3rd quarter 2006, Alaska was reported in error. Per Vanessa De Jong, the miles were added to Arkansas. In 2nd and 3rd quarters 2004, additional jurisdictions were added because the route was missing the necessary jurisdictions to travel to the reported jurisdictions.

The average audited mpg was 6.78 and the average reported mpg was 5.57. The audited mpg was brought up to average audited because it was a more reasonable mpg.

We made revisions based on jurisdictional discussions. Instead of using the average audited mpg, we used the audited mpg. In 3rd qtr 2006, the average of 2nd qtr 2006 and 4th qtr 2006 mpg was used. The audited mpg was outside a reasonable range in comparison with the other quarters.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 9999 and 61202 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA and NV. Buses 6203, 6267, 6290, 6880, 6881, 63122, 63126, 63185, 63187, 63190, 63200, 63201, 63202, 63203, 63206, 63207, 63208, 63209, 63210, and 63216 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA. Buses 6193, 68002 and 68003 did not travel in two or more member jurisdictions for the 18-month period but did not renew for Application Year 2005. Miles were taken out for these three buses affecting CA only. Buses 63189, 63198, 63199, 63204, 63205, 63211, 63212, 63213, 63214, and 63215 traveled in CA and WY only. It was never explained why these buses only reported these two jurisdictions or why the jurisdictions in between were not reported.

Application Year 2006:

Buses 6294, 6310, 6433, 6448, 6449, 6470, 6471, 6472, 6473, 6474, 6475, 6476, 6477, 6478, 6479, 6480, 6481, 6521, 6522, 6523, 6524, 6525, 6526, 6527, 6528, 6529, 6530, 6531, 6533, 6534, 9999, 62204, 63174, 63175, 65654, 65655, 66204, 66535, 68003, and 99999 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AZ, CA and NV. Buses 6267, 6290, 6873, 6875, 63153, 63183, 63185, 63187, 63190, 63193, 63200, 63201, 63202, 63203, 63206, 63207, 63208, 63209, 63210, 63216 and 67128 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA.

Buses 6126, 6203, 6290, 6310, 6433, 6448, 6449, 6471, 6474, 6475, 6478, 6480, 6481, 6523, 6873, 6874, 6875, 6880, 6881, 6932, 9999, 61202, 63116, 63120, 63121, 63122, 63123, 63174, 63175, 64736, 65549, 65551, 65654, 65775, 65777, 66204, 66535, and 99999 were on the summaries but were not on the sample population list.

**EE Houston, TX (6)**

An information request was sent requesting and discussing the following:

Our sample buses are 167, 1880, 1889, 3603, and 70007

We are missing distance records for buses 1889, 1880, 3603, and 70007 for all three sample quarters. Enclosed you will find workpapers of the distance records we have reviewed.

We are missing fuel receipts for 2nd quarter 2004 for all five buses. We are missing fuel receipts for buses 1889, 1880 and 70007 for 3rd quarter 2004. We are missing fuel receipts for buses 1889 and 1880 for 4th quarter 2005.

We were unable to use any of the additional information sent. Two buses were acquired outside the sample quarters and the other two were vans that did not qualify for IFTA. Out of our sample buses, bus 1880 was added in 8/06, bus 1889 was added 11/06, and buses 3603 & 70007 do not qualify for IFTA because they are registered under IRP at 10,000 lbs.

Map sheets were reviewed for distance records for the sample bus and sample quarters. More distance was audited than reported and error rates were projected to the entire audit period.

Bulk disbursements and fuel invoices were reviewed for the sample bus and sample quarters. More gallons were audited than reported and error rates were projected to the entire audit period.

There are 19 buses in Application Year 2005 and 17 buses in Application Year 2006 that were not reported. These buses do not qualify for IFTA based on their registered weight in IRP and they were not on the summaries used for IFTA. They were not reported for IFTA or IRP. Those buses will get 100% TX fees for those Application Years.

The average audited mpg was 6.45 and the average reported mpg was 6.64. No adjustments were made to the mpg.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 728, 729, 730, 826, 1236, 1237, 1825, 1827, 2563, 2564, 2565, and 2566 did not travel in two or more member jurisdictions during the 18-month period. The miles for buses those buses were removed from IRP total mileage and fees were calculated at 100% for TX. Buses 83, 84, 144, 348, 349, 1040, 1041, 1042, 1043, 1044, 1045, 1374, 1375, 2994, 2995, 3601, 3602, 3603, and 3604 were not on the summary. These buses are registered for Application Year 2005 but were not reported. Fees for these buses were calculated at 100% for TX. Buses 1216, 1218, 11229, 29435, 29436, and 29437 did not travel in two or more member jurisdictions during the 18-month period and did not renew for Application Year 2005. The miles for those buses were removed from IRP total mileage. Buses 2563, 2564, 2565, and 2566 are shown to be owned by the KBC companies according to WYDOT system. The sample population list for KBC shows them as deleted and they are not listed on KBC's summary that was reported on the return. They will stay under the EE Houston, TX terminal as not traveling in two or more member jurisdictions and be assessed 100% TX fees.

Application Year 2006:

Buses 528, 529, and 530 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting TX only. Buses 728, 729, 730, 826, 1825, 1827, 2564, 2565, 2566, 2569, 62872, and 62917 did not travel in two or more member jurisdictions during the 18-month period. The miles for those buses were removed from IRP total mileage and fees were calculated at 100% for TX. Buses 84, 144, 348, 349, 1040, 1041, 1042, 1043, 1044, 1045, 1374, 1375, 2994, 2995, 3601, 3602, 3603, and 3604 were not on the summary. These buses were registered for Application Year 2006 but were not reported. Fees for these buses were calculated at 100% for TX. Buses 1216, 1218, 11229, 29435, 29436,

and 29437 did not travel in two or more member jurisdictions during the 18-month period and did not renew for Application Year 2006. The miles for those buses were removed from IRP total mileage.

Buses 528, 529, 530, 728, 729, 730, 826, 1825, 1827, 2563, 2564, 2565, 2566, 2569, 2570, 62872, 62917, were on the summary but were not on the sample population list.

**Elko, NV (7)**

We received several different types of records for their distance documentation. We have summaries by date with bus number, mileage odometers and total miles, no jurisdictional breakout and only 4/1/04 – 9/30/04. The fuel printout shows driver name and driver number, no bus number. The distance record shows odometer readings but distance doesn't add up to total written. There is no jurisdiction breakout and no real original origin and destination. Not sure of date written or bus number. There are daily dispatch sheets with all buses, drivers, time, etc. but no mileage or fuel, origin and destination, odometer readings. The daily fuel usage reports are missing January – March 2004, October – December 2004, January – September 2005 and all of 2006. But it also doesn't tell where these gallons are coming from and some are bus numbers we aren't familiar with, i.e. N10, L62, K9. The additional information sent from Brian regarding questions asked via fax was K-T Services – Charter/Tour 2004, doesn't give enough information and three sets of invoices with again not enough information. These are just invoices billing the customer. It does show where they went but that is all. It shows date, customer, destination, driver, pay status, price quote. The assignment sheets we have all are dated 2007 with one in 2006. There were no auditable distance records for this terminal. We used the average audited mpg instead of a 4.0 mpg.

The Bulk Fuel Usage Report was reviewed for all buses for the sample quarters. Fewer gallons were audited than reported and error rates were projected to the remaining non-sampled quarters.

The average audited mpg and average reported mpg was 5.87. The audited mpg was brought up to average audited because it was a more reasonable mpg.

***IRP***

There were no auditable distance records for this terminal. The buses from the sample population list were used. In verifying these buses to the WYDOT system, there are buses that were reported under another terminal. If those buses traveled in two or more member jurisdictions under those terminals, they were not calculated at 100% NV fees.

Application Year 2005:

Buses 6240, 6247, 6251, 6252, 6253, 6254, 6255, 6256, 6257, 6258, 6259, 6260, 6261, 6262, 6263, 6268, 6270, 6271, 6272, 6274, 6279, 6280, 6281, 6283, 6284, 6285, 6286, 6287, 6289, 6291, 6292, 6293, 66269, 66273, 66275, 66276, 66277, 66278, and 66282 were calculated at 100% fees for NV.

Application Year 2006:

Buses 6209, 6210, 6217, 6233, 6240, 6247, 6251, 6252, 6253, 6254, 6255, 6256, 6257, 6258, 6259, 6260, 6261, 6262, 6263, 6264, 6268, 6270, 6271, 6272, 6274, 6279, 6280, 6281, 6283, 6284, 6285, 6286, 6287, 6291, 6292, 6293, 6299, 6932, 63116, 63120, 63121, 63122, 63123, 66269, 66273, 66275, 66276, 66277, 66278, and 66282 were calculated at 100% fees for NV.

**Adjustments were made from preliminary findings to final findings.**

The NV distance was adjusted as a result of assigning a number of units 100% base jurisdictional fees for NV and taking out the corresponding distance associated with those units. This change affected Nevada and Utah in Application year 2005 and California, Idaho, Nevada and Utah in Application Year 2006.

**FL San Francisco, CA (8)**

A preliminary findings letter was sent out with a **potential** tax due amount and issues involved with this terminal only. The following are the issues discussed in that letter:

Our sample buses were 61703, 66087 and 67086. All three buses for the sample quarters were reviewed. There were several gap miles found between the odometer readings. More distance was found than reported. The error rates were projected to the entire audit period. Nevada was not projected as this was viewed as a one-time one-trip error. This error occurred only for one bus in one quarter with only 54 miles missing. Fewer gallons were found than reported. The 3rd quarter 2004 for all three sample buses had the largest amount of fuel missing. There were no fuel purchases outside the bulk withdrawal printout. Error rates were determined and projected to all quarters in the audit period for distance and fuel.

In 2nd quarter 2006 Virginia was reported in error. The miles for this jurisdiction were taken out and given to California based on no other jurisdictions reported to get to Virginia and the location of the keys on the keyboard. Bus 62122 was not one of our sample buses; however, it is registered under IRP under the weight group of 16,000 lbs. This bus does not qualify for IFTA. The miles and fuel were taken out for this bus.
Also, the electronic yearly summaries, printout quarterly summaries and the return summaries do not match. The distance and jurisdictions are very different.
Jurisdictions were added based on the electronic terminal summaries that were missing on the auditee report summaries. British Columbia was added to 4th quarter 2004, Arizona and Utah to 1st quarter 2005 and Nebraska to 4th quarter 2005. Wyoming was also added to 4th quarter 2005 to get the auditee to Nebraska.

We received a letter from Brian addressing the issues discussed in the preliminary findings letter. The fuel summaries provided with this letter do not show the jurisdiction this fuel comes from, it just shows total fuel by month and bus. These summaries where not used. Additional distance and fuel documentation was provided and accepted, which decreased the projected error rates for both.

Charter invoices and timesheets were reviewed for distance records for the three sample buses and three sample quarters. There was more distance audited than reported. Error rates were determined and projected to the entire audit period. There were still gap miles. The error rate for NV was not projected and viewed as a one-time one-trip error. There was only one bus in one quarter that missed 54 miles.

Bulk disbursement logs and fuel worksheets were reviewed for all three sample buses and sample quarters. More gallons were audited than reported and error rates were projected to the entire audit period.

Bus 62122 was not a sample bus but doesn't qualify for IFTA based on the registered weight in IRP. The miles and fuel for this bus were taken out from the auditee's return summary. This affected CA for 1st quarter 2004 thru 2nd quarter 2006 and NV for 2nd quarter 2006. Very few jurisdictions and miles matched from the electronic yearly summaries, printout quarterly summaries and the return summaries. Jurisdictions and miles were added to the workpaper 501 based on yearly electronic summaries that were not on the report summaries. VA was reported in 2nd Quarter 2006 VA with no other jurisdictions reported to get them to VA. When asked, Brian guessed it should be WA. I put that distance into CA based on the closeness of the letters on the keyboard and no other jurisdictions traveled to get them to VA.

The average audited mpg was 5.28 and the average reported mpg was 5.20. No adjustments were made to the mpg.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 6650, 6651, 41181, 41183, 41184, 41185, 41186, 41187, 41188, 41189, 61015, 61021, 61124, 61125, 61126, 61127, 61128, 61604, 61605, 61607, 61913, 61914, 61915, 61916, 61917, 61918, 61919, 61920, 61921, 61922, 67680, 67681, 67702, 67703, 67827, 67828, 67829, 67831, 67832, 67833, 67834, 67835, and 67836 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA only. Buses 16651, 21103, 61107, 61115, 61118, 61121, 61703, 61705, 62122, 66066, 66087, 66093, 66123, 66434, 66436, 66437, 66438, 66652, 66866, 66867, 66868, and 67088 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA. Buses 61122 and 61123 did not travel in two or more member jurisdictions but did not renew for Application Year 2005. The miles for these buses were removed from IRP total mileage.

Application Year 2006:

Buses 6650, 6651, 41181, 41183, 41184, 41185, 41186, 41187, 41188, 41190, 41191, 41192, 41193, 41195, 61123, 61124, 61125, 61126, 61127, 61128, 61604, 61605, 61607, 61614, 61615, 61616, 61913, 61914, 61915, 61916, 61917, 61918, 61919, 61920, 61921, 61922, 61923, 61924, 61925, 61926, 67827, 67828, 67829, 67831, 67832, 67833, 67834, 67835, and 67836 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA and NV. Buses 16651 and 62122 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA. Bus 61123 did not travel in two or more member jurisdictions but did not renew for Application Year 2006. The miles were removed from IRP total mileage.

Buses 6650, 6651, 41181, 41183, 41184, 41185, 41186, 41187, 41188, 41189, 61015, 61021, 61124, 61125, 61126, 61127, 61128, 61604, 61605, 61607, 61913, 61914, 61915, 61916, 61917, 61918, 61919, 61920, 61921, 61922, 67680, 67681, 67702, 67703, 67827, 67828, 67829, 67831, 67832, 67833, 67834, 67835, and 67836 were on the summary but were not on the sample population list.

**FTT Corpus Christi, TX (9)**

An information request was sent requesting and discussing the following:

We have yet to receive distance records for bus number 2853 of the FTT Corpus Christi, TX Terminal. These records must contain the following information:

- Registrant's name
- Date of trip
- Trip origin and destination
- Routes of travel and/or, beginning and ending odometer readings
- Bus number
- Total distance
- Distance by jurisdiction

This request was sent via e-mail. We also only have one fuel receipt for this bus for the three sample quarters. This fuel invoice was for the 2nd quarter 2004.

The additional information sent from Brian included charter invoices for non-sample quarters. There were charter invoices from a bus borrowed and reported by the Houston terminal. Max confirmed Houston reported distance and fuel from the borrowed bus.

Attached to the quarterly mileage summary were IFTA returns sent to Brian. These figures do not flow from the quarterly summary to the summary given to Brian and then to Brian's spreadsheet. The 4th quarter 2004 doesn't match to the summary given to Brian.

Driver work orders were reviewed for mileage records for our sample bus and sample quarters. More distance was audited than reported and the error rate for LA was projected to the entire audit period.

Fuel receipts, bulk fuel receipts and bulk log disbursements were reviewed for all buses in our sample quarters. More gallons were audited than reported and the error rates for LA and TX were projected to the remaining non-sampled quarters. Based on the summary attached to the return that gets sent to Brian, they are reporting the bulk purchase amount instead of the number of gallons that actually went into the buses. In 2nd quarter 2004, they reported all gallons to TX in error. They had LA fuel also.

The average audited mpg was 6.32 and the average reported mpg was 6.74. No adjustments were made to the mpg.

*IRP*

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT.

All buses from the mileage summaries traveled in two or more member jurisdictions for both Application Years and were verified to been registered with IRP for both Application Years.

**GCBS San Diego, CA (10)**

A preliminary findings letter was sent out with a **potential** refund amount and issues involved with this terminal only. The following are the issues discussed in that letter:

Our sample buses were 61117, 64561, and 68206. According to Wyoming DOT IRP records, bus 64561 was added 3/15/06. However, there was fuel found for 4th quarter 2005 for this bus. Distance was given to California based on the number of gallons and using 4.0 mpg. More distance and fuel were found than reported. The error rates were projected to the entire audit period. These error rates affected California only. All fuel was found from the bulk disbursement logs. No outside fuel purchases were found.

There were hundreds of gap miles found between the odometer readings. All gap miles were given to California based on the trips before and after the gaps. The distance for Arkansas was given to Arizona based on the jurisdictions traveled in 2nd quarter 2006. There was no way to verify the Arkansas miles on the summaries based on mileage only through April being shown on the yearly electronic summary for 2006.

Buses 62129 and 62130 were not sample buses; however, they were registered under IRP under the weight group of 22,000 lbs. These buses do not qualify for IFTA. The distance and fuel were taken out for these buses.
The electronic terminal fuel bus summary for 3rd quarter 2004 for bus 61117 shows only 7/2/04 – 8/20/04 and only 7/6/04 – 8/18/04 for bus 68206. The electronic yearly fuel summary for 2004 shows only December 2004. The electronic yearly terminal mileage summary shows only 1/1/06 – 4/30/06 and nothing for the rest of 2006. Also, the electronic terminal yearly summaries and the return summaries do not match. The distance and jurisdictions are very different.

There was no response to preliminary findings letter.

Charter invoices and Daily Trip Records were reviewed for distance records for our three sample buses and sample quarters. More distance was audited in CA and the error rate was projected to the entire audit period. There were thousands of gap miles. All gaps were given to CA based on the previous and future trips. The electronic terminal summaries provided do not match the return summaries. Bus 64561 was added 3/15/06 per WY DOT IRP; however, fuel receipts were found prior to that date. Distance given to CA in 4th qtr '05 based on number of gallons and 4.0 mpg. In 2nd quarter 2006, AR distance was reported in error based on jurisdictions traveled for that quarter. The 29 miles reported to AR in error were added to AZ.

Bulk Fuel Logs and bulk fuel withdrawals were reviewed for our three sample buses and sample quarters. There were no over-the-road fuel purchases. More fuel was audited in CA and the error rate was projected to the entire audit period. The bus 61117 summary for 3rd quarter 2004 shows only 7/2/04 – 8/20/04 and bus 68206 summary for 3rd quarter 2004 shows only 7/6/04 – 8/18/04. The fuel terminal summary for 2004 only has December 2004.

Buses 62129 and 62130 were not sample buses but do not qualify for IFTA based on the registered weight in IRP. Distance and fuel for these buses were taken out of IFTA.

The average audited mpg was 3.82 and the average reported mpg was 4.77. No adjustments were made to the mpg.

After revised findings were sent out and many conferences with the auditee were held, we made some adjustments to the audited mpg. Where the audited mpg was lower than 4.0, we brought the mpg up 4.0.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 29313, 61000, 61501, 61843, 61849, 61850, 61851, 61853, 61854, 61855, 61856, 61857, 61858, 61859, and 62125 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA only. Buses 6202, 6207, 6213, 6215, 6266, 6915, 6921, 6924, 6925, 6926, 6929, 29314, 61116, 61117, 61227, 61228, 61992, 61993, 61995, 61999, 62129, 62130, 63009, 63010, 63011, 64516 and 67147 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA. Bus 63014 did not travel in two or more member jurisdictions but did not renew for Application Year 2005. The miles for these buses were removed from IRP total mileage.

Application Year 2006:

Buses 1, 29313, 61000, 61001, 61501, 61843, 61848, 61849, 61850, 61851, 61852, 61853, 61854, 61855, 61856, 61857, 61858, 61859, 62125, 68200, 68201, and 68202 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA only. Buses 6200, 6202, 6207, 6211, 6213, 6215, 6266, 6915, 6921, 6924, 6925, 6926, 6929, 29314, 61116, 61117, 61227, 61228, 61992, 61993, 61995, 61999, 62129, 62130, 64516, 67147, 68001, 68006, 68203, 68204, 68206, 68220, 68221, 68222, 68223, and 68224 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA. Buses 63009, 63011, 63012 did not travel in two or more member jurisdictions but did not renew for Application Year 2006. The miles for these buses were removed from IRP total mileage.

Buses 1, 27433, 29313, 61000, 61501, 68143, 61848, 61849, 61850, 61851, 61852, 61853, 61854, 61855, 61856, 61857, 61858, 61859, 62125, 63009, 67148 were on the summaries but were not on the sample population list.

**CGCT Houston, TX (11)**

Our sample buses were 454, 3227, 9025, 9027, 44102, 47125, 62389, and 67909. Per letter dated 6/1/07 from Chris Drabing in Irving, TX, buses 47125, 62389, and 67909 had no trips processed for 2nd quarter 2004. The Quarterly Operation summaries were used for reported miles and fuel. The Bulk Gallons report was also used.

Charter invoices and IVDRs were reviewed for distance records for our sample buses and quarters. More miles were audited than reported and error rates were projected to the entire audit period. There were no miles reported for bus 9027 in 4th quarter 2005 but there are bulk withdrawals. There were no miles reported for bus 62389 in 2nd quarter 2004 but this bus was purchased 3/17/04 and there is a bulk withdrawal in CO but no miles in CO, OK or TX. There was no distance reported for bus 47125 in 4th quarter 2005 but there are bulk withdrawals. There was no distance reported for bus 67909 in 2nd & 3rd quarters 2004 but there were bulk withdrawals. Distance was added for all these buses and quarters using a 4.0 mpg to calculate audited miles.

Bulk disbursements and fuel receipts were reviewed for our sample buses and quarters. Overall, fewer gallons were audited than reported. However, there were three jurisdictions were more fuel was audited than reported and all error rates were projected to the entire audit period. The Bulk Gallons report matched (for the most part) the Bulk Fuel reports received from Max. Bus 62389 in 4th quarter 2005 had reported 264.40 gallons but should have been 2,684.40 gallons. Bus 67909 in 3rd quarter 2004 had reported 1,751.65 gallons but should have been 1,153.50 gallons. June gallons were added to the reported figure in error. They are reporting fuel by date and not by trip. The fuel isn't always reported with the miles traveled within the same quarter. But this probably happens for every quarter so the mpg's balance out. Certain trips were moved from 2nd quarter 2004 3rd quarter 2004 to go with the dates being reported by quarter. This prevents inflating the distance by bringing them up to reported when distance is actually reported in the next quarter.

The average audited mpg was 5.27 and the average reported mpg was 4.89. No adjustments were made to the mpg.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Distance summaries were not provided for the entire audit period for the buses domiciled at this terminal. We were not able to verify all buses traveled in two or more member jurisdictions. We did verify the buses we had distance records for and all those buses traveled in two or more member jurisdictions. The sample population list was used to identify the remainder of the buses within this terminal.

Application Year 2005:

Buses 548, 1101, 1102, 1103, 1151, 1226, 1851, 1852, 1854, 1856, 2211, 2213, 6872, 6979, 6989, 7054, 7055, 7056, 7059, 7061, 7062, 9003, 9006, 9007, 9011, 9013, 9014, 9015, 9016, 9017, 9018, 9019, 9020, 9021, 9022, 9023, 9028, 15009, 15014, 15168, 16128, 16283, 16377, 16408, 16413, 16470, 16476, 17718, 45176, 45177, 45181, 45189, 45194, 45196, 45199, 45200, 45201, 47125, 47126, 47127, 47128, 54437, 55439, 60197, 60601, 60607, 62871, 62917, 62919, 67909, 67915, 68213, 163008, 163009, 163010, 163011, and 163012 were calculated at 100% TX fees for lack of records.

Application Year 2006:

Buses 548, 1101, 1151, 1176, 1177, 1178, 1226, 1851, 1852, 1854, 1856, 2204, 2205, 6979, 6989, 7054, 7055, 7056, 7059, 7061, 7062, 9003, 9006, 9007, 9011, 9013, 9014, 9015, 9016, 9017, 9018, 9019, 9020, 9021, 9022, 9023, 9028, 17718, 45176, 45177, 45180, 45181, 45187, 45189, 45194, 45196, 45199, 45200, 45201, 47125, 47126, 47127, 47128, 52502, 54437, 55439, 60197, 60601, 60607, 62871, 62919, 163008, 163009, 163010, 163011, and 163012 were calculated at 100% TX fees for lack of records.

**KBC Companies (12)**
**KBC Grand Prairie, TX/KBC San Antonio, TX/KBC Shreveport, LA**

It looks like the electronic information comes from or matches for the most part the hard copy summary when you add the live miles & dead miles columns. The return figures, look like for the most part, come from the state mileage column on the hard copy summary. This figure doesn't include the dead miles or shop miles columns. Sometimes the difference is a charter run on the summary. There are no shop miles on the electronic summary. Use the KBC State Tax Summary-By State for 4/4/04-8/04. This report is by jurisdiction by bus number. The KBC Asset Management Summary-Bus Number Report shows only total miles by day by bus number. It has no jurisdictional breakout. Comparing these two summaries, most of the buses do not match total miles by bus. We only had 9/04 for the KBC Asset Management Summary – Bus number Report with no jurisdictional breakout. I used the summaries Max sent 9/15/09 for the reported information.

We received charter invoices for our sample buses and quarters, but discovered they were not reporting all miles traveled. We used the KBC State Tax Summary-By State Report for our mileage records. The columns do not add up for every bus. Per Max, the live miles, dead miles and shop miles should equal state miles. That is not always the case and sometimes it is very different. There was no explanation as to why the live miles, dead miles, and shop miles do not add up to the state mileage on the summary. The dead miles and shop miles were not reported. The terminal had the ability to hard code the system to be able to change figures. Max explained the state mileage column and all buses were reported from the KBC State Tax Summary-By State Report. We changed our approach to full block the miles for the sample quarters using this summary. Max was informed of the change. We received fuel summaries from Max. We used his TCH and bulk summaries for original documentation and compared to reported gallons for all three terminals. I spot checked the invoices and bulk to the fuel summaries Max provided

The KBC State Tax Summaries by State were reviewed for distance records for all buses in our sample quarters. Distance was added based on fuel invoices, Comdata Report, and a charter invoice where miles were not reported. Overall, more miles were audited than reported. However, there were fewer miles audited than reported in some jurisdictions and all error rates were projected to the remaining non-sampled quarters. There are thousands of gap miles. Some gap miles were based on odometer readings and some were based on ending location and starting location the next day. Most gap miles went to TX. They do repeat runs on a regular basis. The odometer readings on the charter invoice didn't always match the total miles written.

Bus 55858 from 8/7/04-8/16/04 traveled in Canada. There were misreported jurisdictions. QC was reported instead of NB based on locations written on charter invoice. On 8/8/04 all miles were reported to NS when based on the locations written on the invoice should be NB and PE. I used the total miles and distributed evenly between NB and PE because it was unclear where they went in PE. On 8/9/04 all miles were reported to NS when should be NB and NS. Again, using total miles distributed between the two based on percentages from miles on PC Miler. On 8/11/04-8/12/04 the invoice states Maritime NS which doesn't state the actual locations they traveled. These two invoices were kept as NS and just plotted locations close to total miles. The odometers don't always flow. It looks like sometimes the odometer number was reused. Example, start odometer was used for two days. The daily miles were used based on location and miles traveled. The sister company miles are taken out of reported miles using the KBC State Tax Summary-By State Report and circling the miles on the report. There were fuel purchases made in MD and NB with no reported miles to either jurisdiction. Audited miles were calculated and added to using the number of gallons and 4.0 mpg. In 3rd quarter 2004 NB, NS & QC were on the KBC State Tax Summary-By State Report but they did not report them as such. I reviewed the detail summary sent by Max and those buses did travel to those jurisdictions. In 2nd quarter 2004 AK miles were on the summary, however, per detail sent it should be AR and was corrected. There were miles with no associated jurisdiction and these miles were reported to TX based on the terminal location.

TCH Fuel Reports, Comdata Reports, Fleet Management Reports, Texaco Reports, Schmidt and Sons invoices and bulk fuel invoices were reviewed for all buses in our sample quarters. In 3rd quarter 2004, fuel was reported in error in TN. Per the return for this terminal it should be 214 gallons and not 69,000 gallons. They added July TN and August TX by mistake. Overall, more gallons were audited than reported. However, there were fewer gallons audited than reported for three jurisdictions and all error rates were projected to the remaining non-sampled quarters. They were unable to provide summaries by bus number for fuel.

We received additional over-the-road fuel invoices and TCH Express fuel receipts. Some were duplicates, but I was able to fill in the vendor name, location, and invoice number and verify fuel purchases already reviewed. They sent 2004 Texaco, TCH, Comdata and Schmidt and Sons invoices. They also sent 2005 Texaco, TCH, and Comdata. Some reports did not have bus numbers. We set a 30 gallon threshold if there wasn't a bus number. There was a 10 gallon purchase on 4/1/04 from Schmidt & Sons that was accepted because that bus was on the sample universe list as IFTA qualified. If there were small gallon amounts, the bus numbers were verified. In 4th quarter 2005 there were end of September invoices accepted because that is how the fuel was broken out and it was explained that is how it was reported.

Some jurisdictions have very large error rates (over 100%) projected for miles and fuel. No additional information was received to dispute these large error rates.

The average audited mpg was 6.66 and the average reported mpg was 5.17. No adjustments were made to the mpg.

We made revisions based on jurisdictional discussions. The average audited mpg was used for 1st & 2nd quarters 2004 and 4th quarter 2005. The audited mpgs were over 7.0 and outside a reasonable range for audited and reported mpgs.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 304, 306, 307, 332, 1178, 1456, 3401, 3405, 3406, 3905, 43267, 43269, 43272, 43284, 45102, 45160, 45265, 46504, 47184, 48108, 50989, 53095, 53101, 53720, 53721, 53884, 53929, 53971, 54484, 55001, 55004, 55050, 55091, 55106, 55164, 55179, 55271, 55292, 55421, 55587, 55792, 55832, 55849, 55851, 55852, 55855, 55870, 55874, 55878, 55918, 55951, 55965, 55975, 55981, 56154, 56835, 56888, 56895, 57907, 61944, and 61945 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AR, CO, LA, NM, OK and TX. Buses 196, 199, 1176, 1178, 2204, 2205, 2207, 2208, 2210, 2217, 43835, 45174, 45180, 45182, 45185, 45187, 53267, 53268, 55879, 55882, 55885, 55887, 55891, 55912, and 55917 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for TX.

Application Year 2006:

Buses 142, 306, 307, 2216, 2567, 3401, 3405, 3406, 21029, 42103, 42104, 42105, 42145, 42263, 42265, 43000, 43004, 43205, 43244, 43245, 43246, 43259, 43267, 43272, 43864, 45104, 45105, 47184, 47909, 48108, 48834, 50502, 50955, 52237, 52507, 53006, 53023, 53095, 53208, 53218, 53460, 53856, 53884, 53887, 53971, 54848, 55001, 55003, 55004, 55005, 55027, 55106, 55164, 55179, 55268, 55269, 55271, 55294, 55380, 55709, 55786, 55792, 55808, 55832, 55851, 55852, 55855, 55870, 55875, 55878, 55883, 55962, 55972, 55975, 55981, 55985, 55987, 55989, 56588, 56845, 56895, 56928, 58904, 61944, 61945, 63118, and 63119 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AL, AR, CO, GA, LA, MO, MS, NM, OK, TN and TX. Buses 197, 199, 2202, 2203, 2208, 2210, 2213, 2217, 43251, 43835, 45174, 45175, 45182, 45185, 45186, 45192, 45197, 53267, 55843, 55879, 55891, 55912, 55917, 55922, 55926, 55958, 61991, and 62955 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for TX.

Buses 167, 169, 171, 172, 179, 196, 197, 198, 199, 304, 306, 307, 332, 1176, 1177, 1178, 1453, 1456, 2203, 2204, 2205, 2207, 2208, 2209, 2210, 2215, 2216, 2217, 3227, 3401, 3405, 3406, 3905, 42103, 42104, 42105, 42145, 42263, 42265, 43106, 43108, 43109, 43205, 43244, 43245, 43249, 43250, 43251, 43267, 43269, 43272, 43284, 43764, 43835, 43864, 44100, 44102, 45102, 45104, 45105, 45160, 45174, 45175, 45178, 45179, 45180, 45182, 45183, 45184, 45185, 45186, 45187, 45188, 45190, 45191, 45192, 45193, 45195, 45197, 45198, 45265, 46504, 47184, 47909, 48108, 48834, 50502, 50955, 50989, 52237, 52502, 52507, 53006, 53023, 53095, 53101, 53218, 53267, 53268, 53269, 53460, 53720, 53721, 53856, 53884, 53887, 53929, 53971, 54484, 54848, 55001, 55003, 55004, 55005, 55050, 55091, 55106, 55164, 55179, 55271, 55292, 55294, 55380, 55421, 55587, 55709, 55774, 55776, 55786, 55792, 55808, 55832, 55843, 55849, 55851, 55852, 55855, 55870, 55874, 55875, 55878, 55883, 55888, 55915, 55916, 55918, 55924, 55925, 55926, 55927, 55928, 55951, 55958, 55962, 55965, 55975, 55981, 55987, 56154, 56588, 56835, 56845, 56851, 56852, 56855, 56888, 56895, 56928, 57907, 58904, 61914, 61944, 61945, 61991, 62954, and 62955 were on the summary but were not on the sample population list.

**Las Vegas, NV (13)**

An e-mail was sent to Max discussing the following issues:

There were thousands of gap miles. The gaps were given to NV based on summaries and other trips unless otherwise noted on workpaper 510-13. There were also several days of gaps.

Sample buses were used for miles. More miles were found than reported and projected to the entire audit period.

All fuel was entered for the sample quarters using the fuel summaries that were provided with original documentation. Fewer gallons were found than reported except for GA, ID, MS and WY. These error rates were projected to the non-sampled quarters.

There were buses on the fuel summaries with a V in front on the number. These buses were considered vans based on notes written on the summaries and were not added to audited fuel. There were no buses with a V on the electronic mileage summaries.

For 2nd quarter 2006, it appears VA miles and fuel was reported in error. Looking at the electronic summary, VA should be CA. Also, NC miles and fuel were reported in error and should be NV when reviewing the electronic summary. These errors were corrected on workpaper 501-13.

For 3rd quarter 2006, it appears NC miles and fuel were reported in error and should be NV, but should be 219 miles per electronic summary. Again, these errors were corrected on workpaper 501-13.

Some trips on the electronic summaries do not have bus numbers.

Only the 2nd quarter 2006 matched from electronic summary to the return summary (Brian's summary).

There were fuel purchases found in 2nd quarter 2004 with no reported miles. A 4.0 mpg was used to calculate audited and accepted distance.

The average audited mpg was used because more miles were projected and less fuel was projected than reported.
The audited mpg was used if it was less than average audited mpg.
There were jurisdictions added that were not reported based on the electronic summaries. Also, the electronic summary miles were used if they were greater than audited distance.
When reviewing the return summary (Brian's summary), almost every quarter for every jurisdiction was being zeroed out. There were a few credits here and there but until 4th quarter 2006 every jurisdiction had reported tax paid purchases and even reported purchases of very few gallons such as 5 and 14 gallons. This is unusual. It looks like they were backing into the tax paid fuel purchases instead of using the number of gallons actually purchased in that jurisdiction. Also, a static 4.50 mpg was used for 1st, 2nd, and 3rd quarters of 2004.

Max explained their old Fleet Anywhere system had been data dumped by their manager who was told to do so. He sent two people for two weeks to Las Vegas to go to all the locations looking for fuel invoices. He was told there was a flood and they got rid of all the papers. Part of the roof of the building the records were stored came off and rain came through. All fuel tickets were thrown away because they were basically destroyed. We did ask for insurance documentation and a letter explaining what happened with the damage to the records and the data dump that occurred. Max explained they were self-insured so there was no insurance claim but there are construction bills he will send. He sent a letter explaining the situation and provided construction invoices and checks associated with the damage.

Charter invoices were reviewed for our sample buses and quarters. There were more miles audited than reported and error rates were projected to the entire audit period. There were fuel purchases audited with no reported miles and miles were added using a 4.0 mpg to calculate audited miles. Jurisdictions were added and miles were increased based on the electronic summary. This occurred in 1st quarter 2005, 3rd quarter 2005, 4th quarter 2005 and 3rd quarter 2006.

Comdata Card Activity Reports, Horizon Market Fuel Reports, and bulk invoices were reviewed for all buses in our sample quarters. We accepted 80% of bulk purchases along with all over-the-road purchases reviewed for NV and projected the calculated error rate to the remaining non-sampled quarters. We accepted 80% of the reported fuel for all other jurisdictions for the sample quarters and used a negative or positive 20% error rate to project to the remaining non-sampled quarters. The negative or positive 20% error rate was based on the variance with the records we were able to review.

In 2nd quarter 2006, VA miles and fuel were reported in error and should be VA based on the electronic summaries. NC miles and fuel were reported in error and should be NV in 2nd and 3rd quarters 2006.

The average audited mpg was 5.75 and the average reported mpg was 4.45. No adjustments were made to the mpg. The 1st, 2nd, and 3rd quarters 2004 a static 4.50 mpg was reported.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 1019, 2002, 2009, 2106, 2108, 2116, 6102, 6844, 6960, 6970, 9069, 62207, 65970, 69001, 69002, 69057, 69058, 69059, 69060, 69061, 69062, 69064, 69065, 69066, 69067, 69068, 69069, 69070, 69071, 69072, 69073, 69074, 69075, 69077, 69078, 69079, 69080, 69081, 69082, 69083, 69084, and 69085 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AZ, CA, NV and UT. Buses 65915, 65963, 67009, 67019, and 67021 did not travel in two or more member jurisdictions for the 18-month period. The miles for buses these buses were removed from IRP total mileage and fees were calculated at 100% for NV. Buses 65898 and 69873 did not travel in two or more member jurisdictions and did not renew for Application Year 2005. The miles for these buses were removed from IRP total mileage.

Application Year 2006:

Buses 269, 271, 1019, 2103, 2105, 2115, 2116, 2119, 6102, 6103, 6212, 6844, 6960, 7125, 47032, 47033, 61013, 62119, 62120, 62121, 62123, 62124, 62131, 62132, 62133, 62136, 62137, 62138, 62139, 62140, 62150, 62151, 62152, 62153, 62155, 62157, 62159, 62163, 62174, 62207, 63013, 65900, 65966. 67025, 67027, 67680, 67681, 69001, 69071, 69078, 69080, and 69083 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting AZ, CA, NV and UT. Buses 6289, 67019, and 69122 did not travel in two or more member jurisdictions for the 18-month period. The miles for buses these buses were removed from IRP total mileage and fees were calculated at 100% for NV. Bus 61229 did not travel in two or more member jurisdictions and did not renew for Application Year 2006. The miles for this bus were removed from IRP total mileage.

Buses 1019, 2002, 2009, 2103, 2105, 2106, 2108, 2116, 2119, 6102, 6103, 6201, 6204, 6205, 6206, 6208, 6209, 6210, 6217, 6218, 6219, 6221, 6245, 6250, 6264, 6265, 6298, 6299, 6844, 6960, 6970, 9069, 9999, 62124, 62138, 62150, 62155, 62157, 62159, 62207, 63103, 63104, 63108, 65966, 65970, 67019, 67021, 67025, 67681, 69001, 69002, 69057, 69058, 69059, 69060, 69061, 69062, 69064, 69065, 69066, 69067, 69068, 69069, 69070, 69071, 69072, 69073, 69074, 69075, 69077, 69078, 69079, 69080, 69081, 69082, 69083, 69084, and 69085 were on the summary but were not on the sample population list.

**PCSTC Anaheim, CA (14)**

A preliminary findings letter was sent out with a **potential** refund amount and issues involved with this terminal only. The following are the issues discussed in that letter:

Our sample buses were 63137, 64707, 65681, and 66186.

Bus 63137 records were reviewed for all three sample quarters. More miles (9,486) and gallons (2,233) were found than reported for all three sample quarters. The additional miles and gallons were in California.

Bus 64707 was added 1/7/05, therefore, records were only available for review in one of the three sample quarters. More miles (254) were found than reported. No gallons were found for this bus for 4th quarter 2005. The gallons were forced using the audited distance and a 4.0 mpg. The additional miles and added gallons were in California.

Bus 65681 was added 1/3/05, therefore, records were only available for review in one of the three sample quarters. More miles (2,190) and gallons (1,766) were found than reported for 4th quarter 2005. The additional miles and gallons were in California.

Bus 66186 was added 3/14/05, therefore, records were only available for review in one of the three sample quarters. Miles for this bus in 4th quarter 2005 were forced based on the number of gallons found and using a 4.0 mpg. More gallons (3,035) were found than reported. The additional gallons were in California. There were 89 fewer miles found in Nevada, but this difference was not projected

There were hundreds of gap miles found between the odometer readings. All gap miles were given to California based on the trips before and after the gaps. Large error rates were determined and projected to all quarters in the audit period for miles and fuel. Also, the terminal summaries did not match the auditee summaries that were reported on the return.

There was no response to preliminary findings letter.

Charter invoices were reviewed for distance records for our sample buses and quarters. More miles were audited in CA than reported and the error rate was projected to the entire audit period. CA had a very large error rate (over 100%) but, no additional information was received to dispute this large error rate. No miles were reported for bus 66186 in 4th quarter 2005; however, there were bulk withdrawals for this bus in this quarter. Miles were added using 4.0 mpg to calculate audited miles.

Bulk fuel logs were reviewed for our sample buses and quarters. More gallons were audited in CA than reported and the error rate was projected to the entire audit period. CA had a very large error rate (over 100%) but, no additional information was received to dispute this large error rate.

The average audited mpg was 3.87 and the average reported mpg was 5.24. No adjustments were made to the mpg.

After revised findings were sent out and many conferences with the auditee were held, we made some adjustments to the audited mpg. Where the audited mpg was lower than 4.0, we brought the mpg up 4.0.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:

Buses 61502, 61503, 62515, 62516, 62517, 62518, 63510, 63511, 63529, 63535, 63537, 63539, 63540, 63542, 63543, 65654, 66352, 66353, 66354, and 66355 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA only. Buses 63106, 64736, 64737, 64739, 64753, 64758, 64759, 65515, 65550, 65771, 65772, 65773, and 65774 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA.

Application Year 2006:

Buses 61502, 61503, 62515, 62516, 62517, 62518, 63059, 63513, 63514, 63515, 63516, 63517, 63518, 63519, 63521, 63522, 63523, 63526, 63530, 63531, 63532, 63533, 63535, 63536, 63537, 63538, 63539, 63540, 63541, 63542, and 63543 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA only. Buses 63106, 63111, 64738, 64739, 64753, 64759, 65771, and 65772 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for CA.

Buses 64738, 64753, 65515, 65579, and 65580 were on the summary but were not on the sample population list.

**PRTS Gillette, WY (15)**

Our sample buses were 52064, 61060, 61092 and 62000. Some of the trips were logically routed and will not have an associated pay envelope. The exempt miles can be identified by the different state code on the summary. Vans are reported under IFTA.

52064 - There were 2,380 gap miles from the odometer readings during 10/16/05 – 10/31/05. All miles were given to MT based on previous and next day trips. MT and WY have slightly more audited distance than reported by putting all gap miles in MT.
61060 - There were 1,937 gap miles from the odometer readings during 7/14/04 – 8/16/04. All miles were given to WY based on previous and next day trips. No distance was audited in SD but miles were reported.
61092 - There were 1,081 gap miles from the odometer reading during 5/19/04 – 6/10/04. All miles were given to WY based on previous and next day trips. No distance was audited in ID but miles were reported. There were 8,007 gap miles from the odometer readings during 10/15/05 – 10/31/05. All miles were given to WY based on previous and next day trips. The WY audited miles were well over reported miles. There were lots of duplicate reports for this bus on fuel.
62000 – Gap miles were given to jurisdictions based on previous and next day, unless otherwise noted of the route. There were several repeat trips for days in one jurisdiction.

Charter invoices and pay envelopes were reviewed for our distance records for our sample buses and quarters. More miles were audited than reported and error rates were projected to the entire audit period. The IFTA reports sent to Brian from the Gillette terminal did not all match the numbers on Brian's spreadsheet. They had several repeat trips for days in one jurisdiction. There were large amounts of gap miles. I verified sample bus mileage electronic yearly summary to hard copy or electronic bus summary.

Fleet Management reports, GasCard statements and fuel invoices were reviewed for our sample buses and quarters. Overall, fewer gallons were audited than reported and error rates were projected to the entire audit period. The error rates for IA and IN were not projected. These two jurisdictions only had fuel purchased in one quarter by one bus and the 118 gallons reported to IN should have been reported to IA. We accepted the off-road distance claimed on workpaper 530 for WY and subtracted that figure from the audited total distance for accepted IFTA distance on workpaper 501-15. In 2nd quarter 2004 there was no off-road distance claimed for WY on workpaper 530 (which comes from DOT's system), however, exempt distance was claimed on the auditees' return. Those miles were taken out to calculate accepted IFTA distance. The fuel summaries matched the electronic copy except bus 61092 in 3rd quarter 2004. There were two fuel purchases not on the electronic summary.

Max agreed to the **potential** tax due for this terminal without reviewing the workpapers.

The average audited mpg was 6.75 and the average reported mpg was 6.52. No adjustments were made to the mpg.

There are 22 buses that do not qualify for IFTA based on their registered weight in IRP for Application Year 2005 and there are 6 buses for Application Year 2006. None of these buses were on the electronic summaries, therefore not reported for IFTA or IRP. Those buses for those Application Years will get 100% WY fees for IRP.

***IRP***

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences.

Application Year 2005:
Buses 6456, 61063, 61065, 61066, 61067, 61069, 61071, 61072, 61078, 61081, 61086, and 61088 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total

mileage and fees were calculated at 100% for WY. Bus 6456 traveled WY only during the 18-month period. However, this bus is listed on the Bismarck, ND sample population, but it is listed under WYDOT as owned by PRTS Gillette, WY. We do not have any records for the Bismarck terminal. Bus 6456 will get 100% fees for WY unless proven otherwise. Buses 6189, 6401, 6403, 6409, 6413, 6415, 6419, 6420, 6421, 6452, 6513, 6517, 6519, 6520, 6547, 6548, 6549, 6553, 6556, 6600, 6902, and 6903 are registered but were not reported. Fees for these buses were calculated at 100% for WY. Bus 61087 did not travel in two or more member jurisdictions and did not renew for Application Year 2005. The miles for this bus were removed from IRP total mileage.

Application Year 2006:

Buses 420, 539, 902, 903, 998, and 5037 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CO, MT, NE, SD and WY. Buses 61063, 61065, 61066, 61067, 61069, 61071, 61072, 61078, 61081, 61082, 61086, and 61088 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for WY. Buses 6189, 6401, 6403, 6902, and 6903 are registered but were not reported. Fees for these buses were calculated at 100% for WY. Bus 61087 did not travel in two or more member jurisdictions and did not renew for Application Year 2006. The miles for this bus were removed from IRP total mileage.

Buses 902, 903, 5037, and 61095 were on the summary but were not on the sample population list.

**RAZ Portland, OR (16)**

An e-mail was sent to Max discussing the following issues:

I have attached the mileage workpapers showing what we have seen for the individual trips along with the mileage worksheet comparing reported to audited. I stopped at the comparison worksheet for mileage because there is such a big difference. I have also attached the fuel worksheet showing the purchases. I do not have a fuel summary by bus and jurisdiction to use for the comparison.

Some of the issues found:

- There are gap miles. Miles were disbursed based on the other trips.
- There was only one small box with the Portland records.
- IRP registration shows bus 6201 was added in 1/05. However, there is a bulk withdrawal on 5/2/04 from the Phoenix, AZ bulk location with no miles found.
- IRP registration shows bus 6601 was added in 1/05. However, there are bulk withdrawals for 2nd & 3rd quarters of 2004 from the Golden, CO bulk location. There are no mileage records for this bus for these quarters. This bus is registered at 20,000 lbs. This bus doesn't qualify for IFTA unless it is used in combination to exceed 26,000 lbs.
- IRP registration also shows buses 70314 and 70451 were deleted in 2005. However, there are no records for these buses for neither 2nd nor 3rd quarters 2004.

Max explained this terminal was purchased into CUSA LLC in October 2004. Buses 6201 and 6601 were transferred from sister companies in 2005. Bus 6201 transferred from Las Vegas in March 2005 and bus 6601 transferred from Denver in August 2005. All mileage and fuel records for those buses were recorded under those terminals until the transfer date. Buses 70314 and 70451 would not have any mileage or fuel records under RAZ in the 2nd or 3rd quarter of 2004 due to RAZ purchase date. He is working on additional information for gap miles and fuel summaries.

Driver's daily reports were reviewed for distance records for bus 6201 for 4th quarter 2005. This was the only bus of our sample buses available for review. Miles were accepted as reported, however, the non-IFTA qualified vehicle miles were taken out to calculate audited distance.

Bulk fuel reports were reviewed for bus 6201 for 4th quarter 2005. Audited gallons matched reported gallons, however, the non-IFTA qualified vehicle gallons were taken out to calculate total audited tax paid gallons. The gallons taken out were calculated using the miles on workpaper 511-16 divided by the reported mpg. Also, they need to remember to report only fuel purchased on the returns. Again we see where they report as tax paid 4 gallons, 16 gallons, 14 gallons, etc.

The average audited mpg and average reported mpg was 6.39. No adjustments were made to the mpg.

There is one bus that does not qualify for IFTA based on the registered weight in IRP for Application Year 2005 and 5 buses for Application Year 2006. None of these buses were on the electronic summaries, therefore not reported for IFTA or IRP. Those buses for those Application Years will get 100% WY fees for IRP.

*IRP*

Buses were compared between the sample population provided by the auditee, buses on the summaries and buses registered in IRP per WY DOT. There were several differences. There are bus numbers on the summaries with a three digit number; however, the bus numbers on the sample population and the WYDOT system have a five digit number. The (70) in noted in front of the bus number on the workpapers. It was also verified through the WYDOT system these buses belong to the RAZ Company. The three digit bus numbers that have IRP are owned by another CUSA company.

Application Year 2005:

Since this terminal was purchased in 2004, travel did not begin until November 2004 or later. There were no miles to take out or 100% fees calculated.

Application Year 2006:

Buses 70156, 70157, 70158, 70162, 70166, 70167, 70168, 70169, 70171, 70175, 70176, 70177, 70178, 70179, 70180, 70182, 70183, 70193, 70194, 70230, 70236, 70237, 70238, 70239, 70241, 70242, 70244, 70245, 70246, 70247, 70248, 70249, 70255, 70256, 70301, 70303, 70304, 70305, 70309, 70310, 70311, 70313, 70403, 70404, 70451, 70452, 70453, 70455, 70457, 70458, 70603, and 9302 were on the summary but were not in IRP. Miles for these buses were removed from IRP total mileage affecting CA, ID, OR and WA. Buses 70252, 70253, 70254, 70454, and 70456 did not travel in two or more member jurisdictions during the 18-month period. The miles for these buses were removed from IRP total mileage and fees were calculated at 100% for OR. Bus 70187 did not travel in two or more member jurisdictions and did not renew for Application Year 2006. The miles for this bus were removed from IRP total mileage.

**ES Bismarck, ND**

An information request was sent requesting and discussing the following:

We have yet to receive the Individual Driver's Records for the ES Bismarck, North Dakota terminal. We are requesting the distance records for bus numbers 6458, 6551, and 6559. These records must contain the following information:

- Registrant's name
- Date of trip
- Trip origin and destination
- Routes of travel and/or, beginning and ending odometer readings
- Bus number
- Total distance
- Distance by jurisdiction

A letter was received from Brian explaining that all three buses selected for the sample were sold in 2007 and all their records were destroyed. We requested records for two other buses that were selected for the original sample but were removed to decrease the sample size. This request was sent via mail and e-mail. We never received the requested documentation.

*IRP*

All the buses at this terminal were vans. No mileage records were provided. All vans are owned by PRTS/Gillette, WY. These vans, with the exception of one, were not reported under the Gillette Terminal. Van 6456 was reported under the Gillette Terminal and is being calculated at 100% WY fees for not traveling in two or more member jurisdictions.

Vans 6451, 6453, 6455, 6457, 6458, 6459, 6460, 6461, 6462, 6463, 6465, 6468, 6469, 6501, 6505, 6509, 6511, 6512, 6514, 6516, 6518, 6532, 6535, 6536, 6538, 6540, 6541, 6542, 6543, 6544, 6545, 6546, 6550, 6551, 6552, 6554, 6557, 6558, 6559, 6560, 6561, 6803, and 6901 were calculated at 100% fees for ND for Application Years 2005 and 2006.

**CLOSING CONFERENCE AND RECOMMENDATIONS:**

The closing conference was communication over the phone with Max over the course of many months trying to solve each terminal's issues individually. Max had such a large impact on getting issues resolved and being able to move forward. We had a wonderful rapport and were able to work well together.

Each terminal/company was audited and discussed individually. Max was given workpapers and a potential tax amount for each company. The final figure is higher than discussed when adding all companies together because we added the audited tax amount (col 11 on workpaper 501) for each company and subtracted the amount paid to the Department of Transportation for each quarter for each

jurisdiction. Interest also is a factor in the total amount due because it accrues monthly from the beginning of the audit period until paid.

The record keeping for each terminal has improved based on discussions with Max throughout this process. The systems used for recording distance has been consistent for a few years and they now have a card system in place for all their bulk locations to record fuel-ups electronically. They were looking into purchasing GPS systems for all of their buses. We would further recommend a system wide standardization of records for all terminals and an ability to retain the records electronically for review and audit purposes.

**SUMMARY:**

All terminals/companies have issues with buses on the summaries but not on the sample population and buses on the summaries but not registered with WY IRP.

The audited distance from the IFTA portion of the audit was used as the base number of miles for IRP. Miles were taken out of IRP if they did not travel in two or member jurisdictions, they were not in IRP per WY DOT system, or if they did not travel in two or more member jurisdictions but did not renew for the next Application Year. Buses were calculated at 100% for the jurisdiction they were domiciled if they did not travel in two or member jurisdictions within an 18-month period, no records were received, or they were not reported because they did not qualify for IFTA. The jurisdictions AZ, CA, CO, ND, NV, OR, TX, and WY were given 100% fees to be calculated in addition to the audited fees for Application Years 2005 and 2006. There were 344 buses in Application Year 2005 and 315 buses in Application Year 2006 receiving 100% fees involving those jurisdictions. This problem is the reason for the high IRP assessment.

The bus purchase invoices provided along with a worksheet including equipment number, VIN number, purchase price and factory price were compared with the WY DOT system. No differences were found.

CUSA complies with the "established place of business" requirements for Wyoming.

The **revised** IRP audit resulted in a total liability of ***$439,547.99***. The attached *IRP Summary of Audit Findings (2a)* summarizes the effect of the audit. The Wyoming Department of Transportation does not apply penalty or interest on the Wyoming portion of the audit. However, please note penalty and/or interest may be individually assessed by affected IRP member jurisdictions. All audit funds are transmitted to affected jurisdictions.

**CUSA, LLC filed bankruptcy in January 2012.**

The **3rd revised** IFTA audit resulted in a total liability of ***$489,299.37***. The attached **3rd revision** *IFTA Summary of Audit Findings (2a-1v3) and the Calculation of Tax Due by Quarter and Jurisdiction (501v3)* summarizes the effect of the audit. Interest has been applied in accordance with International Fuel Tax Agreement provisions. All audit funds will are transmitted to affected jurisdictions.

We were able to abate 12 months of interest, from July 1008 through June 2009. We thought this was fair considering the length of time to complete the audit and the eagerness to finish the audit.

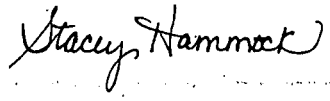
CUSA did appeal the IFTA Deficiency Assessment; it was intended to hold their rights if any of the affected jurisdictions disputed our findings during their additional 15 day review period. CUSA officially withdrew their appeal April, 6, 2011. Received check for payment in full April 14, 2011.

This audit may be appealed in accordance with the *Wyoming Taxpayers' Bill of Rights*, which requires a written request within thirty (30) days of the serving of this notice. Any such request should be mailed to the following:

Earleen Weaver, IRP/Prorate Supervisor
Wyoming Department of Transportation
Motor Vehicle Services
5300 Bishop Blvd.
Cheyenne, WY 82009-3340

In accordance with IFTA/IRP provisions, a copy of the audit report has been submitted to all affected member jurisdictions, which will have forty-five (45) days from the date they are notified to appeal the findings. All audit findings will be considered final with regard to both member jurisdictions and the taxpayer if they do not act as specified above.

Submitted by,



Stacey Hammock
Principal Auditor
Excise Tax Division

| AUDITEE NAME: | ***CUSA, LLC*** | | |
|---|---|---|---|
| RECORDS EVALUATION CHECKLIST | | | |
| Street Address<br>8150 North Central Expressway, Ste M1000 | City<br>Dallas | Jurisdiction<br>TX | Zip<br>75206 |
| Auditee's Representative(s) Responsible for Records<br>Jeffrey Griffin | Telephone Number<br>(972) 354-3569 | IFTA Number<br>WY_651193523 | IRP Number<br>WY_2462 |

RECORDS EVALUATION

**Type of Operation**
- ☐ Common Carrier
- ☐ Contract Carrier
- ☒ For Hire
- ☐ For Hire Exempt
- ☐ For Hire Rental/Leasing Company
- ☐ Private:

**Commodity Class**
- ☐ All
- ☐ Exempt
- ☐ Farm
- ☐ Household Goods
- ☐ Logs
- ☐ Minerals
- ☒ Passengers
- ☐ Mining
- ☐ Mine Services
- ☐ Construction
- ☐ Oil – Gas Services
- ☐ Other:

**Source Documents Maintained in Support of Distance:**
- ☒ Driver Trip Reports
- ☒ Driver Pay Records
- ☒ Driver Logs
- ☐ Freight Bills or Manifests
- ☐ Receiving Contracts
- ☐ Other:

**Items Reflected in Distance Source Documents Presented for Examination:**
- ☒ Date of Trip (Begin & End)
- ☒ Routes of Travel
- ☒ Begin and End Odometer
- ☒ Jurisdiction Crossing Odometer Read
- ☒ Total Trip Distance
- ☒ Trip Origin and Destination
- ☒ Vehicle Bus Number
- ☐ Vehicle Plate Number
- ☒ Distance by Jurisdiction
- ☒ Carrier Name
- ☐ Fleet Number
- ☒ Driver Name

**Sources Used by Carrier to Determine Distance:**
- ☒ Odometer Readings
- ☒ Hubometer Readings
- ☐ State Maps
- ☐ Standard Distance Guide
- ☐ Distance Software
- ☐ Estimated
- ☐ Other:

**Summaries Maintained in Support of Distance:**
- ☐ Monthly Summaries by Vehicle
- ☒ Monthly Summaries by Fleet
- ☐ Quarterly Summaries by Vehicle
- ☒ Quarterly Summaries by Fleet
- ☐ Annual Summaries by Vehicle
- ☒ Annual Summaries by Fleet

**Auditor's Evaluation of Registrant's Maintenance of Distance Operational Records:**
- ☒ Adequate (most terminals)
- ☐ Inadequate
- ☐ Marginal

**Auditor's Evaluation Regarding Compliance of Distance Records:**
- ☒ Compliant (most terminals)
- ☐ Noncompliant
- ☐ Marginal
- ☐ Absent

**Methodology Employed (if inadequate AND non-compliant or absent):**
- ☒ Full Fee Assessment (all credits denied)
- ☐ Best Information Available Audit (all credits denied)

Comments on Evaluation: There are buses that will get 100% fees because of no records, do not leave that jurisdiction within an 18 month period and were not reported.

**Source Documents Maintained in Support of Fuel:**
- ☒ Individual Purchase Invoices
- ☒ Vendor Summary Invoices
- ☐ Other:
- ☒ Bulk Storage Purchase Invoices
- ☐ Bulk Fuel Reconciliation
- ☒ Vehicle Fuel Logs
- ☒ Bulk Storage Withdrawal Logs

**Items Reflected in Fuel Source Document(s):**
- ☒ Date of Purchase
- ☒ Purchaser Name
- ☒ Date of Withdrawal
- ☐ Other:
- ☒ Fuel Type
- ☒ Vehicle Bus Number
- ☒ Price per Gallon
- ☒ Seller Name and Address
- ☒ Number of Gallons Purchased
- ☐ Tax Paid

**Summaries Maintained in Support of Fuel:**
- ☐ Monthly Summaries by Vehicle
- ☒ Monthly Summaries by Fleet
- ☒ Quarterly Summaries by Vehicle
- ☒ Quarterly Summaries by Fleet
- ☐ Annual Summaries by Vehicle
- ☒ Annual Summaries by Fleet

**Auditor's Evaluation of Registrant's Maintenance of Fuel Operational Records:**
- ☒ Adequate (Most terminals)
- ☐ Inadequate
- ☐ Marginal

**Auditor's Evaluation of Maintenance of Fuel Records:**

☒ Compliant ☐ Noncompliant ☐ Marginal ☐ Absent

Comments on Evaluation: The Las Vegas, NV terminal is the only one that was adjusted because of destroyed records due to water damage.

# INTERNATIONAL REGISTRATION PLAN
## WYOMING AUDIT SUMMARY

**Carrier Name:** *CUSA, LLC*
**Address:** 8150 North Central Expressway
Suite M1000
Dallas, TX 75206
**Carrier Rep:** Jeffrey Griffin
**Telephone:** (972) 354-3569
**Lead Auditor:** Stacey Hammock

**Fleet #:** 1
**Account #:** 2462
**FEI #:** 651193523
**Audit Period:** 1/1/04 - 12/31/06
**Application Years:** 2005, 2006

**Audit Assessment:**

| Jurisdiction | | 1<br>2005 Application<br>2a-2-1v2 | 2<br>2006 Application<br>2a-2-2v2 | 3<br>Totals |
|---|---|---|---|---|
| AB | Alberta | $0.00 | $0.00 | $0.00 |
| AL | Alabama | $0.00 | ($11.55) | ($11.55) |
| AR | Arkansas | $4,750.56 | $2,236.42 | $6,986.98 |
| AZ | Arizona | ($12,667.10) | ($8,144.27) | ($20,811.37) |
| BC | British Columbia | $250.00 | $192.00 | $442.00 |
| CA | California | $124,326.39 | $119,376.08 | $243,702.47 |
| CO | Colorado | ($5,558.86) | $1,206.52 | ($4,352.34) |
| CT | Connecticut | $0.00 | ($9.99) | ($9.99) |
| DC | Dist of Columbia | $0.00 | $0.00 | $0.00 |
| DE | Delaware | ($10.55) | $0.00 | ($10.55) |
| FL | Florida | ($345.75) | ($256.71) | ($602.46) |
| GA | Georgia | ($47.07) | $128.27 | $81.20 |
| IA | Iowa | ($20.74) | $0.00 | ($20.74) |
| ID | Idaho | ($1.29) | $33.17 | $31.88 |
| IL | Illinois | ($21.80) | $60.64 | $38.84 |
| IN | Indiana | $0.00 | $0.00 | $0.00 |
| KS | Kansas | ($207.58) | ($62.34) | ($269.92) |
| KY | Kentucky | $0.00 | $10.89 | $10.89 |
| LA | Louisiana | $10,448.42 | $6,350.89 | $16,799.31 |
| MA | Massachusetts | $0.00 | $0.00 | $0.00 |
| MB | Manitoba | $0.00 | ($24.26) | ($24.26) |
| MD | Maryland | $22.70 | $10.61 | $33.31 |
| ME | Maine | $0.00 | ($15.20) | ($15.20) |
| MI | Michigan | $0.00 | $0.00 | $0.00 |
| MN | Minnesota | ($0.73) | $0.67 | ($0.06) |
| MO | Missouri | ($112.94) | $0.00 | ($112.94) |
| MS | Mississippi | ($8.79) | $9.17 | $0.38 |
| MT | Montana | ($296.79) | ($409.26) | ($706.05) |
| NB | New Brunswick | $0.00 | $0.00 | $0.00 |
| NC | North Carolina | ($87.29) | ($89.55) | ($176.84) |
| ND | North Dakota | $3,884.72 | $3,890.00 | $7,774.72 |

| Prepared by: SH | Index No: |
|---|---|
| Date: 2/24/12 | **2a-2v2/1** |

Purpose: To determine tax due by jurisdiction
Source: See column references
Scope: Audit period
Conclusion: Total tax due determined by jurisdiction

# INTERNATIONAL REGISTRATION PLAN
## WYOMING AUDIT SUMMARY

**Carrier Name:** *CUSA, LLC*
**Address:** 8150 North Central Expressway
Suite M1000
Dallas, TX 75206
**Carrier Rep:** Jeffrey Griffin
**Telephone:** (972) 354-3569
**Lead Auditor:** Stacey Hammock

**Fleet #:** 1
**Account #:** 2462
**FEI #:** 651193523
**Audit Period:** 1/1/04 - 12/31/06
**Application Years:** 2005, 2006

**Audit Assessment:**

| Jurisdiction | | 1<br>2005 Application<br>2a-2-1v2 | 2<br>2006 Application<br>2a-2-2v2 | 3<br>Totals |
|---|---|---|---|---|
| NE | Nebraska | ($50.69) | ($66.11) | ($116.80) |
| NH | New Hampshire | $0.00 | $0.00 | $0.00 |
| NJ | New Jersey | $0.00 | $0.00 | $0.00 |
| NL | Newfoundland | $0.00 | $0.00 | $0.00 |
| NM | New Mexico | ($54.61) | $16.00 | ($38.61) |
| NS | Nova Scotia | $0.00 | $0.00 | $0.00 |
| NT | NW Territory | $0.00 | $0.00 | $0.00 |
| NV | Nevada | $80,555.99 | $78,936.70 | $159,492.69 |
| NY | New York | $0.00 | $0.00 | $0.00 |
| OH | Ohio | $0.00 | $144.50 | $144.50 |
| OK | Oklahoma | $0.00 | $0.00 | $0.00 |
| ON | Ontario | $0.00 | $602.92 | $602.92 |
| OR | Oregon | $11.00 | ($2,182.32) | ($2,171.32) |
| PA | Pennsylvania | ($6.47) | $0.00 | ($6.47) |
| PE | Price Edward Island | $0.00 | ($49.00) | ($49.00) |
| PQ | Quebec | $0.00 | $0.00 | $0.00 |
| RI | Rhode Island | $0.00 | $0.00 | $0.00 |
| SC | South Carolina | ($20.52) | ($10.57) | ($31.09) |
| SD | South Dakota | $0.00 | $97.29 | $97.29 |
| SK | Saskatchewan | ($25.12) | ($24.06) | ($49.18) |
| TN | Tennessee | ($78.34) | $55.32 | ($23.02) |
| TX | Texas | $55,373.88 | $59,948.25 | $115,322.13 |
| UT | Utah | ($512.61) | ($20.53) | ($533.14) |
| VA | Virginia | $40.79 | $37.50 | $78.29 |
| VT | Vermont | $0.00 | $0.00 | $0.00 |
| WA | Washington | ($10.95) | ($553.98) | ($564.93) |
| WI | Wisconsin | $0.00 | $0.00 | $0.00 |
| WV | West Virginia | ($16.73) | $0.00 | ($16.73) |
| WY | Wyoming | ($22,008.56) | ($5,358.69) | ($27,367.25) |
| YT | Yukon | $0.00 | $0.00 | $0.00 |
| **Totals** | | $237,492.57 | $256,055.42 | $493,547.99 |

5b-2

| Prepared by: SH | Index No: |
|---|---|
| Date: 2/24/12 | **2a-2v2/2** |

Purpose: To determine tax due by jurisdiction
Source: See column references
Scope: Audit period
Conclusion: Total tax due determined by jurisdiction

# INTERNATIONAL REGISTRATION PLAN
## 2005 WYOMING AUDIT SUMMARY

**Carrier Name:** *CUSA, LLC*
**Address:** 8150 North Central Expressway, Suite M1000
Dallas, TX 75206
**Carrier Rep:** Jeffrey Griffin
**Telephone:** (972) 354-3569
**Lead Auditor:** Stacey Hammock

**Fleet #:** 1
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**FEI #:** 651193523
**Audit Period:** 2005
1=1st year estimate
2= Subsequent year estimate
A = added jurisdiction
N = no prorate

| | Jurisdiction | 1 Reported Distance Application | 2 Reported Percent Application | 3 Audited Distance 600v2 | 4 Audited Percent 2a-2-1-1v2 | 5 Percent Change COL 4-2 | 6 Fees Transmitted Application | 7 Fees Audited 2a-2-1-1v2 | 8 100% Fees Calculated 611's | 9 Difference COL 7-6+8 | tick |
|---|---|---|---|---|---|---|---|---|---|---|---|
| AL | Alabama | 208,186 | 0.00748 | 227,407 | 0.00749 | 0.00001 | $1,782.92 | $1,782.92 | $0.00 | $0.00 | |
| AR | Arkansas | 665,891 | 0.02393 | 986,065 | 0.03248 | 0.00855 | $13,424.45 | $18,175.01 | $0.00 | $4,750.56 | |
| AZ | Arizona | 2,276,613 | 0.08181 | 2,266,402 | 0.07466 | -0.00715 | $150,191.17 | $137,099.94 | $424.13 | ($12,667.10) | |
| CA | California | 6,558,817 | 0.23569 | 6,899,553 | 0.22728 | -0.00841 | $530,742.00 | $512,329.00 | $142,739.39 | $124,326.39 | |
| CO | Colorado | 1,611,259 | 0.05790 | 1,631,479 | 0.05374 | -0.00416 | $91,627.17 | $85,059.38 | $1,008.93 | ($5,558.86) | |
| CT | Connecticut | 285 | 0.00001 | 285 | 0.00001 | 0.00000 | $10.03 | $10.03 | $0.00 | $0.00 | |
| DC | Dist.of Columbia | 1,373 | 0.00005 | 4,243 | 0.00014 | 0.00009 | $23.45 | $23.45 | $0.00 | $0.00 | |
| DE | Delaware | 4,720 | 0.00017 | 4,720 | 0.00016 | -0.00001 | $131.16 | $120.61 | $0.00 | ($10.55) | |
| FL | Florida | 334,208 | 0.01201 | 346,904 | 0.01143 | -0.00058 | $7,263.32 | $6,917.57 | $0.00 | ($345.75) | |
| GA | Georgia | 109,244 | 0.00393 | 118,196 | 0.00389 | -0.00004 | $4,116.87 | $4,069.80 | $0.00 | ($47.07) | |
| IA | Iowa | 6,156 | 0.00022 | 6,162 | 0.00020 | -0.00002 | $205.10 | $184.36 | $0.00 | ($20.74) | |
| ID | Idaho | 15,544 | 0.00056 | 16,530 | 0.00055 | -0.00001 | $233.07 | $231.78 | $0.00 | ($1.29) | |
| IL | Illinois | 23,040 | 0.00083 | 24,828 | 0.00082 | -0.00001 | $1,878.55 | $1,856.75 | $0.00 | ($21.80) | |
| IN | Indiana | 2,828 | 0.00010 | 2,828 | 0.00009 | -0.00001 | $48.61 | $48.61 | $0.00 | $0.00 | |
| KS | Kansas | 45,276 | 0.00163 | 40,955 | 0.00135 | -0.00028 | $1,212.48 | $1,004.90 | $0.00 | ($207.58) | |
| KY | Kentucky | 7,287 | 0.00026 | 8,316 | 0.00027 | 0.00001 | $90.29 | $90.29 | $0.00 | $0.00 | |
| LA | Louisiana | 1,238,872 | 0.04452 | 2,214,984 | 0.07297 | 0.02845 | $16,574.38 | $27,022.80 | $0.00 | $10,448.42 | |
| MA | Massachusetts | 60 | 0.00000 | 375 | 0.00001 | 0.00001 | $0.00 | $0.00 | $0.00 | $0.00 | |
| MD | Maryland | 3,583 | 0.00013 | 4,482 | 0.00015 | 0.00002 | $125.67 | $148.37 | $0.00 | $22.70 | |
| ME | Maine | 222 | 0.00001 | 222 | 0.00001 | 0.00000 | $14.38 | $14.38 | $0.00 | $0.00 | |
| MI | Michigan | 1,894 | 0.00007 | 1,894 | 0.00006 | -0.00001 | $0.00 | $0.00 | $0.00 | $0.00 | |
| MN | Minnesota | 5,020 | 0.00018 | 5,020 | 0.00017 | -0.00001 | $47.28 | $46.55 | $0.00 | ($0.73) | |
| MO | Missouri | 107,863 | 0.00388 | 110,804 | 0.00365 | -0.00023 | $1,974.23 | $1,861.29 | $0.00 | ($112.94) | |
| MS | Mississippi | 202,262 | 0.00727 | 220,294 | 0.00726 | -0.00001 | $5,574.94 | $5,566.15 | $0.00 | ($8.79) | |
| MT | Montana | 282,763 | 0.01016 | 289,909 | 0.00955 | -0.00061 | $5,032.80 | $4,736.01 | $0.00 | ($296.79) | |
| NC | North Carolina | 80,172 | 0.00288 | 82,036 | 0.00270 | -0.00018 | $1,418.48 | $1,331.19 | $0.00 | ($87.29) | |
| ND | North Dakota | 14,052 | 0.00015 | 3,649 | 0.00012 | -0.00003 | $79.02 | $63.74 | $3,900.00 | $3,884.72 | |
| NE | Nebraska | 22,890 | 0.00082 | 23,088 | 0.00076 | -0.00006 | $683.54 | $632.85 | $0.00 | ($50.69) | |
| NH | New Hampshire | 8 | 0.00000 | 8 | 0.00000 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | |
| NJ | New Jersey | 4,691 | 0.00017 | 4,829 | 0.00016 | -0.00001 | $22.98 | $22.98 | $0.00 | $0.00 | |
| NM | New Mexico | 102,550 | 0.00369 | 100,954 | 0.00333 | -0.00036 | $594.68 | $540.07 | $0.00 | ($54.61) | |
| NV | Nevada | 3,492,203 | 0.12549 | 4,213,708 | 0.13881 | 0.01332 | $268,428.41 | $296,723.74 | $52,260.66 | $80,555.99 | |
| NY | New York | 7,235 | 0.00026 | 8,315 | 0.00027 | 0.00001 | $39.34 | $39.34 | $0.00 | $0.00 | |
| OH | Ohio | 2,609 | 0.00009 | 2,609 | 0.00009 | 0.00000 | $85.42 | $85.42 | $0.00 | $0.00 | |
| OK | Oklahoma | 58,248 | 0.00209 | 66,984 | 0.00221 | 0.00012 | $172.00 | $172.00 | $0.00 | $0.00 | |

| Prepared by: SH | Index No: |
|---|---|
| Date: 2/24/12 | 2a-2-1v2/1 |

Purpose: To determine tax due by jurisdiction
Source: See column references
Scope: Audit period
Conclusion: Total tax due determined by jurisdiction

# INTERNATIONAL REGISTRATION PLAN
## 2005 WYOMING AUDIT SUMMARY

**Carrier Name:** *CUSA, LLC*
**Address:** 8150 North Central Expressway, Suite M1000
Dallas, TX 75206
**Carrier Rep:** Jeffrey Griffin
**Telephone:** (972) 354-3569
**Lead Auditor:** Stacey Hammock

**Fleet #:** 1
**Account #:** 2462
**FEI #:** 651193523
**Audit Period:** 2005
1=1st year estimate
2= Subsequent year estimate
A = added jurisdiction
N = no prorate

| | Jurisdiction | 1 Reported Distance Application | 2 Reported Percent Application | 3 Audited Distance 600v2 | 4 Audited Percent 2a-2-1-1v2 | 5 Percent Change COL 4-2 | 6 Fees Transmitted Application | 7 Fees Audited 2a-2-1-1v2 | 8 100% Fees Calculated 611's | 9 Difference COL 7-6+8 | tick |
|---|---|---|---|---|---|---|---|---|---|---|---|
| OR | Oregon | 15,463 | 0.00056 | 17,860 | 0.00059 | 0.00003 | $181.22 | $192.22 | $0.00 | $11.00 | |
| PA | Pennsylvania | 2,473 | 0.00009 | 2,473 | 0.00008 | 0.00001 | $51.43 | $44.96 | $0.00 | ($6.47) | |
| RI | Rhode Island | 105 | 0.00000 | 105 | 0.00000 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | |
| SC | South Carolina | 39,246 | 0.00141 | 40,681 | 0.00134 | 0.00007 | $375.68 | $355.16 | $0.00 | ($20.52) | |
| SD | South Dakota | 47,436 | 0.00171 | 51,806 | 0.00171 | 0.00000 | $1,379.63 | $1,379.63 | $0.00 | $0.00 | |
| TN | Tennessee | 268,957 | 0.00967 | 287,254 | 0.00946 | 0.00021 | $3,486.46 | $3,408.12 | $0.00 | ($78.34) | |
| TX | Texas | 8,046,509 | 0.28975 | 8,552,955 | 0.28175 | 0.00740 | $174,298.33 | $169,853.38 | $59,818.83 | $55,373.88 | |
| UT | Utah | 205,909 | 0.00740 | 204,043 | 0.00672 | 0.00068 | $5,745.84 | $5,233.23 | $0.00 | ($512.61) | |
| VA | Virginia | 27,944 | 0.00100 | 38,464 | 0.00127 | 0.00027 | $142.04 | $182.83 | $0.00 | $40.79 | |
| VT | Vermont | 32 | 0.00000 | 0 | 0.00000 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | 2 |
| WA | Washington | 10,559 | 0.00038 | 10,989 | 0.00036 | 0.00002 | $232.75 | $221.80 | $0.00 | ($10.95) | |
| WI | Wisconsin | 2,062 | 0.00007 | 2,062 | 0.00007 | 0.00000 | $62.42 | $62.42 | $0.00 | $0.00 | |
| WV | West Virginia | 734 | 0.00003 | 734 | 0.00002 | 0.00001 | $60.38 | $43.65 | $0.00 | ($16.73) | |
| WY | Wyoming | 1,624,520 | 0.05838 | 1,155,249 | 0.03806 | 0.02032 | $141,180.78 | $94,741.97 | $24,430.25 | ($22,008.56) | |
| AB | Alberta | 76 | 0.00003 | 1,359 | 0.00005 | 0.00002 | $0.00 | $0.00 | $0.00 | $0.00 | |
| BC | British Columbia | 4,829 | 0.00017 | 9,143 | 0.00030 | 0.00013 | $548.52 | $798.52 | $0.00 | $250.00 | |
| MB | Manitoba | 33 | 0.00000 | 0 | 0.00000 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | 2 |
| NB | New Brunswick | (598) | 0.00002 | 406 | 0.00001 | 0.00001 | $0.00 | $0.00 | $0.00 | $0.00 | 2 |
| NF | Newfoundland | | | | | | | | | | |
| NS | Nova Scotia | 1,179 | 0.00004 | 1,179 | 0.00004 | 0.00000 | $36.90 | $36.90 | $0.00 | $0.00 | |
| NT | NW Territory | | | | | | | | | | |
| ON | Ontario | 41,720 | 0.00006 | 1,720 | 0.00006 | 0.00000 | $1,374.62 | $1,374.62 | $0.00 | $0.00 | |
| PE | P.E.I. Island | 667 | 0.00002 | 0 | 0.00000 | 0.00002 | $7.66 | $7.66 | $0.00 | $0.00 | 2 |
| PQ | Quebec | 898 | 0.00003 | 898 | 0.00003 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | |
| SK | Saskatchewan | 697 | 0.00003 | 697 | 0.00002 | 0.00001 | $76.73 | $51.61 | $0.00 | ($25.12) | |
| YT | Yukon | | | | | | | | | | |
| MX | Mexico | | | | | | | | | | |
| | **Totals** | 27,791,255 | 0.99869 | 30,319,114 | 0.99878 | | $1,433,159.58 | $1,386,069.96 | $284,582.19 | $237,492.57 | |

2a-2v2

| Prepared by: SH | Index No: |
|---|---|
| Date: 2/24/12 | **2a-2-1v2/2** |

Purpose: To determine tax due by jurisdiction
Source: See column references
Scope: Audit period
Conclusion: Total tax due determined by jurisdiction

# INTERNATIONAL REGISTRATION PLAN
## 2006 WYOMING AUDIT SUMMARY

**Carrier Name:** *CUSA, LLC*
**Address:** 8150 North Central Expressway, Suite M1000
Dallas, TX 75206
**Carrier Rep:** Jeffrey Griffin
**Telephone:** (972) 354-3569
**Lead Auditor:** Stacey Hammock

**Fleet #:** 1
**Account #:** 2462
**FEI #:** 651193523
**Audit Period:** 2006
1=1st year estimate
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A = added jurisdiction
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| | Jurisdiction | 1 Reported Distance Application | 2 Reported Percent Application | 3 Audited Distance 600v2 | 4 Audited Percent 2a-2-2-1v2 | 5 Percent Change COL 4-2 | 6 Fees Transmitted Application | 7 Fees Audited 2a-2-2-1v2 | 8 100% Fees Calculated 611's | 9 Difference COL 7-6+8 | tick |
|---|---|---|---|---|---|---|---|---|---|---|---|
| AL | Alabama | 487,455 | 0.00875 | 513,506 | 0.00869 | -0.00006 | $2,033.08 | $2,021.53 | $0.00 | ($11.55) | |
| AR | Arkansas | 1,149,192 | 0.02063 | 1,456,614 | 0.02465 | 0.00402 | $11,500.07 | $13,736.49 | $0.00 | $2,236.42 | |
| AZ | Arizona | 4,058,118 | 0.07286 | 3,972,397 | 0.06724 | -0.00562 | $32,747.78 | $22,521.93 | $2,081.58 | ($8,144.27) | |
| CA | California | 13,431,637 | 0.24114 | 14,048,742 | 0.23779 | -0.00335 | $534,163.00 | $527,127.00 | $126,412.08 | $119,376.08 | |
| CO | Colorado | 3,319,717 | 0.05960 | 3,542,939 | 0.05997 | 0.00037 | $90,232.44 | $90,792.95 | $646.01 | $1,206.52 | |
| CT | Connecticut | 2,485 | 0.00005 | 2,595 | 0.00004 | -0.00001 | $33.45 | $23.46 | $0.00 | ($9.99) | |
| DC | Dist of Col | 5,320 | 0.00010 | 8,659 | 0.00015 | 0.00005 | $162.97 | $162.97 | $0.00 | $0.00 | |
| DE | Delaware | 939 | 0.00002 | 939 | 0.00002 | 0.00000 | $13.99 | $13.99 | $0.00 | $0.00 | |
| FL | Florida | 712,181 | 0.01279 | 730,434 | 0.01236 | -0.00043 | $7,642.39 | $7,385.68 | $0.00 | ($256.71) | |
| GA | Georgia | 210,661 | 0.00378 | 230,756 | 0.00391 | 0.00013 | $3,844.52 | $3,972.79 | $0.00 | $128.27 | |
| IA | Iowa | 10,811 | 0.00019 | 11,452 | 0.00019 | 0.00000 | $175.88 | $175.88 | $0.00 | $0.00 | |
| ID | Idaho | 43,166 | 0.00078 | 50,408 | 0.00085 | 0.00007 | $323.40 | $356.57 | $0.00 | $33.17 | |
| IL | Illinois | 140,906 | 0.00073 | 44,719 | 0.00076 | 0.00003 | $1,452.49 | $1,513.13 | $0.00 | $60.64 | |
| IN | Indiana | 6,840 | 0.00012 | 7,212 | 0.00012 | 0.00000 | $58.43 | $58.43 | $0.00 | $0.00 | |
| KS | Kansas | 46,794 | 0.00084 | 44,485 | 0.00075 | -0.00009 | $619.13 | $556.79 | $0.00 | ($62.34) | |
| KY | Kentucky | 29,740 | 0.00053 | 33,573 | 0.00057 | 0.00004 | $180.23 | $191.12 | $0.00 | $10.89 | |
| LA | Louisiana | 2,021,803 | 0.03630 | 3,178,761 | 0.05380 | 0.01750 | $13,193.60 | $19,544.49 | $0.00 | $6,350.89 | |
| MA | Massachusetts | 2,551 | 0.00005 | 2,989 | 0.00005 | 0.00000 | $22.09 | $22.09 | $0.00 | $0.00 | |
| MD | Maryland | 5,969 | 0.00011 | 7,001 | 0.00012 | 0.00001 | $112.21 | $122.82 | $0.00 | $10.61 | |
| ME | Maine | 4,752 | 0.00009 | 4,409 | 0.00008 | -0.00001 | $138.38 | $123.18 | $0.00 | ($15.20) | |
| MI | Michigan | 3,268 | 0.00006 | 3,325 | 0.00006 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | |
| MN | Minnesota | 5,785 | 0.00010 | 6,474 | 0.00011 | 0.00001 | $28.91 | $29.58 | $0.00 | $0.67 | |
| MO | Missouri | 129,373 | 0.00232 | 137,068 | 0.00232 | 0.00000 | $1,164.04 | $1,164.04 | $0.00 | $0.00 | |
| MS | Mississippi | 481,410 | 0.00864 | 510,942 | 0.00865 | 0.00001 | $6,516.68 | $6,525.85 | $0.00 | $9.17 | |
| MT | Montana | 1,282,543 | 0.02303 | 1,311,356 | 0.02220 | -0.00083 | $11,238.82 | $10,829.56 | $0.00 | ($409.26) | |
| NC | North Carolina | 153,799 | 0.00276 | 155,750 | 0.00264 | -0.00012 | $2,010.19 | $1,920.64 | $0.00 | ($89.55) | |
| ND | North Dakota | 6,859 | 0.00012 | 6,859 | 0.00012 | 0.00000 | $61.11 | $61.11 | $3,890.00 | $3,890.00 | |
| NE | Nebraska | 81,578 | 0.00147 | 82,216 | 0.00139 | -0.00008 | $1,214.00 | $1,147.89 | $0.00 | ($66.11) | |
| NH | New Hampshire | 401 | 0.00001 | 417 | 0.00001 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | |
| NJ | New Jersey | 5,835 | 0.00011 | 6,496 | 0.00011 | 0.00000 | $11.71 | $11.71 | $0.00 | $0.00 | |
| NM | New Mexico | 143,144 | 0.00257 | 158,311 | 0.00268 | 0.00011 | $408.75 | $424.75 | $0.00 | $16.00 | |
| NV | Nevada | 6,251,319 | 0.11223 | 7,040,806 | 0.11917 | 0.00694 | $228,775.39 | $242,922.09 | $64,790.00 | $78,936.70 | |
| NY | New York | 12,513 | 0.00023 | 13,169 | 0.00022 | -0.00001 | $32.57 | $32.57 | $0.00 | $0.00 | |
| OH | Ohio | 12,325 | 0.00022 | 21,541 | 0.00037 | 0.00015 | $216.22 | $360.72 | $0.00 | $144.50 | |
| OK | Oklahoma | 102,422 | 0.00184 | 116,211 | 0.00197 | 0.00013 | $171.00 | $171.00 | $0.00 | $0.00 | |

| Prepared by: SH | Index No: |
|---|---|
| Date: 2/24/12 | 2a-2-2v2/1 |

Purpose: To determine tax due by jurisdiction
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# INTERNATIONAL REGISTRATION PLAN
## 2006 WYOMING AUDIT SUMMARY

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|---|---|---|---|---|---|---|---|---|---|---|---|
| OR | Oregon | 924,505 | 0.01660 | 353,786 | 0.00599 | -0.01061 | $5,415.87 | $1,955.55 | $1,278.00 | ($2,182.32) | |
| PA | Pennsylvania | 7,347 | 0.00013 | 7,727 | 0.00013 | 0.00000 | $72.82 | $72.82 | $0.00 | $0.00 | |
| RI | Rhode Island | 619 | 0.00001 | 702 | 0.00001 | 0.00000 | $0.00 | $0.00 | $0.00 | $0.00 | |
| SC | South Carolina | 80,180 | 0.00144 | 82,470 | 0.00140 | -0.00004 | $381.95 | $371.38 | $0.00 | ($10.57) | |
| SD | South Dakota | 88,090 | 0.00158 | 100,192 | 0.00170 | 0.00012 | $1,266.96 | $1,364.25 | $0.00 | $97.29 | |
| TN | Tennessee | 610,464 | 0.01096 | 657,125 | 0.01112 | 0.00016 | $3,861.87 | $3,917.19 | $0.00 | $55.32 | |
| TX | Texas | 15,589,892 | 0.27989 | 16,691,109 | 0.28251 | 0.00262 | $167,322.10 | $168,884.83 | $58,385.52 | $59,948.25 | |
| UT | Utah | 418,382 | 0.00751 | 442,726 | 0.00749 | -0.00002 | $5,864.18 | $5,843.65 | $0.00 | ($20.53) | |
| VA | Virginia | 63,331 | 0.00114 | 83,726 | 0.00142 | 0.00028 | $159.81 | $197.31 | $0.00 | $37.50 | |
| VT | Vermont | 887 | 0.00002 | 887 | 0.00002 | 0.00000 | $21.67 | $21.67 | $0.00 | $0.00 | |
| WA | Washington | 162,041 | 0.00291 | 116,744 | 0.00198 | -0.00093 | $1,744.92 | $1,190.94 | $0.00 | ($553.98) | |
| WI | Wisconsin | 2,559 | 0.00005 | 3,207 | 0.00005 | 0.00000 | $43.09 | $43.09 | $0.00 | $0.00 | |
| WV | West Virginia | 1,887 | 0.00003 | 1,887 | 0.00003 | 0.00000 | $51.85 | $51.85 | $0.00 | $0.00 | |
| WY | Wyoming | 3,403,249 | 0.06110 | 2,967,722 | 0.05023 | -0.01087 | $149,435.11 | $124,242.34 | $19,834.08 | ($5,358.69) | |
| AB | Alberta | 4,945 | 0.00009 | 8,514 | 0.00014 | 0.00005 | $0.00 | $0.00 | $0.00 | $0.00 | |
| BC | British Columbia | 8,853 | 0.00016 | 16,218 | 0.00028 | 0.00012 | $431.12 | $623.12 | $0.00 | $192.00 | |
| MB | Manitoba | 600 | 0.00001 | 0 | 0.00000 | -0.00001 | $24.26 | $0.00 | $0.00 | ($24.26) | 2 |
| NB | New Brunswick | 394 | 0.00001 | 1,544 | 0.00003 | 0.00002 | $0.00 | $0.00 | $0.00 | $0.00 | |
| NF | Newfoundland | | | | | | | | | | |
| NS | Nova Scotia | 152 | 0.00000 | 11,391 | 0.00019 | 0.00019 | $0.00 | $0.00 | $0.00 | $0.00 | |
| NT | NW Territory | | | | | | | | | | |
| ON | Ontario | 2,441 | 0.00004 | 3,377 | 0.00006 | 0.00002 | $1,205.15 | $1,808.07 | $0.00 | $602.92 | |
| PE | P.E.Island | 3,330 | 0.00006 | 249 | 0.00000 | -0.00006 | $220.43 | $171.43 | $0.00 | ($49.00) | 2 |
| PQ | Quebec | 814 | 0.00002 | 1,013 | 0.00002 | 0.00000 | $21.19 | $21.19 | $0.00 | $0.00 | |
| SK | Saskatchewan | 440 | 0.00001 | 0 | 0.00000 | -0.00001 | $24.06 | $0.00 | $0.00 | ($24.06) | 2 |
| YT | Yukon | | | | | | | | | | |
| MX | Mexico | | | | | | | | | | |
| **Totals** | | 55,639,013 | 0.99894 | 59,015,847 | 0.99893 | | $1,388,067.33 | $1,366,805.48 | $277,317.27 | $256,055.42 | |

2a-2v2

| Prepared by: SH | Index No: |
|---|---|
| Date: 2/24/12 | **2a-2-2v2/2** |

Purpose: To determine tax due by jurisdiction
Source: See column references
Scope: Audit period
Conclusion: Total tax due determined by jurisdiction

| UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE | PROOF OF CLAIM | |
|---|---|---|
| Name of Debtor: CUSA, LLC | Case Number: 12-10045 | |

*NOTE: See reverse and attached for List of Debtors/Case Numbers/important details. Other than claims under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for Administrative Expenses arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503(a).*

**Name of Creditor** (the person or other entity to whom the debtor owes money or property):
California Department of Motor Vehicles

Name and address where notices should be sent:
California Department of Motor Vehicles
Audits Office
2415 First Ave. MS F157
Sacramento, CA 95818
Attn: Vahid Hojjat

Creditor Telephone Number (916) 657-9084 email: Vahid.Hojjat@dmv.ca.gov

RECEIVED
APR 02 2012
BMC GROUP
If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.
THIS SPACE IS FOR COURT USE ONLY

Name and address where payment should be sent (if different from above):

Payment Telephone Number ( ) email:

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box to indicate that this claim amends a previously filed claim.
Court Claim Number (If known): _____
Filed on: _____

1. AMOUNT OF CLAIM AS OF DATE CASE FILED $ 243,702.47
If all or part of your claim is secured, complete item 4.
If all or part of your claim is entitled to priority, complete item 5.
☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. BASIS FOR CLAIM: (See instruction #2) Wyoming IRP audit of registration years 2005 & 2006

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: 2462

3a. Debtor may have scheduled account as: State of Wyoming (See instruction #3a)

3b. Uniform Claim Identifier (optional): 2462 (See instruction #3b)

4. SECURED CLAIM: (See instruction #4)
Check the appropriate box if your claim is secured by a lien on property or a right of set off, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff: Describe:
☐ Real Estate ☐ Motor Vehicle ☐ Other _____

Value of Property: $ _____

Annual Interest Rate: _____ % ☐ Fixed or ☐ Variable (when case was filed)

Amount of arrearage and other charges, as of time case filed, included in secured claim, if any: $ _____

Basis for Perfection: _____

Amount of Secured Claim: $ _____

Amount Unsecured: $ _____

5. Amount of Claim Entitled to Administrative Expense status under 11 U.S.C. § 503(b)(9) or Priority under 11 U.S.C. § 507(a). If any part of the claim falls into one of the following categories, check the box specifying the administrative expense or priority and state the amount.

Amount entitled to priority: $ 243,702.47

Amount entitled to administrative expense under 11 U.S.C. § 503(b)(9): $ _____

You MUST specify the priority of the claim:

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use -11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to $11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

☒ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (____).

☐ Value of goods received by the debtor within 20 days before the date of the bankruptcy filing - 11 U.S.C. § 503(b)(9).

Coach America

* *Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

01846

6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)

7. **DOCUMENTS:** *Attached are redacted copies of documents that support the claim,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and definition of "redacted").

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

**DATE-STAMPED COPY** To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

**The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Eastern Time on April 2, 2012 for Non-Governmental Claimants OR on or before July 2, 2012 for Governmental Units.**

BY MAIL TO:
BMC Group, Inc.
Attn: Coach America Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

BY MESSENGER OR OVERNIGHT DELIVERY TO:
BMC Group, Inc.
Attn: Coach America Claims Processing
18675 Lake Drive East
Chanhassen, MN 55317

8. **SIGNATURE:** (See instruction #8)

Check the appropriate box.

☐ I am the creditor. ☒ I am the creditor's authorized agent. (Attach copy of power of attorney, if any.) ☐ I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information providedin this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Vahid Hojjat
Title: Audit Manager
Company: California Department of Motor Vehicles

Vahid Hojjat
(Signature) (Date)

Address and telephone number (if different from notice address above):

Telephone number: email:

*Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.*

## LIST OF DEBTORS:

| Debtor Name | Case Number | Debtor Name | Case Number | Debtor Name | Case Number |
|---|---|---|---|---|---|
| ACL Leasing, LLC | 12-10042 | CUSA AT, LLC | 12-10047 | CUSA RAZ, LLC | 12-10064 |
| America Charters, Ltd. | 12-10021 | CUSA AWC, LLC | 12-10048 | CUSA Transit Services, LLC | 12-10065 |
| American Coach Lines of Atlanta, Inc. | 12-10022 | CUSA BCCAE, LLC | 12-10049 | CUSA, LLC | 12-10045 |
| American Coach Lines of Jacksonville, Inc. | 12-10023 | CUSA BESS, LLC | 12-10050 | Dillon's Bus Service, Inc. | 12-10029 |
| American Coach Lines of Miami, Inc. | 12-10024 | CUSA CC, LLC | 12-10051 | Florida Cruise Connection, Inc. | 12-10030 |
| American Coach Lines of Orlando, Inc. | 12-10026 | CUSA CSS, LLC | 12-10052 | Gel A Bus, LLC | 12-10066 |
| American Coach Lines, Inc. | 12-10019 | CUSA EE, LLC | 12-10053 | Hopkins Airport Limousine Services, Inc. | 12-10032 |
| B & A Charter Tours, Inc. | 12-10028 | CUSA ELKO, LLC | 12-10054 | KBUS Holdings, LLC | 12-10041 |
| CAPD, LLC | 12-10043 | CUSA ES, LLC | 12-10055 | Lakefront Lines, Inc. | 12-10033 |
| Coach Am Group Holdings Corp. | 12-10010 | CUSA FL, LLC | 12-10056 | Midnight Sun Tours, Inc. | 12-10035 |
| Coach Am Holdings Corp. | 12-10017 | CUSA GCBS, LLC | 12-10057 | Royal Tours of America, Inc. | 12-10036 |
| Coach America Group, Inc. | 12-10027 | CUSA GCT, LLC | 12-10058 | Southern Coach Company | 12-10037 |
| Coach America Holdings, Inc. | 12-10018 | CUSA KBC, LLC | 12-10059 | The McMahon Transportation Company | 12-10034 |
| Coach America Transportation Solutions, LLC | 12-10044 | CUSA K-TCS, LLC | 12-10060 | Tippett Travel, Inc. | 12-10038 |
| Coach BCCAE, L.P. | 12-10067 | CUSA Leasing, LLC | 12-10061 | Trykap Airport Services, Inc. | 12-10039 |
| Coach Leasing BCCAE, L.P. | 12-10068 | CUSA PCSTC, LLC | 12-10062 | Trykap Transportation Management, Inc. | 12-10040 |
| CUSA ASL, LLC | 12-10046 | CUSA PRTS, LLC | 12-10063 | | |

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION, AND HOUSING AGENCY EDMUND G. BROWN JR, Governor

**DEPARTMENT OF MOTOR VEHICLES**
**AUDITS OFFICE**
IRP AUDIT SECTION, F157
P. O. BOX 932328
SACRAMENTO, CA 94232-3280

June 19, 2012

BMC Group, Inc.
Attn: Coach America Claims Processing
P. O. Box 3020
Chanhassen, MN 55317-3020

Re: Proof of Claim
CUSA, LLC - IRP Account No. 2462-01
Registration Years 2007, 2008, 2009, 2010, 2011, & 2012

To whom it may concern:

This letter is to inform you that the California Department of Motor Vehicles (DMV) is hereby filing a Proof of Claim in the amount of $933,702 for projected fees due to DMV. (See Attachment #1)

This claim is based on a completed International Registration Plan (IRP) audit of CUSA, LLC (CUSA) by Wyoming for registration years 2005 and 2006. Based on Wyoming's audit, we project that an audit of the six years noted above will show CUSA underpaid the California fees by $933,702. (See Attachment #2)

The IRP is a registration reciprocity agreement between 59 member jurisdictions that include the 48 contiguous states, District of Columbia, and 10 Canadian provinces. IRP provides for registrants to apportion register their fleet vehicles in their base jurisdiction and obtain operating authority in the various member jurisdictions they request. The base jurisdiction provides one license plate and one cab card for each vehicle and collects the registration fees for all jurisdictions where operating authority is requested; the base jurisdictions transmit the fees to each jurisdiction accordingly. In accordance with the IRP, base jurisdictions are required to audit their registrants on behalf of all affected member jurisdictions.

The completed IRP audit of CUSA, Account No. 2462-01, for registration years 2005 and 2006 found that several buses registered under this account failed to travel in more than one jurisdiction which is an IRP requirement to qualify for apportioned registration. In accordance with the IRP, the buses that had traveled only in California were placed on full California registration fees resulting California assessment of $243,702.47 for both audited years. (See Attachment #3)

A Proof of Claim was previously filed for the fees due resulting from the completed audit of registration years 2005 and 2006. (See Attachment #4)

Based on our review of the registrant's operation and available information, we conclude that an audit of registration years 2007 through 2012 will result in fees due to DMV. CUSA's fleet listings show that many of the buses placed on full California fees in the audit of 2005 and 2006 remained apportion registered under the subject account in the following years. If these buses continued operating only in California, they would not qualify for apportioned registration and are subject to full California fees.

The DMV will request that Wyoming, the base jurisdiction, audit registration years 2007 through 2012 to determine the actual amount of fees due to DMV from CUSA, IRP Account No. 2462-01. To file a timely Proof of Claim, available information is used to project the amount of fees due to the DMV.

This explanation is provided to support the basis of this claim which is necessary to preserve the right to collect the California fees once they are determined. If you have any questions, please contact me at (916) 657-9084.

Sincerely,

Vahid Hojjat

VAHID HOJJAT, Audit Manager
IRP Audit Section

Attachments

ADM 636 (REV. 3/95)

IF NOT DELIVERED IN 15 DAYS RETU

Department of Motor Vehicles
Audits Office
IRP Audit Section, MS: F157
P.O. Box 932328
Sacramento, CA 94232-3140

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RECEIVED
JUN 22 2012
BMC GROUP

BMC Group, Inc.
Attn: Coach America Claims Processing
P.O. Box 3020
Chanhassen, MN 55317-3020