

PERFORMANCE AUDIT REPORT

Vehicle Identification Number Inspection Program

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
March 1988**

PERFORMANCE AUDIT REPORT

VEHICLE IDENTIFICATION NUMBER INSPECTION PROGRAM

OBTAINING AUDIT INFORMATION

This audit was conducted by Leo Hafner, Senior Auditor, and Allan Foster, Auditor, of the Division's staff. If you need any additional information about the audit's findings, please contact Mr. Hafner at the Division's offices.

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VEHICLE IDENTIFICATION NUMBER INSPECTION PROGRAM

Summary of Legislative Post Audit's Findings

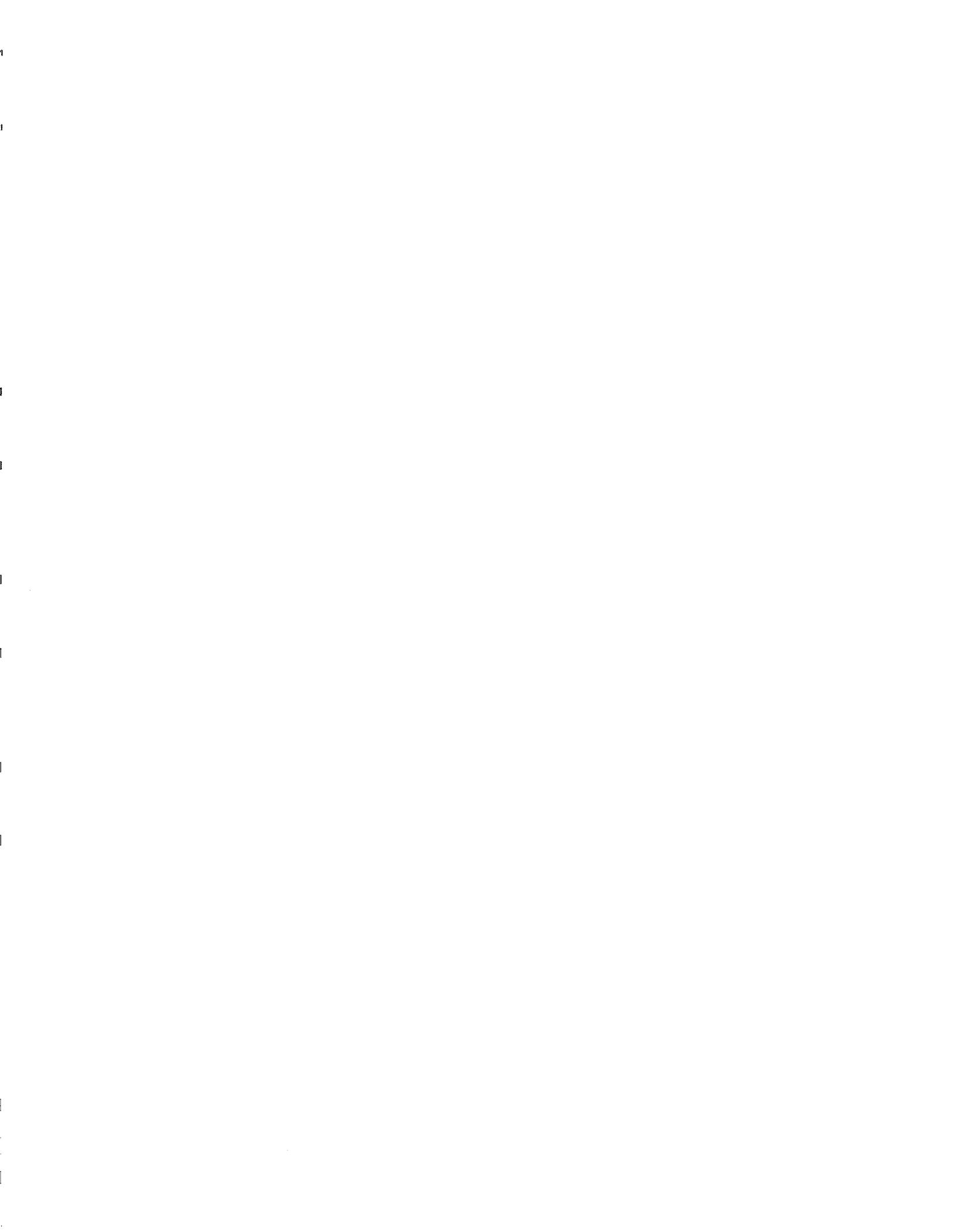
In Kansas, used vehicles being titled in the State for the first time, vehicles going from a non-highway to a highway title, and all vehicles reconstructed, assembled, or restored from parts of other vehicles, are inspected to verify that the vehicle identification number shown on the title is genuine and agrees with the identification number on the vehicle. The Highway Patrol or one of its designees does the inspections. The designees only do inspections of vehicles being titled in Kansas for the first time. The Highway Patrol does the inspections of assembled or reconstructed vehicles. During fiscal year 1987, the Highway Patrol had contracts with 81 local law enforcement agencies and 18 private designees to help provide inspections.

How many vehicle identification number inspections have been conducted, and what fee revenues have they generated? The vehicle identification number inspection program resulted in more than 143,000 inspections and \$1.4 million in fee collections during fiscal year 1987. About two-thirds of the inspections were conducted by private designees, about 22 percent were conducted by local law enforcement agencies, and about 10 percent were conducted by the Highway Patrol. In all, the State received approximately \$277,000 in revenue from the inspection program in fiscal year 1987.

Are vehicle identification number inspection services available in all areas of the State? Inspection services are available in all counties. Local law enforcement agencies do inspections in 68 counties, private designees in 25 counties, and the Highway Patrol in 12 counties. Those counties where inspections are done by local law enforcement agencies generally have the greatest availability of inspection times.

Are proper accounting methods being used in handling inspection fee revenues? The controls the Patrol has established over the program appear to be adequate; however, not all of the controls are being strictly adhered to. This situation could allow designees to make inspections and not fully account for all the money collected. In addition, some designees are not strictly following procedures established by the Patrol.

Do the inspection fees cover the cost of the inspections for the State and for private designees? The approximate labor and overhead cost of doing an inspection ranged from \$2.13 to \$7.37. The fee charged for the inspections generally covers these costs and allows some profit for the designees. The amount the State collects from the inspection program appears to cover the estimated cost of administering the program. No other states the auditors contacted had a fee-sharing arrangement similar to Kansas', so no specific comparisons could be made with other states.



VEHICLE IDENTIFICATION NUMBER INSPECTION PROGRAM

In 1974, the Kansas Legislature passed a bill creating a Motor Vehicle Inspection program to be administered by the Kansas Highway Patrol. At that time, any vehicles being sold at retail in Kansas and any vehicles coming into Kansas to be titled were to be inspected for various safety items before being passed. Part of that inspection was the checking of the vehicle identification number on both the vehicle and the title. Although the inspections were supervised by the Highway Patrol, they were done by inspection station employees who were not trained in auto theft or the detection of altered and switched vehicle identification number plates.

The 1984 Legislature passed legislation repealing the Motor Vehicle Inspection program and replacing it with a Vehicle Identification Number Inspection program. The new program required the inspections to be done by persons with law enforcement experience. Major purposes of this program include preventing odometer tampering and preventing the laundering of titles to stolen vehicles in Kansas. Safety inspections are no longer done.

During the 1987 interim, the Special Committee on Transportation studied issues related to the Vehicle Identification Number Inspection program, including the administration and funding of the program, problems associated with motor vehicle odometer rollbacks, and requirements for certain disclosures by motor vehicle dealers to purchasers. Recently, legislators have expressed a number of questions and concerns about this program. To address these concerns, the Legislative Post Audit Committee directed the Legislative Division of Post Audit to conduct a performance audit addressing the following specific questions.

- 1. How Many Vehicle Identification Number Inspections Have Been Conducted, and What Fee Revenues Have They Generated?**
- 2. Are Vehicle Identification Number Inspection Services Available In All Areas of the State?**
- 3. Are Proper Accounting Methods Being Used in Handling Inspection Fee Revenues?**
- 4. What is the Approximate Cost of Conducting These Inspections?**
- 5. Does the Division of Fees Between the State And The Entities That Conduct These Inspections Appear to Be Appropriate?**

To answer these questions, the auditors reviewed the Highway Patrol's records of inspections and controls over inspection forms and fee collections. They determined the locations of all inspection sites in the State and the hours those sites are open. The auditors also visited a small sample of local law enforcement agencies and

private entities who do vehicle inspections for the Highway Patrol to determine what it costs to complete an inspection and what controls those entities exercise over the inspection forms and fees they collect. Finally, the auditors gathered information about inspection programs and the fees charged by a sample of other states.

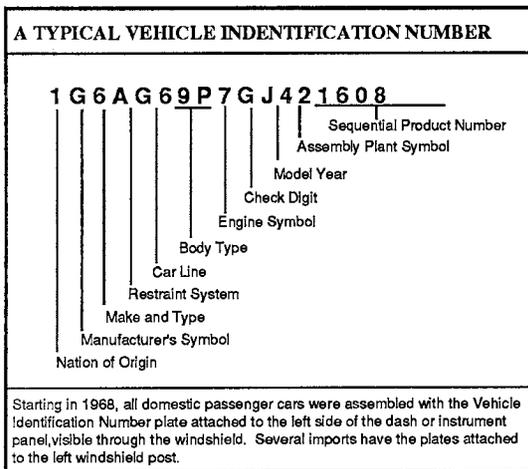
In general, the auditors found that the Highway Patrol and its designees conducted more than 143,000 inspections and collected \$1.4 million in fiscal year 1987. The availability of inspections is limited in some counties; although all counties have at least one inspection location, some locations operate on an appointment-only basis, and others have very limited hours of operation.

Controls are generally adequate to ensure that inspection fees are being accounted for, but the auditors noted several weaknesses in the system. The cost of completing a vehicle identification number inspection varies significantly depending on the entity doing the inspections. Designees incurred labor and overhead costs ranging from \$2 to \$7 for a typical inspection. The portion of the fee revenue that goes to the State appears to be reasonable because it covers the basic costs of administering the program.

These and other findings are discussed in more detail after a brief discussion of the inspection program. Because the last two audit questions are closely related, those two questions have been combined for reporting purposes.

Overview of the Vehicle Identification Number Inspection Program

Since 1954, American automobile manufacturers have used a vehicle identification number (VIN) that describes the vehicle for identification purposes. Beginning with the 1981 model year, the National Highway Traffic Safety Administration required manufacturers selling over-the-road vehicles in the United States to produce the vehicles with a 17-character vehicle identification number. This standard establishes a fixed vehicle identification number format that applies to all motorcycles, passenger cars, multipurpose passenger vehicles, incomplete vehicles, trucks, buses, and trailers with a gross vehicle weight of 10,000 pounds or less. A typical vehicle identification number is shown in the box on the left.



The first three characters uniquely identify the nation of origin, the manufacturer, and the make and type of vehicle. The next five characters have been designated as the vehicle description section. These characters identify the attributes of the vehicle such as model, body style, and engine. The ninth digit serves as a check digit.

The final eight characters, referred to as the vehicle identification section, represent the model year, the plant where the vehicle was manufactured, and the sequential production number of the vehicle.

In Kansas, used vehicles being titled in the State for the first time, vehicles going from a non-highway to a highway title, and all vehicles reconstructed, assembled, or restored from parts of other vehicles, are inspected to verify that the vehicle identification number shown on the title is genuine and agrees with the identification number on the vehicle.

A typical inspection consists of the following steps:

- The out-of-state title is examined for authenticity.
- The vehicle identification number on the car is checked for authenticity. The inspector examines the plate to make sure it is the proper one for that vehicle, checks to see if it is attached properly with the proper rivets for that manufacturer, and checks for scratches or other marks that might indicate tampering. The number is compared to the number on the title.
- The odometer is examined for signs of tampering and the mileage noted. The inspector checks the car for unusual wear.
- The vehicle identification number on the Environmental Protection Agency emissions sticker on the driver's side door is compared to the number on the title.
- The vehicle identification number is checked with the National Crime Information Center computer to determine if the vehicle is listed as stolen.

The Highway Patrol or one of its designees does the inspections. The designees only do inspections of vehicles being titled in Kansas for the first time. The Highway Patrol does all inspections of assembled or reconstructed vehicles. During fiscal year 1987, the Highway Patrol had contracts with 57 sheriffs' offices, 24 police departments, and 18 private designees to help provide the vehicle identification number inspections. Many of the private designees are retired law enforcement officers such as sheriff's officers and Highway Patrol troopers.

Designees doing vehicle inspections for the Highway Patrol are required to have previous law enforcement experience in Kansas or in some other state, and they are trained to do inspections by Motor Vehicle Enforcement officers from the Highway Patrol. The statutory charge for vehicle inspections is \$10 per hour with a minimum charge of \$10. However, no charge is made for inspections to make title corrections or for reinspections when a vehicle has already been inspected within the last 60 days. Private designees and local law enforcement agencies are allowed to keep \$9 from each inspection fee and must remit \$1 to the Highway Patrol.

The Highway Patrol reports that, during fiscal year 1987, 49 vehicles showed up as stolen when vehicle identification numbers were checked against the National Crime Information Center's computer system. However, 33 of those were false "hits" caused by reporting agencies not removing vehicles from the computer when the vehicles were recovered. The remaining 16 were valid, involving such things as body exchanges, retagged vehicles, and insurance fraud. The total value of recovered vehicles was \$82,075, and another \$195,000 of stolen property was recovered as a direct result of the inspection program. Also, a total of 1,117 odometer discrepancies were detected and verified as inaccuracies during the year.

**How Many Vehicle Identification Number Inspections
Have Been Conducted
And What Fee Revenues Have They Generated?**

During fiscal year 1987, the Highway Patrol and its designees inspected more than 143,000 vehicles and collected more than \$1.4 million in fees. The chart below shows the number of inspections made and the total fees collected by the Highway Patrol, local law enforcement agencies, and private designees during each of the last two fiscal years.

Fiscal Year 1987

	<u>Inspections</u>	<u>Fees Collected</u>	<u>Retained by Designee</u>	<u>Remitted to Patrol</u>
Private Designees	96,235	\$962,350	\$866,115	\$96,235
Law Enforcement Designees	32,485	324,850	292,365	32,485
Highway Patrol	14,778	148,319	0	148,319
No-Charge Inspections(a)	4,467	0	0	0
Total (b)	<u>147,965</u>	<u>\$1,435,519</u>	<u>\$1,158,480</u>	<u>\$277,039</u>

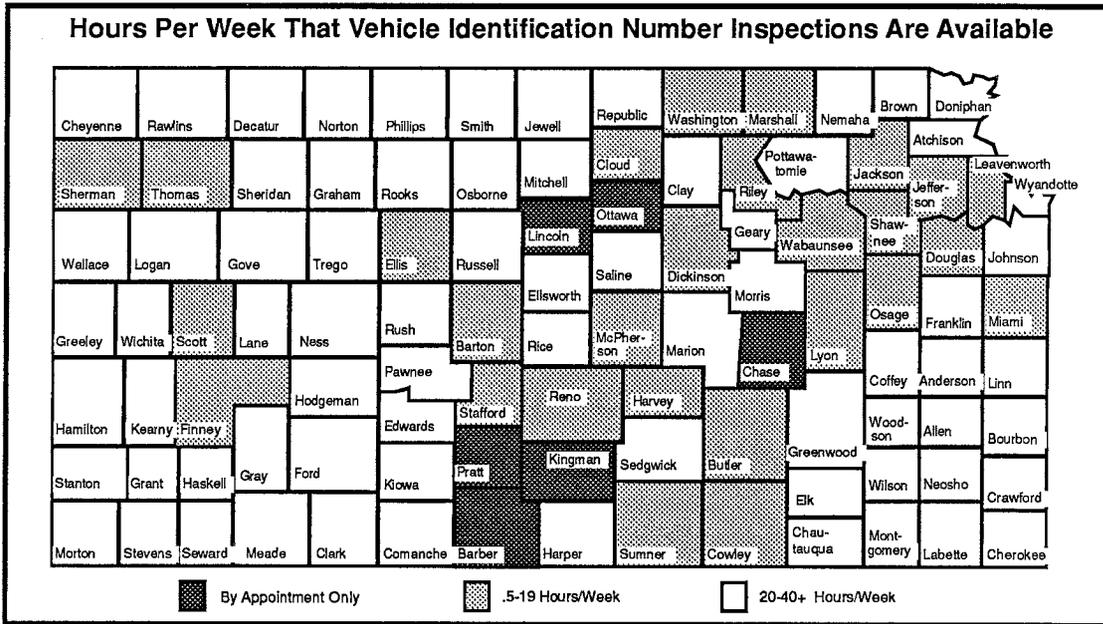
Fiscal Year 1986

	<u>Inspections</u>	<u>Fees Collected</u>	<u>Retained by Designee</u>	<u>Remitted to Patrol</u>
Private Designees	84,944	\$849,440	\$764,496	\$84,944
Law Enforcement Designees	30,396	303,960	273,564	30,396
Highway Patrol	15,560	156,008	0	156,008
No-Charge Inspections(a)	Not Available	0	0	0
Total (b)	<u>130,900</u>	<u>\$1,309,408</u>	<u>\$1,038,060</u>	<u>\$271,348</u>

(a) These inspections are performed by both the Highway Patrol and designees.

(b) Occasionally, persons in the armed forces or otherwise temporarily living out-of-State may buy a vehicle and want to register it in Kansas. In these cases, a law enforcement agency in the State where the person is currently living obtains an inspection form from the Kansas Highway Patrol, makes the inspection, and remits \$1 to the Highway Patrol. These inspections are not reflected in the totals shown above.

The contract signed by designees specifies that the designee shall maintain regular business hours, and the schedule must be approved by the Highway Patrol. Additionally, it specifies that locations do not have to be open 40 hours per week, but that they should have adequate hours to meet the needs of the public. The map below shows the number of hours inspection services are available across the State. Each county is shaded according to the number of hours per week inspection sites are open in that county.



As the map shows, the western and southeastern sections of the State appear to have the greatest choice of inspection times. These areas of the State have the most counties shaded in white on the map. All but six of the counties shaded in white had inspection locations open 40 or more hours per week, and none were open fewer than 25 hours.

None of the 27 counties that fell in the under-20-hours category had inspection sites that were open more than 12 hours per week. Most of these counties are served by private designees.

Six counties in the central part of the State—Lincoln, Ottawa, Chase, Pratt, Kingman, and Barber—have inspections by appointment only. Five of these counties are served by the Highway Patrol, and one is served by the local sheriff. Although these counties are limited in terms of “drop in” business, if they are flexible in scheduling appointments, inspection services in these counties may be as available as they are in some counties with regular hours.

In sum, the auditors concluded that inspections are available in all areas of the State, but those counties where inspections are done by sheriffs or police departments

generally have the greatest availability of inspection times. A detailed listing of the inspection locations in each county and their hours of operation can be found in Appendix B.

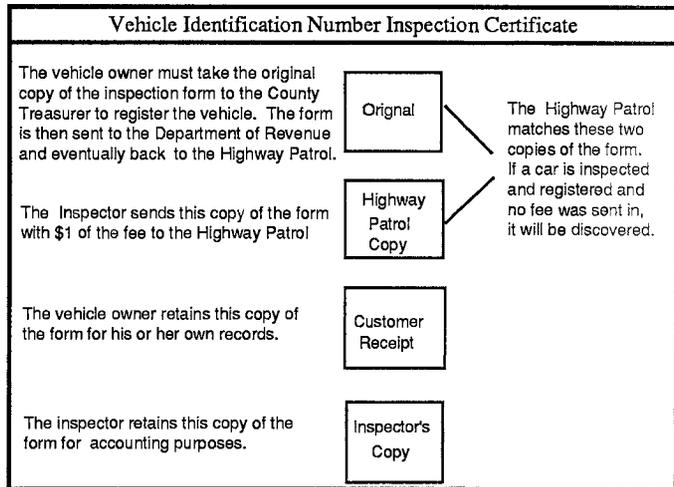
Are Proper Accounting Methods Being Used In Handling Inspection Fee Revenues?

To answer this question, the auditors reviewed the controls the Highway Patrol has established over the collection and deposit of inspection fee receipts, and tested those controls to determine whether they were working as described. The auditors also visited a sample of private designees to determine if they were keeping adequate records of inspections completed and fees collected. Finally, the auditors compared fees collected by the local law enforcement agencies with the amounts those agencies deposited with their county treasurers.

In general, the auditors found that the Highway Patrol has established adequate controls over the system to ensure that inspections are recorded and appropriate fee revenues are remitted to the State. However, those controls are not always strictly adhered to—a situation which could allow local law enforcement agencies to make inspections and not fully account for all the money collected. The auditors also found that some designees are not strictly following procedures established by the Highway Patrol. These findings are discussed in more detail in the sections that follow.

Controls Established by the Highway Patrol Are Generally Adequate To Ensure That Inspection Fee Revenues Are Accounted For

The Highway Patrol has built two major controls into the vehicle identification number inspection system. First, the Patrol has pre-numbered all inspection forms and its staff records the form numbers issued to each person or entity that makes inspections. This procedure provides a record of which form numbers each inspector has, and which form numbers he or she should be turning in with the appropriate fee. A second major control is the form itself. Each inspection form consists of four parts, which are used as shown in the graphic at right.



The fact that the vehicle owner must submit an original copy of the form when registering the vehicle provides a check on the inspectors to ensure that they send in a copy of the form with the appropriate fee. If the Highway Patrol receives an original copy from the Department of Revenue and does not receive a corresponding copy and fee from the inspector, officials will investigate the reason.

To determine if the controls were working as they are supposed to, the auditors reviewed records at the Highway Patrol headquarters and reviewed records for a small sample of division offices and designees who do inspections. They found several weaknesses in the system which could allow inspections to be made without fees being fully accounted for.

The Highway Patrol Tries to Control The Quality of Inspections

In addition to financial controls, the Patrol has also implemented some quality controls for Vehicle Identification Number inspections.

Officials at the Patrol's headquarters review inspection forms to determine that they are complete and properly filled out. Also, when processing vehicle registrations, the Department of Revenue matches vehicle identification numbers against the National Crime Information Center's computer files of stolen vehicles. If a vehicle matches the Center's files, the Department of Revenue Reports this information to the Highway Patrol; in some cases, it may mean that the inspector did not check the vehicle against the computer.

Officials at the Patrol investigate the reasons why the vehicle showed up on the computer when the Department of Revenue ran it and did not show up when the inspector ran it. If the inspector is found to be at fault, a letter of reprimand is sent to the inspector and placed in his or her designee file. If a designee completes too many improper inspections or has too many incomplete or improperly filled-out forms, he or she may no longer be allowed to do inspections. One designee was recently required to stop making inspections for these reasons.

The Division offices of the Highway Patrol did not always have complete records of all inspection forms issued to private designees. The auditors recorded inspection form numbers used by a small sample of private designees during calendar year 1987. They then compared those form numbers with the records at the Patrol's Division offices to ensure that the inspectors were using the same form numbers as the ones the Patrol recorded as being issued to them. At one Division office, the auditors found that two designees had used a total of 679 forms that did not show up in the Division's records as being issued to those designees. At another Division office, a block of 75 forms used by one designee were not recorded as being issued to him.

The fact that all forms issued to designees are not being accurately recorded does not provide a good audit trail that will ensure that all fee revenues are accounted for. For example, if a county auditor wanted to determine that the county sheriff had submitted all inspection fees to the county treasury, he or she might contact the Highway Patrol to verify the inspection certificate numbers issued to the sheriff. The Patrol's records may show that the sheriff was issued inspection certificates with numbers 500-600, for a total of 100 tickets. In fact, the sheriff may have been issued certificates numbered 500-600 and also 750-800, or a total of 150 inspection certificates. An unscrupulous county sheriff could make all 150 inspections, send the county its share of the revenues from 100 of the inspections, and keep the county's share of the revenue from the remaining 50 inspections. If the county auditor relied strictly on the records of the Highway Patrol, he or she might think all the revenue was fully accounted for when in fact one-third of it was missing. Therefore, it is important that the Highway Patrol accurately record all forms issued. It should be noted that the auditors did not find any instances of a designee improperly withholding fees from the county or the State.

Sometimes a vehicle is inspected and registered and no fee is sent in. One way the Patrol makes sure it receives all the fees it should get from the vehicle identi-

fication number inspections is that it matches the original copy of the inspection certificate it receives from the Department of Revenue with the fee copy of the inspection certificate sent in by the inspector. Because of various time lags, the original copy of the inspection certificate may arrive at Highway Patrol headquarters before the fee copy is sent in by the inspector. Those originals for which a fee has not yet been received are kept in a separate file until the fee copies come in and the certificate numbers can be matched up. Officials from the Highway Patrol occasionally go through the file of original inspection certificates and investigate the reasons why fees have not been sent in after a reasonable period of time.

The Highway Patrol's Review Procedures Uncover Missing Fees

In 1986, during a periodic examination of the Vehicle Identification Number inspection records, a Highway Patrol official noticed that one of the county sheriff's had not submitted any inspection fees for several months. The subsequent investigation showed that between August 1985 and July 1986, the sheriff conducted 100 inspections and deposited the fees in his personal checking account. At the conclusion of the investigation the sheriff paid the money owed the Highway Patrol and submitted his resignation to the county.

To see how this control was working, the auditors reviewed a sample of the original copies of inspection certificates which had not yet been matched up with the fee copies sent in by the inspectors. In early March, when the auditors reviewed 288 certificates, they found 47 certificates dated November 1987 or earlier for which the fees had not yet been turned in. Of those 47 certificates, nine had dates in March, April, and May 1987. Although the amount of money due the State is not large, investigation of such discrepancies could uncover instances in which fee revenues are not being submitted to county treasurers as well. Thus, it is important that the discrepancies be investigated and resolved in a timely manner.

Vehicle inspectors are not always following procedures established by the Highway Patrol. The designees did not always use the form numbers in order or follow procedures for handling voided inspection certificates. Procedures state that when a form is ruined or voided, the designee retains the blue copy of the form for his files and is to send in the remaining three copies of the voided form to the Highway Patrol. One designee sent all four copies of all voided forms to the Highway Patrol and did not keep a copy for accounting purposes. Another designee said he throws away the voided forms. Although these problems do not appear to be serious at this time, they make recordkeeping confusing and incomplete, and could result in lost funds if not corrected.

Do the Inspection Fees Cover the Cost of the Inspections For the State and for Private Designees?

The auditors were asked to determine the approximate cost of conducting vehicle identification number inspections and to also determine if the division of the inspection fee revenue between the State and those doing the inspections appeared to be reasonable. To answer these questions, they reviewed the inspection costs incurred by the Highway Patrol and a sample of six entities designated by the Patrol to do inspections. Three of the designees were local law enforcement agencies and three

were private entities. At each location, the auditors determined the average amount of time to conduct an inspection and the labor and overhead costs. They also compared the revenue the State receives from inspections with the costs incurred to administer the Vehicle Identification Number Inspection program. Finally, the auditors contacted a sample of other states to determine what types of vehicle inspections they do, what fees they charge, and how those fees are distributed.

In general, the auditors found that the portion of the inspection fee retained by the State appears to be reasonable because it covers the basic costs of administering the program. No other states the auditors contacted had a fee-sharing arrangement similar to Kansas', so no specific comparisons could be made. The \$9 portion of the fee retained by private designees covers their costs and allows for a profit on each inspection. The amount of the profit varies substantially based on the amount of overhead costs incurred by the designee. These findings are discussed in more detail below.

The Division of Inspection Fee Revenues Between the State and Those Who Do the Inspections Appears to be Reasonable

Designees who do vehicle identification number inspections are allowed to keep \$9 from each \$10 inspection fee, and must remit \$1 to the Highway Patrol to cover administrative expenses of the program. This revenue along with the revenues the Patrol collects from the inspections it does is deposited in the Vehicle Identification Number Fee Fund established at the start of fiscal year 1988.

During fiscal year 1987, these moneys were deposited in the State General Fund. For that year, a total of \$277,241 was deposited in the General Fund from vehicle identification number inspections. The auditors determined that about \$143,700 of that amount was applicable to the administrative expenses of the program. They determined this by taking the total of all the \$1 fees remitted by the private designees who do inspections and by counting \$1 of the fee from each inspection done by the Highway Patrol during the year.

The auditors estimated that the cost of administering the program in fiscal year 1987 was \$139,100. This cost estimate was based on salaries and benefits for personnel who help administer the program and an allocation of overhead costs to those salaries. Therefore, it appears that inspection fees generated about \$4,600 more than the estimated cost of administering the program. The fact that the administrative costs are being covered makes the portion of the fee kept by the State appear reasonable; however, as costs rise the fee and the distribution may need to be reviewed to ensure that administrative costs are being covered.

The auditors also contacted 13 other states to determine how they distributed fees from vehicle identification number inspections. All states contacted required inspections but none had a program that was comparable to use as a basis for comparing the distribution of fees. For example, in Nebraska county sheriffs' employees in-

spect out-of-state and reconstructed vehicles. In that state the entire \$10 fee goes into the county general fund. In Ohio car dealers inspect out-of-state vehicles and keep the \$3 fee. Additional information about the states contacted by the auditors is contained in Appendix C.

**The Approximate Cost of Doing Inspections and
The Associated Profit Available to Private Designees
Varies Considerably**

The auditors gathered information on the cost of inspections done by the each of the three groups who do them—the Highway Patrol, local law enforcement agencies, and private designees. In assembling those costs the auditors visited three local law enforcement agencies and three private designees—one large, one medium-sized, and one small.

The approximate costs of conducting inspections for the Highway Patrol and local law enforcement agencies were estimated by determining an average hourly salary and benefit cost for employees who do the inspections, dividing that cost by the estimated number of inspections that can be done in an hour, and applying overhead costs (rent, utilities, etc.) on the basis of salary costs. Costs of conducting inspections for private designees were determined by dividing designees' fiscal year 1987 business expenditures related to inspections by the number of inspections they completed in that year. The following table shows the cost ranges determined for the three groups.

Approximate Cost Per Inspection

Local Law Enforcement Agencies	\$2.13 to \$4.73
Kansas Highway Patrol	\$3.40
Private Designees	\$4.57 to \$7.37

As the table shows, the cost of inspections vary widely. Private designees generally reported the highest costs per inspection, while the lowest costs were found among the local law enforcement agencies.

Costs differed for the different entities for a number of reasons. First, salaries, which are a large part of the cost, varied considerably. For the law enforcement entities the auditors visited, reported hourly salary and benefits costs ranged from about \$7.50 to \$14. Second, the estimate of the amount of time it takes to complete an inspection varied. Some entities estimated they could do four per hour, while others estimated six per hour. Costs for private designees tended to be higher because they have some expenses that the law enforcement agencies do not incur, such as income taxes, property taxes on vehicles, and the like. Finally, the way in which a designee runs the operation can also affect costs. For example, one private designee who conducts inspections in several counties incurs no rent expense and has no expense for employees because he does the inspections himself and he operates out of his car and the county courthouses. Another private designee, who also does inspections in several counties, rents office space and hires employees to do the inspections.

Conclusion

The Vehicle Identification Number Inspection program resulted in more than 143,000 inspections and \$1.4 million in fee collections during fiscal year 1987. Inspection services are available in all counties, but in some counties the hours of operation are limited. The controls the Highway Patrol has established over the program appear to be adequate; however, not all of the controls are being strictly adhered to. The approximate labor and overhead cost of doing an inspection ranged from \$2.13 to \$7.37. The fee charged for the inspections generally covers these costs and allows some profit for the designees. The amount the State collects from the inspection program appears to cover the estimated costs of administering the program.

Recommendations

To ensure that all vehicle identification number inspection fees are properly accounted for and promptly remitted to the State and the county treasurers, the Highway Patrol should do the following:

- a. Instruct all Highway Patrol Division offices to accurately record all vehicle identification number inspection certificates issued to law enforcement agencies, private designees, and their own officers who conduct inspections.
- b. At least quarterly, review and investigate any original copies of inspection certificates that come in without the corresponding fee being remitted.
- c. Send a reminder to all designees addressing the proper use and handling of inspection forms.

APPENDIX A

**Numbers of Inspections By Designee and Designee's
Portion of Fee Revenue
Fiscal Years 1986 and 1987(a)**

<u>Designee</u>	<u>Fiscal Year 1986</u>		<u>Fiscal Year 1987</u>	
	<u># of Inspections</u>	<u>Designee's Revenue(b)</u>	<u># of Inspections</u>	<u>Designee's Revenue(b)</u>
Private Designees				
Clarence Kelley	51,366	\$462,294	56,160	\$505,440
Charles Light	1,924	\$17,316	2,455	\$22,095
Fred Modlin	3,413	\$30,717	5,113	\$46,017
Darr-Evans	16,687	\$150,183	19,061	\$171,549
John Winter	289	\$2,601	0	\$0
Max Perkins	823	\$7,407	941	\$8,469
Eugene Johnson	5,751	\$51,759	5,871	\$52,839
Emporia Security Systems	1,198	\$10,782	1,259	\$11,331
Shelley Laurent	897	\$8,073	645	\$5,805
Joe Slipke	754	\$6,786	1,028	\$9,252
Sharon Mendenhall	51	\$459	65	\$585
Larry Smith	161	\$1,449	133	\$1,197
Hutchison-Funderburk	318	\$2,862	209	\$1,881
David Heape	95	\$855	107	\$963
Mel Jamison	116	\$1,044	178	\$1,602
Finney County Sheriff's Posse	855	\$7,695	1,357	\$12,213
John Borst	184	\$1,656	448	\$4,032
Marion Wood	62	\$558	446	\$4,014
Oldridge-Trott	0	\$0	759	\$6,831
Subtotal - Private Designees	84,944	\$764,496	96,235	\$866,115
Local Law Enforcement Agencies				
Allen County Sheriff's Office	459	\$4,131	422	\$3,798
Anderson County Sheriff's Office	136	\$1,224	114	\$1,026
Atchison County Sheriff's Office	1,019	\$9,171	792	\$7,128
Barber County Sheriff's Office	234	\$2,106	291	\$2,619
Bourbon County Sheriff's Office	1,151	\$10,359	920	\$8,280
Cherokee County Sheriff's Office	825	\$7,425	1,021	\$9,189
Cheyenne County Sheriff's Office	264	\$2,376	250	\$2,250
Clark County Sheriff's Office	74	\$666	76	\$684
Clay County Sheriff's Office	250	\$2,250	362	\$3,258
Comanche County Sheriff's Office	74	\$666	87	\$783
Crawford County Sheriff's Office	2,156	\$19,404	2,501	\$22,509
Decatur County Sheriff's Office	269	\$2,421	351	\$3,159

(a) Numbers do not include non-fee inspections.

(b) Excludes portion of the fee remitted to the Highway Patrol.

<u>Designee</u>	<u>Fiscal Year 1986</u>		<u>Fiscal Year 1987</u>	
	<u># of Inspections</u>	<u>Designee's Revenue(b)</u>	<u># of Inspections</u>	<u>Designee's Revenue(b)</u>
Doniphan County Sheriff's Office	0	\$0	500	\$4,500
Elk County Sheriff's Office	71	\$639	68	\$612
Ellsworth County Sheriff's Office	134	\$1,206	155	\$1,395
Ford County Sheriff's Office	1,107	\$9,963	1,274	\$11,466
Geary County Sheriff's Office	2,941	\$26,469	3,055	\$27,495
Gove County Sheriff's Office	57	\$513	74	\$666
Graham County Sheriff's Office	183	\$1,647	167	\$1,503
Grant County Sheriff's Office	268	\$2,412	383	\$3,447
Gray County Sheriff's Office	147	\$1,323	159	\$1,431
Greeley County Sheriff's Office	19	\$171	129	\$1,161
Greenwood County Sheriff's Office	158	\$1,422	161	\$1,449
Hamilton County Sheriff's Office	148	\$1,332	127	\$1,143
Haskell County Sheriff's Office	188	\$1,692	158	\$1,422
Hodgeman County Sheriff's Office	162	\$1,458	105	\$945
Jewell County Sheriff's Office	65	\$585	256	\$2,304
Kearny County Sheriff's Office	183	\$1,647	145	\$1,305
Labette County Sheriff's Office	876	\$7,884	822	\$7,398
Lane County Sheriff's Office	45	\$405	106	\$954
Linn County Sheriff's Office	553	\$4,977	629	\$5,661
Marion County Sheriff's Office	249	\$2,241	305	\$2,745
Meade County Sheriff's Office	224	\$2,016	218	\$1,962
Mitchell County Sheriff's Office	59	\$531	382	\$3,438
Montgomery County Sheriff's Office	640	\$5,760	391	\$3,519
Morris County Sheriff's Office	146	\$1,314	206	\$1,854
Morton County Sheriff's Office	308	\$2,772	312	\$2,808
Nemaha County Sheriff's Office	348	\$3,132	377	\$3,393
Ness County Sheriff's Office	97	\$873	75	\$675
Norton County Sheriff's Office	337	\$3,033	330	\$2,970
Osborne County Sheriff's Office	84	\$756	110	\$990
Pawnee County Sheriff's Office	112	\$1,008	48	\$432
Phillips County Sheriff's Office	315	\$2,835	342	\$3,078
Pottawatomie County Sheriff's Office	412	\$3,708	492	\$4,428
Rawlins County Sheriff's Office	150	\$1,350	274	\$2,466
Republic County Sheriff's Office	290	\$2,610	337	\$3,033
Riley County Sheriff's Office	1,543	\$13,887	0	\$0
Rooks County Sheriff's Office	59	\$531	105	\$945
Russell County Sheriff's Office		\$0	96	\$864
Saline County Sheriff's Office	1,514	\$13,626	1,654	\$14,886
Sheridan County Sheriff's Office	123	\$1,107	154	\$1,386
Smith County Sheriff's Office	230	\$2,070	216	\$1,944
Stanton County Sheriff's Office	90	\$810	102	\$918
Stevens County Sheriff's Office	101	\$909	329	\$2,961
Trego County Sheriff's Office	77	\$693	83	\$747
Wallace County Sheriff's Office	89	\$801	116	\$1,044

(b) Excludes portion of the fee remitted to the Highway Patrol.

<u>Designee</u>	<u>Fiscal Year 1986</u>		<u>Fiscal Year 1987</u>	
	<u># of Inspections</u>	<u>Designee's Revenue(b)</u>	<u># of Inspections</u>	<u>Designee's Revenue(b)</u>
Wichita County Sheriff's Office	96	\$864	91	\$819
Wilson County Sheriff's Office	374	\$3,366	472	\$4,248
Garnett Police Department	83	\$747	100	\$900
Hiawatha Police Department	567	\$5,103	588	\$5,292
Sedan Police Department	125	\$1,125	163	\$1,467
Galena Police Department	378	\$3,402	472	\$4,248
Burlington Police Department	204	\$1,836	211	\$1,899
Herington Police Department	110	\$990	113	\$1,017
Elwood Police Department	612	\$5,508	446	\$4,014
Kinsley Police Department	93	\$837	124	\$1,116
Anthony Police Department	258	\$2,322	359	\$3,231
Parsons Police Department	413	\$3,717	565	\$5,085
Oakley Police Department	101	\$909	115	\$1,035
Coffeyville Police Department	1,164	\$10,476	1,248	\$11,232
Sabetha Police Department	102	\$918	159	\$1,431
Kowns Police Department	19	\$171	30	\$270
Lyons Police Department	159	\$1,431	292	\$2,628
Plainville Police Department	43	\$387	48	\$432
Liberal Police Department	1,797	\$16,173	1,889	\$17,001
Smith Center Police Department	12	\$108	53	\$477
Yates Center Police Department	108	\$972	89	\$801
Cedarvale Police Department	8	\$72	26	\$234
Baxter Springs Police Department	666	\$5,994	635	\$5,715
Troy Police Department	0	\$0	64	\$576
Caney Police Department	251	\$2,259	211	\$1,899
Independence Police Department	840	\$7,560	1,208	\$10,872
Subtotal - Local LEA's	30,396	\$273,564	32,485	\$292,365
Total - All designees	115,340	\$1,038,060	128,720	\$1,158,480

(b) Excludes portion of the fee remitted to the Highway Patrol.



APPENDIX B

Locations of Vehicle Identification Number Inspections And Hours of Operation

<u>County</u>	<u>Location</u>	<u>Hours</u>
Allen	Sheriff's Office, Iola	Regular Business Hours When Officer Available
Anderson	Sheriff's Office, Garnett	Regular Business Hours When Officer Available
Anderson	Garnett Police Department	Regular Business Hours When Officer Available
Atchison	Atchison Police Department	Mon-Fri 8-5
Barber	Sheriff's Office, Medicine Lodge	By Appointment
Barton	Sheriff's Office, Great Bend	Tues & Thur 9-12
Bourbon	Sheriff's Office, Fort Scott	Regular Business Hours When Officer Available
Brown	Hiawatha Police Department	Mon-Fri 8-5
Butler	County Courthouse, Eldorado	Tue & Thur 8-9:30
Chase	County Courthouse, Cottonwood Falls	By Appointment
Chautauqua	Sedan Police Department	Regular Business Hours When Officer Available
Chautauqua	Cedarvale Police Department	Regular Business Hours When Officer Available
Cherokee	Sheriff's Office, Columbus	Mon-Fri 9-5
Cherokee	Baxter Springs Police Department	Regular Business Hours When Officer Available
Cherokee	Galena Police Department	Sun-Sat 8-6
Cheyenne	Sheriff's Office, St. Francis	Mon-Fri 8-5
Clark	Sheriff's Office, Ashland	Mon-Fri 8-5
Clay	Sheriff's Office, Clay Center	Mon-Fri 8-5
Cloud	Law Enforcement Center, Concordia	Mon & Wed 3-4
Coffey	Burlington Police Department	Mon-Fri 8-4:30
Commanche	Sheriff's Office, Coldwater	Mon-Fri 9-5
Cowley	Winfield Police Department	Tue & Thur 12:30-2:30
Crawford	Sheriff's Office, Girard	Mon-Fri 8-4
Decatur	Sheriff's Office, Oberlin	Regular Business Hours When Officer Available
Dickinson	County Courthouse, Abilene	Mon & Wed 8:30-10
Doniphan	Sheriff's Office, Troy	Mon-Fri 8-5
Doniphan	Elwood Police Department	Mon-Fri 8-5
Douglas	County Courthouse, Lawrence	Tue & Thur 8:30-12:30
Edwards	Kinsley Police Department	Mon-Fri 8-5
Elk	Sheriff's Office, Howard	Regular Business Hours When Officer Available
Ellis	Law Enforcement Center, Hays	Mon, Tue, Thur 9-11:30
Ellsworth	Sheriff's Office, Ellsworth	Mon-Fri 8-5
Finney	Sheriff's Office, Garden City	Sat 10-2
Ford	Sheriff's Office, Dodge City	Mon-Fri 8-5
Franklin	Sheriff's Office, Ottawa	Mon-Fri 8-5
Geary	Sheriff's Office, Junction City	Mon-Fri 8-5
Gove	Sheriff's Office, Gove	Mon-Fri 8-5
Graham	Sheriff's Office, Hill City	No Set Time
Grant	Sheriff's Office, Ulysses	No Set Time
Gray	Sheriff's Office, Cimarron	Mon-Fri 9-5
Greeley	Sheriff's Office, Tribune	Mon-Fri 8-5
Greenwood	Sheriff's Office, Eureka	Mon-Fri 8-5

<u>County</u>	<u>Location</u>	<u>Hours</u>
Hamilton	Sheriff's Office, Syracuse	Any Time
Harper	Anthony Police Department	Any Time
Harvey	County Courthouse, Newton	Mon & Wed 8:30-10, 1-3
Haskell	Sheriff's Office, Sublette	Mon-Fri 8-5
Hodgeman	Sheriff's Office, Jetmore	Any Time
Jackson	Holton	Tues & Thur 8:30-12:30
Jefferson	County Courthouse, Oskaloosa	Wed 2-3:30
Jewell	Sheriff's Office, Mankato	Mon-Fri 8-5
Johnson	County Motor Vehicle Dept, Olatha	Mon-Fri 8:30-4:30
Johnson	County Motr Vehicle Dept, Mission	Mon-Fri 8:30-4:30
Kearny	Sheriff's Office, Lakin	Mon-Fri 8-5
Kingman	Law Enforcement Center, Kingman	By Appointment
Kiowa	KHP Office, Greensburg	Upon Request
Labette	Sheriff's Office, Oswego	Mon-Fri 8-4
Labette	Parsons Police Department	Mon-Fri 8-5
Lane	Sheriff's Office, Dighton	Mon-Fri 8-5
Leavenworth	Sheriff's Office, Leavenworth	Tues & Thur 8:30-12
Lincoln	County Courthouse, Linclon	By Appointment
Linn	Sheriff's Office, Mound City	Regular Business Hours When Officer Available
Logan	Sheriff's Office, Oakley	Any Time
Lyon	Sheriff's Office, Emporia	Mon-Wed 1-3
Marion	Sheriff's Office, Marion	Mon-Fri 8-5
Marshall	County Courthouse, Marysville	Tue & Thur 9:30-10:30
McPherson	County Courthouse, McPherson	Mon & Wed 11:30-1:30
Meade	Sheriff's Office, Meade	Mon-Fri 8-5
Miami	Sheriff's Office, Paola	Mon & Wed Fri 10-12
Mitchell	Sheriff's Office, Beloit	Mon-Fri 8-5
Montgomery	Sheriff's Office, Independence	Mon-Fri 8-4
Montgomery	Independence Police Department	Mon-Fri 8-4
Montgomery	Cherryvale Police Department	Regular Business Hours When Officer Available
Montgomery	Caney Police Department	Mon-Fri 8-5
Montgomery	Coffeyville Police Department	Mon-Fri 8-3:30
Morris	Sheriff's Office, Council Grove	Mon-Fri 8-5
Morton	Sheriff's Office, Elkhart	Mon-Fri 8-5
Nemaha	Sheriff's Office, Seneca	Mon-Fri 8-5
Nemaha	Sabetha Police Department	Mon-Fri 8-5
Neosho	Chanute	Mon-Fri 8-5
Ness	Sheriff's Office, Ness	Mon-Fri 8-5
Norton	Sheriff's Office, Norton	Mon-Fri 9-4:30
Osage	County Courthouse, Lyndon	Tues 2-3
Osborne	Sheriff's Office, Osborne	As Needed
Ottawa	922 Rothsay, Minneapolis	By Appointment
Pawnee	Sheriff's Office, Larned	Mon-Fri 8-4
Phillips	Sheriff's Office, Phillipsburg	Mon-Fri 9-4
Pottawatomie	Sheriff's Office, Westmoreland	Mon-Fri 8-5
Pratt	Law Enforcement Center, Pratt	By Appointment
Rawlins	Sheriff's Office, Atwood	Mon-Fri 10-3
Reno	2321 E. 4th St, Hutchinson	Mon & Wed 1-2:30, Fri 10-11:30
Republic	Sheriff's Office, Belleville	Tue, Wed, Thur 8-5

<u>County</u>	<u>Location</u>	<u>Hours</u>
Rice	Lyons Police Department	Mon-Thur 7-3
Riley	County Courthouse, Manhattan	Tues & Thur 1-4, Fri 8:30-1
Rooks	Sheriff's Office, Stockton	Any Time
Rooks	Plainville Police Department	Any Time
Rush	Sheriff's Office, LaCrosse	Any Time
Russell	Sheriff's Office, Russell	Mon-Fri 8-5
Saline	Sheriff's Office, Salina	Mon-Fri 8-5
Scott	709 Church, Scott City	1st & 3rd Wed 1-2
Sedgwick	Old Courthouse, Wichita	Mon-Fri 9-5
Seward	Liberal Police Department	Mon-Fri 8-5
Shawnee	KHP Office, Topeka	Mon, Wed, Fri 830-12:30
Sheridan	Sheriff's Office, Hoxie	Mon-Fri 8-5
Sherman	County Courthouse, Goodland	Mon & Wed 9-11
Smith	Sheriff's Office, Smith Center	Regular Business Hours When Officer Available
Smith	Smith Center Police Department	Regular Business Hours When Officer Available
Stafford	Sheriff's Office St. John	Tues & Wed 4:30-6:30
Stanton	Sheriff's Office, Johnson City	Any Time
Stevens	Sheriff's Office, Hugoton	Mon-Fri 8-5
Sumner	Wellington Police Department	Mon 4:30-6:30, Wed 8:30-10
Thomas	County Courthouse, Colby	Tues & Thur 10-11
Trego	Sheriff's Office, WaKeeney	Mon-Fri 8-5
Wabaunsee	County Courthouse, Alma	Thur 10-11
Wallace	Sheriff's Office, Sharon Springs	Any Time
Washington	23 C St, Washington	Tues 8-9, Thur 8-10
Wichita	Sheriff's Office, Leoti	Any Time
Wilson	Sheriff's Office, Fredonia	Regular Business Hours When Officer Available
Woodson	Yates Center Police Department	Regular Business Hours When Officer Available
Wyandotte	County Courthouse Annex, Kansas City	Mon-Fri 8:30-11
Wyandotte	846 State, Kansas City	Mon-Fri 12-4

APPENDIX C

Vehicle Identification Number Inspections in 13 Other States

State	Vehicles Inspected		Who Is Responsible	Fees Charged	Fec Distribution	Type of Inspection
	Out-of-State	Reconstructed				
Missouri		Yes	Highway Patrol and KC and St. Louis Police Departments	\$25	State General Fund	Check all VIN's and paperwork if rebuild is extensive.
Colorado	Yes	Yes	Any law enforcement officer, car dealer, or emission inspection station	0	NA	Match VIN to title.
Iowa		Yes	Any law enforcement officer	0	NA	Check all parts invoices and hidden VIN's.
Oklahoma	Yes		Any law enforcement officer	0	NA	Match VIN to title.
Nebraska	Yes	Yes	Sheriff's employees certified by Highway Patrol	\$10	County General Fund	Match VIN to title, check NCIC
Minnesota		Yes	State Trooper or Division of Motor Vehicles	0	NA	Check all parts invoices, and public and hidden VIN's
Ohio	Yes	Yes	Highway Patrol (recon.) Dealers (out-of-state)	\$25 \$3	State General Fund Dealer keeps fee	Examine receipts and all numbers. Match VIN to title.
Kentucky	Yes	Yes	Certified Inspectors (Deputy Sheriffs or county clerks usually)	\$3	Local General Fund	Match VIN to title and other documents.
California	Yes	Yes	Department of Motor Vehicles	0	NA	Match VIN to title. If a problem is found, the CHP check hidden VIN's.
Arizona	Yes	Yes	Department of Motor Vehicles or County Assessor	0	NA	Match VIN to title and emission sticker.
Illinois		Yes	Secretary of State	\$70	No information	Examine hidden VIN's.
Wisconsin	Yes	Yes	Any law enforcement officer or Department of Motor Vehicles	0-out state \$25-recon.	Local general fund or Dept. Of Trans. general fund	Match VIN to title.
Michigan		Yes	Any law enforcement officer or retired law enforcement officer	\$20-\$25	local general fund	Check numbers on engine parts.

APPENDIX D

Agency Response

On March 29, 1988, a copy of the draft audit report was sent to the Kansas Highway Patrol for review and comment. The Highway Patrol's written response is included in this appendix.

KANSAS HIGHWAY PATROL

Service—Courtesy—Protection

Mike Hayden

Governor

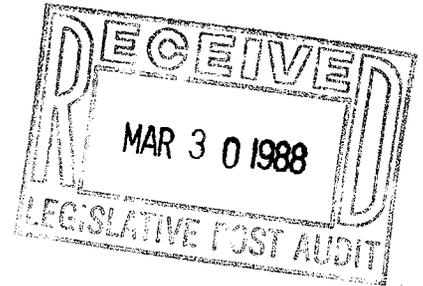
March 30, 1988



Col. Donald L. Pickert

Superintendent

Mr. Meredith Williams
Legislative Post Auditor
Legislative Division of Post Audit
109 West 9th, Suite 301
Topeka, Kansas 66612



Dear Sir:

We appreciate the opportunity to review and respond to the draft copy of the performance audit of the Vehicle Identification Number Inspection program. In the draft report there are three (3) recommendations, and we shall comment on each in the order posed.

Recommendation A

A letter will be transmitted to each division commander stressing the importance of accurate record keeping involving the inspection forms. In addition, we intend to monitor this on a periodic basis.

Recommendation B

We will comply with this recommendation and perform quarterly reviews and, if necessary, investigations on missing inspection forms.

Recommendation C

A letter will be transmitted to each designee outlining the proper use and disposition of inspection forms.

I or an appropriate member of my staff would be pleased to appear before the Legislative Post Audit Committee if requested.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Donald L. Pickert".
DONALD L. PICKERT
Superintendent

DLP/DH/dls

cc: Lt. Colonel Laynard Shearer
Major David Hornbaker
Captain Paul L. Wade 122 SW SEVENTH STREET
TOPEKA, KANSAS 66603-3847 (913) 232-9200