Audit Report

Maryland Transportation Authority

August 2026

Public Notice

In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.

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DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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Victoria L. Gruber
Executive Director

Brian S. Tanen, CPA, CFE
Legislative Auditor

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

August 27, 2026

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Maryland Transportation Authority (MDTA) for the period beginning March 5, 2020 and ending May 31, 2025. Due to the collapse of the Francis Scott Key Bridge on March 26, 2024, we delayed the start of our audit from its planned due date in March 2024 to April 2025. MDTA is responsible for the supervision, financing, construction, operation, maintenance, and repair of the State's toll facilities.

Our audit disclosed that MDTA did not take available actions to collect unpaid tolls and penalties incurred by out-of-state vehicles, which totaled $818.1 million as of January 2026. According to MDTA records, approximately $668.7 million (82 percent) was outstanding for more than one year, including $386.3 million that was outstanding more than three years. For example, MDTA did not execute reciprocity agreements with other states as allowed by State law which could include provisions for these states to suspend the out-of-state motorists' vehicle registration if the tolls are not paid.

Furthermore, our audit disclosed a cybersecurity-related finding. However, in accordance with the State Government Article, Section 2-1224(i) of the Annotated Code of Maryland, we have redacted the finding from this audit report. Specifically, State law requires the Office of Legislative Audits to redact cybersecurity findings in a manner consistent with auditing best practices before the report is made available to the public. The term "cybersecurity" is defined in the State Finance and Procurement Article, Section 3.5-301(c), and using our professional judgment we have determined that the redacted finding falls under the referenced definition. The specifics of the cybersecurity finding were previously communicated to those parties responsible for acting on our recommendations.

The Maryland Department of Transportation's (MDOT) response to this audit, on behalf of MDTA, is included as an appendix to this report. Consistent with State law, we have redacted the elements of MDOT's response related to the cybersecurity audit finding. In accordance with State law, we have reviewed the response and, while MDOT generally agrees with the recommendations in this report, we identified certain instances in which statements in the response disagree or appear to be inconsistent with a report finding and recommendation. In each instance we reviewed and reassessed our audit documentation, and reaffirmed the validity of our finding. In accordance with generally accepted government auditing standards, we have included "auditor's comments" within MDOT's response to explain our position. We will advise the Joint Audit and Evaluation Committee of any outstanding issues that we cannot resolve with MDOT.

We wish to acknowledge the cooperation extended to us during the audit by MDTA.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

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Background Information

Agency Responsibilities

Title 4 of the Transportation Article, Annotated Code of Maryland, establishes the Maryland Transportation Authority (MDTA) as an agency of the State, to act on behalf of the Maryland Department of Transportation with regard to the supervision, financing, construction, operation, maintenance, and repair of the State's toll facilities. The governing board of MDTA consists of eight members who are appointed by the Governor with the advice and consent of the Senate. The Secretary of Transportation serves as the Chairman.

According to State records, during fiscal year 2025, MDTA's expenditures totaled approximately $1.1 billion (see Figure 1), including $524.6 million for capital programs to construct, maintain and repair its facilities. According to its audited financial statements, MDTA's operating revenues totaled $887.5 million (including $732.2 million in toll revenue) during fiscal year 2025. During the period June 30, 2021 through June 30, 2025, MDTA had vacancy rates that ranged from 10 percent to 20 percent.

Figure 1
MDTA Positions, Expenditures, and Funding Sources

Full-Time Equivalent Positions as of June 30, 2025	
	Positions
Filled	1,523
Vacant	174
Total	**1,697**

Fiscal Year 2025 Expenditures	
	Expenditures
Salaries, Wages and Fringe Benefits	$ 243,056,871
Technical and Special Fees	107,500
Operating Expenses	885,027,787
Total	**$1,128,192,158**

Fiscal Year 2025 Funding Sources	
	Funding
Non-Budgeted Fund	$1,128,192,158
Total	**$1,128,192,158**

Source: State financial and personnel records

Financial Statement Audits

MDTA engaged an independent accounting firm to perform audits of its financial statements for the fiscal years ended June 30, 2021, 2022, 2023, 2024, and 2025. In the related audit reports, the firm stated that MDTA's financial statements presented fairly, in all material respects, the respective financial position of the business type activities of the MDTA and its changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Special Review - Data Analysis of Electronic Tolling and Customer Service Processes

On March 22, 2023, we issued a report on our *Special Review - Data Analysis of Electronic Tolling and Customer Services Processes*. The report identified approximately $435,000 in potentially improper toll charges to 10,474 Thomas J. Hatem Memorial Bridge discount plan customers and approximately $645,000 relating to 82,847 customers that were potentially charged more than once for a single trip through a toll facility.

We reviewed system controls implemented in response to this report and performed various tests of those controls. Our audit did not identify any conditions that warranted inclusion in this report. In addition, our audit disclosed that between September 2023 and April 2024 MDTA issued credits to 12,932 Thomas J. Hatem Bridge discount plan customers totaling $637,000 and $695,000 for duplicate tolls charged to customers.

Francis Scott Key Bridge Collapse

On March 26, 2024, a container ship collided with the Francis Scott Key Bridge, resulting in the bridge's collapse. In April 2024, MDTA awarded a $50.3 million emergency contract for the removal, disposal, and cleanup of debris from the collapsed portion of the bridge. In March 2024, prior to awarding a design-build contractor, MDTA made a preliminary estimate to replace the bridge between $1.7 billion to $1.9 billion with a completion date in 2028. MDTA advised us that this estimate was made for the purposes of securing federal funding for the new bridge.

In August 2024, MDTA approved the award of a design-build contract for $73 million. Between January and July 2025, MDTA awarded three work authorizations totaling approximately $98 million on the contract for field and subsurface studies, purchasing materials, and conducting tests to ensure that the design is structurally feasible. Between July and November 2025, MDTA awarded five work authorizations totaling approximately $355.3 million for the demolition of the remaining bridge, certain materials (such as, platforms for bridge construction to support cranes and drilling machines), and the installation of these materials.

In November 2025, design and preliminary engineering activities were approximately 70 percent complete, and MDTA announced that the total estimated cost to replace the bridge had increased to between $4.3 billion to $5.2 billion and the estimated completion date was extended an additional two years to calendar year 2030. MDTA management advised that the increase and extended timeline was primarily due to increases in the materials cost, a change in the width and height of the new bridge, and the addition of a robust pier protection system to help reduce the likelihood of a similar incident. In addition, the revised estimate included $923.5 million in contingency costs which were not included in the original estimate.

In January 2026, MDTA reported to the Maryland General Assembly's Senate Budget and Taxation Committee and the House Appropriations Committee that it had expended approximately $238 million on the project as of November 2025. This amount included the cost to remove the debris of the bridge collapse, payments for the design-build contractor, and other related costs (such as construction management and inspection services).

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the two findings contained in our preceding audit report dated September 13, 2021. See Figure 2 for the results of our review.

Figure 2 Status of Preceding Findings		
Preceding Finding	**Finding Description**	**Implementation Status**
Finding 1	MDTA actions did not determine the impact of electronic toll collection system issues on its customers and identify and correct certain related customer overbillings.	Not repeated
Finding 2	Redacted cybersecurity-related finding.[1]	Status Redacted[1]

[1] The finding description as well as the implementation status of this cybersecurity-related finding has been redacted for the publicly available report in accordance with State Government Article, Section 2-1224(i) of the Annotated Code of Maryland.

Findings and Recommendations

Out-of-State Toll Collections

Finding 1
The Maryland Transportation Authority (MDTA) did not take available actions to collect unpaid tolls and penalties incurred by out-of-state vehicles, which totaled $818.1 million as of January 2026.

Analysis
MDTA did not take available actions to collect unpaid tolls and penalties incurred by out-of-state vehicles. As of January 2026, unpaid tolls and penalties incurred by out-of-state vehicles totaled $818.1 million (see Figure 3). According to MDTA records, approximately $668.7 million (82 percent) was outstanding for more than year, including $386.3 million that was outstanding more than three years. Our review disclosed that although MDTA sent the registered owner of the out-of-state vehicle a notice of the toll and assessed penalties when the tolls were unpaid,[2] it did not take available action to collect the amounts due.

Figure 3
Out-of-State Vehicle Tolls and Penalties Unpaid as of January 2026
(amounts in millions)

State	Tolls	Penalties	Total
Virginia	$ 51.9	$182.8	**$234.7**
Pennsylvania	26.1	71.4	**97.5**
New Jersey	26.5	54.2	**80.7**
Florida	24.8	38.2	**63.0**
North Carolina	19.1	39.5	**58.6**
Other States	82.5	201.1	**283.6**
Total	**$230.9**	**$587.2**	**$818.1**

Source: MDTA records

Specifically, as of February 2026, MDTA did not execute reciprocity agreements with other states as allowed by State law which could include provisions for these states to suspend the out-of-state motorists' vehicle registration if the tolls are not paid. In addition, MDTA did not contract with a third-party collection agency to help collect the unpaid tolls and civil penalties or request approval from the Secretary of the Department of Budget and Management (DBM) to refer these accounts to the Central Collection Unit (CCU). State law allows MDTA to refer out-of-state motorists to CCU only if it obtains approval from the Secretary of DBM.

[2] A $25 penalty is assessed for each video toll transaction not paid by the specified due date, which is generally 45 days after the date of the invoice.

Concerns with unpaid out-of-state tolls and penalties were raised in the April 2024 Joint Chairmen's report. In January 2025, MDTA responded that it was optimistic about the possibility of entering into its first reciprocity agreement, which could include provisions to suspend the out-of-state motorists' vehicle registration if the tolls were not paid. As of July 2026, MDTA was still working to finalize that agreement. In addition, MDTA indicated it was developing a request for proposal to hire a third-party collection agency. However, as of February 2026, MDTA had not entered into agreements with any other states and had not drafted the request for proposal.

Recommendation 1
We recommend that MDTA take available actions to help enforce collection of unpaid tolls and penalties due from out-of-state motorists, including

a. **executing reciprocity agreements with other states as allowed by State law,**
b. **contracting with a third-party collection agency, and**
c. **requesting approval from DBM to refer unpaid tolls to CCU.**

Information Systems Security and Control

We determined that Finding 2 related to "cybersecurity," as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Consequently, the specifics of the following finding, including the analysis, related recommendations, along with MDOT's responses, have been redacted from this report copy.

Finding 2
Redacted cybersecurity-related finding.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Maryland Transportation Authority (MDTA) for the period beginning March 5, 2020 and ending May 31, 2025. Due to the collapse of the Francis Scott Key Bridge on March 26, 2024, we delayed the start of our audit from its planned due date in March 2024 to April 2025. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine MDTA's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included procurements and disbursements for capital projects and operating expenditures, equipment, corporate purchasing card, electronic tolling activities, certain cash receipts and payroll activities, and information systems security and control. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include certain payroll support services (such as processing of personnel transactions and maintenance of employee leave records) provided by the Maryland Department of Transportation (MDOT) – The Secretary's Office to MDTA. These payroll support services are included within the scope of our audit of MDOT. In addition, our audit did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of MDTA's compliance with those laws and regulations because MDTA engages an independent accounting firm to annually audit such programs.

MDTA engages an independent accounting firm to audit its annual financial statements. In the related audit reports for the fiscal years ended June 30, 2021, 2022, 2023, 2024 and 2025 the firm stated that MDTA's financial statements presented fairly, in all material respects, the respective financial position of the business-type activities of the MDTA as of June 30, 2021, 2022, 2023, 2024 and 2025 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. We relied on the work of the independent accounting firm to provide audit coverage pertaining to bank and investment accounts, debt issuances and related debt covenants. Our audit procedures in those areas were generally limited, therefore, to obtaining a sufficient basis for that reliance.

Our assessment of internal controls was based on MDTA's procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of March 5, 2020 to May 31, 2025, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of MDTA's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Central Payroll Bureau (payroll data), as well as from the contractor administering the State's Corporate Purchasing Card Program (credit card activity). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from MDTA's general ledger and purchasing and disbursement systems for the purpose of testing purchases and disbursements and extracted data from MDTA's tolling customer service contractor for the purpose of testing collection efforts for electronic tolls. We performed various tests of the relevant data and determined that the data was sufficiently reliable for the purposes the data was used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

MDTA's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to MDTA, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings related to conditions that we consider to be a significant deficiency in the design or operation of internal control that could adversely affect MDTA's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes a finding regarding a significant instance of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to MDTA that did not warrant inclusion in this report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of an audit report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3.5-301(c), states that cybersecurity is defined as "processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation." Based on that definition, and in our professional judgment, we concluded that a finding in this report falls under that definition. Consequently, for the publicly available audit report all specifics as to the nature of the cybersecurity finding and required corrective actions have been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public audit report. The specifics of the cybersecurity finding have been communicated to MDTA and those parties responsible for acting on our recommendations in an unredacted audit report.

The response from MDOT, on behalf of MDTA, to our findings and recommendations, is included as an appendix to this report. Depending on the version of the audit report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MDOT regarding the results of our review of its response.

APPENDIX

MARYLAND DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Wes Moore
Governor
Aruna Miller
Lieutenant Governor
Kathryn Thomson
Secretary

August 25, 2026

Brian S. Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
The Warehouse at Camden Yards
351 West Camden Street, Suite 400
Baltimore MD 21201

Dear Mr. Tanen:

Enclosed please find responses to the audit report from the Office of Legislative Audits for the Maryland Transportation Authority for the period beginning March 5, 2020, and ending May 31, 2025.

If you have any additional questions or concerns, please contact Ms. Loyda Sequeira, MDOT Chief of Audits & Rail Safety, by email at lsequeira@mdot.state.md.us or by phone at 410-865-1168. Of course, you may always contact me directly.

Sincerely,

Kathryn Thomson

Kathryn Thomson
Secretary

Attachment

cc: Mr. Bruce Gartner, Executive Director, MDTA
Mr. Wayne Heibeck, Chief of Staff, MDOT
Ms. Loyda Sequeira, Chief of Audits & Rail Safety, MDOT

Maryland Transportation Authority

Agency Response Form

Out-of-State Toll Collections

Finding 1
The Maryland Transportation Authority (MDTA) did not take available actions to collect unpaid tolls and penalties incurred by out-of-state vehicles, which totaled $818.1 million as of January 2026.

We recommend that MDTA take available actions to help enforce collection of unpaid tolls and penalties due from out-of-state motorists, including

a. executing reciprocity agreements with other states as allowed by State law,
b. contracting with a third-party collection agency, and
c. requesting approval from DBM to refer unpaid tolls to CCU.

Agency Response	
Analysis	
Please provide additional comments as deemed necessary.	In response to the COVID-19 pandemic, MDTA transitioned all tolling at its facilities from cash payments to all-electronic tolling to automate and streamline toll payments across the state. For customers that do not have an E-ZPass, MDTA issues a Notice of Toll Due to the address associated with the vehicle owner's license plate. Maryland has several mechanisms to enforce unpaid tolls and penalties for in-state vehicles, including the ability to intercept state tax refunds from violators. This allowed MDTA to collect approximately $119.3 million in outstanding tolls and penalties from Maryland residents since FY 2023. However, a similar function does not exist for nonresident motorists, making collection avenues significantly more complex. The MDTA has been transparent in its acknowledgment of the challenges associated with collecting video tolls in its Joint Chairmen's Report responses to the Maryland General Assembly and its annual Revenue Assurance presentation to the MDTA Board in recent years. The MDTA acknowledges the importance of implementing a multi-prong approach to collecting unpaid tolls from nonresident drivers, in accordance with best practice recommendations presented by OLA. This includes but is not limited to entering into toll enforcement reciprocity agreements with other jurisdictions, leveraging national electronic toll interoperability networks, and contracting with third party collection agencies to pursue unpaid debt. However, it is important to

	note that these actions require significant time to implement. Executing reciprocity agreements, for example, depends on MDTA's counterparts in other states to navigate laws and regulations associated with their respective transportation systems, creating long and unpredictable timelines for implementation. MDTA is committed to ensuring the below corrective actions are fulfilled in accordance with best practices, and implementing systems that will ensure the agency maximizes all opportunities to capture available revenues while holding debtors accountable to paying their dues to the State of Maryland.		
Recommendation 1a	**Agree**	**Estimated Completion Date:**	3Q 2027 for Pennsylvania
Please provide details of corrective action or explain disagreement.	Maryland law (Transportation Article § 21-1415) authorizes the Maryland Transportation Authority (MDTA) to create agreements with other jurisdictions for reciprocal toll violation enforcement. The agency recognizes the importance of pursuing toll enforcement reciprocity to collect unpaid tolls from out-of-state motorists. The implementation of reciprocal toll enforcement agreements is one of multiple strategies currently underway to aid in the collection of out-of-state toll debt. While reciprocity agreements are valuable tools to encourage payment compliance, the development and implementation of reciprocal toll enforcement agreements are challenging for the State of Maryland, as well as other tolling agencies nationally. As noted in the MDTA's 2024 and 2025 Joint Chairmen's Report responses to the Maryland General Assembly, several of the primary obstacles, which complicate the development and implementation of reciprocal toll enforcement agreements, include (1) the notable differences in motor vehicle toll enforcement actions and financial penalties for unpaid tolls among states; (2) the need for the statutes, regulations, policies, operational processes, and technical capabilities of the agencies governing toll collection (tolling and motor vehicle) within each jurisdiction to be evaluated, and, where necessary, aligned before reaching a final agreement; and (3) reciprocal toll enforcement agreements are executed on a peer agency-to-peer agency basis rather than through direct state-to-state agreements. Currently, the State of Maryland is working diligently toward establishing its inaugural reciprocal toll enforcement agreement with the		

	Pennsylvania Turnpike Commission (PTC). The MDTA and the Motor Vehicle Administration (MVA) have jointly initiated discussions with the PTC and the Pennsylvania Department of Transportation's Motor Vehicle Administration (PennDOT) regarding the establishment of a reciprocal toll enforcement agreement. The MDTA and the PTC have mutually agreed that it would be most beneficial to leverage the toll enforcement reciprocity agreement framework that is currently being negotiated between Pennsylvania and New York. The proposed agreement will likely entail flagging and/or suspending a motorist's vehicle registration when either a Pennsylvania or Maryland resident owes qualifying unpaid tolls in the reciprocal jurisdiction. Next steps include, but are not limited to, verifying statutory alignment, drafting program requirements (e.g., governance structure, definition and agreement on terminology, etc.); legal review (draft agreement, statutes, etc.); and agreement finalization and execution between four agencies (MDTA, MVA, PTC, and PennDOT). Prior to going live with toll reciprocity, information technology system workflow testing, software updates, and staff training will be conducted. The parties have established target milestones for agreement execution and operational go-live of January 2027 and Fall 2027, respectively. PTC is deemed the best fit for Maryland's first reciprocal toll enforcement agreement because (1) PTC's toll enforcement actions and penalties for non-compliant motorists are operationally similar to those used by the MDTA; (2) PTC's level of customer service is commensurate with the State of Maryland's customer service objectives, including an adequate level of investment in automation and the corresponding assurance that motor vehicle registration flags will be released promptly when customers satisfy their outstanding toll obligations; and (3) the potential to achieve significant results going forward given that Pennsylvania residents owe the second highest amount of unpaid tolls and civil penalties. Additionally, it should be noted that the toll enforcement reciprocity agreement with Pennsylvania will be the MDTA's pilot agreement. The MDTA is engaged in discussions with Virginia and the New York Thruway about the feasibility of entering into future agreements with a timeline to be determined in the future.

Maryland Transportation Authority

Agency Response Form

	Lastly, the MDTA is also leveraging the national electronic toll interoperability network to increase the collection of toll revenue from out-of-state motorists using MDTA toll facilities. As part of this effort, MDTA is in the process of joining the Northern Hub (estimated to occur in the fourth quarter of calendar 2026), which will establish interoperability with the Central U.S. Interoperability Partnership (CUSIOP) Hub. This expansion will enable MDTA to electronically process toll transactions for motorists using interoperable transponders issued in Texas, Oklahoma, Kansas, and Colorado by charging customers' prepaid electronic toll accounts at the time of travel. Given that Texas and Florida are high volume outstanding debt states, many transactions that would otherwise become post-trip video tolls, requiring billing and collection efforts, will instead be collected electronically at the point of tolling. The CUSIOP Hub connection, which is being coordinated by the E-ZPass Interagency Group (IAG), will allow MDTA to immediately focus near-term on these states by end of calendar year 2026.		
Recommendation 1b	Agree	**Estimated Completion Date:**	3Q 2027
Please provide details of corrective action or explain disagreement.	MDTA is actively developing a Request for Proposals (RFP) to initiate out-of-state collections services for the first time. MDTA began this effort by hosting Request for Information meetings with nine firms that operate within the toll collections services market. These discussions were used to better inform the development of the RFP structure, scope, and performance expectations typical in the tolling industry. In parallel, staff gathered information from other state transportation and tolling agencies regarding lessons learned and industry best practices. To date, RFP specifications have been developed to facilitate high industry response.		
Recommendation 1c	Disagree	**Estimated Completion Date:**	N/A
Please provide details of corrective action or explain disagreement.	The MDTA acknowledges the important role that the Department of Budget and Management's (DBM) Central Collection Unit (CCU) has in collecting unpaid debt from Maryland residents. Arguably, the most significant tool that CCU has is its State Tax Refund Intercept Program. The program enables CCU to seize a Maryland resident's expected tax refund to pay off past-due debt to the State of Maryland (including toll debt). While this program has aided the MDTA in collecting approximately $119.3 million in outstanding tolls and penalties from Maryland residents since FY 2023, a similar program does not exist for nonresident motorists. Consequently, it has been the MDTA's		

	experience that CCU's ability to collect unpaid tolls from nonresident motorists is limited. The MDTA and DBM are aligned in the belief that referring outstanding toll debt for out-of-state motorists to CCU is not in the best interest of either agency at this time. Currently, CCU is limited in the tools available to pursue collection from out-of-state motorists. Furthermore, based on historical collection activity, CCU is concerned that the costs required to pursue the debts from out-of-state motorists could exceed the revenue collected and the additional burden on resources to handle this group of debtors could have a negative effect on collection activities on other State debt that CCU is currently pursuing. Lastly, the referral of out-of-state debt to CCU could restrict the MDTA's other collection efforts, such as contracting with an outside collection agency. Consequently, outside of expanding national interoperability through the E-ZPass® Group and other hubs, the MDTA and DBM believe that the MDTA should pursue entering into toll enforcement reciprocity agreements and contracting with one or more third party collection agencies. These enhanced collection tools currently constitute the best mechanisms for collecting unpaid toll debt from out-of-state motorists.

Auditor's Comment: Although MDOT's response indicates that it disagrees with Recommendation 1c, it also indicates that MDTA will continue to pursue other available collection actions as recommended. As noted in our Analysis, MDTA did not request approval from the Secretary of DBM to refer these accounts to CCU during our audit as allowed by State law. However, MDOT's response states that MDTA and DBM are now aligned in the belief that referring outstanding toll debt for out-of-state motorists to CCU is not in the best interest of either agency at this time.

Maryland Transportation Authority

Agency Response Form

Information Systems Security and Control

The Office of Legislative Audits (OLA) has determined that Finding 2 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Although the specifics of the following finding, including the analysis, related recommendations, along with MDOT’s responses, have been redacted from this report copy, MDOT’s responses indicated agreement with the finding and related recommendations.

Finding 2 **Redacted cybersecurity-related finding.**

Agency Response has been redacted by OLA.

Audit Team

Adam J. Westover, CPA
Audit Manager

Michael K. Bliss, CISA
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