



Unified Carrier Registration Plan
Audit Subcommittee Meeting Minutes
September 8, 2022

Subcommittee Members in Attendance

Mike Hoeme, Chair
Ryan Nance, Vice-Chair
Kristen Burch
William Debord
Abe Droste
Debbie Garcia
Verna Jackson
Ingabrit Johnson
Jessica Kines
Rod Moser
Patrick Remfrey
Amanda Shehane

Absent Subcommittee Members:

Eric Belford
Monte Wiederhold

Others in Attendance:

UCR: Avelino Gutierrez, Tamara Young, Elizabeth Leaman, Scott Morris, Alex Leath
Kellen Company: Dave Scholz, Tom Lawrence, Matt Mantione, Howard Burkat
Seikosoft: Toby Piquet, Lori Lefai
DSL: Dave Lazarides
Warren Averitt: Cindy Ethridge

**UNIFIED CARRIER REGISTRATION PLAN
AUDIT SUBCOMMITTEE MEETING
September 8, 2022**

MEETING MINUTES

- I. Call to Order** – Mike Hoeme, UCR Audit Subcommittee Chair
The UCR Subcommittee Chair welcomed attendees, called the meeting to order at 12:00 pm ET, called role for the Subcommittee, confirmed a quorum was present, and facilitated self-introductions.
- II. Verification of Publication of Meeting Notice** – Avelino Gutierrez, UCR Executive Director
The UCR Executive Director verified the publication of the meeting notice on the UCR website and distribution to the UCR contact list via email on August 30, 2022, followed by the subsequent publication of the notice in the *Federal Register* on September 1, 2022, in Volume 87, Number 169, starting on page 53829.
- III. Review and Approval of Subcommittee Agenda and Setting of Ground Rules** – Mike Hoeme, UCR Audit Subcommittee Chair
The Agenda was reviewed, and the Subcommittee took action to adopt.

A MOTION was MADE by William Debord and SECONDED to approve the agenda for the September 8, 2022 Audit Subcommittee Meeting. The MOTION CARRIED.
- IV. Review and Approval of Subcommittee Minutes from the June 30, 2022 Meeting** – Mike Hoeme, UCR Audit Subcommittee Chair
Draft minutes from the June 30, 2022 Audit Subcommittee meeting via teleconference were reviewed. The Subcommittee took action to approve.

A MOTION was MADE by Jessica Kines and SECONDED to approve the minutes from the June 30, 2022 Audit Subcommittee Meeting. The MOTION CARRIED.
- V. Additional Compliance Evaluation Tools for the Annual State Audit Progress Report** – Mike Hoeme, UCR Audit Subcommittee Chair
The UCR Audit Subcommittee Chair led a discussion regarding the current evaluation process for the participating states’ audit programs as required by the UCR Agreement. The Subcommittee discussed options that would require states to add broker registration percentages to the annual state audit requirements in addition to the established compliance requirements set forth in the UCR Agreement. The Subcommittee took action to approve such options as discussed.

A MOTION was MADE by Verna Jackson and SECONDED that the UCR Audit Subcommittee recommends that all participating states add as an audit requirement a broker registration percentage to the annual state audit requirements, in addition to those already promulgated by the UCR Board in Section 19 of the UCR Agreement and other recent Board approved states’ audit requirements.

The original Motion called for the state’s new audit requirement should be established at 85% broker registration compliance. A friendly amendment was made by Abe Droste

and SECONDED to adjust this percentage to 60% instead. This broker percentage is an additional method to meet the required annual state compliance initiative so that the requirement will remain to meet 3 out of the now 6 available requirements. This new requirement will become effective with the 2023 Registration Year. The AMENDED MOTION CARRIED unanimously.

- VI. Audit Compliance Snapshot by State for Registration Years 2021 and 2022** – Mike Hoeme, UCR Audit Subcommittee Chair
The UCR Audit Subcommittee Chair presented registration performance statistics and the related compliance percentages, Focused Anomaly Reviews (FARs), unregistered brackets 5 and 6 motor carriers, 2022 Broker Registration percentage, Enforcement Efficiency Rates, and retreat audits for the 2021 and 2022 registration years.
- VII. Review of States Enforcement Efficiency Reports** – Mike Hoeme, UCR Audit Subcommittee Chair
The UCR Audit Subcommittee Chair reviewed the “Should-Have-Been” (“SHB”) report and discussed ideas regarding how to assist states to improve their UCR violation issuance rates.
- VIII. Update Regarding the Enforcement Video for FMCSA’s National Training Center** – Mike Hoeme, UCR Audit Subcommittee Chair, Carol Fallin, UCR Education and Training Subcommittee Chair, and Avelino Gutierrez, UCR Executive Director
The UCR Audit Subcommittee Chair, the UCR Education and Training Subcommittee Chair, and the UCR Executive Director provided an update regarding the progress achieved on the enforcement video for use in the FMCSA’s National Training Center.
- IX. State Compliance Review Program** – Mike Hoeme, UCR Audit Subcommittee Chair and Dave Scholz, UCR Depository Manager
The UCR Audit Subcommittee Chair and the UCR Depository Manager led a discussion on program objectives and states scheduled for review in 2022.
- X. Maximizing the Value of the Should Have Been (SHB) and Enforcement Efficiency Tools** – Mike Hoeme, UCR Audit Subcommittee Chair, Ryan Nance, UCR Audit Subcommittee Vice-Chair, and Dave Lazarides, DSL Transportation Services, Inc. (DSL)
The UCR Audit Subcommittee Chair, UCR Audit Subcommittee Vice-Chair and DSL provided an update on the value achieved by utilizing Shadow MCMIS and other tools in the National Registration System (NRS). The discussion highlighted the financial value to the states of vetting businesses for UCR compliance, commercial registration, IFTA, intrastate, and interstate operating authority.
- XI. Audit Subcommittee Meetings in 2023** – Mike Hoeme, UCR Audit Subcommittee Chair and Avelino Gutierrez, UCR Executive Director
The UCR Audit Subcommittee Chair and UCR Executive Director discussed tentative plans for Audit Subcommittee meetings, all intended to be conducted virtually, during calendar year 2023.
- XII. Future Auditor Training Opportunities** – Mike Hoeme, UCR Audit Subcommittee Chair, Ryan Nance, UCR Audit Subcommittee Vice-Chair, and Dave Lazarides, DSL

The UCR Audit Subcommittee Chair, UCR Audit Subcommittee Vice-Chair, and DSL directed a discussion regarding the value added to state enforcement efforts by developing short virtual audit training sessions.

XIII. Audit Subcommittee Consideration for Future Education and Training Products –
Mike Hoeme, UCR Audit Subcommittee Chair and Carol Fallin, UCR Education and Training Subcommittee Chair

The UCR Audit Subcommittee Chair and the UCR Education and Training Subcommittee Chair discussed recommendations for future state training products intended to increase states UCR registration efficiency.

XIV. Presentation from Warren Averett (The UCR Depository Independent Auditors) –
Mike Hoeme, UCR Audit Subcommittee Chair and Dave Scholz, UCR Depository Manager

The UCR Audit Subcommittee Chair and the UCR Depository Manager introduced the audit partner, Cindy Ethridge, independent auditors of the UCR Depository and allowed her to address issues of significance to the subcommittee, in fulfillment of the subcommittee's fiduciary responsibility to the UCR plan. The Audit Subcommittee asked questions to the external and independent auditors that they had of the UCR Plan.

XV. Other Items – Mike Hoeme, UCR Audit Subcommittee Chair

The UCR Subcommittee Chair called for any other items Subcommittee members would like to discuss. No additional matters were brought before the UCR Audit Subcommittee.

XVI. Adjournment – Mike Hoeme, UCR Audit Subcommittee Chair

The UCR Audit Subcommittee Chair adjourned the meeting at 1:48 pm ET.