

New York State Thruway Authority

Selected Aspects of Toll Collections

Report 2023-S-25 | September 2025

OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

Division of State Government Accountability



Audit Highlights

Objective

To determine whether the New York State Thruway Authority ensures that New York State Thruway users are accurately billed for the correct amounts and that customer billing issues are addressed. The audit covered the period January 2019 to October 2023.

About the Program

The New York State Thruway Authority (NYSTA), a New York State public benefit corporation, operates the New York State Thruway (Thruway), a 570-mile superhighway that connects the State's principal cities, rural areas, and tourist destinations. The Thruway comprises 496 miles including the mainline from the New York City line at Yonkers to Buffalo and the Erie Section. There are an additional five segments: Niagara Section, Berkshire Section, New England Section, Garden State Parkway Connector, and Cross Westchester Expressway. It has 817 bridges, 137 interchanges, and 27 travel plazas. NYSTA is vested by New York State laws and regulations to assess and collect toll revenues for use of the Thruway.

To reduce congestion, improve traffic flow, and allow for non-stop travel on the Thruway, in November 2020, NYSTA completed a system-wide conversion to cashless tolling using the E-ZPass system. Tolls may be charged through NY E-ZPass, Non-NY E-ZPass, or Tolls By Mail. Customers may obtain an E-ZPass transponder (tag) to use in their vehicle by completing an application. NYSTA also offers discounts or non-revenue plans to specific categories of customers, allowing them to travel on the Thruway at a lower cost or without paying tolls. The Thruway system consists of barrier segments, where the toll at each plaza is based on fixed amounts, and mainline segments, where the toll is based on the distance between the vehicle entry and exit points. NYSTA contracts with third-party vendors for cashless tolling, invoicing, and receivables collection.

In December 2019, NYSTA established the Office of the Toll Payer Advocate to assist customers in resolving toll-related issues such as fees for late payments.

Our prior audit report, *Selected Aspects of Toll Collections (2022-S-15)*, issued on May 26, 2023, assessed whether NYSTA effectively identified, billed, and collected tolls due, and found that improvements were needed. Key findings revealed significant gaps in toll collection efforts including \$276.3 million in unpaid tolls and fees, with 43% owed by out-of-state drivers. Other issues included a 9½-month gap in collection agency services and inefficiencies in processing rejected toll images, resulting in lost revenue.

Key Findings

NYSTA generally ensures accurate billing for most transactions, with a limited number of exceptions. For instance, for a 3-week period reviewed, 44,286 transactions involving interchange 25A appeared to have been inaccurately billed. This represents around 5% of such transactions reviewed and highlights the need for error monitoring and corrective actions even when the system is generally accurate.

Additionally, the agency lacks thorough documentation for fee reductions, eligibility verification for certain toll discounts for residents and non-revenue E-ZPass tags, as well as effective procedures for handling undeliverable mail. These gaps suggest that while NYSTA has systems in place, there are areas requiring improvement to ensure consistent accuracy in billing and responsiveness to customer concerns.

Key Recommendations

- Periodically review transactions to ensure tolls were correctly charged, identify the cause of incorrect charges, take appropriate action to prevent it from recurring, and document those where no action is deemed necessary.
- Follow NYSTA policies for violation fee reductions and waivers. If exceptions are warranted, document the reasons why.
- Maintain documents to support the initial and continued eligibility for non-revenue and resident discount tags, and periodically recertify the eligibility of these customers.
- Establish a system to internally flag undeliverable mail to owners of New York and Massachusetts registered vehicles and notify the Department of Motor Vehicles of returned correspondence.



**Office of the New York State Comptroller
Division of State Government Accountability**

September 23, 2025

Robert Megna
Chair, Board of Directors
New York State Thruway Authority
200 Southern Boulevard
Albany, NY 12209

Dear Chair Megna:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

The following is a report of our audit entitled *Selected Aspects of Toll Collections*. This audit was performed pursuant to the State Comptroller's authority under Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

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Glossary of Terms

Term	Description	Identifier
NYSTA	New York State Thruway Authority	<i>Auditee</i>
Cashless tolling	Automated toll collection system	<i>Key Term</i>
DMV	Department of Motor Vehicles	<i>Agency</i>
DOT	Department of Transportation	<i>Agency</i>
E-ZPass	Transponder or “tag” mounted on vehicle that is read at toll gantry	<i>Key Term</i>
GIR discount	Grand Island Bridges Resident discount	<i>Key Term</i>
Guidelines	NYSTA internal reference guidelines outlining the criteria for violation fee reduction	<i>Policy</i>
MCR discount	Mario M. Cuomo Bridge Resident discount	<i>Key Term</i>
MTA	Metropolitan Transportation Authority	<i>Authority</i>
NCOA	U.S. Postal Service National Change of Address database	<i>Key Term</i>
Non-NY E-ZPass	E-ZPass transponder issued by tolling entities outside of New York State	<i>Key Term</i>
NYCRR	New York Codes, Rules and Regulations	<i>Law</i>
NY E-ZPass	E-ZPass transponder issued by New York State tolling entities, including NYSTA, MTA, Port Authority of New York and New Jersey, and New York State Bridge Authority	<i>Key Term</i>
TBM	Tolls By Mail	<i>Key Term</i>
Thruway	New York State Thruway	<i>Key Term</i>
TPA	Toll Payer Advocate	<i>Office</i>

Background

The New York State Thruway Authority (NYSTA), a public benefit corporation, operates the New York State Thruway (Thruway), a 570-mile superhighway that connects the State's principal cities, rural areas, and tourist destinations. The Thruway comprises 496 miles including the mainline from the New York City line at Yonkers to Buffalo and the Erie Section. There are an additional five segments: Niagara Section, Berkshire Section, New England Section, Garden State Parkway Connector, and Cross Westchester Expressway. It has 817 bridges, 137 interchanges, and 27 travel plazas. NYSTA is vested by New York State laws and regulations to assess and collect tolls for use of the Thruway. The Thruway consists of barrier segments, where the toll at each plaza is based on fixed amounts, and mainline segments, where the toll is based on distance between entry and exit points. During 2023, tolls accounted for more than 97% of NYSTA's operating revenues, including tolls for use of the Thruway and fees charged to customers who do not settle their accounts in a timely manner.

In November 2020, NYSTA completed a system-wide conversion to cashless tolling using the E-ZPass system (see Exhibit A). The change was intended to reduce congestion, improve traffic flow, and allow for non-stop travel on the Thruway. A small electronic device, called a tag or transponder, is mounted on the vehicle's windshield. Tolls and discounts are automatically calculated as an E-ZPass customer passes through the toll lanes. A series of gantries with specialized electronic equipment read E-ZPass transponders and/or take pictures of vehicles' license plates to bill customers for their tolls. Tolls are based on variables including number of axles and vehicle class (see Exhibit B), discount plans, and section of the Thruway traveled. NYSTA created toll schedules and posts these schedules on its website. Computer systems used by NYSTA incorporate the logic of these toll schedules and use various codes and sub-codes to determine toll amounts billed to customers. NYSTA contracts with vendors for tolling, invoicing, and receivables collection.

In 2023, E-ZPass accounted for approximately 85% of all trips, which represented 92% of toll revenues, and in 2024, it accounted for approximately 95% of toll revenues. During 2021, 2022, 2023, and 2024, NYSTA reported \$804 million, \$881 million, \$887 million, and \$1 billion in toll and related revenues, respectively.

For mail correspondence, the primary source of mailing addresses used by NYSTA is the address on file with the Department of Motor Vehicles (DMV). The other sources are the U.S. Postal Service National Change of Address (NCOA) database and customers notifying NYSTA about a change of address.

NYSTA offers special discounts to specific groups of customers, including discounts based on residency. NYSTA also has non-revenue plans, allowing specified categories of customers, including eligible NYSTA retirees and disabled veterans, to travel without paying tolls.

Pursuant to an agreement between the Department of Transportation (DOT) and NYSTA, there is no toll charged at interchange 25A for vehicles traveling between 24 and 25A, 25 and 25A, and 25A and 26 or in the reverse direction. This applies

only if there are no transactions before or after these plaza combinations. These transactions can be based on either E-ZPass tags or license plates.

In December 2019, NYSTA established the Office of the Toll Payer Advocate (TPA) to assist customers in resolving toll-related issues if the Customer Service Center did not resolve their issues. The most common issue that the TPA addresses is related to customers asking to have their late fees reduced or eliminated.

Our prior audit report, *Selected Aspects of Toll Collections (2022-S-15)*, issued on May 26, 2023, found that NYSTA needs to improve efforts to identify, bill, and collect tolls.

Audit Findings and Recommendations

We generally found NYSTA tolling to be accurate, with some exceptions, and recommended several improvements for Thruway toll collection and to improve the perception of fairness:

- A review of toll transactions from over a 3-week period found:
 - About 92,000 were unbillable for reasons such as unreadable plate images.
 - Of 889,000 transactions involving interchange 25A, approximately 36,000 tolls appeared to have been incorrectly charged, and about 8,000 that should have been charged were not, resulting in an error rate of approximately 5%.
- Better management of non-revenue E-ZPass tags and discounts for residents for certain tolls is needed. Of the 75 non-revenue tags sampled, 46 had no support provided, raising concerns regarding eligibility. Similarly, for 50 transponders sampled from each the Grand Island Bridges Resident Plan and Mario M. Cuomo Bridge Resident Plan, NYSTA could not produce eligibility documentation for 22 Grand Island and 15 Mario M. Cuomo Bridge tags or support for their DMV vehicle registration verification process, with some tagholders found to be living outside designated areas.
- The TPA program did not adhere to fee settlement criteria and lacked documentation for fee reductions and calculation. From a sample of 50 TPA cases, 20 were related to fees and all 20 were offered fee reduction, with 12 exceeding reduction guidelines. For all 12, there was no documentation of why guidelines were not followed and the calculation of the reduction. While NYSTA states it has discretion to reduce fees above the guidelines, failing to document the rationale creates the impression of subjectivity and impacts the perception of fairness.
- Additionally, limited procedures exist for handling undeliverable mail for New York and Massachusetts plates. Of 48 randomly selected vendor correspondences such as toll bills and notices of past due amounts, 25 were undeliverable, 21 of which involved New York and Massachusetts plates. For these 21, the vendor continued to send mail to these undeliverable addresses.

Accuracy of Toll Collections

We found NYSTA's toll collections were generally accurate, with some exceptions.

NYSTA provided us with files of all toll transactions, both barrier (transactions based on fixed tolling amount) and mainline (transactions based on distance between entry and exit points) for a 3-week period during April and May 2022. In total, there were about 22.4 million transactions totaling about \$53 million (16 million mainline transactions totaling nearly \$30.6 million and 6.4 million barrier transactions totaling more than \$22.4 million).

Of the 22.4 million transactions, 91,703 transactions were classified as unbillable for various reasons, including license plate image not being read. These transactions were initially billed at the Non-NY E-ZPass rate, but during the course of the audit,

NYSTA agreed to change this to the Tolls By Mail (TBM) rate, which more accurately represents the loss in revenue. For the transactions in our sample, this change represents an increase of \$90,467 in lost revenue for the period reviewed.

Mainline Transactions

From the approximately 16 million mainline transactions, we excluded about 1.8 million from our review:

- 532,989 exit transactions without a corresponding entry transaction
- 767,164 interchange 25A transactions (which are discussed separately in the Interchange 25A Transactions section below)
- 510,139 entry transactions discarded upon match to exit transactions
- 21,710 annual plan transactions

For the remaining approximately 14 million transactions, we reviewed and identified a small number of instances (14,709) where the toll amounts charged differed from the amounts on the toll schedules, resulting in approximately \$7,000 in differences. Generally, while billings matched toll schedules, for a small number of transactions with vehicle class, entry, and exit data, there was a mismatch with no explanation provided for the difference from the toll schedules.

Barrier Transactions

The barrier transactions included 1,244,601 transactions that had received off-peak toll discounts at the Governor Mario M. Cuomo Bridge and Spring Valley fixed toll gantries. However, because the initial data NYSTA provided did not include the a.m. or p.m. indicator in the time field, and as the toll is dependent on the time of day, the tolls for these transactions could not be recalculated. Seven months later, NYSTA provided data containing this information. However, due to the delay, we did not include these off-peak transactions as well as other transactions, including those that did not have sufficient data to review the toll. In total, we reviewed 5,129,995 barrier transactions.

Like the mainline transactions, generally, billings were accurate, with limited exceptions. For instance, for Grand Island Commuter and Grand Island Resident discount plans, under the New York Codes, Rules and Regulations (NYCRR), only vehicles classified as 2L (2 axles and less than 7'6" in height) are eligible for the discount. However, the discount was also applied to 3L (3-axle) vehicles. This resulted in approximately \$1,000 in underbilling for the 3-week period reviewed.

Interchange 25A Transactions

We also evaluated approximately 880,000 tag-based and 9,000 plate-based transactions involving exit 25A separately. Pursuant to an agreement between DOT and NYSTA, there is no toll charged at interchange 25A for vehicles traveling between 24 and 25A, 25 and 25A, and 25A and 26 or in the reverse direction. This agreement applies only if there are no transactions before or after these toll plaza combinations.

Our review identified 35,290 tag-based transactions and 881 plate-based transactions, where, based on the information provided, a toll was charged but should not have been, as well as 8,033 tag-based and 82 plate-based transactions where a toll was not charged but, based on available data, should have been. In total, these errors represent roughly 5% of such transactions for this 3-week period. While these errors may not be material overall, it is crucial to investigate and understand the nature of such errors, as they could indicate underlying issues that need to be addressed and could undermine toll payers' confidence in the accuracy of toll billing. It is essential to have mechanisms in place for monitoring errors, understanding their causes, and taking appropriate action when necessary.

Recommendations

1. Follow NYCRR and allow only 2-axle vehicles to be eligible for the Grand Island Resident and Grand Island Commuter plan discounts.
2. Review transactions at interchange 25A to ensure that toll charges were in accordance with the agreement with DOT.
3. Periodically review transactions to ensure tolls were correctly charged, identify the cause of incorrect charges, take appropriate action to prevent it from recurring, and document those where no action is deemed necessary.
4. Ensure that unbillable transactions are recorded at the TBM rate to more accurately represent the loss in revenue.

Eligibility for Discount and Non-Revenue E-ZPass Tags

NYSTA offers special discounts to specific groups of customers, including discounts based on residency. NYSTA also has non-revenue plans, allowing specified categories of customers, including eligible NYSTA retirees and disabled veterans, to travel without paying tolls.

Resident Discount

The Mario M. Cuomo Bridge Resident (MCR) discount for residents of Westchester and Rockland counties and the Grand Island Bridges Resident (GIR) discount for Grand Island residents have discounts for 2-axle vehicles only, as follows:

Plan	Tolls By Mail	Non-NY E-ZPass	NY E-ZPass	Resident Plan
MCR	\$7.48	\$6.61	\$5.75	\$4.75
GIR	\$1.24	\$1.09	\$0.95	\$0.09

According to 21 NYCRR Section 101.2 Toll Schedules & Fees, “Commuter and residential discounts apply to eligible Class 2L vehicles equipped with E-ZPass tags that are issued to customers who apply, qualify and enroll in one or more of the discount plans as from time to time may be established by [NYSTA].”

NYSTA’s website states that for customers to be eligible for the GIR discount, proof of Grand Island residency is required. Residency status is subject to periodic review. A copy of either a driver’s license, utility bill, or lease agreement and a copy of a vehicle registration showing a Grand Island address for each E-ZPass tag requested is required.

NYSTA’s website also states that for customers to be eligible for the MCR discount, they must have an associated vehicle registered in Rockland or Westchester counties. Additionally, residency status is subject to periodic review.

Using the barrier data transactions NYSTA provided for 3 weeks in April and May 2022 and the list of eligible transponders NYSTA provided on October 16, 2023, we selected a random sample of 50 of 14,784 tags that received the GIR discount and 50 of 70,037 tags that received the MCR discount. We obtained information to support the eligibility for the sampled resident tags in the presence of NYSTA officials. NYSTA officials limited our access to information and required multiple NYSTA individuals to be present for meetings to review information, and then limited meetings because of the lack of availability of the staff they required to attend them. Based on our review, we found the following:

- NYSTA did not produce supporting documentation for the eligibility of 22 of 50 (44%) sampled tags for the GIR discount. No information was provided by NYSTA officials that documented the DMV vehicle registration verification process described by NYSTA.
- NYSTA did not produce supporting documentation for the eligibility of 15 of 50 (30%) sampled tags for the MCR discount. No information was provided by NYSTA officials that documented the vehicle registration verification process described by NYSTA.
- During our review of the samples, we identified instances where tagholders’ residences were outside of Grand Island or outside of Westchester or Rockland counties for GIR and MCR discount recipients, respectively.
- NYSTA does not have a process to periodically recertify eligibility for resident plans, nor does it remove resident plans when DMV registration information shows a vehicle is no longer registered in an eligible area.

In response to our preliminary findings, NYSTA officials indicated that they are currently working with their contractor to develop an automatic process where any updated address information would result in an automatic change to the respective residency plan, if appropriate. Additionally, they stated they will undertake a full re-review and recertification of eligibility of all participants in both residency plans and make changes accordingly.

Non-Revenue Tags

NYSTA offers discounts and no-charge (non-revenue) trips to various categories of customers including designated retired NYSTA employees, disabled veterans, non-engineering contractors, National Guard, Thruway fleet, New York State Police, New York State Attorney General staff, and Grand Island government officials. For retired NYSTA employees, according to the Employee/Retiree Non-Revenue E-ZPass agreement terms and conditions, “The unlimited retiree Tag is valid for the life of the eligible retiree.” A tag issued to a NYSTA retiree or employee “is valid only for the employee/retiree to whom it is issued and may not be used by any other member of the employee/retiree’s family or by any other individual unless the employee/retiree is an occupant of the vehicle.” As of the time of our review, NYSTA had issued 12,785 non-revenue tags.

For the 3 weeks of data we reviewed from April and May 2022, there were nearly 105,000 non-revenue trips. We reviewed the status of 75 randomly sampled non-revenue tags in the following categories:

- 25 of 642 for barrier transactions for tag IDs on NYSTA’s list of non-revenue tags
- 25 of 4,034 for mainline transactions for tag IDs on NYSTA’s list of non-revenue tags
- 25 of 481 that received a non-revenue discount for mainline transactions for tag IDs not on NYSTA’s list of non-revenue tags

To determine whether the non-revenue tags met eligibility requirements, we obtained information to support the eligibility for the sampled non-revenue tags. However, NYSTA officials were not able to provide supporting documentation for the eligibility of 46 of the 75 sampled transponders (61%). Officials told us that older applications for non-revenue tags were not scanned into the system; instead, they are maintained with Human Resources. However, NYSTA would not provide access for us to view the applications; therefore, we could not verify this. Additionally, NYSTA did not have a process to check on the continual eligibility of retired employees to ensure that the sampled transponders are used only for the benefit of the eligible retired employee.

We conclude that there is a lack of assurance that all the non-revenue tags were issued to individuals entitled to receive these benefits. The lack of oversight of non-revenue plans creates the opportunity for these tags to be used by other than the intended users.

In response to our preliminary findings, officials stated that NYSTA conducts periodic reviews of non-revenue plan holders, but agreed that a more stringent review process should be developed and maintained and that they will develop procedures for such a review.

Recommendations

5. Review on a regular, recurring basis the eligibility of non-revenue and resident discount recipients.
6. Maintain documents to support the initial and continued eligibility for non-revenue and resident discount tags for the entire time the tags are active as well as records for deactivated tags for a specified time period.

Toll Payer Advocate

In December 2019, NYSTA established the TPA to assist customers in resolving toll-related issues. Customers should first contact the Customer Service Center; if the customer service representative cannot resolve the issue, customers may contact the TPA using an online form. According to NYSTA officials, the TPA's role is to help toll payers receive fair and responsive treatment and to identify and resolve problems and recommend improvements to customer service. The most common issue that the TPA addresses is related to customers asking to have their fees reduced or waived. NYSTA provided internal reference guidelines (Guidelines) outlining the criteria for the reduction of violation fees.

We found that NYSTA and the TPA did not follow Guidelines for fee reduction. For example, there was no documentation describing the reasons for fee reductions or the calculations of reduction amounts, or why fees were not reduced. The Guidelines state that fee amounts between \$1,000 and \$5,000 are escalated to a manager. Although the Guidelines do not address any fees over \$5,000, NYSTA's delegation policy requires further reductions to be approved by either the Director of Operations and Maintenance (if under \$10,000) or the Chief Financial Officer (if under \$20,000).

NYSTA provided a listing of the 4,402 TPA cases from the program's inception—December 14, 2019—through October 7, 2022. We selected a random sample of 50 of these cases for review. Of these 50 cases, we determined that 39 were for travel on the Thruway (11 were for travel on other systems [MTA and the Port Authority of New York and New Jersey]). Of the 39 cases for travel on the Thruway, 20 were related to tolls. Of the 20 cases related to tolls, the TPA offered fee reductions for all cases, totaling \$17,425 (\$8,970 in fee reductions and \$8,455 in fees waived). However, we determined that only eight of the 20 cases met the Guidelines' criteria for fee reduction. For the remaining 12 cases, the amount of the fee reduction exceeded the amounts allowed by the criteria. For example, one case with fees of \$12,320 was escalated to a manager and had the fees reduced by \$5,640. There was no evidence of approval (above \$5,000), as required by the delegation policy.

Overall, we determined that fee reduction did not always follow the Guidelines, and there was limited documentation describing the reasons the Guidelines were not followed or the basis for the amount of the reduction.

In response to our preliminary findings, NYSTA officials indicated that, although the Guidelines are used as a basis for making settlement offers to the customers, the TPA has the authority to use discretion to propose a further reduction of fees subject

to further approval outlined in the delegation policy. However, according to NYSTA officials, part of the TPA's role is to help toll payers receive fair and responsive treatment. When Guidelines are not followed, and without explanation, the decision can appear subjective and creates a perception of unfairness.

Recommendation

7. Follow NYSTA policies for violation fee reductions and waivers. If exceptions are warranted, document the reasons why.

Mail Correspondence

NYSTA's contractor handles mail correspondence. This correspondence includes toll bills, notices of past due amounts, responses to customer queries, and other related notices. For toll payers to be treated fairly, they must be notified of the amount of payment due.

For each month during 2022, the contractor sent between 250,000 and 300,000 pieces of mail correspondence. NYSTA's primary source for customers' mailing addresses is the address on file with the DMV. Other sources are the U.S. Postal Service NCOA database and customers notifying NYSTA of address changes. The contractor's data files contain names and addresses from the DMV files. If a change of address is found through NCOA, the contractor will add that information to the data files used for NYSTA mailings, but the address in the DMV files remains the primary address on file.

Correspondence returned by the U.S. Postal Service is flagged as undeliverable. However, NYSTA doesn't flag addresses for accounts for vehicles with New York or Massachusetts license plates as undeliverable because doing so would stop correspondence to the address on record with DMV, and this would prevent NYSTA from meeting the notification requirement to allow for DMV suspension. Despite the mail being undeliverable, NYSTA continues to send mail to the DMV address on file. If an NCOA address is available, it uses that as a secondary source. If the customer updates their address with NYSTA, that too is used to mail the correspondence.

NYSTA provided us with a list of mail correspondence for June 2022. From the population of 22,634 incoming mail correspondences, we selected a random sample of 100, which included mail returned as undeliverable. Of the 100 mail correspondences we reviewed, 48 pertained to NYSTA (the remaining 52 were for other tolling agencies, e.g., New York State Bridge Authority). Of the 48 NYSTA mail correspondences, 25 were returned as undeliverable. Of the 25:

- Twenty-one, which pertained to New York and Massachusetts license plates, were not flagged by NYSTA as undeliverable.
- One was for a Connecticut license plate; however, there is no registration suspension or hold for this state.
- Three were resolved by the Customer Service Center.

The procedures for undeliverable mail for New York and Massachusetts represent poor customer service to those individuals who may be missing out on important communications from NYSTA and appear to lack fairness.

In response to our preliminary findings, NYSTA officials stated that they will collaborate with the contractor and partner toll agencies to review the procedures and develop more effective processes. Officials added that they will also revise the procedures to outline the steps taken when processing mail correspondence.

Recommendations

- 8.** Establish more effective procedures to handle mail correspondence.
- 9.** Establish a system to internally flag undeliverable mail to owners of New York and Massachusetts registered vehicles and notify DMV of returned correspondence.

Audit Scope, Objective, and Methodology

The objective of our audit was to determine whether NYSTA ensures that Thruway users are accurately billed for the correct amounts and that customer billing issues are addressed. The audit covered the period January 2019 to October 2023.

To accomplish our objective and assess the relevant internal controls, we reviewed documentation such as procedures manuals, flow charts, and toll transaction reports; analyzed customer accounts and balances; and interviewed NYSTA and contractor staff regarding processes for toll calculations, toll advocacy, and mail correspondence. We also confirmed that trips made by OSC auditors were properly recorded and charged the correct toll amount.

We used a non-statistical sampling approach to provide conclusions on our audit objective and to test internal controls and compliance. We selected random and judgmental samples. However, because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations, even for random samples. Our samples, which are discussed in detail in the body of our report, include:

- A random sample of 50 of the 4,402 TPA cases between December 2019 and October 2022 to determine whether fee reductions or fee eliminations were done in accordance with NYSTA's procedures
- A random sample of 100 of 22,634 mail correspondences received during June 2022, including outgoing mail that was returned as undeliverable, to determine the adequacy of the correspondence resolution process
- Fifty of 14,784 tags with the GIR discount and 50 of 70,037 tags with the MCR discount
- Random samples of various types of tags to determine if these customers were eligible for the discounted or free travel, based on NYSTA's records:
 - 25 of 642 non-revenue tags with barrier transactions
 - 25 of 4,034 non-revenue tags with mainline transactions
 - 25 of 481 tags that received a non-revenue discount for mainline transactions without being on the non-revenue tag list

We obtained data from NYSTA's Host System and from its contractors' Kapsch and Vector systems and assessed the reliability of that data by reviewing existing information, interviewing officials knowledgeable about the system, performing electronic testing, and tracing to and from source data. We determined that the data from these systems were sufficiently reliable for the purposes of this report.

Statutory Requirements

Authority

This audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

We conducted our audit in accordance with generally accepted government auditing standards. These 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 objective. We believe that the evidence obtained during our audit provides a reasonable basis for our findings and conclusions based on our audit objective.

NYSTA officials did not provide access to certain records unless multiple NYSTA representatives were present. The affected records included documentation for selected tags with discounted or free travel, TPA cases, and mail correspondence, and limited our access to relevant personnel familiar with the process. However, we ultimately obtained the necessary information to accomplish our objectives and support the findings and conclusions in this report.

As is our practice, we notified officials from NYSTA at the outset of the audit that we would be requesting a representation letter in which their management provides assurances, to the best of their knowledge, concerning the relevance, accuracy, and competence of the evidence provided to the auditors during the course of the audit. The representation letter is intended to confirm oral representations made to the auditors and to reduce the likelihood of misunderstandings. In this letter, agency officials assert that, to the best of their knowledge, all relevant financial and programmatic records and related data have been provided to the auditors. Officials further affirm either that the entities have complied with all laws, rules, and regulations applicable to their operations that would have a significant effect on the operating practices being audited, or that any exceptions have been disclosed to the auditors. NYSTA provided a representation letter that did not address all requirements. Therefore, we lack assurance from NYSTA officials that all relevant information was provided to us during the audit.

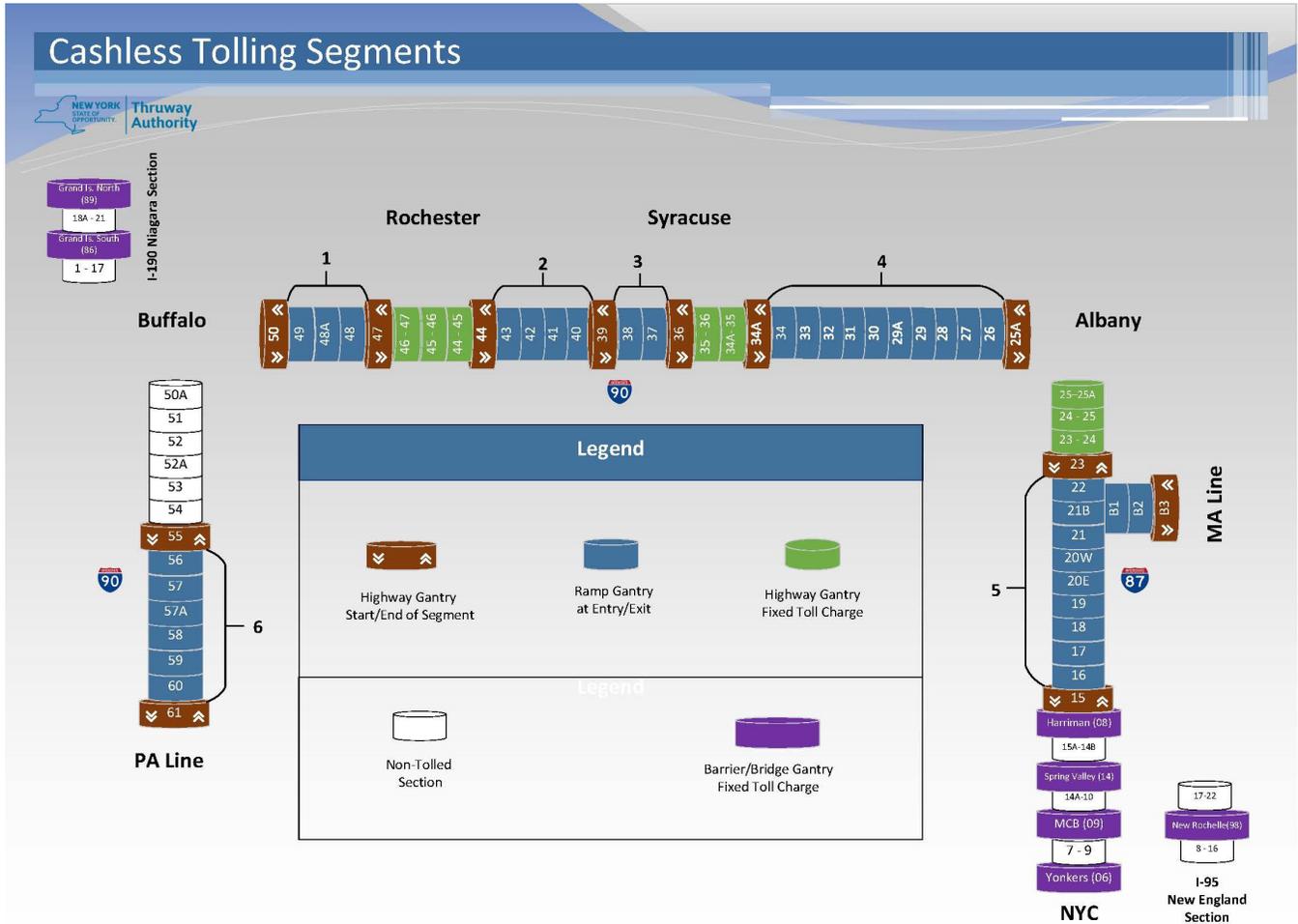
In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State, including some duties on behalf of public authorities. For NYSTA, these include reporting NYSTA as a discrete component unit in the State's financial statements and approving selected contracts. These duties could be considered management functions for the purposes of evaluating organizational independence under generally accepted government auditing standards. In our professional judgment, these duties do not affect our ability to conduct this independent audit of NYSTA's oversight and administration of toll collections.

Reporting Requirements

We provided a draft copy of this report to NYSTA officials for their review and comment. We considered their comments in preparing this final report. Their comments are attached in their entirety at the end of this report. In response to our draft report, NYSTA officials stated they have taken action on or will act on six of the nine recommendations. For two recommendations, they will work with other entities to review the process for handling mail correspondence. For the remaining recommendation, NYSTA stated it complies with its TPA settlement guidelines and follows its official delegation policy. However, its documentation needs to be improved if that is the case.

Within 180 days after the final release of this report, as required by section 170 of the Executive Law, the Chair of the New York State Thruway Authority shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where the recommendations were not implemented, the reasons why.

Exhibit A



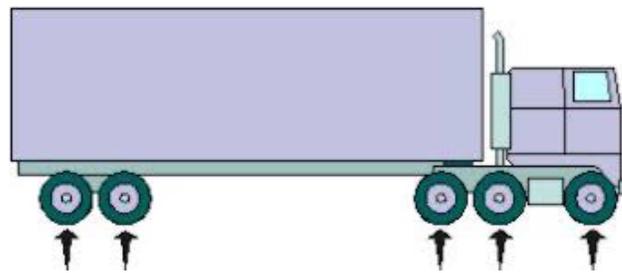
Source: NYS Thruway Authority

Exhibit B

FIGURE 1 - VEHICLE CLASS TABLE

CLASS	HEIGHT	NUMBER OF AXLES
2L	UNDER 7 feet 6 inches	2
3L	UNDER 7 feet 6 inches	3
4L	UNDER 7 feet 6 inches	4 or more
2H	7 feet 6 inches OR GREATER	2
3H	7 feet 6 inches OR GREATER	3
4H	7 feet 6 inches OR GREATER	4
5H	7 feet 6 inches OR GREATER	5
6H	7 feet 6 inches OR GREATER	6
7H	7 feet 6 inches OR GREATER	7 or more

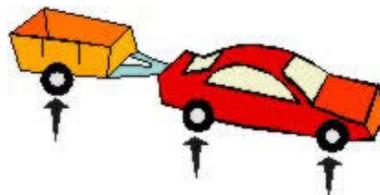
Examples of axle counts on various vehicles



5 axles



2 axles



3 axles

Source: NYS Thruway Authority

Agency Comments



KATHY HOCHUL
Governor

ROBERT L. MEGNA
Chair

FRANK G. HOARE, ESQ.
Executive Director

August 11, 2025

Office of the New York State Comptroller
Attn: Carmen Maldonado, Audit Director
Division of State Government Accountability
59 Maiden Lane – 21st Floor
New York, NY 10038

Dear Ms. Maldonado,

On behalf of Chairperson Megna, thank you for the opportunity to comment on the Office of the State Comptroller's draft audit report, "Selected Aspects of Toll Collections" (2023-S-25).

During the audit period, from January 2019 to October 2023, the Authority completed a conversion to cashless tolling in November 2020. Cashless tolling reduces congestion, improves traffic flow and allows for non-stop travel on the Thruway system. Since November 2020, the Authority has successfully processed 1.7 billion toll transactions and routinely performs quality assurance reviews to ensure the integrity of the tolling system. We were pleased to see that your audit results generally found the Authority's tolling to be accurate.

The Authority's response to each recommendation follows:

Recommendation:

1. **Follow NYCRR and allow only 2-axle vehicles to be eligible for the Grand Island Resident and Grand Island Commuter plan discounts.**

The Authority has interpreted the rates of the Grand Island Resident Plan and Commuter Plan as applying to qualifying residents of Grand Island in passenger vehicles who are towing a single axle trailer, which is mostly infrequent and incidental use associated with the passenger vehicle. The Authority will evaluate how the discount is applied.

Recommendation:

2. **Review transactions at interchange 25A to ensure that toll charges were in accordance with the agreement with DOT.**

The Authority agrees with OSC's finding that tolls are accurately charged, with a limited number of exceptions.

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The NYS DOT agreement requiring toll-free passage for Interstate 88 traffic from Interchange 25A to and from Interchange 24 to Interchange 26 has caused toll processing delays and some inaccuracies that the Authority acknowledges need to be improved. In May 2024, the Authority commenced a project to install additional toll gantries at Interchanges 25 and 25A. The project is scheduled for completion in the first quarter of 2026. Once operational, the new gantries will significantly improve tolling at Interchange 25A.

In the interim, the Authority has instituted additional quality assurance reviews specific to Interchange 25A.

Recommendation:

3. Periodically review transactions to ensure tolls were correctly charged, identify the cause of incorrect charges, take appropriate action to prevent it from recurring, and document those where no action is deemed necessary.

The Authority agrees with OSC's finding that tolls are accurately charged, with a limited number of exceptions.

The Authority routinely conducts reviews of toll transactions to ensure the integrity of the tolling system but agrees it should continuously improve the quality assurance process to further mitigate incorrect tolls being charged.

Recommendation:

4. Ensure that unbillable transactions are recorded at the TBM rate to more accurately represent the loss in revenue.

The Authority agrees with this recommendation and has implemented it. Since January 1, 2024, unbillable transactions have been calculated using Toll by Mail (TBM) rates.

Recommendation:

5. Review on a regular recurring basis the eligibility of non-revenue and resident discount recipients.

The Authority agrees with this recommendation.

While the Authority does conduct periodic reviews of non-revenue plan holders, the Authority agrees that a more stringent review process should be developed and adhered to. In the coming months, the Authority will develop procedures for such review process.

For the Authority Resident Discount Programs, the Authority has already completed a recertification of the Grand Island Resident Plan and is currently conducting a recertification of the Mario Cuomo Resident Plan. In addition, when the Authority converted to the new E-ZPass New York website and back-office system, automated functionality was added to prevent customers from continuing to receive a residency discount if they are not eligible. A recertification of the resident discount programs will be conducted every two years and will be automated in the new system.

Recommendation:

6. Maintain documents to support the initial and continued eligibility for non-revenue and resident discount tags for the entire time the tags are active as well as records for deactivated tags for a specified time period.

The Authority agrees with this recommendation. This will be built into the procedures referenced in #5.

Recommendation:

7. Follow NYSTA policies for violation fee reductions and waivers. If exceptions are warranted, document the reasons why.

The Authority agrees with this recommendation. The Authority follows its official delegation policy and does document if an exception is made.

Recommendation:

8. Establish more effective procedures to handle mail correspondence.

The Authority understands this recommendation and will collaborate with its contractor and partner Toll Agencies to review the current processes and procedures.

Recommendation:

9. Establish a system to internally flag undeliverable mail to owners of New York and Massachusetts registered vehicles and notify DMV of returned correspondence.

The Authority understands this recommendation and will engage NYS DMV management to assess the feasibility and viability of the recommendation.

The Authority has been, and continues to be, committed to transparency and full cooperation with your audit team. To this end, Authority personnel participated in all meetings requested by your team and we further made repeated offers to have weekly meetings, either in person or via video conference, to improve audit communications and provide additional opportunities for clarity, discussions, and requests.

The Authority remains steadfast in its commitment to fairly and accurately collect all toll revenues owed by its customers. We appreciate your team's work on this audit and thank you again for the opportunity to respond to the draft report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank G. Hoare".

Frank G. Hoare, Esq.
Executive Director

Cc: C. Chu
A. Fish
D. Nebiolo
M. Boehm

Contributors to Report

Executive Team

Andrea C. Miller - *Executive Deputy Comptroller*

Tina Kim - *Deputy Comptroller*

Stephen C. Lynch - *Assistant Comptroller*

Audit Team

Carmen Maldonado - *Audit Director*

Abe Fish, CPA - *Audit Manager*

Christine Chu, CPA - *Audit Supervisor*

Danhua Zhang - *Examiner-in-Charge*

Jaspal Gill, CPA - *Senior Examiner*

Diego Mora Rojas - *Senior Examiner*

Andrea Majot - *Supervising Editor*

Contact Information

(518) 474-3271

StateGovernmentAccountability@osc.ny.gov

Office of the New York State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236



For more audits or information, please visit: www.osc.state.ny.us/state-agencies/audits