



Oklahoma State Auditor & Inspector

News Release

For Immediate Release

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State Auditor: \$230 Million in County Road Funds Diverted by Legislative Action

OKLAHOMA CITY – State Auditor Gary Jones says an analysis of the County Improvements for Roads and Bridges (CIRB) Fund disbursed by the Oklahoma Department of Transportation (ODOT) shows no funds were missing or improperly diverted.

“By all accounts, ODOT appears to have properly managed these funds which are used to construct or reconstruct county roads and bridges,” Jones said. “We’ve identified \$230 million in CIRB funds diverted by legislative action for appropriation to address revenue and budget shortfalls at other agencies. Beyond the diversion of this revenue, we are continuing to look at other issues District 22 District Attorney Paul Smith asked us to review. Those matters will be addressed in a separate report.”

The legislature transferred money from the CIRB Fund to the Special Cash Fund of the State for use by other agencies in four separate appropriation bills between FY16 and FY18. In all, \$230 million was transferred out of the CIRB fund. These fund transfers depleted money available for county road and bridge projects.

“After the Special Session transfer of \$80 million in November 2017, the CIRB Fund balance dropped to \$117,975,529,” Jones said. “ODOT had already encumbered \$182,449,996 leaving the appearance of a negative balance in the CIRB Fund. If I had to guess, it appears the legislature did not take outstanding encumbrances into account when deciding to transfer the \$80 million.”

The Office of Management and Enterprise Services transferred the \$230 million from the CIRB Fund in accordance with HB2242 (2015), SB1616 (2016), SB860 (2017), and HB1019X (2017 Special Session).

With the cash balance now lower than the encumbered balance, ODOT chose to slow down awarding CIRB projects to ensure funds remained available for future projects and to give the CIRB Fund an opportunity to be replenished in the wake of the prior fund transfers noted above.

Jones sent a letter to District 22 District Attorney Paul Smith, Ada, explaining the Auditor’s Office analysis of Statewide Accounting System records, legislation, and supporting documentation from ODOT.

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