



OKLAHOMA TURNPIKE AUTHORITY

Investigative Audit

March 4, 2026

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State Auditor & Inspector

Oklahoma Turnpike Authority

Investigative Audit

Release Date - March 4, 2026



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AUDIT AUTHORITY & SCOPE

Under 74 O.S. § 18f, the Oklahoma Attorney General requested this Special Investigative audit of the Oklahoma Turnpike Authority (OTA). The request was broad in scope with concerns including but not limited to improper transfers between the OTA and the Department of Transportation; improper contracting and purchasing practices; and inadequate internal financial controls.

This broad scope led to a voluminous audit that also examined OTA's bond approval and land acquisition processes, relationships with other state entities, the history of the Gilcrease Turnpike, and the sale of surplus land. Where possible, we have included helpful information about these OTA processes that are often brought up by citizens and the press.

WHAT WE DID NOT FIND

Within the scope of this audit, we did not find instances of egregious wrongdoing or significant statutory non-compliance. OTA appears to be operating within its extensive authority to expand and maintain the turnpike system and to fund those activities.

If legislators have concerns about OTA's practices or authority discussed in this report, it is within their purview to seek regulatory changes.

WHAT WE FOUND & RECOMMENDED

We identified some weaknesses and areas for potential improvement that are outlined in our report. Our recommendations include:

- Ensuring proper controls are in place over contracting practices
- Performing and documenting cost analysis and cost negotiations to ensure the agency is holding payments for engineering services to a minimum as required by 69 O.S. § 1728
- Ensuring funding provided to the Highway Patrol for troopers and cadet training is appropriate



March 4, 2026

TO THE OFFICE OF THE ATTORNEY GENERAL

We present the audit report of the Oklahoma Turnpike Authority released March 4, 2026. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

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Scope and Methodology

Under 74 O.S. § 18f, the Oklahoma Attorney General requested the Oklahoma State Auditor & Inspector’s Office conduct a Special Investigative audit of the Oklahoma Turnpike Authority (OTA or the Authority). The request was broad in scope with concerns including but not limited to improper transfers between the OTA and the Department of Transportation; improper contracting and purchasing practices; and inadequate internal financial controls.

As this was our first audit of OTA, significant effort was dedicated to gaining an understanding of the authority’s operations and key processes. Based on this work and the time available, the audit focused on areas assessed as higher risk or identified through preliminary procedures, discussion with the Attorney General, and stakeholders’ concerns.

While we are unable to address all of the public’s concerns in detail during this engagement, there may be areas that warrant further evaluation in any future audit engagements. We have also included helpful information about OTA processes that come up often in the press and citizens’ questions. Many of the questions we encountered could be better answered with a performance audit, for example comparing OTA’s methods to best practices or benchmarks from other states.

The majority of our audit procedures focused on the ACCESS Oklahoma Program due to the volume of concerns raised surrounding this program. Our work did not include construction as the ACCESS Program is still in the design phase and construction has not yet begun.

The period for which we reviewed financial reports varies throughout the audit given the time frame in which procedures were completed. We have specified the time period for the data provided in each section below.

Background

OTA was established in 1947 by the Oklahoma Legislature under 69 O.S. § 1701. OTA was created to finance, construct, operate, and maintain toll roads and related transportation infrastructure. Their mission is the following: “Partnering with others, we provide our customers with a choice of a safe, convenient, efficient, user-funded transportation network focusing on fiscal responsibility and promoting economic development.”

The primary responsibilities of OTA include:

- Planning, financing, designing, constructing, operating, and maintaining Oklahoma’s turnpike system
- Issuing revenue bonds to finance new turnpike projects, expansions, and major construction projects
- Setting and collecting tolls necessary to operate the system and meet bond payment obligations

- Acquiring property and right-of-way, including through the power of eminent domain
- Contracting with engineers, consultants, contractors, and other professional service providers necessary to fulfill its statutory duties

OTA Board

OTA is governed by a Board of Trustees (the Board), which serves as the Authority’s primary decision-making and oversight body. The Board consists of the Governor (ex-officio) and six appointed members from districts, serving without pay for six-year terms. The members constitute a governing board and the vote of the majority of the members is necessary for any action taken by the Board.

Through our review of board minutes, we noted the following:

- The Board approves contracts and change orders for various areas such as engineering, construction, project management, right of way management, and traffic studies.
- The Board is presented with financial reports and updates from various divisions such as engineering and construction. The Board also approves the annual budgets for the turnpike system and the Gilcrease Turnpike.
- The Board approves resolutions of necessity declaring that acquiring specific property is necessary for public use or purpose.

Bond Council

The Council of Bond Oversight ensures bond issuances and related actions comply with applicable laws and are legally valid. The Bond Council does not direct operations but provides legal opinions and guidance to ensure OTA actions do not jeopardize the tax-exempt status of bonds or violate covenants. Failure to meet these obligations could result in legal, financial, or governance consequences, including defaults, increased borrowing costs, or loss of market access.

Turnpike System

The turnpike system is a network of toll roads, essentially highways that drivers pay a fee (toll) to use, and those tolls fund construction, maintenance, and operations. OTA’s tolling system is cashless as of the end of 2024, using the PlatePay system to capture license plates with cameras and send an invoice to the vehicle owner. There is also an electronic tag, PIKEPASS, that provides discounted rates.

The OTA manages Oklahoma's twelve toll roads. The following table lists the calendar year 2024 toll revenues attributable to each turnpike.

2024 Revenue	
Turner Turnpike	\$ 97,543,000
Will Rogers Turnpike	89,007,000
John Kilpatrick Turnpike	64,801,000
Creek Turnpike	39,040,000
H.E. Bailey Turnpike	37,109,000
Muskogee Turnpike	23,827,000
Indian Nation Turnpike	19,729,000
Cimarron Turnpike	13,520,000
Cherokee Turnpike	11,289,000
Gilcrease Turnpike	6,649,000
Kickapoo Turnpike	6,072,000
Chickasaw Turnpike	1,054,000
Total Revenues	\$ 409,640,000

Source: OTA 2024 ACFR. Revenues include both passenger and commercial tolls.

As discussed on page 30, the Gilcrease Turnpike is managed separately from the rest of the turnpike system.

ACCESS Program

The ACCESS Oklahoma Long Range Turnpike Improvement and Expansion Program is a long-term, comprehensive turnpike expansion and modernization initiative. ACCESS Oklahoma is structured as a multi-year capital and bond program, funded primarily through toll revenue bonds (no state appropriations). The ACCESS Program includes multiple projects:

- Three major new toll corridors:
 - East-West Connector
 - Tri-City Connector
 - South Extension Turnpike
- Widening of key existing turnpikes (Turner, Kilpatrick, and Will Rogers)
- New interchanges and access points
- Bridge and pavement renewals

There have been two bond issues for the ACCESS Program: \$500 Million (October 2023) and \$1.11 Billion Second Senior Revenue Bond (February 2025).¹ While ACCESS was initially estimated to cost \$5 billion, recent estimates have increased to \$8.2 billion for total program cost through 2037. The ACCESS Program has encountered many conflicts including

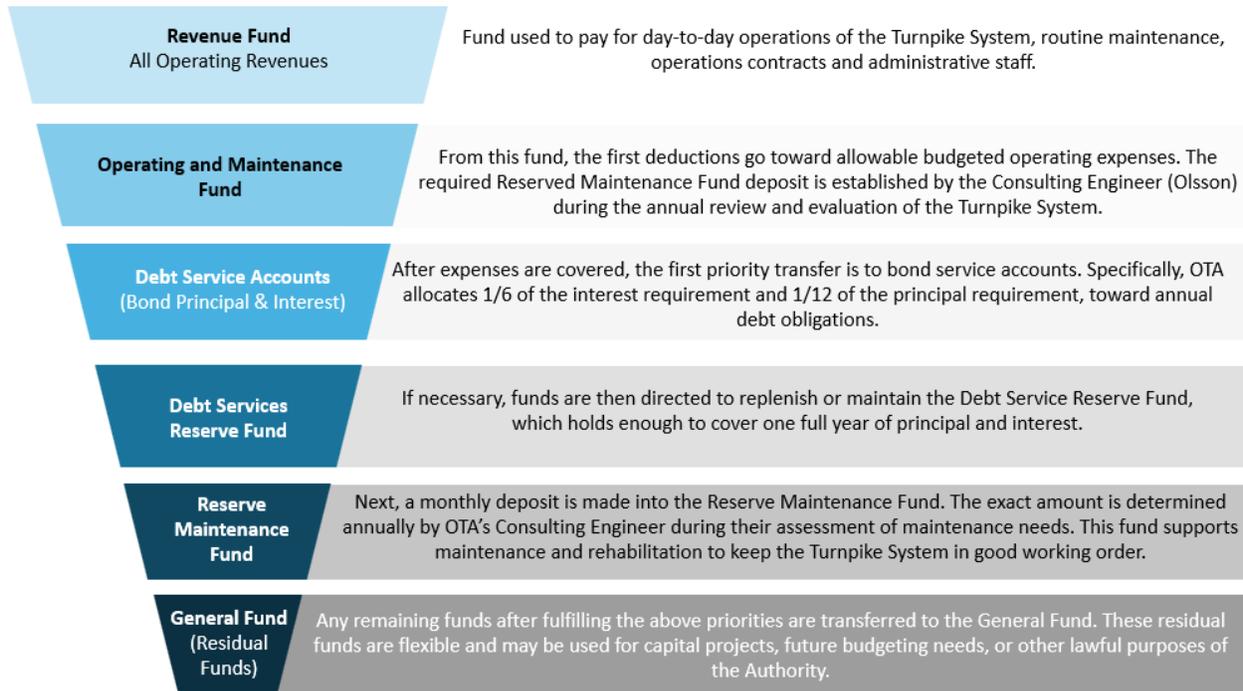
¹ The outstanding net revenue bonds reported for OTA as a whole in the 2024 Oklahoma Annual Comprehensive Financial Report totaled \$2,132,083,000.

community concerns, local government tensions, environmental concerns, and legal challenges. See the timeline of events on page 7.

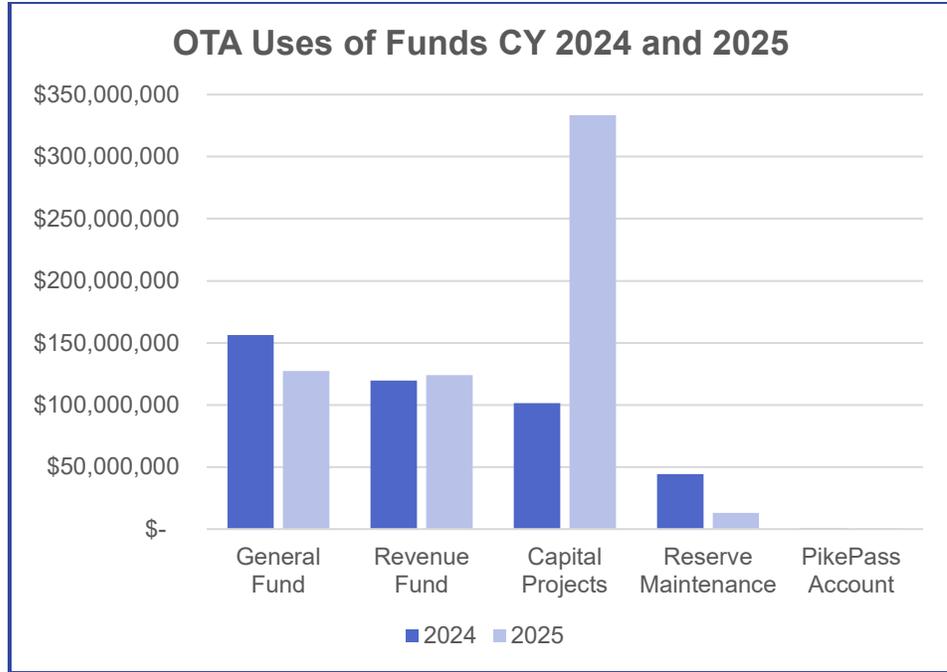
Flow of Funds

OTA operates as a self-funded entity, meaning it does not receive any appropriations from the Oklahoma Legislature for turnpike construction or operations. Instead, the Authority funds its activities primarily through the issuance of revenue bonds, which are repaid from toll collections, using no state general funds.

The flow of funds structure for OTA is mandated by its Trust Agreement (also referred to as the trust indenture) dated February 1, 1989. The Trust Agreement is amended as needed.



The following chart summarizes OTA's uses of funds in calendar years 2024 and 2025.



Source: Payment Register report provided by OTA. This report indicates 2025 Capital Projects included major construction and pavement rehabilitation on the Turner, H.E. Bailey, and Indian Nation turnpikes.

Other Turnpike System Considerations

Statutorily Authorized Turnpikes

In addition to the existing turnpikes and the extensions under development through the ACCESS program, 69 O.S. § 1705 authorizes a variety of other turnpikes (and features such as toll gates or exit ramps) for future construction. Rather than defining specific routes, the statute outlines areas of the state or locations to be connected by the theoretical turnpikes. Examples include turnpikes connecting:

- Enid to Woodward
- Watonga to Oklahoma City
- Altus to Sayre

OTA management noted that they do not anticipate most of the remaining authorized projects ever being built, and they would like to update the statute to reflect this. However, as it currently stands, many additional turnpikes and projects are authorized by the legislature.

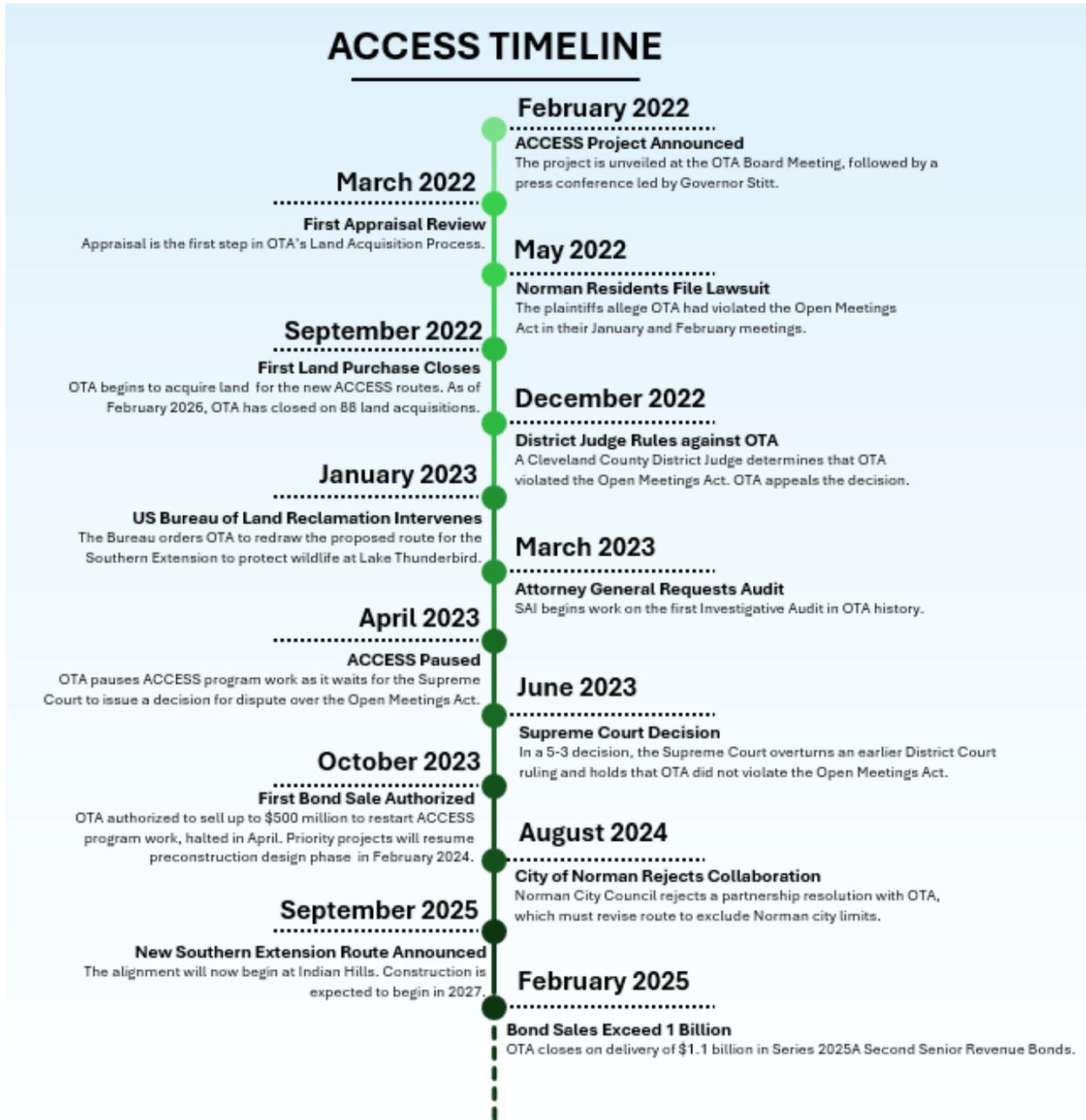
Feasibility of Paying Off the Turnpike System

A question often raised by citizens and in the media is whether the turnpike system is expected to be paid in full in the future and the turnpikes to become free to travel. This question is complicated by many issues, including the cross-pledging of turnpike revenues discussed on page 8.

In October 2025 Oklahoma's Legislative Office of Fiscal Transparency (LOFT) examined the long-term financial stability of the state's toll road network.² Their report found that OTA's ability to use its existing tollways to fund new bonds provides the State with significant flexibility in constructing new roads, which would not be feasible with only the Department of Transportation's resources. Changing Oklahoma's turnpike model (i.e. to pay off the turnpikes) is possible but would take decades to complete. As of June 2025, the payoff amount for OTA's bonds is just over \$3 billion. If the Legislature sought to immediately make the State's turnpikes toll-free, it would have to satisfy this bond debt and absorb the annual \$260 million in asset preservation and maintenance costs for the roads.

² Report available on the LOFT website at <https://okloft.gov>.

ACCESS Program Timeline



Bond Process

No Findings

There were no issues of non-compliance identified in our review of documentation for bonds related to the ACCESS Program.

While we have no specific recommendations related to the bond process, we have included details about OTA’s processes, applicable guidance, and our procedures for readers’ information.

Bond Types and Cross Pledging

The Authority is authorized to issue turnpike revenue bonds for the purpose of paying the costs of turnpike projects and turnpike revenue refunding bonds for the purpose of refunding any outstanding bonds of the Authority.

Turnpike Revenue Bonds

Construction of new turnpike projects is paid for by revenue bonds, which are debt obligations purchased by investors at a fixed interest rate and term. The proceeds from the purchase of the bonds are utilized by OTA to fund turnpike infrastructure needs. Revenue from tolls, investments, and concession leases is then used to pay off the bonds plus interest through the term of the bonds.

Cross Pledging

In 1954 voters approved SB 454 and HB 933, which allow for revenue cross pledging of the turnpikes. This permitted turnpike projects to be combined and financed as one project and allowed revenues from all turnpikes to be used to pay the obligations of all turnpikes.³ These bills also require that tolls continue to be collected on all Oklahoma turnpikes as long as any bonds remained outstanding on any individual turnpike.

OTA is authorized by 69 O.S. § 1705 “to issue turnpike revenue bonds of the Authority, payable solely from revenues Provided that any bonds issued for the construction of the proposed turnpike referred to in subparagraphs (10), (20), (21) and (22) of paragraph (e) of this section⁴ shall be issued as one issue for all four of the proposed turnpikes and shall be financed, constructed and operated under one bond indenture.”

³ An exception to this is the Gilcrease Turnpike, which was formally added to the list of approved turnpike locations through House Bill 3220 in 2010. Toll revenues collected from Gilcrease are not cross pledged with the Turnpike System, meaning revenues can only to be used for the Gilcrease.

⁴ These subparagraphs describe turnpike projects in various areas of the state; subparagraph (20) describes the Oklahoma City Outer Loop associated with the ACCESS Project.

Turnpike Refunding Bonds

In addition to the revenue bonds issued to fund construction, the Authority issues turnpike revenue refunding bonds. Refunding bonds are issued with a lower interest rate, with the purpose of refinancing all or a portion of previously issued bonds with a higher interest rate.⁵ Refunding bonds are issued in order to realize cost savings over an extended period of time. All bonds issued by the OTA include the purpose of financing on the bond tax certificate discussed beginning on the next page.

Project Planning Process

Project planning begins by identifying needed changes in transportation, in the form of expansion or additional roadways, that the Oklahoma Department of Transportation (ODOT) does not have the feasibility to achieve. OTA must first have specific Legislative authorization of toll road routes, including those identified and previously authorized under 69 O.S. § 1705(e). The Legislature has the exclusive right to authorize turnpike routes in state statute.

There are multiple layers of additional approval needed, including consulting with the Oklahoma Transportation Commission and ODOT management to ensure the project will seamlessly connect with the state highway system. In addition, initial engineering and planning establish costs. OTA then has the responsibility to complete engineering and economic feasibility analysis of the authorized routes before any bonds may be issued or turnpikes can be constructed. They also develop a financing plan including projected needs, future financial resources, existing debt service, analysis of financing alternatives, and development of financial objectives.

Bond Approval and Issuance

Once OTA determines they have the statutory authority needed for new routes in a proposed expansion and improvement program, staff work together to determine whether the program is technically and financially feasible. According to staff, they work closely with their financial advisor, Hilltop Securities Inc., and Debt Management Division of the State Treasurer’s Office throughout the process. Once the program is determined to be feasible, the OTA then notifies the Board and the Governor before taking further steps to advance the program.

Before a new program can advance further, the Board must approve underlying consulting contracts to begin engineering and design of component projects. The OTA also notifies relevant rating agencies⁶ of the program. According to staff, this is an informal meeting as a courtesy to

⁵ This is typically done at a 10-year optional call redemption, which is the period when it may be beneficial to refinance the debt.

⁶ Three independent bond rating agencies affirmed AA- or equivalent bond ratings for the Oklahoma Turnpike Authority in 2025. The rating agencies are Moody’s, Fitch, and S&P Global.

let them know that OTA will be needing a rating for the bond issuance process.

The bond approval process is very lengthy. Below is the list of processes and approvals OTA must complete in order to issue bonds and fund projects. If any step of the process is not completed, the process must restart or the project must be abandoned.⁷

OTA Bond Approval and Issuance Process	
1	Statutory approval of toll road routes (if not already identified)
2	Staff examination of technical and fiscal feasibility
3	Notice of turnpike initiative to Governor
4	Notice of turnpike initiative to OTA Board
5	Notice of turnpike initiative to rating agencies
6	Approvals of bond issue by OTA Board in public meeting(s)
7	Oklahoma Transportation Commission approval of new turnpikes
8	CDM Smith preparation and issuance of investment-grade traffic & revenue study
9	Olsson analysis of turnpike initiative on OTA Reserve Maintenance Contribution
10	Council of Bond Oversight provisional and final approvals of bond issuance (Attorney General is counsel to this entity)
11	Oklahoma Supreme Court validation of turnpike initiative, new turnpikes, and all bonds to be issued
12	Receipt of credit ratings on bond issue from credit rating agencies
13	Investor marketing - issuance of preliminary official statement, investor presentations, and institutional investor calls/meetings
14	Bond pricing and closing – Depository Trust Company letter of representation

These steps do not necessarily have to happen in the order they are listed, and some of the reports take time to complete. When new turnpike routes are added, OTA compiles reports for the Supreme Court to validate the necessary information and approvals. We reviewed documentation of the bond issuances for the 2018, 2020, and 2023 bond series in detail and confirmed the required steps and approvals were completed.

Tax Certificate

The tax certificate is a critical legal document, developed as part of the bond issuance process, that outlines the intended use of the bond proceeds and ensures compliance with federal tax laws. In essence, the declarations contained in the certificate serve as a guarantee from the

⁷ Not all bond approval and issuance process steps are applicable for refund bonds.

issuer (OTA) that it has taken the necessary steps to preserve the bond’s tax-exempt status and that of the interest earned thereon.

Traffic Study

As noted in step 8, traffic and revenue studies are required before bond issuance. OTA’s Trust Agreement directs the Authority to hire a traffic engineering firm. The required traffic and revenue studies are performed by CDM Smith, a global, privately owned engineering and construction firm selected through an RFP process. These studies include a comprehensive traffic count and data collection that assist in the projection of traffic and revenue, as well as a comprehensive assessment of economic conditions, demographic growth projections, and other key factors influencing traffic and revenue, including an independent review of demographic projections in the OKC and Tulsa areas.

The Trust Agreement also requires the traffic engineer to provide toll rate setting analysis. The primary goal in setting toll rates for a turnpike is to ensure sufficient revenue is generated to meet the financial needs of the turnpike system, and a toll sensitivity analysis is typically conducted as part of this process. We confirmed the 2017 Traffic and Revenue Report used for the 2018 bond series and the 2023 report used for the 2023 bond series were performed as required.

Bond Payments

The Trust Agreement authorizes the trustee (Bank of Oklahoma) to issue payments to bondholders twice a year and specifies the amounts to be paid. The Trust Agreement is a legal agreement outlining the terms of a bond issue and defining the rights and responsibilities of the issuer, bondholders, and the trustee as well as specifying details of interest rates, maturity date, and redemption provisions. There is an agreement updated for each bond, known as the Supplemental Trust Agreement, and it details the payment schedule for that particular bond issuance.

69 O.S. § 1709 authorizes OTA to issue turnpike revenue bonds to pay for one or more turnpike projects, and to combine multiple projects together and treat them as a single project for financing purposes.

In accordance with 69 O.S. § 1702, turnpike revenue bonds are not an obligation or debt of the State of Oklahoma, and the bonds are payable solely from OTA’s revenues. According to management and as verified in the years we reviewed, OTA has never been in default nor late on the payment of principal or interest.

**ACCESS
Program Bonds**

The ACCESS Oklahoma Program, undertaken in cooperation with ODOT,⁸ includes plans to make major investments in the Oklahoma Turnpike System with the goals of improving traffic safety and facilitating better movement of products and people.

For a program as large as ACCESS, there will be multiple bonds issued in phases over the course of the entire program. Each project to be funded by the applicable bond will be listed in the tax certificate for that bond. The bonds cover not only projects for the new alignments, but additional projects on the existing turnpikes.

As noted earlier, the tax certificate outlines the intended use of the bond proceeds.

When reviewing the 2023 bond series, we noted the intended use of the bonds is very broad. Although it does contain descriptions for specific projects in Exhibit A of the tax certificate, the certificate also contains the following language: “In addition to the new Turnpike Projects and Improvements described above, the ACCESS Oklahoma program is expected to include new and improved interchanges and other facility updates throughout the remainder of the existing Oklahoma Turnpike System.” This description appears to provide the OTA wide-ranging discretion in its utilization of bond proceeds to make planned improvements to the Oklahoma Turnpike System under the umbrella of ACCESS Oklahoma.

⁸ As the state's main transportation planning agency, ODOT works with the OTA and other partners to ensure that the ACCESS Oklahoma plan aligns with the state's overall transportation goals. The OTA's mission is to connect seamlessly with the state highway system, and ODOT's long-range plans factor in the turnpike system.

Contracting for the ACCESS Program

Findings

This section contains detailed discussions of issues in the areas of contracting and consultant selection, internal oversight and cost containment, and conflicting roles held by the ACCESS program manager and by the consulting engineer. In summary, we recommend OTA management:

- Document necessary justifications for consultant selection and negotiations for engineering and design fees
- Formally document Board authority resolutions for demand services contracts
- Monitor subcontractor use, especially when ACCESS consultants are subcontracting with each other
- Ensure adequate review processes and cost analysis are in place to prevent consultant overcharges and document key contracting decisions
- Enhance controls over the program manager and consulting engineer to ensure each of their multiple roles do not endanger fair competition among consulting firms or hinder OTA’s ability to rely on the information these contractors provide

OTA utilizes external engineering consultants for both capital and bond-funded projects for the ACCESS Program. While the overall project delivery framework is generally consistent across project types, the ACCESS Program reflects significant deviations from prior practices. Management reported that these differences are due to the program’s scale, duration, and complexity.

Consultant Selection and Contracting Processes

74 O.S. § 85.7(A)(6)(a) outlines that competitive bidding requirements do not apply to professional services, which include professional engineering. OTA generally selects consulting engineers in accordance with 69 O.S. § 708.2, through an established qualifications-based selection process that involves letters of interest, shortlisting, requests for proposals, committee scoring using tally sheets, and scope and fee negotiations. OTA is authorized by statute to negotiate with alternate firms if agreement cannot be reached with the first-ranked consultant.

For the ACCESS Program, management began by posting a letter of interest for professional engineering services that resulted in 17 engineering consultants responding with interest. OTA put 12 of the 17 engineering firms on a shortlist and used formal tally sheets to make their selection. However, during this process management implemented a new model by selecting all twelve consultants as “prime consultants” for on-demand services for engineering design. The majority of ACCESS design

work has been assigned to these prime consultants. OTA management stated this approach was necessary due to the scope and long-term nature of the program, and is allowable under 69 O.S. § 708.2(G), which states that the Authority may enter into demand services contracts for consultant services to provide a specific project work type or activity for unspecified projects or facilities on an as-needed basis.

The table on the next page lists the total paid to each of the twelve prime consultants as of March 2025.

Engineering Design Consultant	ACCESS Payments 1/1/2022 - 3/31/2025
CP&Y	\$ 13,790,743.42
TEIM	12,494,678.32
EST	11,424,059.64
MKEC	11,391,031.11
Benham	10,136,822.44
Olsson	8,150,280.38
MacArthur	8,050,324.99
CEC	7,909,922.00
Cowan	5,605,312.10
Hudson Prince	2,896,109.75
Garver	1,629,713.11
Poe & Associates	1,384,919.11
Total	\$ 94,863,916.37

Source: OTA ACCESS Payments Report

Deciding which engineer is selected for a project is done collaboratively by engineering management or, in some instances, solely by the OTA director. Once the selection is made, Poe & Associates (the firm that serves as ACCESS Project Manager, explained in more detail later) facilitates this process by sending the request for services to the consultant, and the consultant then submits a written scope of work that includes proposed fees.

Management reported their processes adhere to 69 O.S. § 708.2 and their Consultant Solicitation and Selection Guidelines reflect this. They also reported that on demand service contracts are negotiated. However, the only support we were provided reflecting that a negotiation had occurred were the dollar amounts on the initial and final scope and fee documentation.

Documenting the negotiation process would establish compliance with 69 O.S. § 708.2 and with the requirement in 69 O.S. § 1728 (discussed later) that OTA keep engineering services cost to a minimum. It would provide evidence for the Board and other key oversight figures that decisions are

made with OTA's and the state's best interests in mind, and that potential risks such as favoritism and kickbacks are limited.

Recommendations

Final selection decisions for consultants for on-demand contracts should be supported by written justification to promote transparency and to ensure services are obtained at fair market value. In addition, management should document price negotiations, including those for on-demand service agreements, prior to contract execution.

Documentation should include the vendor's initial pricing, management's negotiation efforts, any counter offers, and the final agreed upon rates. Documentation of selection decisions and negotiations should be retained for board review and to provide transparency.

Authority Resolutions

Additionally, 69 O.S. § 708.2(G) states in part that "as provided for in the Transportation Commission rules or by Authority resolutions, the Department or the Authority may enter into demand services contracts for consultant services to provide a specific project work type or activity for unspecified projects or facilities on an as-needed basis." OTA was unable to provide an official Authority Resolution for on demand contracts.

OTA reported that the official record of a decision made by the Board through publicly cast votes of its members is considered an Authority Resolution. However we noted OTA maintains formal resolutions for other matters, and they are voted on by the Board and approved. This places OTA out of compliance with 69 O.S. § 708.2(G).

Recommendations

- The OTA Board should approve a formal documented resolution each fiscal year that allows OTA staff to enter into on-demand contracts for engineering consultant services.

Subconsultant Use

Prime consultants submit lists of proposed subconsultants during the proposal and negotiation phases. However, OTA does not verify whether the identified subconsultants are the entities performing the work.

We noted in our review that some of the prime consultants' proposals included plans to subcontract work to each other. See details in Appendix

A. With this process in place, the subcontractors and the prime consultant may share billing rates with each other to establish a baseline. When they are selected, they could use this inside information to submit artificially high bids.

Recommendation

Management should monitor the subcontractors being used, including prime consultants being subcontracted by each other, in order to identify any billing risks or delays associated with this process and address any concerns that arise.

Internal Oversight and Cost Containment

OTA follows engineering best practices requiring design milestones at 30% completion, 60%, 65% (right-of-way), 90%, and final plan stages. Reviewing invoices and verifying that engineering work has been completed is a very important step in ensuring milestones have been met. Staff reported they verify design work by reviewing invoices and email records of the corresponding design plans to ensure the work was performed. However, given the high volume of work and some invoices lacking detail, staff reported it is difficult to thoroughly oversee all incoming invoices and track the progress of the work. While this documentation does receive a financial review, this puts staff at risk for approving costs without sufficient evidence of engineering work completion.

OTA management reported that recent ACCESS projects required additional bond funding due to consultant costs exceeding historical benchmarks and inflation-adjusted estimates. OTA staff expressed concerns that consultant fees are increasing at a rate greater than inflation, citing accelerated schedules, increased complexity, overtime, and staffing demands as contributing factors.

69 O.S. § 1728 directs the authority to hold payments for engineering services to the barest minimum. Without formal documentation of negotiations, we have no evidence that OTA is keeping engineering costs to a minimum. Staff further noted limited pushback on consultant pricing by upper management. This may allow engineering costs to outpace inflation without management being aware of the true going rates for engineering services, increasing the need for additional bond money needed to complete projects. Practices such as subcontracting, discussed above, may increase cost and therefore should be closely monitored.

69 O.S. § 1728 also directs the Authority to submit to the Governor and the Legislature a complete detailed itemized annual report of all sums expended for engineering services, showing the amounts and to whom they were paid. We reviewed the report for 2024.

Recommendations

- Management should develop standardized policies requiring a high level of invoice detail for review purposes. Management should also clearly outline review expectations for OTA staff. In addition, an adequate system should be put in place to track milestones against billing to prevent inflation-driven overcharges.
- Management should compare proposed fees to historical project costs and industry standards before approving increases. The analysis should be formally documented and retained for audit purposes.
- OTA management should require formal documentation of all price negotiations and perform price reasonableness analysis prior to contract approval. Executive management should also establish expectations to actively review and challenge consultant pricing to ensure engineering costs remain fair and competitive and align with market rates.

Roles of Program Manager and Consulting Engineer

Program Manager

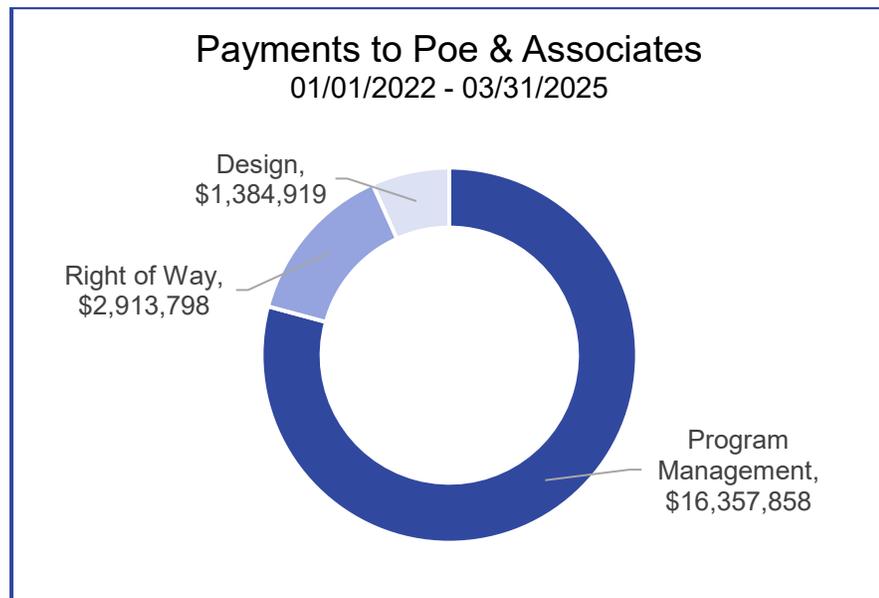
69 O.S. § 708.2 allows the authority to issue solicitations for management services. Engineering and design firms Poe & Associates (Poe) and Olsson submitted proposals in response to OTA’s solicitation that occurred in December 2021 for program management for the ACCESS Program. Poe was selected and awarded the contract. Poe’s agreement for program management services was originally executed on February 4, 2022. The contract has been modified multiple times to expand services, adjust hourly rates, and increase the not-to-exceed contract amount. Contract modification no. 4 was approved August 5, 2025 and the total revised contract amount is not to exceed \$45,056,654. OTA management stated that the contract was structured to be modified annually due to the long-term, multi-year nature of the ACCESS Program and the evolving scope and timing of program activities. Management reported that rates are established in the contract and are negotiated bi-annually for a rate adjustment based on inflation.

Poe’s role as program manager includes coordinating program activities across ACCESS corridors, overseeing design activities, and providing administrative support to OTA. For the ACCESS Program, Poe also manages invoice intake through a centralized process utilizing an automated system (“Grouper”) that generates invoice coding and requisition documentation.

In addition to serving as the program manager, Poe holds a contract for right-of-way management services and is also one of the twelve prime consultants for ACCESS design and engineering services.

Poe was the only vendor contracted for right-of-way management for most of our audit period, serving as a liaison between OTA, landowners, and land service companies. However, they experienced significant staffing changes and OTA awarded a second right-of-way contract to Universal in December 2025.⁹

Poe received the following payments from January 2022 to March 2025 totaling \$20,656,575.



Source: OTA ACCESS Payments Report for 01/01/22-03/31/25

We noted that between the period of April 1, 2025 and November 30, 2025 OTA paid Poe an additional \$8,075,374 for program management services, bringing the total program management payments to \$24,433,232.

In our review of Poe’s organizational chart we noted that they outsource work, such as corridor management, to vendors among the twelve prime consultants.

Given that Poe serves OTA in more than one capacity, OTA management provided documentation and explanations describing safeguards intended to mitigate conflicts of interest. These safeguards include the separation of staff and organizational structures for program management and design functions.

Even with internal staff separation, there is a risk that responsibilities may overlap or appear to overlap, potentially compromising

⁹ OTA put out a letter of interest for right-of-way management services in October 2025, and reported that only Universal responded and was awarded. The contract with Universal began in December 2025 with a base fee of \$740,000. The Poe & Associates contract for right-of-way management remains active.

independence. When a firm provides both program oversight and design services, there is a risk of self-review.

According to Government Accountability Office (GAO) *Standards for Internal Control*, management should segregate key duties among different parties to reduce risk.¹⁰ The various roles Poe holds within the ACCESS program could pose a conflict of interest:

- Poe is responsible for facilitating the request for services to the consultant once OTA has selected the consultant for the project, which would make Poe aware of other consultants’ rates. This could give Poe the upper hand in setting rates and seeking to provide engineering services.
- Financial reporting for the ACCESS Program is supported by Poe through the use of Power BI, which allows OTA management to monitor program expenditures in real time and project future costs. As described above, Poe provides multiple services and then bills OTA for those services, while also being responsible for invoice coding through Grouper and providing OTA with financial reporting through the Power BI system.
- OTA is relying on Poe’s systems for oversight relating to finance and overall project status reports. Consultant invoices and supporting documentation are the main method of reviewing project progress. The Power BI system provides a high-level overview of financial standing and helps determine when additional bond funds may be needed. As a result, it appears Poe has a major role in determining when additional bond money is needed.

The ACCESS Program is a long-term, multi-billion-dollar initiative that places significant reliance on external consultants for management, design and engineering, and reporting. Overlapping roles and repeated contract increases may raise public and legislative concerns.

Recommendations

- First, determine whether it is truly necessary and appropriate for one firm to serve in these conflicting roles.
- Management should require documented organizational charts and job descriptions for Poe’s program management, design, and financial oversight roles and ensure they are reviewed annually by OTA’s internal audit team. Formal documentation of these reviews should be maintained. Management could also consider

¹⁰ See detailed internal control guidance from the GAO in Appendix B.

requiring appropriate staff to sign independence documents as a safeguard.

- Management should remove Poe from any step that influences invoice coding or requisition preparation for its own invoices and ensure internal finance staff performs a thorough review before payment approval.
- Require OTA to periodically validate Power BI data against source documentation (contracts, invoices) to ensure accuracy and independence from consultant-controlled systems. Implement parallel internal reporting using OTA’s own systems or spreadsheets to cross-check consultant-provided dashboards.
- Require OTA Board approval for all ACCESS contract modifications, regardless of dollar amount, and maintain detailed documentation of justification and negotiation steps. The Board should also be made aware of any independence concerns identified during reviews.
- OTA’s internal audit or an external auditor should review Poe’s roles and activities annually to confirm compliance with segregation and independence safeguards.
- Management should also compare Poe’s design engineering, right of way, and project management fees to industry standards to ensure reasonableness.

Consulting Engineer

Olsson serves as OTA’s consulting engineer for both capital projects and the ACCESS Program and is also one of twelve prime engineering vendors for ACCESS. OTA staff indicated that Olsson performs services in two separate capacities: (1) as the bond engineering consultant representing the interests of bondholders under the bond indenture, and (2) as a design and engineering consultant for OTA projects.

As the bond consulting engineer, Olsson conducts routine pavement condition evaluations and annual bridge inspections to assess the safety and operational condition of OTA turnpikes. These inspections are used to establish OTA’s annual capital priority list and to support continued toll revenue generation. The bond indenture requires Olsson to attend bond meetings and approve requisitions related to bond-funded projects. Olsson also analyzes anticipated maintenance needs and determines recommended funding levels for the reserve maintenance fund and the operations and maintenance (O&M) fund.

Olsson in their role as consulting engineer has review oversight of the design engineers’ work, while also being one of the design and engineering consultants performing work on ACCESS. OTA stated that in

order to avoid self-review, Olsson is excluded from the design/plan-review process when they are the design engineer. However, this may create a different kind of conflict where the bondholders’ representative is then excluded from the review process and is relying on their own work. Olsson also performs inspections and makes recommendations; there is a risk they are creating more work they could possibly be selected to receive.

As noted earlier, GAO *Standards for Internal Control* outline that management should divide key duties to reduce risk.¹¹ OTA staff stated that segregation of duties is maintained between Olsson’s bond consultant responsibilities and its design and engineering services through separation in its organizational chart. Staff further indicated that Olsson does not provide advice or input during Board meetings on engineering matters that could impair their independence as the bond engineering consultant.

For the period of November 2022 through November 2025, OTA paid Olsson \$12,776,984 for ACCESS engineering consulting (design) fees and \$6,901,386 for general consulting engineer fees (representing the bond holders).¹²

Recommendations

- Again, determine whether it is truly necessary and appropriate for one firm to serve in these conflicting roles.
- Management should maintain and annually review organizational charts and job descriptions that clearly separate Olsson’s bond consultant team from its design services team and ensure they are reviewed annually by OTA’s internal audit team. Formal documentation of these reviews should be maintained. Management could also consider requiring appropriate staff to sign independence documents as a safeguard.
- Management should implement a process to independently verify Olsson’s recommendations for reserve maintenance and O&M fund levels against historical data and industry benchmarks.
- Management should require Olsson to submit an annual conflict-of-interest certification to OTA’s Board affirming segregation of duties and independence in bond-related decisions. Continue prohibiting Olsson from providing engineering advice during Board meetings and formalize this restriction in OTA policy.

¹¹ See detailed internal control guidance from the Government Accountability Office in Appendix B.

¹² The amount for ACCESS engineering consulting fees is higher in this calculation than in the chart on page 14 as the chart presents payments through March 2025 and the figures in this section are reported through November 2025.

- Management should compare Olsson's design fees and bond consulting costs to industry standards to ensure reasonableness.
- The Board should be made aware of any contract modifications and independence concerns identified during reviews.

Land Acquisitions

<i>No Findings</i>	<p>There were no issues of non-compliance identified in our review of documentation for land purchased related to the ACCESS Program.</p> <p>While we have no specific recommendations related to the land acquisition process, we have included details about OTA’s processes, applicable guidance, and our procedures for readers’ information.</p>
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Land Acquisition Process

Land acquisitions are overseen by OTA’s Executive Director, their Chief Financial Officer, and the right of way manager. OTA’s land acquisition process includes the following steps. Their written policies and procedures reflect these steps and the parties responsible for them.

OTA Land Acquisition Process	
1	<p>Initiation: OTA initiates the process typically when 60% project design is complete; landowners are notified via certified letter of intent, which contains an invitation for the owner to contact OTA for negotiated sale.</p>
2	<p>Advance Acquisitions: According to management, as a result of the letter of interest, most purchases are initiated by landowners requesting OTA buy their property.</p>
3	<p>Outsourcing: Appraisals, surveys, and other tasks are performed by third-party companies selected through an RFP process.</p>
4	<p>Appraisals: Include legal descriptions reviewed by a separate, certified appraiser to ensure compliance with standards. OTA management reported to us in December 2025 they would begin providing landowners with the complete Appraisal Report as this had not previously been standard practice for OTA.</p>
5	<p>Offers: After review, a formal offer including appraisal and moving costs is sent to the landowner. The moving cost estimate is prepared by professional movers. The moving company selected is based on the lower of two bids.</p>
6	<p>Negotiations: The contracted Right of Way Manager attempts to contact owner a minimum of three times, then negotiates the purchase and considers factors like home improvements, comparable homes, and counteroffers. Per OTA policy, if partial acquisition of a property would leave the owner with a remnant of land with little to no value or utility, an offer to acquire the remnant is made.</p>
7	<p>Approval: The Right of Way Manager and OTA’s internal Right of Way Director review any counteroffer. The Right of Way Director approves the final sale amount and the Director signs off on final payments.</p>
8	<p>Closings: Finalized through First American Title Company.</p>

In the event the landowner and OTA are unable to reach a negotiated agreement for the purchase of a property, or marketable title cannot be conveyed, it's necessary for OTA to exercise its power of eminent domain. This is the power of the state to take private property for public use upon the payment of just compensation.

Eminent Domain

The power of eminent domain is exercised through the condemnation process, which is outlined in 69 O.S. § 1708 (see below). This section also defines the “just compensation” to which property owners are entitled under this process. According to OTA management, the condemnation process is rarely used because negotiations were not successful with the landowner; in most cases condemnation occurs because there is a title issue with the properties. Before the condemnation process can be initiated, Board approval is required. During the period of 2019 through 2025, a total of six condemnations occurred; three cases were due to title issues, two cases reached a settlement before jury trial, and one case went through the full condemnation process.

This power is outlined in various statutes.

- 69 O.S. § 1705 authorizes OTA to acquire land in the name of the Authority by purchase or otherwise on such terms and conditions and in such manner as it may deem proper, or by exercise of the right of condemnation.
- 69 O.S. § 1708 outlines some specific condemnation steps:
 - The Authority gives the property owner an opportunity to sell the necessary land or interests to the Authority before any condemnation can be initiated.
 - A petition is filed with the District Court where the property is located. The owner must be given 10 days prior notice before the Court will appoint commissioners to appraise the property.
 - County Commissioners inspect the property and file a report with the Court Clerk, setting forth a description of property and “just compensation” due the owner; the report is also filed with the County Clerk where the property sits.
 - The owner has 30 days to file an exception to the report, or the Authority pays the just compensation to the Court Clerk and immediately is authorized to enter the premises and remove any obstructions.
 - If the owner refuses to deliver possession to the Authority, the Court orders the sheriff to place the Authority in possession of the property.

ACCESS Land Acquisitions

As of September 2024, there had been 14 land acquisitions made for the purpose of the ACCESS Program. All 14 were advance acquisitions (landowners contacted OTA first) and went through the negotiation process, not condemnation. We reviewed detailed documentation of the land acquisition process outlined above for each purchase, including advance acquisition letters, right of way agents' reports supporting cost negotiations (including invoices), supporting documents for moving costs, and title documentation. As of September 2025, there had been an additional 15 land acquisitions. We reviewed the administrative settlement and closing documentation for these additional purchases.

For the majority of land acquisitions we reviewed, the final purchase amounts exceeded the appraisal amount. During the negotiation process the landowner has the ability to provide information to support additional property value and improvements that are not included in the appraisal. This could include improvements to the land such as gravel, asphalt, swimming pools, and trees (such as pecan trees that bring added value to the homeowner). We noted landowners also provided additional real estate comps and comparable sales that OTA took into consideration during the negotiation process.

As explained above, Oklahoma Statutes give OTA the ability to purchase land for just compensation to construct turnpikes in locations approved by legislation. Right of way rules in Title 27 of state statutes require OTA to appraise property, negotiate, provide an offer in writing, and initiate condemnation if needed.

Relationships with Other State Entities

Findings

There were no issues of non-compliance with state statute identified in our review of OTA’s relationship and transactions with other state entities.

However, we do recommend OTA work with the Highway Patrol to establish a way for OTA to independently confirm the locations of troopers assigned to the turnpikes, and ensure they are paying only the agreed-upon portion of costs related to cadet training.

Oklahoma Department of Transportation

Transportation Modernization Initiative & Guidehouse

The Governor began a Transportation Modernization initiative in 2020 that led the Office of Management and Enterprise Services to hire consulting firm Guidehouse. The resulting contract was held by ODOT, with OTA contributing a portion of the associated costs. The goal of the effort was to provide an analysis of the three state transportation entities (ODOT, OTA, and the Oklahoma Aeronautics Commission) to facilitate the design and proposal of a set of recommendations to modernize and optimize the combined operating models of the Agencies. OTA paid ODOT a total of \$2,526,914.97 for Guidehouse’s services in connection with this initiative.

We reviewed the results of the Guidehouse reports, issued in two different phases dated February 2021 and June 2021, and noted that Tim Gatz, who at the time served as Secretary of Transportation, Executive Director of ODOT, and Executive Director of OTA, responded to the recommendations. OTA staff reported that some of the recommendations have been helpful in identifying OTA internal accounting systems, processes, and policies and procedures that needed to be modernized or updated.

In February 2024, Oklahoma Attorney General Gentner Drummond issued a formal opinion stating that the Oklahoma Constitution’s prohibition on dual office-holding prevents Tim Gatz from simultaneously serving as the Secretary of Transportation and Director of both ODOT and OTA. Following the opinion, Gatz resigned from two roles, choosing to remain the Director of ODOT, and several employees who were serving the full Transportation cabinet as a result of the modernization efforts were reassigned to only one entity.

Shared Services Between OTA & ODOT

We reviewed 21 shared service agreements between OTA and ODOT for personnel, facilities, equipment, and joint projects and joint use from 2020

through 2025. We noted the majority of the joint project shared services agreements were for the purpose of clarifying which entity would cover specific roadway construction or maintenance costs. These agreements typically did not have a specific cost associated with them. We also noted there were some shared service agreements related to personnel services from 2022 and earlier. These agreements detailed the employees' title, job description, and the associated costs. Based on the contract documentation we reviewed and given the mission of OTA, these shared services with ODOT appear reasonable.

Payments to ODOT

We reviewed all payments made from OTA to ODOT for the period of 2021 through 2025 according to OTA's payment register reports, and the payments all supported the shared services discussed above.

I-35 and Indian Hills Corridor

As noted in the timeline of ACCESS events, in September 2025 OTA announced a new route for the South Extension Turnpike, with the new alignment beginning at Indian Hills Road. Construction is to begin in 2027. Originally ODOT planned to do construction work on the I-35/ Indian Hills Exchange, which was identified in their eight-year plan. In 2021 ODOT used state funds to purchase approximately 15 parcels of land in this vicinity. ODOT's Director explained they made these "at risk" purchases because, following multiple preliminary designs, these parcels of land were determined to be within the corridor of the preliminary plans. One parcel had a business in foreclosure and by acquiring it early, ODOT aimed to prevent another buyer from developing the land, which would have increased costs later. It should also be noted that federal approval related to the National Environmental Policy Act was not needed for these purchases given that federal funding was not used.

The South Extension Turnpike is still in preliminary design with OTA while public comments are considered. OTA is planning to pay ODOT approximately \$21 million for this land, and a purchase agreement is currently in draft form.

**Oklahoma
Highway
Patrol**

The Oklahoma Highway Patrol (OHP) division of the Department of Public Safety (DPS) is responsible for assigning troopers to patrol the various turnpikes. According to 74 O.S § 11-1402, "the enforcement of both traffic laws and the general laws of the turnpikes shall be the exclusive authority of DPS, and OTA is liable only for such costs as may be agreed to in contract or agreement with DPS."

OTA funds a portion of payroll, benefits, and equipment costs (including vehicles) for the officers assigned to patrol state turnpikes. Personnel costs for the period of 2021 through 2025 totaled \$77,555,166. Vehicle and

equipment expenses totaled \$17,636,132.¹³ The written agreement between OTA and OHP (originally dated 2014) confirms that OTA will reimburse DPS for these types of expenses for the troopers assigned to the turnpikes.

DPS submits monthly invoices that include personnel assignments and payroll costs, and OTA's Director of Maintenance compares the number of troopers on the monthly personnel report to the corresponding invoice for verification. Trooper work schedules are maintained and monitored by DPS lieutenants.

OTA does not have access to GPS or other independent data to verify whether billed officers were actively patrolling their assigned turnpikes. This limits OTA's ability to confirm that funds are being spent efficiently and in accordance with the Agreement between OTA and OHP and in compliance with 74 O.S. §§ 581 and 1008, which govern contracts between agencies. In addition, OTA is unable to ensure they are only paying for the expenses outlined in the written agreement.

DPS is responsible for commencing the annual Highway Patrol cadet academy and requests financial support from OTA for the academy. This request is reviewed and discussed during OTA's annual budget process. The written agreement between OTA and OHP states that OTA will reimburse only for forecasted vacancies with qualified troopers assigned to the fill positions on the turnpikes. According to OTA staff, the Authority provides funding for the annual cadet academy up to a specific dollar amount. They are invoiced regularly and their percentage of participation is not included on their invoices. The OTA has paid cadet academy expenses totaling \$12,239,984 for the period of 2021 through 2025. It is unclear whether this level of funding exceeds the scope of the agreement. According to OTA staff, they have been participating in the DPS cadet academies at a "high level of funding" (a term staff defined as over \$5 million) since 2016.

It should also be noted that the payments to DPS for OHP services are made, as authorized, from the General Fund and the Revenue Fund. See page 4 for details regarding OTA's funding structure and allowability.

As reflected in board meeting minutes, the Board is presented with and approves various expenses such as vehicle purchases for OHP and the cadet academy. They are also presented with informational status updates relating to OHP activities on the turnpikes.

¹³ A portion of the 2025 figures is estimated by OTA staff given that not all invoices have been received as of this report.

Recommendations

- OTA should work with DPS to establish access to GPS data or other patrol verification tools to independently confirm officer location.
- Regarding the Highway Patrol cadet academy:
 - OTA should review and revise its agreement with DPS to reflect the cadet academy funding that is occurring.
 - Any future academy-related funding should be approved by the OTA Board based on clear documentation that aligns with the Agreement.
 - Legislators should evaluate whether it is suitable for OTA to fund a significant portion of the OHP cadet academy. Additionally, they should determine whether DPS has already been appropriated funding for this purpose. The Legislature and DPS need to prepare for additional funding requests if OTA modifies its support of the cadet academy.
 - Management should ensure they receive a service or benefit for payments that are made to other agencies (specifically the Department of Public Safety) to comply with 74 O.S. §§ 581 and 1008.

Gilcrease Turnpike

No Findings

There were no issues of non-compliance with state statute identified in our review of the Gilcrease Turnpike. We recommend management continue to evaluate the need for toll increases based on traffic and revenue trends.

69 O.S. § 1705 grants OTA the authority to construct, maintain, repair, and operate toll roads and turnpike projects authorized by the Legislature. The Gilcrease Turnpike was formally added to the list of approved turnpike locations through House Bill 3220 in 2010, codified in Section 1705(e)(35).

Although planning for the Gilcrease Expressway dates back to the 1960s, the project came to fruition as a turnpike project in 2017 under the leadership of former OTA Director Tim Gatz. This progress was made possible by key stakeholders collaborating on funding and structural challenges, including complex Arkansas River crossings and major interchanges. Initially envisioned by the City of Tulsa, the project became part of OTA’s Driving Forward program and officially opened to traffic in November 2022.

Six major contributors supported the Gilcrease project:

Contribution	
City of Tulsa	\$17.2 million Right of Way and \$4.9 million Engineering
Tulsa County	Right of Way (amount not itemized)
INCOG	\$70 million GARVEE support, up to \$6 million/year for 15 years
ODOT	\$71.4 million GARVEE Bonds
Gilcrease Developers	\$125 million Private Activity Bonds
OTA	\$144.4 million General Fund and \$120.1 million TIFIA Loan

These amounts represent both original financing and, in some cases, repayment of that financing. See additional details about non-OTA contributors in Appendix C.

OTA Contributions to Gilcrease Construction

OTA sought access to a low-interest federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan from the United States Department of Transportation for just over \$120.1 million. The TIFIA loan was approved by the Council of Bond Oversight and validated by the Oklahoma Supreme Court, and was used to repay the private sector Project Company (see Gilcrease Developers in Appendix C) upon

reaching substantial completion. The TIFIA loan will be payable from and secured by a first lien on revenues generated by the project, payable prior to operations and maintenance costs, and is also paid from an annual General Fund contribution by OTA.

OTA contributed General Fund monies, not bond proceeds, to fully fund the construction of the Gilcrease after accounting for Private Activity Bonds and the GARVEE proceeds. The Authority's Trust Agreement, securing its Turnpike System bonds pursuant to 69 O.S § 1710, authorizes the use of these funds and states that the "Authority may use moneys held to the credit of the General Fund for any lawful purpose of the Authority or may from time to time transfer or deposit to the credit of any Fund or Account created under the provisions of this Agreement any moneys held for the credit of the General Fund as directed in a resolution duly adopted by the Authority."

Based on our review of financial documentation, OTA has spent \$144,366,238.

**Current Status
of the
Gilcrease**

The total project cost for the Gilcrease Expressway was an estimated \$371 million. There is \$42.6 million outstanding on the GARVEE bonds being paid by ODOT and \$124 million outstanding on the TIFIA loan that OTA will be paying beginning on July 1, 2026.

Toll revenues collected from Gilcrease are *not* cross pledged with the Turnpike System, meaning revenues can only to be used for Gilcrease. The Gilcrease project has been completed. The maintenance cost of the roadway will be funded by toll revenues generated exclusively from the Gilcrease Turnpike, along with an annual contribution from the OTA's General Fund.

The OTA Board approved the toll rates for the Gilcrease in the May 2022 board meeting. The 2024 traffic study shows toll revenues exceeded expectations, delaying the planned 2025 toll increase to 2026. OTA has requested an additional delay to this initial toll increase to January 1, 2027, and is awaiting approval from TIFIA.

Surplus Land

Findings

There were no issues of non-compliance with state statute identified in our review of surplus land auctions. However, we recommend management update OTA policies to reflect their current practices regarding sale price thresholds and present final sale prices to the Board.

OTA identifies land not needed for current or future projects that can be auctioned off to the public. Per the OTA Trust Indenture and OTA policy, proceeds of the sale of this surplus land should go into the Maintenance or Construction Funds and cannot be used for new projects. In recent years, OTA has actively assessed and identified potential surplus land from both older and newer projects.

The Oklahoma Turnpike Trust Indenture states in part:

The Authority may from time to time sell or otherwise dispose of or encumber any real estate that shall comprise a portion, the site or right-of-way of any Turnpike Project or Improvement and that is owned by it in the name of the State as the Authority by resolution shall determine, with the approval of the Consulting Engineers, is not needed or serves no useful purpose in connection with the maintenance and operation of the Oklahoma Turnpike System.

Final approval of the decision to auction surplus land is made by the Director, with Board approval. OTA policy¹⁴ states that “all property to be sold as surplus by the OTA shall be sold in a public or sealed bid process with a minimum bid being set at 80% of the determined present fair market value of the property based on a written appraisal report and the actual cost of the appraisal incurred by the OTA. All conveyances of OTA property shall be by Quitclaim Deed.” While OTA’s policy and personnel state it is their goal for land to be sold for 80% of the appraisal amount, this is not required by state statute.

Properties are marketed with signage and public notice, and auctions are conducted by a vendor selected through an RFP process. The minimum bid is set at 80% of appraised value, per OTA policy. Bids below 80% may still be considered reasonable and accepted following consultation between OTA’s Director of Right-of-Way & Utilities Division and Executive Director. Factors that may influence this decision include having previously made multiple attempts to auction the property with

¹⁴ OTA Policy #425 § III.B, Disposal of Surplus Property

little to no interest, or previous low bids all pointing to a singular low bid being reasonable evidence of fair market value.

Management noted that during a well-advertised live auction for a particular property, if there is competitive bidding on the property between several parties, the highest value reached is the fair market value of the property. Properties may still remain unsold if bids are deemed too low.

We reviewed the specifics of the five auctions OTA held from 2020 through January 2025. We reconciled the detailed land plat documentation for each parcel of land to internal OTA records and confirmed the land was reasonably close to a turnpike to serve as right of way. We identified parties that purchased more than one parcel of land in an auction or won bids in multiple auctions and did not note anything unreasonable. A total of 131 parcels of land were sold during this period, and 47 parcels (23% of total parcels) were sold for less than 80% of the appraisal amount.

	Properties Sold	Properties Sold Under 80% of Appraisal
May 2021	13	7
June 2022	81	24
August 2022	1	1
May 2024	23	13
January 2025	13	2

Through review of board meeting minutes, we confirmed the Board approves land as surplus, allowing the land to be sold. However, following the approval, the Board is not presented with the appraisal or sale amounts.

Recommendations
<ul style="list-style-type: none"> Management should update their policies to reflect that surplus property may be sold for less than 80% of the appraisal amount and clarify the factors that may impact the price at which property is sold. The policies should also reflect that approval of surplus property sold under 80% of the appraisal amount requires written approval by the Director. This approval should be formally documented.

- In future Board meetings, management could provide the Board with a detailed list of the parcels sold including the appraisal value and the final sale price.

Oklahoma Turnpike Authority – Investigative Audit

Appendix A: Subconsultants Used by Twelve Prime Engineering Consultants

The following tables outline the planned subconsultants listed by each of the prime consultants as part of their ACCESS proposals. See related discussion beginning on page 15.

Prime Consultants											
1	2	3	4	5	6	7	8	9	10	11	12
Consultant	Consultant	Consultant	Consultant	Consultant	Consultant	Consultant	Consultant	Consultant	Consultant	Consultant	Consultant
CP&Y	TEIM	MacArthur	EST	The Advantage Group/Hudson Prince	Benham	Poe & Associates	Cowan	CEC	Garver	Olsson	MKEC
Subcontractor	Subcontract	Subcontract	Subcontractor	Subcontractor	Subcontractor	Subcontractors	Subcontractors	Subcontractors	Subcontractors	Subcontractors	Subcontractors
Half	BKL	Poe	Tetra Tech	Guy	Garver	C&K	TEIM	SRB	Atkins	Conzor	Lochner
Guy	CEC	HNTB	Guernsey	BKL	Tetra Tech	Hudson Prince	Guernsey	G&K	Benham	Pureypile	C&K
Kimley Horn	TEC	Cowan	Craig & Keithline	Whitehawk	HNTB	Centro	Aguirre Fields	Craig & Keithline	Craig & Keithline	Half	Tetra Tech
Conzor	Guy	Meshek	Lee Engineering	Meshek	BKL	TEC	Lee	Freese & Nichols	Frontier	Aguirre Fields	TEC
Terracon	W2M	W2M	Mead & Hunt	Able	Guernsey	BKL	Collins Structural	HUB	Guy	Keystone	Bearing Tree
Benchmark	Utley	TEC	Whitehawk	Collins	Hudson Prince	Kleinfelder	Utley	NEO	Hudson Prince	VRX	Meshek
Carroll.Survey	Heartland	CEC	Hudson Prince	Ellen Stevens	Lee	MacArthur	Standard Testing	Purkeypille	Kleinfelder	Standard	Keystone
	Standard	Terracon	CC Env	NEO	TEC	Parkhill/Lemke	DTM	CC Env	Meshek	Lee	Benchmark
		Hiderliter	Keystone	Red Rock	W2M	GSA	Keystone	Freese & Nichols	Pinnacle	AmaTerra Env	Kleinfelder
		Standard Testing	Frontier	TEC	Able	Ellen Stevens	Frontier	TEC	Terracon	Enercon	Metco
			Lee Engineering		CC env	Terracon		Mbroh	The Traffic Group	Whitehawk	Arrowhead
			Arrowhead		Terracon	Lee		Elevations Survey			CC Environmental
			Ellen Stevens		Kleinfelder	Grossman Keith		Frontier Survey			VRX
					Arrowhead	Frontier		Red Rock			
					Whitehawk	Meshek		Henderliter Geo			
					Mel Perez	Able		Standard			
					ParkHill	Metco		Intertech PSI			
					Isaac Survey	VRX					
					Benchmark						
					Frontier						
					Ellen Stevens						

Prime Consultant	Subcontractor For
TEIM	Cowan
MacArthur	Poe and Associates
The Advantage group/Hudson Prince	EST, Benham, Poe and Associates and Garver
Benham	Garver
Poe & Associates	MacArthur
Cowan	MacArthur
CEC	TEIM and MacArthur
Garver	Benham

Appendix B: Internal Control Guidance

Our report highlights potential internal control deficiencies in the overlapping duties held by the ACCESS Program Manager and by the Consulting Engineer. See related discussion beginning on page 17.

According to GAO *Standards for Internal Control*, management should divide key duties (including authorizing transactions) among different parties to reduce risk. In addition, the *Standards* contain a variety of internal control principles that may prove helpful to management in addressing the risks identified. These emphasize that:

- Management should design control activities to achieve objectives and respond to risks.
- Management should design the entity’s information system and related control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.

The Standards contain helpful, detailed guidance related to these and other principles and can be found at <https://www.gao.gov/greenbook>.

Appendix C: Details of Gilcrease Turnpike Contributions

See related discussion beginning on page 30.

Gilcrease Turnpike contributions from entities other than OTA:

- The City of Tulsa contributed approximately \$17.2 million in right-of-way and funded \$4.9 million in preliminary engineering for the project.
- Tulsa County provided right-of-way; however, the specific value of their contribution was not itemized in the five-year lookback of Project Eligible Costs permitted in the TIFIA Loan Agreement.
- The Indian Nation Council of Governments (INCOG) is the metropolitan planning organization for the Tulsa region. The INCOG Board of Directors approved Resolution 298, which authorized the Executive Director to negotiate and enter an agreement with ODOT to issue federally backed Grant Anticipation Revenue Vehicles (GARVEE Bonds) to secure net proceeds of approximately \$70 million to be placed on deposit with a Trustee. In support of the GARVEEs, INCOG agreed to pay ODOT up to \$6 million per year of its federal funds for 15 years, with those funds being used to pay the debt services on the GARVEE Bonds.
- ODOT received approval from the Council of Bond Oversight to issue up to \$70 million in bonds secured by and payable from federal funds received by ODOT. The Oklahoma Transportation Commission adopted a resolution approving the issuance of the GARVEE bond.
- In May 2018 ODOT issued GARVEE bonds in a principal amount of \$61,505,000 and deposited the expendable proceeds, including the original issue premium, of \$71,123,068.24 into a trustee held account for expenditure on the project.
- Gilcrease Developers, the federally selected Project Company, provided \$125,000,000 in Private Activity Bonds issued by the Oklahoma Department of Finance Authority and approved by the Council of Bond Oversight. These funds were used for construction of the project. OTA repaid these funds with the TIFIA loan and monies from OTA's General Fund.

O·K·L·A·H·O·M·A
SAI
STATE AUDITOR & INSPECTOR



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