



OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

DATE: August 11, 2017

TO: Legislative Audit Commission

FROM: Jim Nobles, Legislative Auditor

A handwritten signature in blue ink, appearing to read 'Jim Nobles', is written over the 'FROM' line.

SUBJECT: Minnesota Licensing and Registration System (MNLARS)

In mid-July, the Department of Public Safety's Driver and Vehicle Services (DVS) Division and Minnesota IT Services (MNIT) rolled out the motor vehicle portion of the Minnesota Licensing and Registration System (MNLARS). As you likely know, there have been a number of problems with the initial rollout.

I am writing to let you know that OLA staff have been monitoring this situation. We know that a number of deputy registrar offices are experiencing a range of problems with the new system. The problems include delays, calculation errors, and an inability to process certain transactions. We are concerned about the problems deputy registrars are having. In fact, we had OLA staff visit one deputy registrar's office to witness these problems first-hand.

In addition, we are especially concerned that the state is not able to promptly transfer revenues collected by deputy registrars from motor vehicle transactions into the state treasury. Prior to MNLARS implementation, the state would "sweep" the deputy registrar bank accounts every night and transfer transaction revenue to the state. The last time such a transfer occurred was on July 24, 2017.

Given the current situation, we have not been able to determine how much money is involved, but state officials acknowledged to us that the amount is significant. They also told us that correcting this situation is their top priority.

We will continue to monitor the situation.

cc: Senate Transportation Finance and Policy Committee
House Transportation Finance Committee
Commissioner Myron Frans, Minnesota Department of Management and Budget
Commissioner Thomas Baden, Minnesota IT Services
Commissioner Mona Dohman, Minnesota Department of Public Safety