



COMMONWEALTH of VIRGINIA

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July 18, 2023

Mr. Ted J. Rieck, Chief Executive Office
JAUNT, Inc.
104 Keystone Place
Charlottesville, Va. 22902

Dear Mr. Rieck,

The attached report represents the formal conclusion to the DRPT compliance review that was undertaken at JAUNT, Inc. for the period covering FY2018 to FY2021. We would like to thank the management and staff at JAUNT, Inc. for their assistance during this compliance review.

DRPT's compliance review program is part of an integrated process to ensure that state transportation funding is used efficiently, and to help Virginia receive strong consideration for further funding. The compliance review tests adherence to the various agreements and policies and procedures that govern the receipt of DRPT controlled funding. Additionally, the review is designed to ensure, if applicable, that JAUNT, Inc. has properly implemented corrective action for any findings related to previous DRPT Compliance Reviews.

With respect to the detailed findings contained in this report, you should have been briefed by our review team on these issues and the recommendations to address the noted items. If you have any questions regarding this report or the compliance review process, please do not hesitate to contact me or any of my staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Deanna J. Oware".

Deanna J. Oware
Chief Financial Officer
Department of Rail and Public Transportation



Compliance Review

JAUNT, Inc.

Charlottesville, Virginia

July 1, 2017 – June 30, 2021

Objective

The objective of the DRPT compliance review is to determine whether JAUNT, Inc. has materially complied with the various agreements, policies, and procedures that govern the receipt of DRPT-controlled funding and to ensure, if applicable, that JAUNT, Inc. has properly implemented the Corrective Action Plan that they submitted as a result of the findings related to their fourth DRPT Compliance Review. It is the responsibility of the management of JAUNT, Inc. to ensure adherence to the various agreements, policies, and procedures that govern the use of funds received from DRPT.

Scope

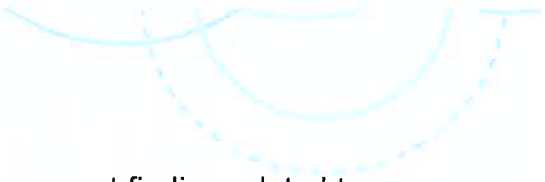
DRPT performed a compliance review of grant payments made to JAUNT, Inc. between July 1, 2017 and June 30, 2021. We reviewed 66 of 223 payments made to JAUNT, Inc. during this time frame. See Appendix A for a detailed list of payments reviewed. These payments included Federal Transit Administration (FTA) Capital, 5311 Operating Assistance, Mobility Management, New Freedom Operating, New Freedom Mobility Management, and Rural Transit Assistance Program (RTAP) funding as well as state funding for Capital, Mobility Management, New Freedom Operating, New Freedom Mobility Management, Intern, Demonstration, and Senior Transportation projects. DRPT also performed a review of vehicles that were listed on the capital asset inventory provided by JAUNT, Inc.

Our review was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Due to inherent limitations in internal control and the limited basis of our test work, other errors, irregularities, or instances of noncompliance may have occurred and not been detected by our review. Additionally, projecting the results of this review is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

Conclusion

We found that JAUNT, Inc. materially complied with the requirements of the various agreements, policies, and procedures that govern the receipt of DRPT-controlled funding. We did find four (4) instances of noncompliance that are described in the section titled, "Compliance Findings and Recommendations". A corrective action plan (CAP) submitted by JAUNT, Inc. management that addresses the Compliance Review Findings is included in Appendix B of this report. The CAP includes the grantee's corrective action, responsible staff, and estimated completion date. The DRPT Program Manager is required to follow-up with the Grantee to ensure that the CAP has been implemented.

The Corrective Action Plan related to the findings from the fourth DRPT Compliance



Review has not been fully implemented as is evidenced by the repeat finding related to Vehicle Inventory issues.

Compliance Findings and Recommendations

Vehicle Inventory

Finding: While performing a review of the transit vehicles owned by JAUNT, Inc., the following discrepancies were noted.

Two vehicle VINs did not match between DRPT’s TransAM Asset Inventory System, JAUNT, Inc.’s Fleet Roster, and information on transit vehicles.

Table 1. VIN Discrepancies

Vehicle Number	TransAM VIN	JAUNT’s Roster VIN	Correct VIN
717	2C4EDGBG9HR647495	2C4RDGBG9HR647495	2C4RDGBG9HR647495
721	1FDEE3FN9MDC02759Å	1FDEE3FN9MDC02759	1FDEE3FN9MDC02759

Accurate vehicle information is required to be submitted to DRPT’s TransAM Asset Inventory System and maintained in the Grantee’s internal records. Among other things, DRPT uses TransAM to confirm the useful life of a vehicle has been met when grantees submit applications for the purchase of new vehicles. Additionally, if the Fleet Roster contains inaccurate information, that information could be improperly transposed into TransAM resulting in incorrect reporting to DRPT.

Note: During the compliance review, JAUNT, Inc. corrected the VIN errors in TransAM.

Recommendation: JAUNT, Inc. must develop procedures to ensure information is accurately reflected in DRPT’s TransAM Asset Inventory System and their internal records to ensure TransAM and the Grantee have an accurate accounting of all transit related vehicles.

Reimbursed Invoice Charged to the Incorrect Project

Finding: We noted one reimbursement request included an expense that was charged to the incorrect project. The expense was for window graphics for JAUNT, Inc.’s facility renovation, but was charged to another capital project (42017-15: JAUNT - 15 Pass. Body on Chassis...and Low Floor Vehicles). The expense should have been charged to project 42017-17 Bus Rehab / Renovation of Adm/Maint Facility. There are currently no funds remaining in this project.

All invoices submitted for reimbursement should be for goods/services specifically related to the grant for which the funding was approved. Any expenditures reimbursed to the Grantee by DRPT subsequently found to not be in accordance with the provisions of the Master Agreement, related Project Agreements, or Federal, State, or local law will be repaid to DRPT by the Grantee within 60 days’ notice.

Recommendation: JAUNT, Inc. must develop procedures and ensure that expenses submitted to DRPT for reimbursement are allowable per each project agreement. JAUNT, Inc. must repay DRPT the Federal and State portion of the invoice reimbursed by DRPT.

Table 2. Invoice Charged to the Incorrect Project – Reimbursement to DRPT

Invoice Amount	Federal Portion (80%)	State Portion (16%)	Reimbursement To DRPT
\$5,637.68	\$4,510.14	\$902.03	\$5,412.17

Multiple Project Reimbursements Submitted within a Month

Finding: While reviewing Capital reimbursements for FY2017, FY2018, and FY2019, we noted multiple reimbursement requests submitted in the same month for the same project.

Table 3. Multiple Reimbursement Requests

Project/Voucher Number	Grant Description	Amount	Reimbursement Request Date
42016-15 / 2058691	Bus Rehab/Renovation of Admin/Maint Facility	\$5,124	12/4/2017
42016-15 / 2058807	Bus Rehab/Renovation of Admin/Maint Facility	\$11,210	12/15/2017
42016-15 / 2060400	Bus Rehab/Renovation of Admin/Maint Facility	\$37,070	6/12/2018
42016-15 / 2060459	Bus Rehab/Renovation of Admin/Maint Facility	\$7,410	6/15/2018
42016-15 / 2064062	Bus Rehab/Renovation of Admin/Maint Facility	\$279,860	2/20/2019
42016-15 / 2064108	Bus Rehab/Renovation of Admin/Maint Facility	\$42,181	2/25/2019
42017-15 / 2056792	15 Pass. Body on Chassis...and Low Floor Vehicles	\$2,554	6/12/2017
42017-15 / 2056793	15 Pass. Body on Chassis...and Low Floor Vehicles	\$130,258	6/12/2017
42017-16 / 2058692	Purchase ADP Hardware and Software	\$17,306	12/4/2017
42017-16 / 2058808	Purchase ADP Hardware and Software	\$24,805	12/15/2017
42017-16 / 2058974	Purchase ADP Hardware and Software	\$3,635	1/9/2018
42017-16 / 2059200	Purchase ADP Hardware and Software	\$5,942	1/31/2018
42017-16 / 2060401	Purchase ADP Hardware and Software	\$16,006	6/12/2018
42017-16 / 2060460	Purchase ADP Hardware and Software	\$11,974	6/15/2018

Project/Voucher Number	Grant Description	Amount	Reimbursement Request Date
42018-16 / 2059243	Purchase Replacement Vans (17)	\$306,799	2/5/2018
42018-16 / 2059338	Purchase Replacement Vans (17)	\$305,878	2/13/2018
42018-16 / 2059418	Purchase Replacement Vans (17)	\$162,089	2/23/2018
42018-18 / 2061805	Purchase ADP Hardware and Software	\$684	10/9/2018
42018-18 / 2061863	Purchase ADP Hardware and Software	\$238	10/15/2018
42018-18 / 2061979	Purchase ADP Hardware and Software	\$5,177	10/24/2018
42018-21 / 2064222	Bus Rehab/Renovation of Admin/Maint Facility	\$170,164	3/11/2019
42018-21 / 2064270	Bus Rehab/Renovation of Admin/Maint Facility	\$204,662	3/15/2019
42018-21 / 2065132	Bus Rehab/Renovation of Admin/Maint Facility	\$4,817	6/6/2019
42018-21 / 2065335	Bus Rehab/Renovation of Admin/Maint Facility	\$238,790	6/26/2019

The Grantee provided some information for instances of more than one draw per month. 42018-16 was a revenue vehicle award. Due to the large dollar amounts of these invoices, JAUNT, Inc. requests reimbursement before paying the invoice, if more than one group of buses is delivered in the same month. 42018-21 was for the renovation and had a similar situation in that large amounts were paid out in a small amount of time.

The Master Agreement states that Grantees shall submit project reimbursement requests no more frequently than once per month. The DRPT Program Manager may pre-authorize a Grantee to submit multiple project reimbursement requests with a month.

Recommendation: JAUNT, Inc. must establish procedures to ensure that only one reimbursement request is submitted per project each month.

Invoices Submitted Outside of the Grant Period

Finding: We noted one reimbursement request included an invoice for goods/services (totaling \$499.99) that was incurred outside of the project period. The purchase was made on 9/26/2016, but the project (42017-17) period began on 10/1/2016.

Per the Master Agreement, eligible project costs must be incurred and paid during the time period specified in the approved project agreement. Any expenditures reimbursed

to the Grantee by DRPT subsequently found to not be in accordance with the provisions of the Master Agreement, related Project Agreements, or Federal, State, or local law will be repaid to DRPT by the Grantee within 60 days' notice.

Recommendation: JAUNT, Inc. must ensure invoices submitted for reimbursement fall within the grant period and create policies/procedures to ensure accurate amounts are submitted on reimbursement request forms submitted to DRPT. JAUNT, Inc. must repay DRPT the Federal and State portion of the invoice reimbursed by DRPT.

Table 4. Invoice Submitted Outside of the Grant Period – Reimbursement to DRPT

Invoice Amount	Federal Portion (80%)	State Portion (16%)	Reimbursement To DRPT
\$499.99	\$399.99	\$80.00	\$479.99

Appendix A

JAUNT, Inc. Listing by Project of Payments Reviewed

Table 5. Payments Reviewed

Description	Project	Task	Fund	Total Payments Reviewed
FY2016 - Capital	40216	15	401/478	\$93,272
FY2017 - Capital	42017	15	401/478	\$130,258
FY2017 - Capital	42017	16	401/478	\$19,844
FY2017 - Capital	42017	17	401/477	\$50,758
FY2017 - Capital	42017	18	401/478	\$13,770
FY2018 - Capital	42018	15	401/478	\$343,384
FY2018 - Capital	42018	16	401/478	\$440,183
FY2018 - Capital	42018	17	401/477	\$28,800
FY2018 - Capital	42018	18	401/478	\$86,365
FY2018 - Capital	42018	19	401/477	\$150,005
FY2018 - Capital	42018	20	401/477	\$15,982
FY2018 - Capital	42018	21	401/477	\$443,452
FY2018 - Capital	42018	22	401/477	\$58,421
FY2018 - Capital	42018	23	401/477	\$76,800
FY2018 - Capital	42018	79	401/477	\$5,731
FY2018 - Capital	42218	50	401	\$9,716
FY2019 - Capital	42019	11	401/477	\$246,382
FY2019 - Capital	42019	12	401/477	\$806,877
FY2019 - Capital	42019	13	401/477	\$235,662
FY2019 - Capital	42019	14	401/477	\$280,686
FY2019 - Capital	42019	15	401/477	\$75,065
FY2019 - Capital	42019	16	401/477	\$17,486
FY2019 - Capital	42019	17	401/477	\$160,513
FY2019 - Capital	42019	18	401/477	\$9,205
FY2019 - Capital	42019	19	401/477	\$58,914

Description	Project	Task	Fund	Total Payments Reviewed
FY2020 - Capital	42020	15	401/477	\$667,607
FY2020 - Capital	42020	16	401/477	\$28,800
FY2021 - Capital	42021	15	1026	\$5,975
FY2017 - 5311 Operating	42517	18	401	\$98,829
FY2018 - 5311 Operating	42518	19	401	\$492,219
FY2019 - 5311 Operating	42519	19	401	\$862,388
FY2019 - 5311 Operating	42519	53	401	\$343,276
FY2020 - 5311 Operating	42520	20	401	\$772,988
FY2021 - 5311 Operating	42521	7	1026	\$2,028,627
FY2018 - Mobility Management	42018	24	401/477	\$26,299
FY2019 - Mobility Management	42019	20	401/477	\$15,557
FY2017 - New Freedom Operating	44017	17	401/477	\$6,232
FY2017 - New Freedom Mobility Management	44017	18	401/477	\$17,887
FY2020 - New Freedom Mobility Management	44020	10	401/477	\$35,203
FY2018 - Intern	71218	1	477	\$10,728
FY2019 - Intern	71219	5	477	\$4,314
FY2020 - Intern	71220	8	477	\$1,327
FY2020 - Demo	71120	6	477	\$126,410
FY2020 - Senior Transportation	71620	10	477	\$5,801
FY2017 - RTAP	42117	90	401	\$10,303
FY2018 - RTAP	42118	68	401	\$11,475
FY2019 - RTAP	42219	10	401	\$5,100
FY2021 - RTAP	42121	14	401	\$7,500
TOTAL				\$9,442,376



Appendix B

JAUNT, Inc. Corrective Action Plan

Finding	Corrective Action	Responsible Staff	Estimated Completion Date
Vehicle Inventory	The two revenue vehicles with VIN # errors on the DRPT TransAm Asset Inventory System were originally purchased by Greene County Transit and were entered into the system by their staff. Corrections to the VIN #s were made on TransAm prior to the onsite visit of the reviewers. Going forward, the current practice will remain in place: input of VIN #s for new vehicles on TransAm will be reviewed by the maintenance staff to ensure that the entries match the vehicle and the Jaunt Fleet Roster.	Robin Munson	Already Completed
Reimbursed Invoice Charged to the Incorrect Project	The invoice cited in the finding was submitted in April 2017 by staff who no longer work at Jaunt. To accurately track vendor payments of invoices and reimbursement requests to DRPT, current staff implemented a change to Jaunt's chart of account structure prior to the close that year. Since then, each capital award is assigned a discreet chart of accounts code to reduce the possibility of charging an invoice to the wrong project agreement. Invoices are coded by the staff that has purchase authority and then reviewed by two accounting department staff and the Director of Procurement before getting approval from the Jaunt CEO to make the reimbursement request to DRPT. Jaunt is awaiting direction from DRPT to make repayment for the amount in the finding.	Robin Munson	8/31/2023
Multiple Project Reimbursements Submitted within a Month	The reimbursement requests cited in the finding were submitted in FY17, FY18, and FY19 by staff who no longer work at Jaunt. Current staff have been responsible for capital award reimbursement requests beginning in November 2020. The practice since then is to ask for one reimbursement for a month's worth of incurred expenses, as documented by the general ledger printout of the award, per the guidelines in the DRPT Grant Administration Procedures Purple Book. In the event of large reimbursement request amounts for revenue vehicles that may have multiple deliveries within a month, staff will request permission from their DRPT program manager before making the additional reimbursement request(s).	Robin Munson	Already Completed

<p>Invoices Submitted Outside of the Grant Period</p>	<p>The invoice cited in the finding was submitted in September 2016 by staff who no longer work at Jaunt. Current staff are aware of the requirements in the Master Agreement by which any grant expense should be both incurred and paid for during the time specified in the approved project agreement. Jaunt is awaiting direction from DRPT to make repayment for the amount in the finding.</p>	<p>Robin Munson</p>	<p>8/31/2023</p>
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