

# The Uniformer

## **MESSAGE FROM THE FTA MOTOR FUEL TAX SECTION CHAIR JIMMY ARCHER**

Hello from Texas and Happy New Year!!! I am convinced that 2008 will be a fun but very busy year in the Motor Fuels Tax Section. I want to thank everyone for electing me National Chair and I am looking forward to working with everyone to make 2008 one of our best years ever. We have come a long way since I got involved with the FTA Motor Fuels Tax Section in 1992, and I know that with everyone's support and hard work that we will continue to advance down the path of progress.

Reflecting over last year's events has caused me to also reflect on some of the changes that we have seen in motor fuels taxation over the past 15 years. Just a few examples illustrate these changes: Dyeing fuel for non-taxable off-road use, and taxation at the rack are two things that have changed the way that both government and industry approach motor fuel taxes. Old distributor states (like Texas) were brought pretty much kicking and screaming into the tax at the rack fold while other states dealt with it rather seamlessly; dyed-fuel offered seemingly insurmountable compliance and enforcement challenges to some states, while others took it in stride. One positive thing that tax at the rack has done is push some uniformity issues to the forefront, which has been good for both government and industry. Disasters from both a natural and unnatural sense have also had a

profound impact on how we collectively approach motor fuels taxation, compliance and enforcement as well as how we as a nation take care of our citizens. Hurricanes Katrina and Rita provoked state and federal government to suspend dyed-fuel compliance while the nation coped with disaster recovery for the regions affected. One positive result of these tragedies is that both government and industry have been forced to examine preparing for the aftermath long before the storms have reached landfall.

In closing, I would again like to thank my colleagues in both government and industry for their support. I am excited to be the National Chair, and assure you that I will do my best in the coming year!

## **MESSAGE FROM THE UNIFORMITY COMMITTEE INDUSTRY CO-CHAIR BOB DONNELLAN**

As I come to the end of my 3rd year I want to thank all of my State Co-chairs from the past. It was a true pleasure working with Donna Alderman and it was also very rewarding. Her knowledge within our industry is invaluable and I hope she continues to participate at our meetings. I would like to also take this time to welcome George Higdon from Mississippi as the State Co-chair. Again, his knowledge in the industry can only help make us as a group more productive. I look forward to working with George and representing the industry in this capacity. In the

coming year we will be faced with all the Biodiesel challenges that are coming into the marketplace stronger than ever and I know with the knowledge that our group has we will be able to work effectively together. I look forward to serving you all again in 2008.

## **MESSAGE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR GEORGE HIGDON**

I would like to wish everyone a safe and prosperous 2008. Serving as State Uniformity Co-Chair is an honor and privilege as well as a daunting task. One of the advantages of having been involved with motor fuel taxes "forever" is that I can see what has been accomplished by the Uniformity Committee. However, our work is not finished we have many challenges ahead as we face a changing market place, alternative fuels, do-it-yourself fuel and other uncertainties. I look forward to working with you during the coming year.

## **FHWA UPDATE**

The New Year sees a number of things happening in the FHWA. Michael Dougherty is now employed in the Fuel Tax Evasion Program. Mike was previously with the Comptroller's Office of Maryland, working for 25 years as an auditor, manager, and Assistant Director of the Motor Fuel Tax Division. He will fill the position previously held by Linda Morris.

During 2008, for issues concerning fuel taxes, the FHWA

will continue to monitor the various intergovernmental enforcement projects that have been launched through funding from SAFETEA-LU (2005). This year, work is beginning on a website sponsored by the FHWA with resources aimed at increasing Fuel Tax Compliance efforts. Also, in conjunction with the IRS, the Joint Operations Center is starting which will be a cooperative effort between various states and Federal agencies that will leverage the resources of the participating agencies to enhance the compliance efforts.

Finally, with the upcoming expiration of SAFETEA-LU on September 30, 2009, FHWA will begin working with its State and Federal partners on developing concepts to combat fuel tax evasion for the next surface transportation authorization legislation.

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Deputies Arrest Suspect in  
Massive Fuel Theft Operation

**Officials estimate the gas  
station thefts were extensive  
and underreported**

By [Eva Kis](#)  
The Ledger

LAKELAND | A 70-year-old Winter Haven man was arrested Tuesday, accused of stealing thousands of gallons of gasoline from gas stations in Polk County and elsewhere in Central Florida, according to the Polk County Sheriff's Office.

Using a stolen box trailer with two tanks capable of holding up to 3,250 gallons, Hobert Gibson would drive up to a gas station's underground reservoir access hatch, pop it open, lower a hose through a trap door in the floor of the trailer and silently siphon away the gas, Sheriff Grady Judd said at a news conference Wednesday.

Gibson would then transfer the stolen fuel, which included diesel fuel as well as gasoline, into larger tanks at his business, Crews Towing LLC on Recker Highway in Winter Haven, and sell it, reports said.

The box trailer was stolen from Central Food Equipment on Reynolds Road in Lakeland in 2005.

As of Wednesday night, officials had no estimates on how much gas he may have stolen or from how many businesses, though they said they expect the thefts were extensive. At just one of the gas stations targeted by Gibson, a Circle K in North Lakeland, more than 11,000 gallons of gas have been stolen since January.

'Our information was that he'd run different routes on different days,' Judd said.

PCSO detectives surveilled Gibson on Tuesday after receiving a tip, watching as he stood by his Nissan 4x4 pickup while siphoning gasoline from the reservoirs of two different gas stations in broad daylight, the Sheriff's Office said. The first station was in Lakeland and the second in Pasco County.

At Circle K, 8324 U.S. 98 N., Gibson took 400 gallons of gas, then another 523 gallons from a nearby Cumberland Farms store at 20400 U.S. 98 N. in Dade City. Judd said Gibson even bragged to investigators that he once spoke to a Florida Highway Patrol trooper as he was stealing gas. However, PCSO detectives concede if they had not known what to look for, they likely would not have noticed anything suspicious, either.

Gibson knew just where to stop his truck so the access pipes at the stations lined up with his tanks inside the trailer, and he would put down wooden blocks to keep the hose invisible as he siphoned the gas, reports said.

Deputies arrested Gibson, of 3435 Recker Highway, on Tuesday in Hernando County and took him to the Hernando County Jail. So far, he has been charged with grand theft in Polk and Pasco counties. He also is suspected of being part of a gas theft ring, and deputies are searching for accomplices.

'We know this is going to spread all over Central Florida, in the least,' Judd said.

The bigger concern for Judd, however, is that the businesses, despite being out thousands of gallons of gasoline, filed no police reports. Investigators estimate Gibson may have stolen 3,000 to 10,000 gallons of fuel each week for months, yet PCSO has received only one report earlier this week of gas theft.

'My fear is the homeland security

angle,' Judd said, citing the Oklahoma City bombing, in which the homemade device contained a large mixture of diesel and racing fuels. 'It's imperative that these corporations that are dealing with that much fuel know where that fuel is going.'

Calls to Circle K on Wednesday were not answered. At Cumberland Farms, an employee referred questions to managers, who were unavailable.

**STATE COMPTROLLER AND TRAVIS  
COUNTY DISTRICT ATTORNEY  
ANNOUNCE SUCCESSFUL  
PROSECUTION OF STATE MOTOR  
FUELS TAX FRAUD**

(AUSTIN) —Travis County State District Judge Jon Wisser sentenced Travis Glenn Roberson of East Texas to 11 years in state prison on each of 25 second degree felony counts of Texas motor fuels tax fraud and ordered him to pay \$1.4 million in restitution to the state upon his release from prison. Roberson was sentenced Oct. 26 and will serve his sentences concurrently.

On Oct. 4, a jury found Roberson guilty of stealing an estimated \$1.9 million dollars in motor fuels tax during 1999 and 2000. The state of Texas was able to recover \$500,000 from Roberson. Motor fuels tax is designated for education and highways.

"This should serve as a warning that the state of Texas is very serious when it comes to tax fraud," Combs said. "We will use our full resources to go after those who cheat Texans out of

money used to provide vital services. This man stole from the state highway system and, worst of all, from Texas school children."

Roberson, president of Travis Fixed Base Operation and Service, a Louisiana corporation, supplied the VIA Metropolitan Transit Authority (MTA) in San Antonio with diesel fuel. Roberson billed the MTA for the fuel and the state tax, and then he illegally diverted the tax dollars for personal use.

Roberson attempted to cover his crime by filing false fuel tax returns. The Comptroller's office revoked Roberson's supplier permit in December 1999. He continued operating without a permit for another year.

Investigators from the Comptroller's Criminal Investigation Division gathered evidence and worked with the Public Integrity Unit of the Travis County District Attorney's Office and prosecuting attorneys Ruth-Ellen Gura and Chris Duggan on the successful prosecution of Roberson. More than 27,000 pages of documents were admitted into evidence at the trial.

Roberson was convicted of filing false reports to the state, supplying diesel fuel without a permit and 23 counts of failing to remit state taxes he collected from the MTA.

Roberson has been jailed since January 2006.

For more information, contact Allen Spelce or R.J. DeSilva of

the Comptroller's office at (512) 463-4070 or Travis County Assistant District Attorney Ruth-Ellen Gura at (512) 854-9115.

**NEW IN FUELTRAC**

The Federation of Tax Administrators and Trac III Systems are now working on the 2008-2009 Cooperative Agreement covering State Subscriptions to Fueltrac. Fueltrac has been an unqualified success. Current subscriber counts are 31 State Subscribers and over 1200 Free Company subscribers. In the past 12 months over 36,000 Diversions have been reported involving over 230,000,000 gallons of product. At an average State fuel tax rate of \$0.20 per gallon, this represents approximately \$46,000,000 in increased tax revenue if States aggressively bill for these inbound diversions. Many companies only apply for outbound diversion refunds. Therefore, without State diligence, billing adjustments can lag far behind refund adjustments.

**Import Reporting Comes of Age:** The Fueltrac feature that supported reporting of below the rack imports (exports) has always been available to companies. However, there has been a rapid growth and deployment of ethanol and bio-diesel fuel manufacturing facilities in recent months. This coupled with the associated cross country shipments of these fuels has elevated the need for nationwide uniform import reporting using Fueltrac. In next few months this feature will be given the full

download and reporting functionality now available for diversions. It is planned that the full featured Import Module will be available to all Subscribing States for an additional fee per year subscription. As always reporting and correcting imports (exports) will be free to companies. We are excited about the opportunity to extend uniform reporting to all companies marketing fuel products across State lines. We believe this feature coupled with destination zip code will be of particular value to States that tax at the wholesale level.

**Making It Easier:** During the past two years Fueltrac Subscribers have experienced a steady stream of new and improved features. Most of these have been a direct result of subscriber input. A partial list follows:

- Express mode for reporting diversions.
- Rebuild State Diversion Reports functionality.
- Multiple download formats including Excel.
- SOAP xml template for automated State and Company data downloads.
- Delivery point zip code on diversions.

With inputs from our subscribers we will continue to improve Fueltrac. These enhancements will add value by simplifying reporting while increasing State net revenue.

### **UNIFORMITY COMMITTEE**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Hilton Baton Rouge in Baton Rouge, Louisiana on September 29, 2007. Donna Alderman (NC), Uniformity State Co-Chair called the meeting to order. Forty-nine (49) were in attendance.

#### **Minutes**

The minutes of the June 2007 Uniformity Committee meeting in Pittsburg, Pennsylvania were approved.

#### **Presentation**

Carol Player reported on the Diversion Registry and what to expect in the breakout session on Tuesday. Donna Alderman started the discussion on Bio Diesel. Each State attending the meeting reported on what they are presently doing with Bio Diesel such as taxing, reporting, exemption, incentives and etc.

### **SUBCOMMITTEE REPORTS**

#### **Compliance Subcommittee**

Rick Shirk (OH) reported there were thirty-three (33) in attendance. The committee discussed the following:

- Bio Diesel Issues
- Inspections
- Railroad Issues
- Ohio River Air Surveillance

#### **Electronic Commerce Subcommittee**

Darrell Wissink (NE) reported the subcommittee discussed the following:

Morning Session combined with Forms Management meeting (31 in attendance)

- EC Survey
- ExSTARS Update
- Industry Issues
- Canadian Fuel Tax Council Update
- State EDI Guides
- EDI Implementation Guide Updates
- XML Schema
- Review Action Items

### **Forms Management Subcommittee**

Herman Wisneski (MN) reported that this committee met with Electronic Commerce. There were twenty-nine (29) in attendance. The subcommittee discussed the following:

- Michigan request for a racing fuel schedule
- Forms approved request:
  - Louisiana request is on hold
  - Arizona still working on them
  - New York still working on them
  - Arizona still working on them
- Canadian/FTA product code comparison
- Railroad STCC and FTA product codes
- IRS request for "Exotic Fuels" product codes
- Development of forms for:
  - Blenders return
  - Alcohol-Biodiesel Manufacturers/Producers information return

### **Communication and Coordination Subcommittee**

Christy Dixon (OK) reported that fourteen (14) were in attendance. The subcommittee discussed the following and the September 2007 *Uniformer* was passed out.

- White paper/issue paper on ethanol
- Definition:
  - Jurisdiction
  - Points of Taxations
- Bill of lading project
- Document for the Model Legislation for two party exchange

### **Canadian Update**

Charles Greenough with the Canadian Fuel Tax Council reported that they are working on E-filing with Alberta leading the group. The Council has had five basic training classes so far this year and working on an Advanced and EDPI courses.

### **Old/New Business**

The full committee **THANKED** Donna Alderman (NC) for all she has done for Uniformity for the last two years as Uniformity State Co-chair. The committee also **THANKED** Kathy McKee with Marathon for all the years she has served as the Industry Co-chair of Electronic Subcommittee. Kathy was presented the National Chair's Award from Michael Harrell. (Kathy was not attending the annual meeting.)

Donna Alderman and Bob Donnellan presented certificates to all the subcommittee chairs for all the hard work they have done over the past year.

Cindy Anders-Robb requested that all minutes and agenda for the January meeting be submitted to her no later than November 1, 2007.

### **Next Meeting**

The next Uniformity Committee meetings are scheduled as follows:

January 18-19, 2008  
Glendale, Arizona

May 30-31, 2008  
Jackson, Wyoming

September 19-20, 2008  
Hartford, Connecticut  
The meeting was adjourned.

## **UPCOMING MEETINGS 2008**

### **Uniformity Meeting**

May 30-31, 2008  
Jackson Hole, Wyoming

September 19-20, 2008  
Hartford, Connecticut

### **Regional Meetings**

Pacific Region  
April 27-29, 2008  
Sacramento, CA

Northeast Region  
May 13-15, 2008  
Fredericton, New Brunswick, Canada  
***(You will need a passport to attend this meeting)***

Southern Region  
June 22-24, 2008  
Shepherdstown, WV

### **Annual Meeting**

September 21-24, 2008  
Hilton Hartford  
Hartford, Connecticut

### **Training**

**Advanced Investigation Training**  
January 27-31, 2008  
Austin, Texas

**Basic Training**  
August 3-6, 2008  
Charleston, South Carolina

**Advanced Training**  
August 24-28, 2008  
Glendale, Arizona

**Investigation Class**  
August 10-13, 2008  
Portsmouth, Virginia

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