

Arizona Department of Transportation

Motor Vehicle Division’s (MVD) Oversight of Commercial Driver License (CDL) Examination Third Parties

24-Month Followup of Performance Audit Report 23-106

The August 2023 Arizona Department of Transportation (Department)—MVD’s Oversight of CDL Examination Third Parties Performance Audit was the second of 3 audit reports of the Department we issued as part of the Department’s sunset review.¹ This Performance Audit on MVD’s oversight of CDL examination third parties found that MVD failed to timely inspect some contracted CDL providers and examiners and did not consistently take remedial action to address inspection violations, potentially jeopardizing the safety of drivers, pedestrians, and bus passengers, including schoolchildren, in Arizona and nation-wide. We made 11 recommendations to MVD, and its status in implementing the recommendations is as follows.

MVD’s status in implementing 11 recommendations

Implementation status	Number of recommendations
<input checked="" type="checkbox"/> Implemented	10 recommendations
<input checked="" type="checkbox"/> Implemented in a different manner	1 recommendation

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on MVD’s efforts to implement the recommendations from the August 2023 report.

¹ The first performance audit assessed whether MVD ensured authorized third parties issued vehicle titles, drivers licenses, and identification cards only to qualified/authorized individuals, and the third performance audit and sunset review provided responses to the statutory sunset factors and assessed whether the Department addressed fraud and security incident risks related to its MVD system and ensured compliance with State purchasing card, conflict-of-interest, and 5-Year Transportation Facilities Construction Program requirements. For more information on these performance audits, including any applicable followup reports, see Report 23-105 and Report 23-110.

Recommendations to MVD

Finding 1: MVD has not inspected some CDL providers and examiners at least once every 2 years or used some inspection methods as required by federal regulations, putting public safety at risk

1. MVD should inspect all CDL providers and examiners at least once every 2 years using all inspection methods as required by federal regulations.

▶ Status: **Implemented at 24 months.**

According to our analysis of MVD's inspection scheduling data, as of September 2025, MVD had inspected all 129 CDL examiners and 56 CDL providers at least once within the last 2 years, including conducting covert examiner inspections and unannounced provider inspections required by federal regulations. MVD had also scheduled future inspections to take place within 2 years of the previous inspection for all providers and examiners.

2. MVD should assess the impact of its current number of inspectors on its inspection timeliness and take action as needed to ensure it has a sufficient number of inspectors to conduct inspections of all third-party CDL providers and examiners at least once every 2 years, such as utilizing MVD examiners to complete some coscore inspections of third-party CDL examiners.

▶ Status: **Implemented at 6 months.**

MVD conducted an analysis of its CDL inspection staffing and workload and determined that its 2 full-time inspectors are sufficient to conduct inspections of all third-party CDL providers at least once every 2 years.

Additionally, MVD determined that another 2 full-time inspectors assisted by 8 MVD examiners would be sufficient to meet the 2-year inspection requirement for third-party CDL examiners. As of April 2024, MVD had trained 9 MVD examiners to perform third-party CDL examiner inspections.

3. MVD should continue to consult with the Federal Motor Carrier Safety Administration (FMCSA) on how it should comply with all federal regulations related to CDL inspections, such as conducting unannounced inspections of providers' and examiners' records, and covert and overt monitoring of examiners, and incorporate this guidance into its inspection procedures.

▶ Status: **Implemented at 24 months.**

As reported during our previous followup, MVD updated its procedures to include requirements and guidance for scheduling unannounced inspections of CDL providers' and examiners' records but had not yet incorporated its expectation that 10% of its monthly examiner inspections should be conducted covertly into its written procedures. As of October 2025, MVD had incorporated guidance for selecting 10% of its monthly examiner inspections for covert monitoring into its written inspection procedures.

4. MVD should develop or update and implement written policies and procedures for tracking and monitoring the timely completion of CDL provider and examiner inspections using all inspection methods required by federal regulations, including:

- a. Identifying the total number of active contracted CDL providers and certified examiners.

▶ Status: **Implemented at 24 months.**

As of May 2024, MVD had developed written procedures that included various requirements to help identify the total number of active CDL providers and examiners, including requiring MVD management to review the list of active CDL providers and examiners, update CDL provider and examiner information, and deactivate inactive CDL providers and examiners. As of October 2025, MVD updated its written procedures to include guidance on adding new CDL providers and examiners to its list. We compared the list of inspections performed from August 2023 to September 2025 to MVD's list of CDL providers and examiners as of September 2025 and found that all active CDL providers and examiners were identified.

- b. Accurately recording inspection completion and due dates in the American Association of Motor Vehicle Administrators (AAMVA) scheduling system.

▶ Status: **Implemented at 24 months.**

As of May 2024, MVD had developed written procedures for recording examiner-inspection completion and due dates in the AAMVA scheduling system. Additionally, as of October 2025, MVD had further updated its written procedures to include guidance for recording CDL provider inspection completion and due dates in the AAMVA system. We reviewed inspection reports for a sample of 5 of 129 CDL examiners as of September 2025 and found that these 5 examiners' inspection-completion dates and future inspection due dates were accurately recorded in the AAMVA scheduling system. Additionally, we reviewed inspection reports for

a sample of 2 of 56 CDL providers as of September 2025 and found that these 2 CDL providers' inspection-completion dates and future inspection due dates were accurately recorded in the AAMVA scheduling system.

- c. Using the AAMVA scheduling system to monitor and select CDL providers and examiners for inspections, including time frames for how often staff should review the system to identify when CDL skills tests will be administered to applicants, and how to prioritize providers and examiners for an inspection. As AAMVA makes changes to the AAMVA scheduling system, MVD should modify its policies and procedures to incorporate any new processes for using the system.

▶ Status: **Implemented at 24 months.**

As of May 2024, MVD had developed written procedures for its staff to use the AAMVA scheduling system to monitor and schedule CDL provider and examiner inspections. As of October 2025, MVD updated its procedures to include guidance for prioritizing CDL providers for unannounced inspections, including that it would prioritize CDL providers that had not had an inspection within 2 years as required by federal regulations, as well as CDL providers that have prior inspection findings that impact CDL skills test safety. As explained in Recommendation 1, according to our analysis of MVD's inspection scheduling data, as of September 2025, all 56 CDL providers had been inspected at least once every 2 year period. Additionally, as of October 2025, MVD also updated its procedures to include guidance for its staff on how to prioritize examiner inspections, with the first priority being CDL examiners that need an inspection to meet the federally required 2 years, and that at least 10% of its CDL examiner inspections must be covert. As explained in Recommendation 1, according to our analysis of MVD's inspection scheduling data, as of September 2025, all 129 CDL examiners had been inspected at least once every 2 years. Further, we found that as of October 2025, MVD's inspection data indicates that at least 10% of CDL examiner inspections completed in calendar year 2025 have been covert.

- d. MVD management's review of the completion of CDL provider and examiner inspections at least once every 2 years, using all inspection methods required by federal regulations.

▶ Status: **Implemented at 24 months.**

As of May 2024, MVD had developed written procedures for MVD management's review of completed examiner inspection reports. As of October 2025, MVD had updated its written procedures to specify that managers' review should include determining the inspection was administered consistently and accurately using all required inspection methods. MVD also updated its written procedures to require MVD management's review of completed CDL provider inspection reports. We reviewed inspection reports for 5 of 129 CDL examiners as of September 2025 and 2 of 56 CDL providers as of September 2025 and found that MVD management reviewed and signed all 7 inspection reports we reviewed.

Finding 2: MVD not holding some CDL providers and examiners accountable for addressing inspection violations may jeopardize public safety

5. MVD should ensure that CDL inspection violations identified are corrected and enforcement action issued is consistent and appropriate by developing and implementing written policies, procedures, and guidance, including defined staff roles and responsibilities for:
 - a. Tracking and monitoring that providers adequately respond to inspection reports and requests for information, including providing detailed action plans outlining how violations will be corrected and prevented from reoccurring.

▶ Status: **Implemented in a different manner.**

In October 2025, MVD reported that it no longer requires CDL providers to respond to inspection reports or prepare detailed action plans outlining how violations will be corrected. Instead, as shown in Table 1 on pages 6 and 7, MVD has established policies, procedures, and guidance for taking consistent, progressively stringent, and timely enforcement actions for both CDL providers—entities contracted with MVD, such as public schools and private trucking companies that schedule CDL skills tests—and CDL examiners—individuals certified by MVD and employed/contracted by providers to administer CDL skills tests to CDL applicants. For example, MVD’s policies require inspectors to review inspection findings and provide coaching to CDL providers and examiners when the inspection results are marginal and unsatisfactory. Further, the policies require MVD to immediately deactivate CDL providers with unsatisfactory outcomes, thereby stopping CDL skills testing at the provider’s site and for MVD inspectors to reinspect CDL providers that receive a marginal or unsatisfactory result within 6 months and 60 days, respectively. Similarly, CDL examiners with unsatisfactory outcomes shall be suspended from administering CDL skills tests until completing applicable training courses and reinspected 60 days after completing the training course.

Table 1**Actions and followup requirements by provider inspection outcome for MVD providers and CDL examiners**

Inspection outcome	Outcome reason	Followup/action requirements
CDL provider		
Excellent	In full compliance with MVD’s provider agreement, policies, and procedures.	<ul style="list-style-type: none"> ▶ Follow the 2-year inspection requirement.
Good	One finding that does not impact safety of CDL skills test.	<ul style="list-style-type: none"> ▶ Follow the 2-year inspection requirement.
Satisfactory	Two to 5 findings that do not impact safety of CDL skills test.	<ul style="list-style-type: none"> ▶ Review finding with provider and provide coaching. ▶ Follow the 2-year inspection requirement.
Marginal	One finding that impacts safety of the CDL skills test.	<ul style="list-style-type: none"> ▶ Review finding with provider and provide coaching. ▶ Followup inspection at 6 months.
Unsatisfactory	Two or more findings that impact safety of CDL skills test.	<ul style="list-style-type: none"> ▶ Review finding with provider and provide coaching. ▶ Followup inspection at 60 days.
Unsatisfactory	CDL skills test track or road test route is noncompliant.	<ul style="list-style-type: none"> ▶ Site location is deactivated and testing stops immediately. ▶ Review findings with provider and provide coaching. ▶ Followup inspection once provider notifies inspector the test track or route has been corrected. <ul style="list-style-type: none"> ● If in compliance, site location is reactivated and testing may resume. ● If followup inspection is unsatisfactory, management will initiate the decertification appeal and hearing process.

Table 1 continued

Inspection outcome	Outcome reason	Followup/action requirements
CDL examiner		
Excellent	Administered all 3 phases of the skills test with no findings.	<ul style="list-style-type: none"> ▶ Follow the 2-year inspection requirement.
Good	Administered all 3 phases of the skills test with no critical findings. ¹	<ul style="list-style-type: none"> ▶ Follow the 2-year inspection requirement.
Satisfactory	Administered at least 1 phase of the skills test with no findings.	<ul style="list-style-type: none"> ▶ Follow the 2-year inspection requirement.
Marginal	Administered at least 1 phase of the skills test by meeting most requirements but no critical findings.	<ul style="list-style-type: none"> ▶ Review finding with provider and provide coaching. ▶ Followup inspection at 6 months. <ul style="list-style-type: none"> ● If first or second followup inspection results in another marginal outcome, the above actions are repeated.
Unsatisfactory	Administered at least 1 phase of the skills test with critical findings that do not meet the standard requirements.	<ul style="list-style-type: none"> ▶ Review finding with examiner and provide coaching. ▶ Examiner suspended from administering CDL skills tests until completing online refresher training course. ▶ Followup inspection 60 days after examiner completes refresher training course. <ul style="list-style-type: none"> ● If first followup inspection results in another unsatisfactory outcome, the examiner is suspended from administering CDL skills tests until completing a 40-hour training and must be reinspected 60 days after completing the 40-hour training course. ● If the second followup inspection results in another unsatisfactory outcome, MVD will begin the process of canceling the examiner’s certification.

¹ According to MVD policy, a critical finding is any finding that could result in a safety risk for the applicant, examiner, or general public.

Source: Auditor General staff review of MVD policies, procedures, and guidance for issuing enforcement actions and following up on CDL providers and examiners based on inspection outcomes.

- b.** Determining and issuing enforcement action to respond to identified CDL inspection violations, including guidance for taking appropriate, consistent, progressively stringent, and timely enforcement actions that address the violation(s), including requiring CDL examiners to complete retraining courses when an MVD inspector identifies a need for retraining.

- ▶ Status: **Implemented at 24 months.**

As discussed in recommendation 5a, MVD has developed written policies, procedures, and guidance for taking appropriate, consistent, progressively stringent, and timely enforcement actions in response to CDL provider- and CDL examiner-inspection violations. Our review found that MVD followed applicable requirements for the CDL provider- and CDL examiner-inspection violations we reviewed.

Specifically:

- MVD provided examples of 2 different CDL provider inspections—1 where the provider received an unsatisfactory rating and 1 where the provider received a marginal rating—and MVD conducted followup inspections of the 2 CDL providers within the applicable time frames outlined in its policy. Further, for the CDL provider that received an unsatisfactory rating, our review of the MVD system in October 2025 found that the provider was deactivated, thereby suspending its ability to schedule and conduct CDL skills tests until notifying MVD that it has corrected its test site/routes and is ready for reinspection.
 - Our review of a judgmental sample of 4 of 27 CDL examiners who received unsatisfactory or marginal inspection results in calendar years 2024 and/or 2025 found that consistent with its policy, the examiners received copies of their inspection reports and coaching; were deactivated from conducting skills tests until taking required trainings; and received followup inspections to determine if the inspection violations had been corrected. Further, 2 of the 4 CDL examiners we reviewed received a total of 3 unsatisfactory outcomes, and consistent with MVD policy for taking progressively stringing action, these examiners were deactivated from conducting further skills tests and MVD initiated the process of canceling these CDL examiners' certifications.
- c.** Tracking and overseeing the enforcement actions taken to ensure that violations identified are being addressed appropriately, such as ensuring that CDL examiners have completed retraining courses and have refrained from conducting skills tests until completing required retraining, or whether additional enforcement action is needed.

- ▶ Status: **Implemented at 24 months.**

See explanation for recommendation 5b.

6. MVD should develop and implement a written management review process for ensuring that CDL inspection violations identified are corrected and enforcement action issued is consistent and appropriate.

▶ Status: **Implemented at 24 months.**

As discussed in recommendations 5a and 5b, MVD has developed and implemented policies, procedures, and guidance for taking consistent and appropriate enforcement actions and a followup process for determining if CDL inspection violations are corrected. Additionally, its process includes a manager/supervisor review of and sign off on completed inspections and reinspections. Our review of 2 CDL provider- and 4 CDL examiner-inspections found that the manager/supervisor signed the initial and followup inspection reports as required by MVD's policy.