



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Announcement—
Notification of Audit of the National Highway
Traffic Safety Administration's Oversight of the
Use of Alcohol-Impaired Driving
Highway Traffic Safety Funds
Project No. 04M3009M000

Date: July 1, 2004

From: 
Debra S. Ritt
Assistant Inspector General for
Surface and Maritime Programs

Reply to JA-40
Attn of:

To: National Highway Traffic Safety Administrator

The Office of Inspector General plans to perform an audit of the National Highway Traffic Safety Administration's (NHTSA) oversight of states' use of alcohol-impaired driving highway traffic safety funds authorized by the Transportation Equity Act for the 21st Century (TEA-21). Under TEA-21, during Fiscal Year (FY) 1998 through FY 2003, states received \$2.7 billion in total Federal highway safety funds, of which \$1.3 billion was designated for programs to reduce alcohol-impaired driving. The amount of Federal funds provided to states under these programs increased from \$84 million in FY 1998 to \$404 million in FY 2003. During the same period, alcohol-related highway traffic fatalities increased 4.4 percent, from 16,673 to 17,401 fatalities per year.

Our audit objectives are to determine whether NHTSA's oversight is adequate to (1) ensure that states applied alcohol-impaired driving highway traffic safety funds for intended purposes and in compliance with Federal requirements, and (2) assess how unused alcohol-related fund balances will be accounted for as TEA-21 expires.

We plan to start this audit the week of July 12, 2004. We will contact your audit liaison to schedule a formal entrance conference to discuss the planned audit. We plan to conduct audit work at NHTSA Headquarters and selected regional offices, Federal Highway Administration (FHWA) Headquarters and selected

division offices, and at selected state highway safety offices. The Program Director for this assignment is Michael E. Goldstein and the Project Manager is Brenda R. James. For any additional information, please contact me at (202) 493-0331 or Mr. Goldstein at (212) 264-8701.

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cc: Martin Gertel, M-1
Zahid Khawaja, NPP-10
Cynthia Thornton, HAIM-13
Federal Highway Administrator