



Memorandum

U.S. Department of
Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
DOT's Criminal Referral Procedures and
Compliance
Project No. 17S3005S000

Date: April 21, 2017

From: Calvin L. Scovel III
Inspector General

Reply to
Attn. of: JA-30

To: Office of the Deputy Secretary

The Department of Transportation's (DOT) mission to ensure a fast, safe, efficient, accessible, and convenient transportation system depends on proper stewardship of funds and effective enforcement of laws and regulations. The Office of Inspector General (OIG) plays a crucial role in fulfilling DOT's mission by detecting and preventing waste, fraud, abuse, and mismanagement. In order for our office to fulfill this role, it is necessary that Operating Administrations notify us whenever circumstances appear to indicate a potential criminal violation.

However, this notification does not always occur. For example, our 2016 audit of the Federal Railroad Administration's (FRA) oversight of transportation of hazardous materials by rail¹ found that FRA did not refer any potential criminal violations to our office during the 10 years prior to the audit. Given possible weaknesses in the referral process, we are initiating an audit to assess whether DOT and its Operating Administrations have policies and procedures to ensure that potential criminal violations are promptly referred to our office.

We plan to begin the audit this month and will coordinate with your audit liaison to schedule an entrance conference. We will conduct our work at DOT Headquarters and other sites as needed. If you have any questions, please contact me at (202) 366-1959 or Barry J. DeWeese, Assistant Inspector General for Surface Transportation Audits, at 202-366-5630.

#

¹ *FRA's Oversight of Hazardous Materials Shipments Lacks Comprehensive Risk Evaluation and Focus on Deterrence* (OIG Report Number ST-2016-020), February 24, 2016. OIG reports are available on our Web site: <https://www.oig.dot.gov/>

cc: DOT Audit Liaison, M-1
Federal Aviation Administrator
FAA Audit Liaison AAE-100
Federal Highway Administrator
FHWA Audit Liaison, HAIM-13
Pipeline and Hazardous Materials Safety Administrator
PHMSA Audit Liaison, PH-3
Federal Transit Administrator
FTA Audit Liaison, TBP-30
Federal Motor Carrier Safety Administrator
FMCSA Audit Liaison, MCPRS
Federal Railroad Administrator
Audit Liaison, FRA, RAD-43
Maritime Administrator
Audit Liaison, MARAD, MAR-392
Saint Lawrence Seaway Development Corporation Administrator
National Highway Traffic Safety Administrator
NHTSA Audit Liaison, NPO-310