Memorandum

Date: April 18, 2022

Subject: INFORMATION: Audit Announcement | DOT’s Compliance With the Do Not Pay Initiative | Project No. 22F3008F000

Department of Transportation

From: Dormayne “Dory” Dillard-Christian

Assistant Inspector General for Financial Audits

To: Deputy Chief Financial Officer

For fiscal year 2021, the Department of Transportation (DOT) made payments of approximately $94.7B to its non-Federal recipients.¹ In an effort to identify and reduce Governmentwide improper payments, Congress enacted the Payment Integrity Information Act of 2019² (PIIA). PIIA authorizes and governs the Do Not Pay (DNP) Initiative, which protects the integrity of the Federal government’s payment processes by assisting agencies in mitigating and eliminating improper payments. This initiative requires each executive agency to appropriately review available data sources—such as the System for Award Management Exclusion Records and the Treasury Debt Check database—to verify eligibility of payments or awards. DOT uses the databases required by the DNP Initiative to check the eligibility of its vendors, grantees, loan recipients, and beneficiaries to receive Federal payments.

The DNP Initiative can assist the Department with mitigating the risk of payments made to ineligible recipients and protecting Federal dollars. While we have conducted annual audits of the Department’s compliance with PIIA, our audits have not included assessing its compliance with the DNP Initiative, such as verifying the recipient’s payment receipt eligibility. Therefore, we are initiating an audit to assess the Department’s internal controls for assuring compliance with the DNP Initiative.

We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work remotely. If you have

¹ Great Lakes St. Lawrence Seaway is excluded because the Enterprise Services Center does not make these payments and they are not recorded in Delphi.

any questions, please contact me at 202-366-8543 or Ingrid Harris, Program Director, at (202)-450-7637.

cc: DOT Audit Liaison, M-1