Office of Inspector General
Audit Report

FMCSA STRENGTHENED CONTROLS FOR TIMELY AND QUALITY REVIEWS OF HIGH-RISK CARRIERS, BUT DATA CHALLENGES REMAIN TO ASSESS EFFECTIVENESS

Federal Motor Carrier Safety Administration

Report Number: ST2017065

Date Issued: July 25, 2017

Memorandum

Subject:	**<u>INFORMATION</u>:** FMCSA Strengthened Controls for Timely and Quality Reviews of High-Risk Carriers, but Data Challenges Remain to Assess Effectiveness Federal Motor Carrier Safety Administration Report No. STL2017065
From:	Barry J. DeWeese Assistant Inspector General for Surface Transportation Audits
To:	Federal Motor Carrier Safety Administrator

Date: July 25, 2017

Reply to Attn. of: JA-30

With an increase in the number of large trucks and buses on the roads and the vehicle miles they travel, the Nation has recently experienced an upward trend in fatalities caused by large truck and bus crashes—a 7 percent increase from 4,043 in 2011 to 4,337 in 2015. High-profile crashes and National Transportation Safety Board (NTSB) investigations raised congressional concerns about the timeliness and effectiveness of the Federal Motor Carrier Safety Administration's (FMCSA) reviews of high-risk motor carriers' compliance with safety regulations.

In 2014, a motor carrier with a history of violations was involved in a fatal crash in Illinois. FMCSA had flagged the motor carrier as high-risk, but had not conducted an investigation. Following the crash, Senator Dick Durbin requested that we audit FMCSA's practices for investigating carriers that pose high risks for fatal crashes. Subsequently, the fiscal year 2015 appropriations legislation also directed us to review FMCSA's compliance review process.

Accordingly, our audit objective was to assess FMCSA's policies and processes for ensuring timely and adequate compliance reviews of carriers with high risks for fatal crashes. Specifically, we determined whether FMCSA (1) conducted compliance reviews in a timely manner once it flagged carriers for investigation, (2) implemented effective quality assurance measures for compliance reviews, and (3) effectively conducted compliance reviews to address carriers' safety performance.

We conducted this audit according to generally accepted Government auditing standards. To conduct our work, we reviewed applicable laws and regulations, FMCSA's policies and guidance for conducting compliance reviews, and prior audits and reviews of FMCSA's compliance review process. We interviewed personnel at FMCSA's Headquarters, its 4 regional Service Centers, and 4 of its 52 Division Offices. We observed FMCSA's conduct of 3 compliance reviews. We conducted a survey of the Agency's 309 safety investigators to obtain their perceptions on the compliance review process, and 83 percent of safety investigators responded. Exhibit A further details our scope and methodology, and exhibit B presents a list of entities we visited or contacted during our audit.

RESULTS IN BRIEF

Under its High-Risk Prioritization Policy (High-Risk Policy) implemented in January 2016, FMCSA has improved the timeliness of its high-risk compliance reviews by narrowing its focus to carriers that require immediate intervention. The Agency's new policy establishes a more discerning prioritization methodology and emphasizes more timely compliance reviews of the highest-risk carriers by shortening the target timeline for review from 12 months to 90 days. FMCSA also incorporated a new software program to prioritize, assign, and track completion of compliance reviews in accordance with the timeliness goals. Since implementing this policy change, FMCSA has completed compliance reviews of the highest-risk carriers more quickly by allowing its Division Offices to manage assignments, including congressionally-mandated compliance reviews, based on the most current data available. More specifically, FMCSA completed an investigation of high-risk carriers in 2016, on average, within 1.2 months, compared to 7.2 months under the previous policy. While making these improvements, the Agency may be challenged in balancing competing priorities of quality and production, and ensuring that it can adapt its distribution of resources to changing conditions such as hiring freezes, budget constraints, and industry growth.

FMCSA implemented new quality assurance practices, but has not set milestones for finalizing its assessment of these tools. During our review, FMCSA established, provided training on, and implemented two evaluation tools for ensuring the quality of compliance reviews and enforcement cases. The Agency has been working towards collecting a benchmark year of data and plans to conduct an internal evaluation of these tools, but has not set milestones for its completion. Establishing milestones is important to ensure the tools are being evaluated and subsequently monitored in a timely manner. Until FMCSA finalizes this assessment, the effectiveness of the tools will remain uncertain. Finally, FMCSA created a peer review process to improve and share best practices for field office operations. We confirmed that peer-to-peer evaluations are promoting compliance with FMCSA's policies and providing recommendations to the field offices being reviewed.

FMCSA faces challenges in ensuring that its safety investigators effectively conduct compliance reviews to address motor carriers' safety performance. Specifically, FMCSA's information systems did not explicitly record whether compliance reviews were conducted as either comprehensive or focused, nor did changes in the scope of a focused compliance review get recorded. These data limitations challenge an accurate account of compliance review types and which safety regulation category types were reviewed in FMCSA's data, which limits the Agency's ability to assess the effectiveness of comprehensive and focused compliance reviews.

We are making two recommendations to address FMCSA's quality assurance processes and compliance review data limitations. Additionally, although we are not making specific recommendations, we note in exhibit E other items for FMCSA's consideration in enhancing its training of and post-compliance review communication with safety investigators.

BACKGROUND

FMCSA administers its safety programs at three organizational levels. The Agency's Headquarters in Washington, DC conducts oversight and overall policy decision making. Four regional Service Centers—Eastern, Southern, Midwestern, and Western—provide administrative and legal services to Division Offices within their region and oversees the Agency's enforcement activities. Fifty-two Division Offices in each State, Washington, DC, and Puerto Rico administer grant and safety programs with their respective States and territories, including conducting compliance reviews of motor carriers.

Figure 1. FMCSA Service Center Regional Oversight
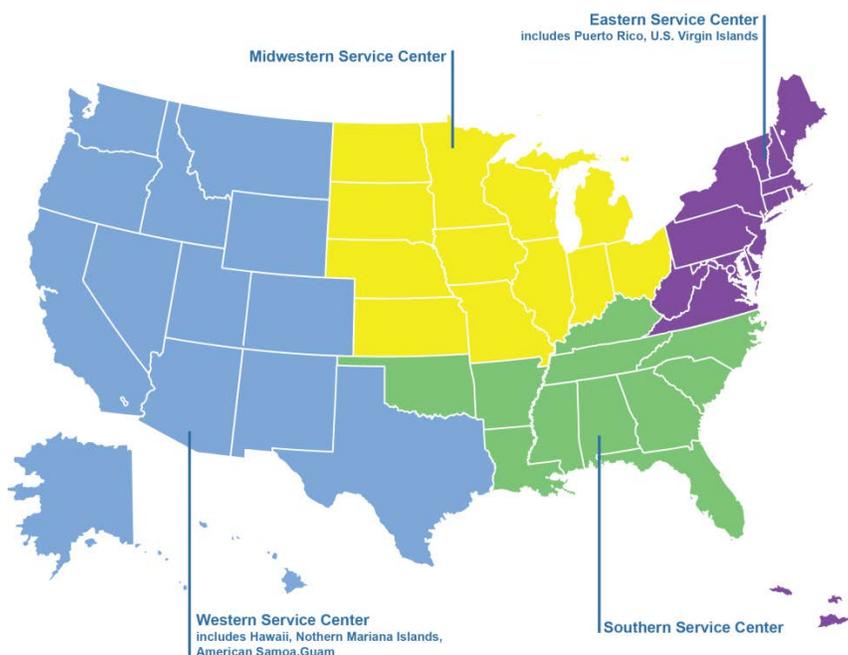
Source: OIG.

Since 2010, FMCSA's Compliance, Safety, Accountability (CSA) program has focused oversight resources on carriers at high risk for crashes. CSA's Safety Measurement System (SMS) prioritizes carriers for compliance reviews, using data from the Motor Carrier Management Information System (MCMIS)—FMCSA's database that maintains Federal and State-reported information on crashes and roadside inspections, and carrier-reported data such as fleet size. SMS identifies high risk carriers using an algorithm to calculate carriers' percentile rankings in the following performance areas known as Behavior Analysis Safety Improvement Categories (BASIC): (1) unsafe driving; (2) hours-of-service compliance; (3) driver fitness; (4) controlled substance/alcohol; (5) vehicle maintenance; (6) hazardous materials compliance; and (7) crash indicators.

Once a carrier is flagged for review according to its BASIC scores, FMCSA safety investigators review the carrier's compliance with safety regulations. The Agency prioritizes carriers based on risk and assigns the investigator to conduct either a comprehensive compliance review—an evaluation of all BASICs—or a focused compliance review which targets specific BASICs with which the carrier has demonstrated a pattern of non-compliance. FMCSA Division Office supervisors assign the type of compliance review based on the number of BASICs the carrier has in "alert." A carrier is in alert in a BASIC when its score is at or above a certain level. If a carrier has four or more BASICs in alert status or meets some other specialized criteria, the supervisor assigns a comprehensive review. In fiscal

year 2016, FMCSA and its State partners completed 14,074 compliance reviews—7,805 and 6,269 respectively.

In 2013, NTSB investigated four commercial vehicle crashes that occurred between December 2012 and June 2013 and collectively resulted in 25 fatalities and 83 injuries. The investigations revealed that FMCSA conducted safety reviews of these motor carriers prior to their crashes, yet did not uncover or act on certain pre-existing safety deficiencies until after the crashes. Based on its investigations, NTSB recommended[1] the Department conduct independent audits of FMCSA's compliance review processes. In response, the Department formed an independent review team (IRT) to evaluate FMCSA's compliance review processes. In July 2014, the IRT made 26 recommendations to improve FMCSA's investigative processes, quality control mechanisms, and enforcement strategies.[2] See exhibit D for a list of the IRT's recommendations. During our audit, FMCSA revised its carrier prioritization policy and quality assurance mechanisms based on an IRT's recommendations and FMCSA's own internal review processes.

FMCSA HAS IMPROVED THE TIMELINESS OF COMPLIANCE REVIEWS OF HIGH RISK CARRIERS UNDER ITS NEW POLICY

FMCSA has improved the timeliness of its high-risk compliance reviews since it implemented a new High-Risk Policy, with updated prioritization criteria. Under the new policy, which was implemented during our audit, the Agency has reduced the number of required reviews by almost half by focusing on the highest-risk carriers, and has completed reviews of highest-risk carriers more quickly than under its previous policy.

In January 2016, as a result of internal reviews of its processes and IRT recommendations to narrow its focus to carriers that require immediate intervention, FMCSA implemented a new High-Risk Policy.[3] This policy establishes new prioritization criteria and compliance review completion time requirements. The previous policy—the Mandatory Policy—designated motor carriers that required compliance reviews as "mandatory," while the new policy designates these carriers as "high risk." FMCSA's new policy also introduced categories for carriers with poor safety performance that do not meet the "high risk" definition, identified as "moderate risk," "risk," and "monitor" in the policy. These categories do not require immediate reviews, but are monitored by the

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[1] NTSB Letter to Department of Transportation Secretary Anthony R. Foxx, November 5, 2013.

[2] *Blueprint for Safety Leadership: Aligning Enforcement and Risk*, Independent Review Team Appointed by Secretary of Transportation Anthony R. Foxx to Review the Federal Motor Carrier Safety Administration's Safety Oversight of the Motor Carrier Industry, July 15, 2014.

[3] FMCSA transitioned from its previous Mandatory Policy to its new High Risk Policy from November 2015 to January 2016. FMCSA announced this change in the Federal Register on March 7, 2016 (81 FR 11875).

Division Offices. Many of these carriers would have previously been considered "mandatory." See table 1 for a summary of the changes in prioritization criteria.

Table 1. FMCSA's Prioritization Criteria Changes

Criteria	Mandatory Policy (Previous)	High-Risk Policy (New)
BASIC Performance	2 consecutive months either: In the eighty-fifth or higher percentile for unsafe driving, crash indicator, or hours of service compliance and one other BASIC above threshold; or Any four BASICs above threshold	2 consecutive months: In the ninetieth percentile or higher for two or more of the following BASICs: unsafe driving, crash indicator, hours of service compliance, or vehicle maintenance
Time Since Last Review	24 Months	18 Months
Target Date for Completion	12 Months	90 Days

Note: Separate and different thresholds apply to hazardous materials and passenger carriers.
Source: FMCSA, Risk-Based Carrier Prioritization Policy, November 2015.

Under the previous Mandatory Policy, FMCSA faced backlogs of compliance reviews, with some delays so long that carriers' safety profiles changed significantly. For example, we found 50 percent of compliance reviews in four sample States had been pending for more than the 12-month completion target. Under the new High-Risk Policy, a safety investigator has 90 days from a carrier's designation as high risk to complete the compliance review. In both policies, once a carrier is flagged, FMCSA must review the carrier even if its BASIC scores improve below the high-risk thresholds. Senior FMCSA officials stressed that under the new 90-day target for compliance reviews, carrier risk profiles are unlikely to change because they are based on 24 months of data. These officials are confident that Division Offices will be able to avoid significant backlogs under the new policy and are monitoring the Division Offices' performance.

Since it implemented the High-Risk Policy, FMCSA is completing more reviews on time than under the previous policy. In 2016, FMCSA completed over 97.7 percent of its 1,695 high-risk carrier compliance reviews within 90 days; a review was completed on average 1.2 months after a carrier was identified. Only 39 or 2.3 percent of these compliance reviews did not meet the 90-day target. According to FMCSA officials, these 39 compliance reviews were delayed due to outdated carrier contact information, unresponsive carriers, and pending administrative actions. During the previous 5 years, under the Mandatory Policy, carriers were reviewed an average of 7.2 months after being identified, but 9.7 percent of compliance reviews completed did not meet the 12-month target. Because of how information for mandatory carriers was tracked, these percentages do not include backlogged compliance reviews.

Thresholds for carrier prioritization under FMCSA's previous policy were broad and flagged large numbers of carriers. Under the new policy, FMCSA separates the pool of mandatory carriers into a narrower category of high risk carriers that require a compliance review, and medium and low risk categories that are monitored at the Division Office level. Table 2 provides information on how this policy change reduced the number of carriers prioritized for compliance reviews.

Table 2. Approximate Numbers of Prioritized Carriers Reviewed Under the Previous and New Policies

Reviews	Previous Mandatory Policy	New High-Risk Policy
Total per year	6,000	2,243
Average Per Month	500	187

Source: FMCSA's high-risk report to Congress for fiscal year 2015; FMCSA data.

In order to facilitate the policy change, FMCSA provided its Division Offices more robust tools to manage compliance reviews. FMCSA developed and implemented its Activity Center for Enforcement (ACE) web-based information system, using funding provided by Congress in its 2015 appropriations.[4] According to FMCSA officials, the ACE system assists Division Offices in prioritizing, assigning, and tracking completion of high-risk compliance reviews and timeliness targets; and allows better management of risk and evaluation of carriers with deteriorating performance before they become high risk. It would be difficult to assess the system's impact on improving the timeliness of compliance reviews separate from the changes in policy that occurred at the same time. However, initial feedback we received from safety investigators who use the ACE system as an integral tool for their daily workload was positive.

In addition to completing compliance reviews of the highest-risk carriers, FMCSA must allocate its oversight resources to complete other congressionally-mandated reviews of passenger carriers and other types. Table 3 provides details on the types and number of mandated reviews FMCSA completed in calendar year 2016. According to FMCSA, these competing priorities challenge its workload management and its completion of all required reviews. In 2016, FMCSA conducted 7,836 compliance reviews, including high risk, moderate risk, and other types of mandated reviews. Of these, Division Offices completed 3,451 reviews of moderate-risk carriers, including 123 carriers that would have been prioritized for high-risk intervention.

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[4] Consolidated and Further Continuing Appropriations Act of 2015, Public Law 113-235

Table 3. FMCSA's Mandated Reviews Completed in Calendar Year 2016

| Mandate	Number of Reviews
High-Risk	2,243
Motorcoach (Annual/Triennial)	942
New-Entrant Audits (Primarily Conducted by States)	38,060
Complaint Reviews	597
HM Permits	213

Source: FMCSA data.

FMCSA's safety investigators manage multiple compliance review assignments. A number of factors, such as fleet size, scope of the review, responsiveness of motor carriers, and geographic location may affect how quickly a safety investigator can complete a compliance review. Safety investigators indicated that a compliance review generally takes one week to complete. FMCSA officials recognize the need to balance competing priorities of compliance review quality and quantity. Our June 2016 survey of safety investigators indicated that some perceived a need for more time to conduct quality compliance reviews. Specifically, 103 of 251, or 41 percent of investigators surveyed nationwide and 46 of 89, or 52 percent of investigators surveyed at the Western Service Center[5] responded that they do not have enough time to complete quality compliance reviews. As shown in figure 2, the Western Service Center investigators' response deviates from the responses of investigators at other Service Centers—a result that is statistically significant.[6]

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[5] The Western Service Center covers the States of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, North Dakota, New Mexico, Nevada, Oregon, South Dakota, Texas, Utah, Washington and Wyoming, and the Territories of American Samoa, Guam, and Northern Mariana Islands.

[6] Statistical significance indicates that a result from testing is not likely to occur randomly or by chance, and is likely attributable to underlying causes.

Figure 2. Safety Investigators' Perception of Time for Conducting Quality Compliance Reviews
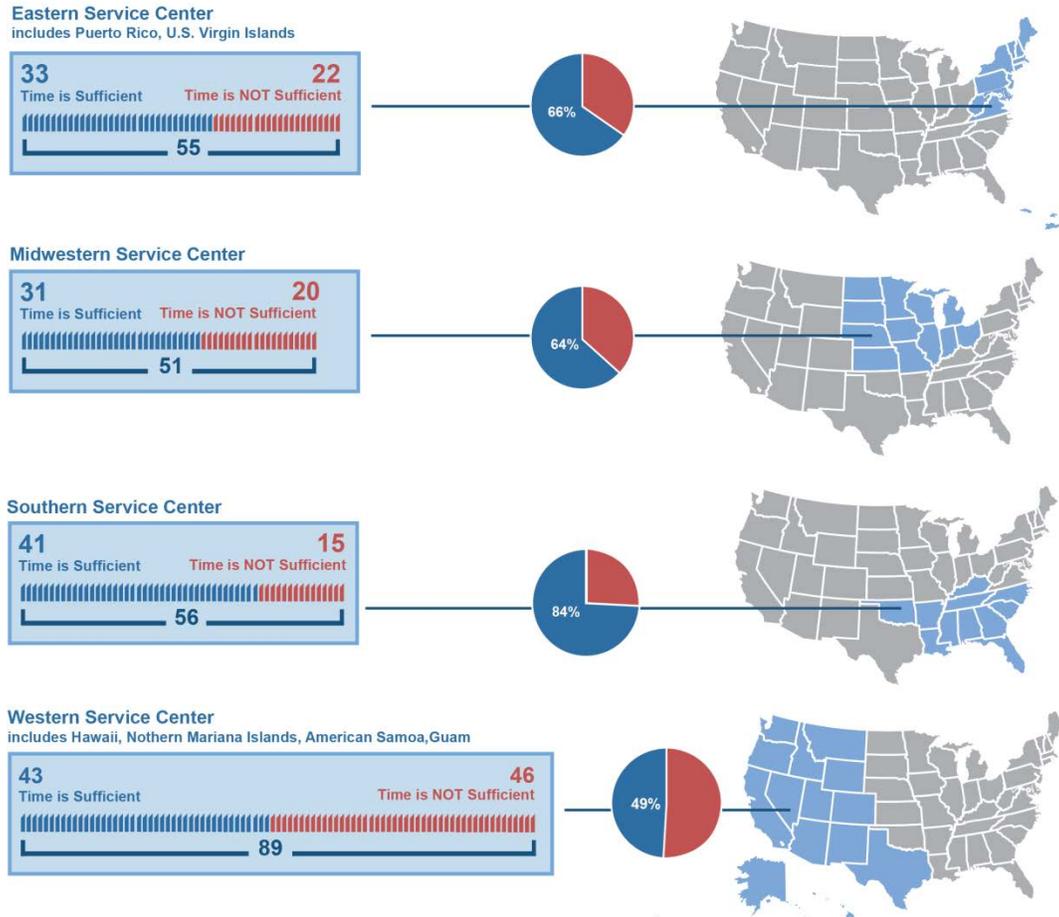
Source: OIG survey results.

Senior FMCSA officials stated a possible reason for the Western Service Center response is that the large size of western States and the density of carriers in that region require safety investigators to travel long distances to complete compliance reviews. Although these factors may impact the amount of time needed to complete compliance reviews, they do not provide solutions to the investigators' perceived need for more time to conduct quality reviews.

To assist Division Offices in balancing competing priorities of quality and quantity in conducting compliance reviews, FMCSA created a new position–the Safety Operations Program Manager (SOPM). These officials work at each Service Centers to manage the high-risk carrier inventory, helping Division Offices to ensure that timely compliance review assignments are made and appropriate actions are taken when a review will not be completed within the 90-day target timeframe. According to FMCSA officials, the SOPMs also monitor transportation safety initiatives and provide guidance on new policies for their corresponding Division Offices.

While FMCSA has improved the timeliness of its compliance reviews, the Agency may face challenges in adapting its distribution of investigative resources to changing conditions, such as hiring freezes, budget constraints, and growth in the motor carrier industry. These factors may impact FMCSA's approach to meeting the requirements of its High-Risk Policy and other mandated compliance reviews it must complete.

FMCSA IMPLEMENTED QUALITY ASSURANCE PRACTICES BUT HAS NOT SET MILESTONES FOR PROGRESS ASSESSMENTS

FMCSA has implemented quality assurance tools for its compliance reviews and enforcement actions, but has not established milestones for finalizing its assessment procedures for these tools. The Agency also established a peer review process to evaluate and improve the quality of field operations.

FMCSA Has Implemented Tools To Evaluate the Quality of Its Compliance Reviews and Enforcement Actions but Lacks Milestones for Progress Assessments

FMCSA has implemented tools to evaluate the quality of its compliance reviews and enforcement actions. During its 2014 review, the IRT found that FMCSA lacked a quality assurance process to evaluate safety investigator performance, and as a result, it was difficult for Agency management to address issues in safety investigators' performance. FMCSA formed a work group to study the compliance review process and establish safety investigator performance measures, utilizing best practices some Division Offices were already using to assess quality.

Ultimately, in response to IRT recommendations and management initiatives, FMCSA implemented two quality assurance tools to help Division Offices evaluate the quality of compliance reviews and the resulting enforcement actions—the Quality Investigations Assurance Tool (QIAT) and the Enforcement Case Assessment Skills Evaluation (E-Case) tool.[7] In spring 2016, FMCSA provided training webinars on the QIAT and E-Case tools to program specialists and safety investigators who use these tools to evaluate compliance reviews. In June 2016, the Agency implemented both tools at its Division Offices.

More specifically, FMCSA uses QIAT to evaluate four randomly-selected compliance reviews for every investigator on a quarterly basis. It uses E-Case to assess the quality of enforcement notices of claim (NOC) and notices of violations

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[7] FMCSA issued its guidance entitled "Implementing the Quality Investigations Assessment Tool" and "Implementing the Enforcement Case Assessment Skills Evaluation" in March 2016, and initiated the assessments in June 2016.

(NOV).[8] Division Office, Service Center, and Headquarters management officials review the assessments' results to identify trends and training needs. During the first quarter (June through August 2016) after implementation of the tools, program specialists completed 962 QIAT and 838 E-Case assessments.
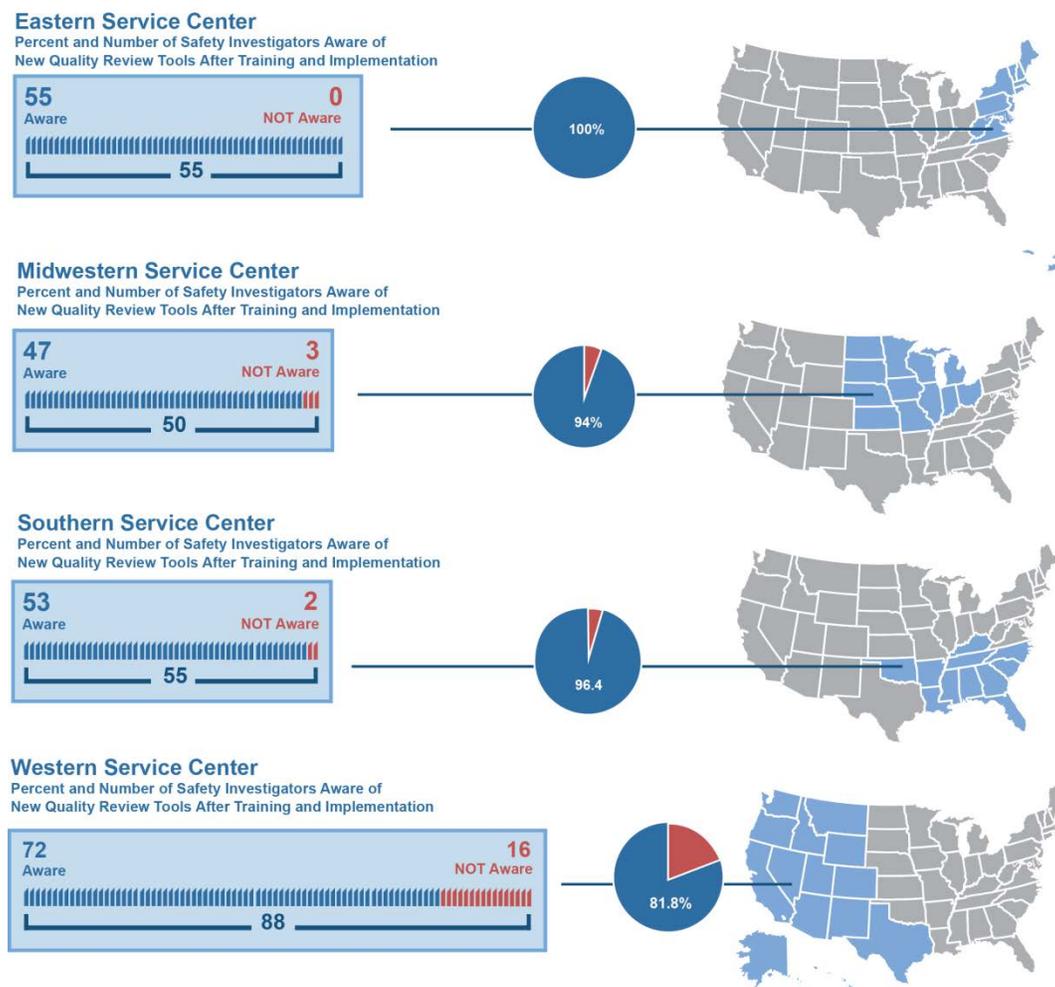
Initially, the program specialists did not always follow guidance for using the assessment tools. FMCSA guidance states that program specialists must explain deductions of points from a measurement area. Our review of a randomly-selected sample of QIAT and E-Case assessments found deviations from this guidance for both tools. We found that 3 of 10 sample assessments for each tool did not provide the required score explanations. Furthermore, 2 of 10 E-Case sample assessments included scores outside of the possible range. For subsequent evaluation periods, the Agency integrated the evaluation tools with its ACE system to create automated, guided assessments intended to decrease the possibility of such errors. According to FMCSA officials, this integration simplifies oversight monitoring and assists supervisory staff in identifying performance trends and highlighting training needs.

In their responses to our June 2016 survey, safety investigators generally indicated that they were aware of the quality assurance tools. Overall, 92 percent, or 227 of 248 safety investigators were aware of the new quality review tools. However, only 82 percent, or 72 of 88 investigators at the Western Service Center knew of the tools—a statistically significant difference. In contrast, in regions outside the Western Service Center, 97 percent, or 155 out of 160 investigators were aware of the policy. Figure 3 on the next page provides details on safety investigators' awareness of the quality review tools after receiving training.

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[8] An NOV is an informal mechanism to address compliance deficiencies. If the alleged deficiency is not addressed to the satisfaction of the Agency, formal enforcement action may be taken. An NOC is the official charging document used by FMCSA to initiate civil actions for violations of Federal laws and regulations.

Figure 3. Awareness of Quality Assurance Tools

Eastern Service Center
Percent and Number of Safety Investigators Aware of
New Quality Review Tools After Training and Implementation

55 Aware	0 NOT Aware
55	100%

Midwestern Service Center
Percent and Number of Safety Investigators Aware of
New Quality Review Tools After Training and Implementation

47 Aware	3 NOT Aware
50	94%

Southern Service Center
Percent and Number of Safety Investigators Aware of
New Quality Review Tools After Training and Implementation

53 Aware	2 NOT Aware
55	96.4

Western Service Center
Percent and Number of Safety Investigators Aware of
New Quality Review Tools After Training and Implementation

72 Aware	16 NOT Aware
88	81.8%

Source: OIG survey results.

FMCSA is collecting data to establish benchmark parameters for measuring the performance of its safety investigator quality assurance tools, in accordance with Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (Federal Standards for Internal Control),[9] but lacks milestones for completing their internal evaluation of the tools. According to Agency officials, they have not established these final milestones because they are focused initially on completing the data collection. At that point, they will determine how to work with the data, and until then, they do not consider setting milestones a high priority. However, milestones are important to ensure the tools are being evaluated and subsequently monitored in a timely manner. Until

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[9] GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014.

FMCSA finalizes this assessment, the effectiveness of the tools will remain uncertain.

FMCSA Has Implemented a Peer Review Process To Improve the Quality of Field Operations

FMCSA established a quality assurance team comprised of employees with operational and technical expertise to conduct peer reviews. FMCSA implemented this peer review process in response to an IRT recommendation to evaluate Division Offices' and Service Centers' adherence to Agency policies and procedures, and to improve the quality assurance for program operations at these field offices. Previously, these field offices operated autonomously and conducted internal reviews differently.

The quality assurance team has defined expectations for the peer reviews, including FMCSA's internal control mechanisms for monitoring State investigation programs, internal and external communications, and administrative operations. The team documents its observations and makes recommendations for improving field office operations.

The team began with peer reviews of the Nevada Division Office and Eastern Service Center in September 2015 and February 2016, respectively. Our review of these reports confirmed that the peer-to-peer evaluations are promoting compliance with FMCSA policies and providing recommendations to the field offices being reviewed. Agency officials have received favorable feedback on the peer review process, and some field offices have volunteered to undergo peer reviews to improve their internal operations, address areas that need attention, and share best practices.

FMCSA'S ABILITY TO EVALUATE THE EFFECTIVENESS OF COMPLIANCE REVIEWS IS LIMITED

FMCSA's limited data on review types and BASICs reviewed inhibits its ability to evaluate the effectiveness of compliance reviews. Safety investigators capture compliance review data using an information system that was initially designed when FMCSA conducted only one type of compliance review. As a result, the data do not contain a specific identification for focused and comprehensive compliance review types, or which safety regulation categories (BASICs) were reviewed.

FMCSA uses a series of complex steps to identify compliance review types and BASICs in the data. However, this practice does not always provide FMCSA with the ability to correctly identify the review types and the BASICs associated with

compliance reviews. These design deficiencies[10] limit an accurate account of compliance review types and reviewed BASICs. Consequently, even if FMCSA's information systems operate as designed, it is difficult for Agency and third party evaluators to use the data for comparative analysis between comprehensive and focused compliance review types, or to evaluate the BASICs reviewed during a compliance review. This difficulty would extend, for example, to analysis of whether focused compliance reviews are as effective as comprehensive compliance reviews in terms of identifying all existing violations of the motor carrier safety regulations.

GAO noted similar data-related concerns in its recent review of the effectiveness and efficiency of FMCSA's safety interventions.[11] GAO found that data quality limitations deflated onsite focused investigation counts and that evaluation limitations could affect the ability of FMCSA managers to accurately and effectively monitor trends in the Agency's application of CSA interventions over time. GAO also reported that unresolved data limitations would continue to preclude outside entities, such as auditing entities, from assessing the integrity of Agency information, including the completeness and accuracy of computer-generated counts. We share these concerns. According to FMCSA officials, completed development and implementation of its SENTRI[12] software will address these data limitations. In response to GAO's report, FMCSA provided a planned completion date of January 31, 2018.

CONCLUSION

FMCSA's compliance reviews are an important tool for identifying carrier safety performance and compliance issues, and ultimately correcting carrier behavior through timely enforcement of safety regulations. FMCSA has implemented several policy and programmatic changes regarding the conduct of these reviews. While these initiatives have initially enhanced the timeliness and quality of its compliance reviews, it is too early to determine whether these changes will result in sustained improvements in FMCSA's investigative practices. Improved data on its compliance reviews may also bolster the success of these initiatives.

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[10] According to the Federal Standards for Internal Control, a deficiency in design exists when a control is not properly designed so that even if the control operates as designed, the control objective would not be met.
[11] GAO, *Better Information is Needed to Assess the Effectiveness and Efficiency of Safety Interventions* (GAO-17-49), October 27, 2016.
[12] Safety Enforcement Tracking and Investigation System.

RECOMMENDATIONS

We recommend the Federal Motor Carrier Safety Administrator:

1. Develop a plan with milestones to evaluate how FMCSA establishes baseline parameters for its quality assurance tools.

2. Update information systems to capture the explicit identification of compliance reviews as either comprehensive or focused, and the Behavior Analysis and Safety Improvement Categories assigned and reviewed.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

We provided FMCSA with our draft report on June 7, 2017, and received its technical comments on July 7, 2017, which we have incorporated into this report as appropriate. FMCSA also provided its formal management response on July 7, 2017, which is included as an appendix to this report. FMCSA concurred with both of our recommendations and proposed appropriate actions and completion dates. Accordingly, we consider the recommendations resolved but open pending completion of the planned actions.

We appreciate the courtesies and cooperation of FMCSA representatives during this audit. If you have any questions concerning this report, please call me at (202) 366-5630, or Kerry R. Barras, Program Director, at (817) 978-3318.

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cc: The Secretary
        DOT Audit Liaison, M-1
        FMCSA Audit Liaison, MCPRS

EXHIBIT A. SCOPE AND METHODOLOGY

We conducted our work from June 2015 to June 2017 in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform an audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit objective was to assess FMCSA's policies and processes for ensuring timely and adequate compliance reviews of carriers with high risks for fatal crashes. Specifically, we determined whether FMCSA (1) conducted compliance reviews in a timely manner once it flagged carriers for investigation, (2) implemented effective quality assurance measures for compliance reviews, and (3) effectively conducted compliance reviews to address carriers' safety performance.

FMCSA updated its policies throughout the course of our audit. To obtain a full understanding of previous challenges and proposed solutions, we reviewed Federal regulations, FMCSA guidance, draft and final policies, and training materials as they were provided to staff. We interviewed and conducted follow up meetings with FMCSA Headquarters staff regarding all policy-related information. For a comprehensive understanding of how the guidance and policies was being implemented, we visited FMCSA Headquarters, all four of FMCSA's regional Service Centers and four Division Offices, one in each region. We selected one Division Office from each Service Center based on risk by considering the number of high risk motor carriers and the number of FMCSA safety investigators in each State. At our site visits, we interviewed selected FMCSA staff members at Headquarters, Service Centers, and Division Offices according to their respective roles in the compliance review process.

To assess the timeliness of FMCSA's compliance reviews, we reviewed legislation, policies and procedures, and practices for prioritizing and assigning compliance reviews. Our policy review compared requirements for the current and previous motor carrier prioritization policies. We analyzed FMCSA data and management reports to evaluate compliance review timeliness and delays, and motor carrier assignment lists in four sample States to determine the magnitude of compliance review backlogs under the previous prioritization policy.

To assess FMCSA's quality assurance measures, we obtained an understanding of prior quality assurance processes and the Agency's new quality assurance tools for evaluating compliance reviews, enforcement actions, and peer reviews. We reviewed the QIAT and E-Case policies and templates to understand the purpose, background, and scoring metrics for these quality review tools as well as the Agency's evaluation processes for developing these tools. We analyzed 10 of 962 randomly-selected QIAT assessments and 10 of 838 E-Case assessments

Exhibit A. Scope and Methodology

performed between June 1, 2016 and August 31, 2016 for compliance with the respective policies. We reviewed background material and reports for peer reviews conducted on Division Offices and Service Centers.

In attempting to determine whether FMCSA effectively conducted compliance reviews, we analyzed MCMIS data to identify whether statistically significant differences existed between certain measures of motor carriers' safety performance within the 12 months before and the 12 months after a compliance review was completed by FMCSA. We sought input from the Volpe Center and FMCSA staff for our more complex data analysis. Due to data limitations noted in this report, we ultimately used assumptions provided by FMCSA to identify a universe of 41,755 compliance reviews completed nationwide during fiscal years 2012-2014. We selected a stratified random sample of 800 completed compliance reviews from the universe, where Stratum 1 consisted of 400 comprehensive compliance reviews and Stratum 2 consisted of 400 focused compliance reviews. We attempted to evaluate this sample, but because of the data limitations described in this report, we were unable to determine conclusively whether compliance reviews were effective.

Finally, in June 2016, we created an online survey and sent it to all 309 FMCSA Safety Investigators. We developed the survey questions based on topics most critical to the investigators, and reoccurring themes the investigators provided during our site visits. We asked 30 questions that were designed to obtain information about each investigator's experience and their perception of the compliance review process, such as investigation prioritization, timeliness, quality assurance, feedback, effectiveness, enforcement, training, and OIG case referral awareness. Our survey was validated by OIG's Senior Statistician prior to conducting an internal pilot test to assess the time burden for survey participants. We received responses from 255 investigators, or 83 percent. These responses were coded and analyzed by OIG's Statistician. We deemed this response rate sufficient enough to make regional comparisons among the four Service Centers. Responses that yielded statistically significant differences between the Service Centers are highlighted in the report.

Exhibit A. Scope and Methodology

EXHIBIT B. ENTITIES VISITED OR CONTACTED

Federal Motor Carrier Safety Administration

- Headquarters – Washington, DC

- Eastern Service Center – Glen Burnie, MD

- Midwestern Service Center – Matteson, IL

- Southern Service Center – Atlanta, GA

- Western Service Center – Lakewood, CO

- New Jersey Division Office – Princeton, NJ

- Illinois Division Office – Springfield, IL

- Florida Division Office – Tallahassee, FL

- California Division Office – Sacramento, CA

Independent Review Team

Government Accountability Office

EXHIBIT C. THE INDEPENDENT REVIEW TEAM'S RECOMMENDATIONS TO FMCSA

Rec. 2.1.1	FMCSA should start addressing the disconnect between the Compliance, Safety, Accountability (CSA) system and the legacy Safety Fitness Procedure while the new SFD rule is still being considered. A. Establish metrics that compare violations being written by the investigator with the risk predicted by the SMS. B. Implement and measure policy adjustments, training, and procedures intended to better align investigative outcomes with on-road risks.
Rec. 2.1.2	FMCSA should expedite the SFD rulemaking process and consider the use of consensus based, or facilitated, processes for the development of the rulemaking.
Rec. 2.2.1	FMCSA should sharpen its priority-setting focus and improve the timeliness of investigator actions on those motor carriers representing the highest risk. A. Modify the selection formula and policies to limit the number of mandatory and other non-risk-based high-priority candidates. B. Seek or create relief from internally and externally generated mandates for CRs involving carriers of lower risk. C. Reprioritize reviews on motor carriers whose safety performance degrades after an investigation is assigned.
Rec. 2.2.2	FMCSA management should act quickly to review resource allocation across Regions and Divisions to better align appropriate resources to the location of highest risk. A. Better balance Agency resources against the existing geographic pools of risk. B. Provide Division Administrators with the highest risk exposure with analytical capability, authority, and accountability to manage the pools of risk.
Rec. 2.3.1	FMCSA should expand its work with industry and stakeholders to develop SMS enhancements. These enhancements should enable FMCSA to better discern motor carrier management actions that lead to crashes and to allow more timely and appropriate investigation and enforcement actions.
Rec. 2.3.2	FMCSA should re-assess its current SMS website. A. Continue to identify and implement methods for emphasizing absolute rather than relative individual motor carrier rankings so that it does not undermine industry's willingness to innovate and share best practices. B. Consider the role it will play in dissemination of safety information as the motor carrier industry matures.
Rec. 2.4.1	FMCSA should ensure that the "quality over production" priority is clearly and consistently reinforced in its training programs and emphasized through Division Administer guidance to the investigators.
Rec. 2.4.2	FMCSA should enhance its processes. A. Modify the CR "Comprehensive and Focused" distinctions in favor of a data informed spectrum of compliance reviews. B. Provide Division Administrators and investigators discretion to determine the level and scope of a CR. C. Establish regular reviews and feedback processes to ensure consistency and quality.
Rec. 2.5.1	To allow more effective use of Agency resources, FMCSA should clarify or modify its guidance on when it is appropriate for investigators and enforcement attorneys to take enforcement actions. A. Develop guidance to clarify that BASIC data may be used to establish a basis for enforcement actions against patterns-of-behavior violations, such as frequent speeding citations across a carrier's driver population. B. Examine current guidance on the required documentation in a CR, such as

Exhibit C. The Independent Review Team's Recommendations to FMCSA

	number of violations necessary to support an enforcement action, to determine whether the guidance can be changed to increase the focus on accident prevention without adversely affecting the likelihood of an enforcement action being sustained.
Rec. 2.5.2	FMCSA should expand or improve its enforcement tools. A. Identify more effective tools for handling relatively minor violations. B. Ensure a common understanding Agency-wide of tools to penalize motor carriers that commit process violations such as failing to appear for scheduled investigations. C. Clarify or, if necessary, seek statutory modifications to address the problems created by the deadline for the opportunity to review imminent hazard out-of-service orders.
Rec. 2.6.1	FMCSA should: A. Establish routine quality reviews of CR processes and outcomes by Division. Administrators in each state such as those applied during the 2013 Quick Strike. B. Create a mechanism by which practices and outcomes across divisions and regions are reviewed to identify best practices, problem areas, and patterns that indicate training may be needed. C. Perform consistent, detailed, headquarters evaluations of enforcement effectiveness—by enforcement tool, by division, and by case/investigator; use the analysis to provide regular feedback to divisions and regions about their effectiveness and to inform Agency adjustments to policies and expectations.
Rec. 2.7.1	FMCSA should lead a joint federal/state initiative to assess the quality and effectiveness of the partnership working level relationships, followed by developing specific measures as required to ensure the partnership working environments remain consistent with the respective senior leadership expectations.
Rec. 3.1	FMCSA, the motor carrier industry, and other stakeholders should develop a mechanism that allows for the cooperative development and coordinated implementation of voluntary safety programs.
Rec. 3.2	FMCSA should work closely with the motor carrier industry and other stakeholders to develop approaches that will enable small motor carriers to effectively participate in any voluntary safety program.

Source: IRT report.

Exhibit C. The Independent Review Team's Recommendations to FMCSA

EXHIBIT D. OTHER ITEMS FOR FMCSA'S CONSIDERATION

In their responses to our survey, some safety investigators indicated that they need more training. All safety investigators attend FMCSA's 10-week Basic Investigative Enforcement Training Academy and an Enhanced Investigative Techniques course. While the majority of investigators that responded indicated that they received enough training, 57 of 245 (23 percent) indicated they did not receive enough initial training, and 90 of 245 (37 percent) indicated they do not receive enough recurring training.
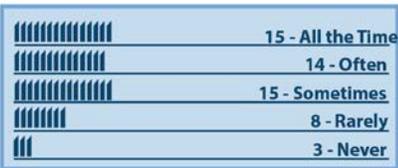
Responders to our survey also expressed concerns about communications regarding the final enforcement actions taken based on their compliance reviews. Fifty-eight of 245 (24 percent) responders stated that supervisory decisions regarding the outcomes of recommended enforcement actions are rarely or never communicated to them. Some responders—84 of 245 (35 percent)—also indicated that they rarely or never receive feedback on enforcement decisions from decision-making individuals. See figures 4 and 5 for details.

If these responses are valid, such gaps in training and communication may impact safety investigators' abilities to confidently recommend enforcement actions and understand why their recommended actions are approved or not.
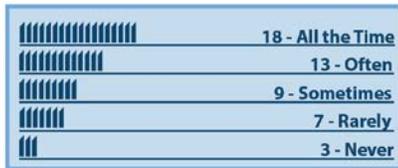
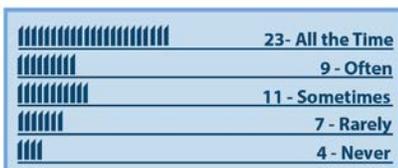*Figure 4. Are Decisions Communicated At All?*

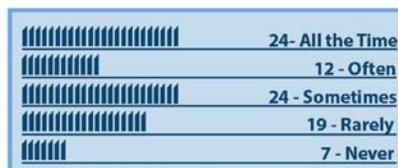**Eastern Service Center**
Are Decisions Communicated At All?

	15 - All the Time
	14 - Often
	15 - Sometimes
	8 - Rarely
	3 - Never

Midwestern Service Center
Are Decisions Communicated At All?

	18 - All the Time
	13 - Often
	9 - Sometimes
	7 - Rarely
	3 - Never

Southern Service Center
Are Decisions Communicated At All?

	23- All the Time
	9 - Often
	11 - Sometimes
	7 - Rarely
	4 - Never

Western Service Center
Are Decisions Communicated At All?

	24- All the Time
	12 - Often
	24 - Sometimes
	19 - Rarely
	7 - Never

Source: OIG survey results.

Exhibit D. Other Items for FMCSA's Consideration
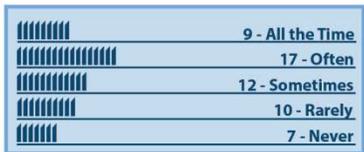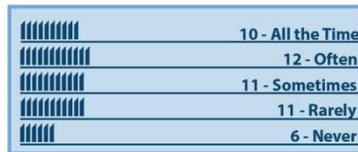
Figure 5. Are Decisions Communicated Directly?

Eastern Service Center
Are Decisions Communicated Directly?

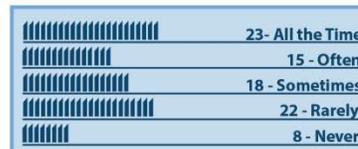|	
	9 - All the Time
	17 - Often
	12 - Sometimes
	10 - Rarely
	7 - Never

Midwestern Service Center
Are Decisions Communicated Directly?

	10 - All the Time
	12 - Often
	11 - Sometimes
	11 - Rarely
	6 - Never

Southern Service Center
Are Decisions Communicated Directly?

	15 - All the Time
	9 - Often
	10 - Sometimes
	13 - Rarely
	7 - Never

Western Service Center
Are Decisions Communicated Directly?

	23 - All the Time
	15 - Often
	18 - Sometimes
	22 - Rarely
	8 - Never

Source: OIG survey results.

Exhibit D. Other Items for FMCSA's Consideration
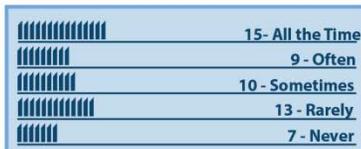
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APPENDIX. AGENCY COMMENTS

U.S. Department of
Transportation
Federal Motor Carrier Safety Administration

Memorandum

Subject: INFORMATION: Management Response to the Office of Inspector General (OIG) Draft Report on High-Risk Carriers

Date: JUL 07 2017

From: Daphne Y. Jefferson
Deputy Administrator
Federal Motor Carrier Safety Administration

To: Barry J. DeWeese
Assistant Inspector General
for Surface Transportation Audits

Safety is a top priority for the Federal Motor Carrier Safety Administration (FMCSA). We are committed to saving lives by identifying high-risk motor carriers to prevent crashes involving large trucks and buses. As the OIG cited in its draft report, FMCSA improved the timeliness of its high-risk compliance reviews since implementing its new *High-Risk Policy*[1] in January 2016, using updated prioritization criteria. FMCSA also developed and implemented quality review tools for its compliance reviews and enforcement actions and a peer review process to evaluate and improve the quality of field operations. As a result, over 97 percent of high risk carriers receive a compliance review within 90 days from a carrier's designation as high risk, with the average at approximately 1.2 months. OIG found these policy and programmatic changes have enhanced the timeliness and quality of compliance reviews.

FMCSA has completed several efforts to further enhance FMCSA's management of high-risk compliance reviews to include the following:

- Developed, piloted, and implemented two essential quality improvement monitoring efforts which are in effect nationwide — Quality Assurance (QA) Peer Review and Quality Review Tools (QRT).

- Completed more than 1,400 Quality Investigation Assessments and 1,300 Enforcement Case Assessment Skills Evaluations since launching the automated QRT system in February 2017. The system has helped staff better identify areas to focus training, policy, and outreach.

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[1] *Notification of Changes to the Definition of a High Risk Motor Carrier and Associated Investigation Procedures,* 81 Fed. Reg. 11875 (March 7, 2016).

Appendix. Agency Comments

- Developed the Activity Center for Enforcement which provides online tools to enhance the ability of FMCSA field personnel to identify and manage the high risk carrier population.

Based on our review of the draft report, we concur with both recommendations as written. We plan to implement recommendation one by December 31, 2017 and implement recommendation two by September 30, 2019.

We appreciate the opportunity to review the OIG draft report. Please contact Joseph DeLorenzo, Director, Office of Enforcement and Compliance at 202-366-8577 with any questions.

Appendix. Agency Comments