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## Memorandum

Date: March 31, 2020

Subject: INFORMATION: Audit Announcement | NHTSA's Highway Safety Grant Program Oversight Controls | Project No. 20S3006S000  
National Highway Traffic Safety Administration

From: David Pouliott   
Assistant Inspector General for Surface Transportation Audits

To: National Highway Traffic Safety Administrator

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According to the Department of Transportation (DOT), over 36,000 motor vehicle related deaths occurred in the United States in 2018, making up 97 percent of surface transportation fatalities.<sup>1</sup> The National Highway Traffic Safety Administration (NHTSA) administers the Highway Safety Grant Program,<sup>2</sup> which awards approximately \$600 million annually in grants to States for safety initiatives that combat highway crashes.

In 2014, we reported<sup>3</sup> that NHTSA did not effectively oversee highway safety grants in certain areas, and lacked strategies for addressing systemic issues, such as \$539 million in overdue unexpended grant funds spanning 7 fiscal years. We recommended that NHTSA revise the guidance for its regional offices and enhance its grant monitoring tools. The Office of Management and Budget has since issued its *Uniform Administrative Requirements for Federal Awards*,<sup>4</sup> which covers NHTSA's program.

Additionally, recent OIG investigations into the program's law enforcement funding mechanism—which allows NHTSA to reimburse States' law enforcement overtime costs for work related to NHTSA-funded safety programs, such as

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<sup>1</sup> U.S. Department of Transportation's 2019 Agency Financial Report. These are the most recent data available.

<sup>2</sup> Section 405 of the Fixing America's Surface Transportation Act (FAST Act) of 2015 authorized NHTSA to award grants for various safety measures such as occupant protection, State traffic safety information systems, and impaired driving countermeasures.

<sup>3</sup> *Enhanced Monitoring Tools Are Needed to Improve NHTSA'S Oversight of Highway Safety Grants* (OIG Report No. MH2014088), August 21, 2014.

<sup>4</sup> 2 CFR Part 200 Issued January 1, 2014.

impaired driving enforcement—have resulted in several convictions for the illegal collection of overtime pay.

Due to the significant amount of annual funding to the program and the issues our office has identified, we are initiating this audit to assess NHTSA's updated oversight policies and procedures for the Highway Safety Grant Program. Specifically, we will determine the extent to which NHTSA's oversight controls (1) mitigate risks, including those we identified in our previous audits and investigations, and (2) cover grantees' compliance with requirements for Federal awards.

We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at DOT Headquarters and select NHTSA Regional Offices. If you have any questions, please contact me at (202) 366-5630, or Tony Wysocki, Program Director, at (202) 493-0223.

cc: DOT Audit Liaison, M-1  
NHTSA Audit Liaison, NPO-310