




# Memorandum

**U.S. Department of  
Transportation**  
Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: INFORMATION: Notification of Audit of  
NHTSA's Office of Defects Investigation  
Project Number: 03I3005I000

Date: December 19, 2002

From:   
Theodore P. Alves  
Assistant Inspector General for Highway  
Infrastructure and Safety Programs

Reply To: JA-30  
Attn Of:

To: National Highway Traffic Safety Administrator

We are initiating an audit of the National Highway Traffic Safety Administration (NHTSA), Office of Defects Investigation (ODI). Congress passed the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act in October 2000 to establish early warning reporting requirements for manufacturers, which makes NHTSA aware of potential defects as early as possible. The TREAD Act required NHTSA to complete rulemakings and imposed statutory deadlines for the completion of rulemakings. A January 2002 Office of Inspector General report made recommendations to ensure the timely completion of the TREAD Act requirements and improvement of ODI processes for identifying and investigating potential defects.

The objectives of this audit will be to evaluate the progress NHTSA has made in implementing prior audit recommendations. Specifically, we will examine:

- the status of NHTSA's implementation of TREAD Act required rulemakings,
- processes established to ensure consistency in recommending and opening defect investigations and ensuring highest priority cases are investigated,
- progress made by NHTSA towards ensuring ODI has the appropriate information system infrastructure and processes in place to promptly identify potential defects as intended by the TREAD Act.

We will conduct the audit at NHTSA Headquarters and the Volpe National Transportation Systems Center. We plan to start the audit the week of January 6, 2003, and will contact your audit liaison to arrange a formal entrance conference. If I can

answer any questions or be of further assistance, please contact me at (202) 366-0687 or Richard Kaplan, Program Director, at (202) 366-1402.