



**U.S. Department
of Transportation**

Office of the Secretary of
Transportation
Office of Inspector General

Memorandum

Subject: INFORMATION: Audit Announcement—
NHTSA's Office of Defects Investigations
Project No. 10M3003M000

Date: February 19, 2010

From: Joseph W. Comé 
Assistant Inspector General
for Surface and Maritime Program Audits

Reply to JA-40
Attn. of:

To: National Highway Traffic Safety Administrator

Based on questions and concerns expressed by a number of Members of Congress and congressional committees regarding Toyota's recent safety recalls, the Office of Inspector General is initiating an audit of the National Highway Traffic Safety Administration (NHTSA) Office of Defects Investigations (ODI). Our work will examine the actions taken by NHTSA in regards to the recent Toyota recalls as well as the overall process for identifying and investigating safety defects. We will coordinate our work with NHTSA's ongoing investigations of Toyota.

The ODI is responsible for reviewing information from consumers, insurance companies, and manufacturers to identify potential vehicle safety defects and for carrying out investigations when warranted. The ODI has primary responsibility for implementing the provisions of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, passed in 2000. This Act includes early warning reporting requirements for manufacturers so NHTSA is made aware of potential defects as soon as possible. In 2002, we conducted a comprehensive review of ODI's work, as required by the TREAD Act, and in 2004 we completed a follow-up review of ODI's work.

Our audit objectives are to (1) examine NHTSA's efforts to ensure that ODI has the appropriate information systems and processes in place to promptly identify and take action to address potential safety defects as intended by the TREAD Act; (2) assess NHTSA's procedures and processes for ensuring that companies provide timely notification of potential safety defects; and (3) examine the lessons learned from the Toyota recalls to identify any improvement needed in current policies and procedures.

We plan to begin work immediately. We will conduct the audit at NHTSA Headquarters and other locations, as appropriate, and will contact your audit liaison to schedule an entrance conference. If I can answer any questions or be of further assistance, please contact me at (202) 366-5630 or Kerry R. Barras, Program Director, at (817) 978-3318.

#

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