



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: INFORMATION: Notification of Audit —  
Financial Policies and Procedures at the National  
Crash and Analysis Center  
Project Number: 05F3016F000

Date: January 27, 2005

From: Theodore Alves   
Assistant Inspector General for Financial and  
Information Technology Audits

Reply to  
Attn. of: JA-20

To: Federal Highway Administrator

The Office of Inspector General will perform an audit of George Washington University's proposed corrective actions taken to strengthen internal controls over cooperative agreements performed at the National Crash and Analysis Center. Since 1995, the Federal Highway Administration and National Highway Traffic and Safety Administration have provided more than \$23 million in funding to George Washington University for the National Crash Analysis Center. In a June 14, 2004 letter, the University notified the Federal Highway Administration of serious financial misconduct and conflicts of interest that resulted in overcharges and unsupported billings on the current cooperative agreement, DTFH61-02-X-00076. The Federal Highway Administration suspended the cooperative agreement and requested that George Washington University provide a corrective action plan to strengthen its financial management controls to prevent similar problems from occurring in the future.

Our audit objective is to determine whether George Washington University's corrective actions and revised financial policies provide adequate internal controls to prevent improper payments on cooperative agreements administered by the Federal Highway Administration and other Federal agencies. We also plan to review the Federal Highway Administration's oversight of the cooperative agreements with George Washington University.

We plan to start this audit in January 2005. We will contact your audit liaison to schedule an entrance conference date to discuss the planned audit. For any

additional information, please call Terrence Letko, Program Director, at (202) 366-9917 or Ken Prather, Project Manager, at (202) 366-2985.

#

cc: Director, Office of Administration  
Director, Office of Acquisition Management  
Martin Gertel, M-1  
Cynthia Thornton, HAIM-13