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United States Government Accountability Office
Washington, DC 20548

May 5, 2011

The Honorable Patty Murray
Chairman
The Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development and Related Agencies
United States Senate

The Honorable Tom Latham
Chairman
The Honorable John W. Olver
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development and Related Agencies
House of Representatives

Subject: *The Department of Transportation Found That It Improperly Obligated Motor Carrier Grant Funds*

In May 2010, the Federal Motor Carrier Safety Administration (FMCSA) alerted your offices that it might have violated statutory restrictions when obligating funds to states for its Commercial Vehicle Information Systems and Networks (CVISN) program.¹ CVISN awards grants to state offices to support improved information technology exchanges between government agencies and the motor carrier industry to enhance motor carrier safety and other efforts. In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) provided \$25 million annually in contract authority and established funding

¹An obligation is a definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the United States. Payment may be made immediately or in the future. GAO, *A Glossary of Terms Used in the Federal Budget Process*, [GAO-05-734SP](#) (Washington, D.C.: September 2005), at 70. For the CVISN program, the obligation of funds occurs when a grant agreement is executed.

FMCSA was established as a separate operating administration within the Department of Transportation (the department) in January 2000. Its primary mission is to reduce crashes, injuries, and fatalities involving large commercial trucks and buses. FMCSA administers nine discretionary grant programs, including CVISN, aimed at increasing safety and regulatory compliance. The agency was formerly a part of the Federal Highway Administration.

restrictions for CVISN awards.² FMCSA temporarily shut down the CVISN program in May 2010 to determine whether it violated funding restrictions and to prevent exacerbating any problems; it has not determined when it will restart the program.

In response to your request, this report addresses (1) whether FMCSA complied with statutory requirements when awarding CVISN grants to states and (2) actions that the agency is taking to manage the award of CVISN grants effectively. To determine whether FMCSA complied with statutory requirements when awarding CVISN grants, we reviewed these requirements for the program and reviewed the agency's investigation of its potential statutory violations, including underlying documentation and summary information. We did not independently review award decisions and obligations to determine whether FMCSA found all violations. Additionally, we did not assess FMCSA's interpretation of the provisions in SAFETEA-LU. Rather, we assessed the reasonableness of FMCSA's approach, based on its interpretation of statutory requirements. Based on our review of agency documents and discussions with its officials, we determined that the agency's approach was sufficiently reliable to report on whether widespread problems exist. Because of the way it kept records, FMCSA states that it cannot be sure that it identified all violations; however, its efforts show widespread problems that need to be addressed. To determine actions FMCSA is taking to manage CVISN grant awards effectively, we reviewed agency documents and discussed them with agency officials to determine the factors that may have led to the violations and its plans to address those factors. We compared these actions to our standards for internal control and criteria discussed in another GAO report.³ In addition, we reviewed FMCSA's plans for establishing a grants management office to oversee all of its grant programs. We did not address opportunities that FMCSA may be missing, if any, to improve its grant award management. We will cover this topic in a follow-on report that will assess FMCSA's award of discretionary grants more broadly. This work is underway.

We conducted this performance audit from November 2010 through May 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In summary, FMCSA found that it committed 47 statutory violations. The violations occurred from fiscal years 2006 through 2010 and totaled about \$23 million, representing about 18 percent of the \$125 million in total contract authority available for the CVISN program during that period. For example, in fiscal year 2007 it obligated about \$1 million more than the \$25 million that it had available in contract authority. The department is considering possible actions to address the violations,

²Pub. L. No. 109-59, § 4101(c)(4). Contract authority is a form of budget authority that permits an agency to incur obligations in advance of appropriations, including collections sufficient to liquidate the obligation or receipts. Contract authority is unfunded, and a subsequent appropriation or offsetting collection is needed to liquidate the obligations. [GAO-05-734SP](#), at 21.

³See, for example, GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999) and GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003).

such as recovering improperly awarded funds. FMCSA identified (1) the agency's failure to track grants awarded in previous years and (2) the dissemination of an erroneous policy as the primary factors contributing to the violations and has identified a number of other factors that exacerbated the problems with CVISN awards. FMCSA has taken some actions to address these factors, such as developing a financial history of grants awarded in previous years, but has no estimate for resuming the CVISN program and no plan outlining milestones to achieve that result. Furthermore, several states have had to cancel CVISN contracts because they have been unable to receive CVISN grant funds due to the program shut down.

Background

Determining whether FMCSA violated the law in obligating CVISN funds involves two fundamental appropriations laws: the purpose statute and the Antideficiency Act. The purpose statute provides that appropriated funds may be used only for the purpose for which they were appropriated.⁴ Where Congress has specifically prohibited or otherwise limited an agency from using any of its appropriated funds for a particular purpose, any obligation of funds in excess of the amount available would violate the purpose statute.⁵

The Antideficiency Act prohibits making or authorizing an obligation that exceeds its available appropriation or contract authority amounts.⁶ Obligations in excess of the amounts legally available to the agency violate the Antideficiency Act.⁷ Where an appropriation or authorizing legislation prohibits an agency from using any of its appropriation for a particular purpose, the agency does not have amounts available for that purpose.⁸ If the agency nevertheless incurs an obligation for that purpose, it has incurred an obligation exceeding an amount available in an appropriation in violation of the Antideficiency Act.

SAFETEA-LU authorized \$25 million in contract authority for each fiscal year 2006 through 2009 for the CVISN program.⁹ The act authorized two types of CVISN grants—core deployment grants and expanded deployment grants—and established different spending caps for each. Core deployment grants provide funding for the basic CVISN capabilities in the areas of safety information sharing (e.g., inspection reporting), credentials administration (e.g., electronic processing of fees), and electronic screening (e.g., screening vehicles automatically at roadside inspection stations). Expanded deployment grants are awarded to states to develop capabilities beyond the core capabilities (e.g., driver information sharing). SAFETEA-LU also

⁴31 U.S.C. § 1301(a); B-302973, Oct. 6, 2004. B numbers contained in this report refer to products issued by the U.S. Comptroller General.

⁵*E.g.*, B-317450, Mar. 23, 2009; B-300192, Nov. 13, 2002; 60 Comp. Gen. 440 (1981).

⁶31 U.S.C. § 1341(a); B-308715, Apr. 20, 2007.

⁷B-317450, Mar. 23, 2009.

⁸*Id.*

⁹FMCSA has operated the program under several extensions of SAFETEA-LU since 2009.

provided that FMCSA may not award, in the aggregate, more than \$2.5 million in core deployment grants to a state under SAFETEA-LU and its predecessor authorizing statute, the Transportation Equity Act for the 21st Century (TEA-21).¹⁰ After a state completes all steps necessary for core deployment, FMCSA certifies the state as core compliant (core-certified). Under SAFETEA-LU, a state must complete its core deployment to be eligible for expanded deployment grants of up to \$1 million each fiscal year. States must provide a 50 percent match for funds received for both core and expanded deployment grants.

As of April 2011, 22 states and the District of Columbia were implementing core deployment and 24 states had become core-certified and were implementing expanded deployment. (See fig. 1.) FMCSA considered four states to be inactive; they have not received funding since 2003.

Figure 1: CVISN Deployment Status as of April 2011



Sources: GAO presentation of FMCSA data and Map Resources (map).

After FMCSA’s Chief Financial Officer and Office of the Chief Counsel staff noticed irregularities with CVISN grant awards in spring 2010, the Office of the Secretary of Transportation, Assistant Secretary for Budget and Programs/Chief Financial Officer established an analysis team, led by officials from that office and supported by

¹⁰SAFETEA-LU provides that “the maximum aggregate amount the Secretary may grant to a State for the core deployment of commercial vehicle information systems and networks under this subsection and sections 5001(a)(5) and 5001(a)(6) of the Transportation Equity Act for the 21st Century (Pub. L. No. 105-178) may not exceed \$2,500,000.” Pub. L. No. 109-59 § 4126(c)(2).

Deloitte Consulting LLP (Deloitte), to review the awards and disbursements made under the CVISN program and determine the extent of the problem. Using the results of Deloitte's review and its own follow-up assessment, FMCSA found widespread probable problems with the CVISN grant awards and forwarded its conclusions to the Office of the Secretary in December 2010, as discussed in the following section. In March 2011, the department concluded that FMCSA violated the Antideficiency Act and SAFETEA-LU.

The Department Has Concluded That It Violated the Antideficiency Act and SAFETEA-LU

FMCSA found that it committed 47 statutory violations from fiscal years 2006 through 2010, which totaled about \$23 million. These violations represent about 18 percent of the \$125 million in total contract authority available for the CVISN program during that period. FMCSA found four categories of violations: (1) an annual program cap violation, (2) core cap violations, (3) expanded cap violations, and (4) providing expanded deployment grants before core certification violations.

Annual program cap violation: FMCSA found that in one instance it exceeded CVISN's annual contract authority of \$25 million resulting from executing an expanded deployment grant agreement with Nevada in September 2007 (fiscal year 2007). In October 2007, a portion of the project number was crossed out by hand and replaced with a fiscal year 2008 project number. FMCSA's financial accounting provider, the Federal Aviation Administration's Enterprise Service Center, recorded the obligation in its financial accounting system against FMCSA's fiscal year 2008 contract authority. According to FMCSA officials, Nevada's grant is a fiscal year 2007 obligation that exceeded the \$25 million in annual CVISN contract authority for that year by a little more than \$1.06 million. FMCSA officials stated that, at the time, the agency and the Enterprise Service Center sought to correct the problem by recording the fiscal year 2007 obligation against FMCSA's fiscal year 2008 contract authority.

According to department officials, since FMCSA incurred the obligation in fiscal year 2007, it exceeded its available contract authority for that fiscal year in violation of the Antideficiency Act. FMCSA cannot record the fiscal year 2007 obligation against its fiscal year 2008 contract authority since amounts from a future fiscal year are not available for a prior year's obligation.

Core and expanded cap violations: FMCSA identified numerous instances where it exceeded SAFETEA-LU core and expanded deployment caps. First, FMCSA provided 22 states more than \$2.5 million each in core deployment grants. These actions resulted in a total of \$18.8 million awarded in violation of the core deployment cap. To calculate the number of core cap violations, FMCSA considered any grant award executed before the state was core-certified as a core grant award unless the grant agreement clearly stated that the grant was for expanded activities.¹¹ The obligated

¹¹FMCSA officials stated that they did not count core cap violations if they had awarded core deployment grant(s) to states in excess of \$2.5 million prior to the enactment of SAFETEA-LU because these grants pre-dated SAFETEA-LU's establishment of the \$2.5 million core cap. However, if FMCSA awarded a core deployment grant to a state after enactment of SAFETEA-LU, any grant awarded under TEA-21 counted toward the aggregate core cap.

dollar amount of these violations by state ranged from \$20,000 to over \$1.3 million, with 16 of the violations exceeding the cap by \$1 million or more. (See table 1 in the enclosure for a list of these violations.)

Second, FMCSA violated the expanded deployment cap by obligating over \$1 million in expanded deployment grants to three states in a given fiscal year. The combined total of the violations was over \$1.8 million.¹² To calculate the number of expanded cap violations, FMCSA counted any grant award executed after the state was core-certified as an expanded deployment grant unless the grant agreement clearly stated that the grant was for core deployment activities. Additionally, FMCSA officials told us that based on its interpretation of section 4126(c)(3) of SAFETEA-LU, any expanded funds in excess of the \$1 million annual expanded cap may be counted as core funding as long as FMCSA had previously obligated less than the \$2.5 million aggregate core cap to that state and the state was core-certified.¹³

For example, before Arizona became core-certified in 2006, FMCSA provided the state a total of about \$806,000 for core deployment. In 2010, FMCSA provided the state an expanded deployment grant for about \$1.8 million, which exceeded the expanded cap by about \$800,000. Since Arizona was core-certified and had not reached or exceeded the core deployment cap, FMCSA added the excess expanded grant funds to the core balance, bringing the core total to about \$1.6 million (still below the \$2.5 million core deployment cap) and, therefore, did not count Arizona as violating the expanded cap. By contrast, FMCSA provided Colorado \$2 million before the state became core-certified in 2005. In 2008, it awarded a grant to Colorado for \$2.07 million, which exceeded the expanded deployment cap by \$1.07 million. FMCSA added the excess expanded grant funds to the core balance (up to the \$2.5 million cap), but an excess balance of \$570,000 remained, which FMCSA counted as the dollar amount of the expanded cap violation.

According to department officials, FMCSA violated the purpose statute when it obligated funds without the adequate contract authority to incur obligations for such purpose. Specifically, FMCSA made core grant awards to states, incurring obligations in excess of the \$2.5 million in aggregate funding for core deployment that was available for that purpose. Likewise, FMCSA made expanded grant awards to states for amounts in excess of the \$1 million in contract authority available for a fiscal year. By exceeding the statutory amount caps, according to department officials, FMCSA used contract authority for a purpose for which it was not legally available. Since FMCSA incurred obligations that exceeded the statutory amount caps, the department has concluded that it violated the Antideficiency Act.

Providing expanded deployment grants before core certification violations: FMCSA found that, starting in 2006, it awarded expanded deployment grants to 21 states before those states were core-certified. Of those, FMCSA awarded expanded

¹²The dollar amount of violation by state is as follows: Colorado (\$570,000 in fiscal year 2008), Kentucky (\$808,000 in fiscal year 2007), and North Carolina (\$451,000 in fiscal year 2008). All amounts are rounded.

¹³Specifically, this section says that “An eligible State that has either completed the core deployment of [CVISN] or completed such deployment before grant funds are expended under this sub-section may use the grant funds for the expanded deployment of [CVISN] in the State.”

deployment grants to three states in multiple years before becoming core-certified. For example, FMCSA awarded South Dakota grants for both core and expanded deployment activities in 2006, 2007, and 2010 although the state was not core-certified. FMCSA found an expanded deployment grant before core certification violation if the grant application explicitly stated that the grant was for expanded deployment activities and the grant agreement was executed before the state was core-certified. Awarding expanded deployment grants to states before they are core-certified violates SAFETEA-LU, which requires that states become eligible for expanded deployment grants only after core deployment has been completed. (See table 2 in the enclosure for a list of these violations.)

FMCSA was unable to determine the dollar amount of most of these violations. Of the 21 states that received expanded deployment grants prior to being certified as core compliant, 15 received grant awards that clearly covered both core and expanded deployment activities but did not specify how the grant funding was to be divided between the activities. In these cases, FMCSA treated the entire grant award as a core deployment grant for the purposes of calculating violation amounts.

In total, these four types of violations affect 28 states and total about \$23 million in obligations.¹⁴ However, according to FMCSA, just over 3 percent (over \$765,000) of this amount has actually been disbursed to four states (Alabama, \$18,000; Alaska, \$373,000; North Carolina, \$48,000; South Dakota, \$326,000; all amounts rounded) in violation of statute.

For the program as a whole, FMCSA has disbursed less than half of the funds obligated to states. Of the approximate \$154 million obligated to states over the life of the program, FMCSA has disbursed over \$73.5 million.¹⁵ FMCSA officials said that the low disbursements are because the states have difficulty meeting SAFETEA-LU's 50/50 match requirement. Other transportation programs typically require a 10 percent or 20 percent match. (See table 3 in the enclosure for amounts obligated to each state and disbursed over the life of the program.)

The Antideficiency Act requires that the agency head "report immediately to the President and Congress all relevant facts and a statement of actions taken."¹⁶ In addition, the agency must send a copy of the report to the Comptroller General on the same date it transmits the report to the President and Congress.¹⁷ Department officials told us that the department is preparing the Antideficiency Act report to the President and Congress identifying the CVISN violations. They said that the department is working out the details of the report and has not established a date for transmitting the report.

¹⁴In addition to the four types of statutory violations, FMCSA found instances in which it allowed states to continue activities on expired grants before they were renewed. FMCSA officials stated that they have not fully investigated this issue, but they plan to do so after they address the statutory violations.

¹⁵According to FMCSA, the agency has pending vouchers that total \$11.7 million.

¹⁶31 U.S.C. § 1351.

¹⁷*Id.*

In addition, the department has not yet determined the actions it will take regarding the funds that were obligated in violation of the Antideficiency Act and SAFETEA-LU. According to FMCSA officials, options include de-obligating funds, collecting funds disbursed to states, and pursuing legislative ratification.¹⁸ FMCSA officials told us that the department has not established a date for deciding which actions it will take.

FMCSA Has Taken Some Actions to Improve Grant Management

FMCSA officials told us that there were two primary causes of its improper obligation of grant funds: (1) the agency's failure to keep track of the grants awarded under TEA-21 and (2) the dissemination of an erroneous policy to states. Additionally, FMCSA officials told us that other issues regarding FMCSA's grant management practices exacerbated these primary causes. The agency has acted to improve its management of grant awards, and recognizes that it needs to do more.

Grants under TEA-21 not considered: FMCSA officials said that the most significant factor contributing to the statutory violations was the agency's failure to keep track of the grants awarded by the Federal Highway Administration, which administered the program under TEA-21. As discussed previously, SAFETEA-LU required that certain funds granted to states under TEA-21 be counted toward the state's aggregate core cap. When FMCSA assumed responsibility for the CVISN program, it did not establish a baseline of the funds awarded under TEA-21. Without this information, FMCSA was unable to track the total amount of funds awarded to each state over time. Therefore, staff members did not account for TEA-21 awards when making grant awards to states under SAFETEA-LU, directly contributing to the core deployment cap violations FMCSA identified.

FMCSA officials believe that they now have the ability to take previous awards into account when making CVISN awards. The analysis team of department officials and Deloitte support staff reviewed grant information from both FMCSA's and the Federal Highway Administration's financial systems. The team also obtained information from grant applications, grant agreements, requests for reimbursement, and general correspondence from the FMCSA division offices and from the grantees. The team used this information to construct a funding history of obligations and disbursements by grantee and by year so that FMCSA can take TEA-21 funding into account when it determines whether awarding funds would violate the aggregate core deployment funding cap.¹⁹

Erroneous policy: FMCSA disseminated a policy that violated restrictions established by SAFETEA-LU. FMCSA officials told us that, during a senior management meeting in November 2006, officials decided that states that were "close" to becoming core-certified should be eligible to receive expanded grants. FMCSA officials believe this

¹⁸Congress may give effect to an unauthorized act of a government official by subsequently ratifying the action. See B-317413, Apr. 24, 2009; B-306353, Oct. 26, 2005.

¹⁹We did not assess the funding history created by the analysis team to ensure that it accounted for all CVISN awards. FMCSA officials told us that they believe the department has done its due diligence to create an accurate financial history for the program moving forward.

meeting took place because management at that time wanted to encourage broader use of the program by states. Following the meeting, FMCSA sent a letter to states explaining this policy.²⁰ FMCSA began to provide training to states in March 2007 that incorporated this policy. As a result, FMCSA entered into grant agreements with some states that covered concurrent core and expanded deployment activities, directly contributing to the providing expanded deployment grants before core certification violations.

FMCSA officials have acknowledged that the policy allowing states to receive core and expanded deployment grants simultaneously is inconsistent with SAFETEA-LU restrictions. In June 2010, FMCSA issued guidance to states that specifically explains that states cannot receive expanded grants until after core certification.²¹

Exacerbating factors: FMCSA officials told us that other factors exacerbated the problems with CVISN awards: the issuance of incorrect guidance to states, insufficient program oversight, lack of training for program staff, and a lack of written policies and procedures for staff to follow.

- FMCSA issued guidance to states in November 2008 that stated that states could receive a maximum of \$3.5 million in CVISN grants and that, “nominally,” \$2.5 million is expected to be applied to core deployment and \$1 million is expected to be applied to expanded deployment.²² This guidance is incorrect for two reasons. First, the \$2.5 million and \$1 million caps are statutory requirements, not nominal expectations. Second, states are eligible to apply for an expanded grant every year after they are core-certified. However, the expanded grant awards must be no more than \$1 million to any state in any fiscal year. FMCSA has acknowledged that this guidance is inconsistent with SAFETEA-LU and removed it from its Web site in September 2010.
- FMCSA officials stated that the program awards had insufficient oversight. Legal review of grant awards was limited, focusing only on matching funds required of states. Additionally, FMCSA’s financial and budget departments did not review grant packages prior to award. FMCSA is expanding the scope of its legal review of CVISN grants. FMCSA has developed a checklist that its Chief Counsel’s Office will use to ensure that each award has received sufficient legal review. Officials said that they also intend to develop a similar checklist for its legal reviews of all FMCSA grant programs. Furthermore, for all of its grant programs, FMCSA is now using GrantSolutions.gov, an

²⁰FMCSA officials provided us with a routing slip for this letter with the initials of the Chief Counsel at that time. The officials said that this indicated the approval of the legal department to send the letter to the states.

²¹Federal Motor Carrier Safety Administration, Department of Transportation, *Commercial Vehicle Information Systems and Networks (CVISN) Grant Program: Questions and Answers to State Grantees* (Washington, D.C.: June 2010).

²²Federal Motor Carrier Safety Administration, Department of Transportation, *Introductory Guide to CVISN*, Baseline Version 1.0 (Washington, D.C.: November 2008).

automated grant management tool approved by the Office of Management and Budget, that controls access over grant approval and, according to FMCSA officials, helps ensure that the approval process only moves forward once all of the required steps, including legal, financial, and budget review, have occurred. It also provides an electronic record of approval from specific officials.

- FMCSA officials also noted that the agency did not provide CVISN program or field staff with the necessary training to manage the program. FMCSA did not train CVISN staff members on their respective roles and responsibilities and specifically, their grant management responsibilities. This was particularly problematic, because, according to FMCSA officials, the staff responsible for awarding grants did not have expertise in grants management. According to our *Standards for Internal Control in the Federal Government*, all personnel need to possess and maintain a level of competence that allows them to accomplish their assigned duties. FMCSA officials stated that they implemented improved training beginning in 2009 and that the agency is now creating a new training structure.
- FMCSA officials said that staff members did not have sufficient written policies and procedures to follow when awarding grants, such as management directives and operating manuals. Our internal control standards note that policies and procedures need to be clearly documented. FMCSA began implementing written processes and procedures in 2009 and recently updated its grants management manual, which sets out the policies and procedures staff should follow to manage the agency's grants.²³ FMCSA officials also stated that the agency has conducted orientation seminars to advise staff of key changes provided by the manual.

In addition to the actions previously described, FMCSA officials said that they have consolidated program management of its grant programs under its Office of Safety Programs. Previously, FMCSA carried out its program management of its grant programs in a few of its offices. Ultimately, the agency wants to establish a central grants management office responsible for oversight and management of all grant programs it administers. FMCSA has developed a draft charter for the office that discusses the vision and mission of the proposed office, the functions the office will provide, and the reporting relationship of the proposed office. In its fiscal year 2011 budget request, FMCSA requested \$456,000 and 3.5 full-time staff equivalents to create and staff this office.²⁴ However, in its fiscal year 2012 budget request, FMCSA requests increases in financial and human capital assets as part of its larger request

²³Federal Motor Carrier Safety Administration, Department of Transportation, *Grants Management Manual, Version 2* (Washington, D.C.: January 2011).

²⁴According to FMCSA officials, in the budget year, a position is only funded at 50 percent to adjust for the time to receive appropriations; therefore, 3.5 full-time equivalents would be equivalent to 7 full-time positions.

for enforcement and intervention.²⁵ FMCSA officials told us that the agency initially plans to hire a financial specialist, a lawyer, a senior grant manager, and a grants specialist for the office. FMCSA did award a contract in fiscal year 2010 for services to assist with establishing the grants management office and evaluating the skill sets needed for the office. FMCSA told us that it plans to assess the office's specific staffing needs now and re-evaluate those needs after the office is established and take other steps toward implementing a standard grant management program throughout the agency. We have reported that it is essential that agencies determine the skills and competencies that are critical to successfully achieving their mission goals, especially as factors, such as budget constraints, change the environment within which federal agencies operate.²⁶ This would suggest that FMCSA could benefit from conducting this kind of strategic workforce planning before the grants management office is established.

In March 2011, FMCSA produced a Grants Management Program Roadmap that describes its vision for developing a comprehensive program to effectively award and manage the agency's grants. The key elements of the program are: (1) the centralized grants management office, (2) standard policies and procedures that incorporate government best practices, (3) implementation and integration of automated systems, (4) documentation for all aspects of the program, and (5) comprehensive grant management training. We plan to assess this roadmap in our follow-on review that will address FMCSA's award of discretionary grants more broadly. We have recently begun this work at your request, and we will keep your offices informed about our progress.

Despite FMCSA's efforts to improve the CVISN program, the program has been shut down much longer than the agency expected. FMCSA officials originally told states in May 2010 that the program would be shut down temporarily—approximately 8 to 12 weeks—while the agency reviewed the program. As of April 2011, the program has been shut down for approximately 11 months. The ongoing shut down has created problems for some state grant recipients. FMCSA officials told us that several states—including, Alabama, Georgia, Kentucky, Ohio, Oklahoma, and Texas—have reported that they have had to cancel contracts associated with the CVISN program due to a lack of funding.

FMCSA has no time estimate for resuming the CVISN program and no plan outlining milestones to achieve that result. It is our opinion that FMCSA could benefit from a specific plan that establishes time frames and milestones for resuming the CVISN program. We also believe that FMCSA should develop a strategic workforce plan for its proposed grants management office to ensure that it has determined the skills and competencies that are critical to achieving its mission goals before the office is established. Nonetheless, we are not making any recommendations at this time because we will have a firmer basis for evaluating FMCSA's actions once we

²⁵FMCSA officials said that they provided a more detailed list of the additional staff requests for fiscal year 2012 to Congress and provided a copy to us. This list shows a request for 3.5 full-time staff equivalents for grants management and oversight.

²⁶[GAO-04-39](#).

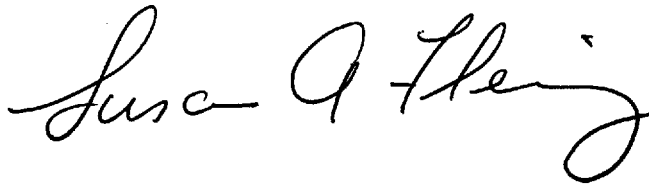
complete our follow-on review to more broadly assess FMCSA's discretionary grant award activities.

Agency Comments

We provided a draft of this report to the Department of Transportation for its review and comment. The department did not provide its overall assessment of the draft report, but offered technical comments that we incorporated.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 7 days from the report date. At that time we will send copies of this report to congressional committees with responsibilities for surface transportation issues; the Director, Office of Management and Budget; the Secretary of Transportation; and the Administrator of the Federal Motor Carrier Safety Administration. In addition, this report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staffs have any questions regarding this report, please contact me at (202) 512-2834 or flemings@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are Thomas Armstrong, Amy Higgins, Delwen Jones, Bonnie Pignatiello Leer, James Ratzenberger, Rebecca Rygg, Glenn Slocum, and Crystal Wesco.

A handwritten signature in black ink, appearing to read "Susan A. Fleming". The signature is written in a cursive style with a large, looping 'S' and 'F'.

Susan A. Fleming
Director, Physical Infrastructure Issues

Enclosure

Grant Award Violations and Amounts Obligated and Disbursed

This enclosure provides additional information on improper grant awards made by the Federal Motor Carrier Safety Administration (FMCSA) and on funds that it has obligated and disbursed over the life of the program.

Table 1: Core Deployment Grant Violations

State	Violation amount	Fiscal year(s)
Alabama	\$1,000,000	2008
Alaska	1,043,312	2006
Arkansas	1,000,000	2008, 2009
Delaware	1,000,000	2008, 2009
Florida	1,020,000	2007
Georgia	1,000,000	2009
Hawaii	1,000,000	2009
Iowa	765,700	2007, 2008
Louisiana	1,000,000	2009
Maine	1,000,000	2008
Massachusetts	1,000,000	2010
Mississippi	1,000,000	2008
Missouri	21,850	2007
New Jersey	1,000,000	2007, 2008
New York	245,158	2006
Oklahoma	800,000	2006, 2007
Rhode Island	580,000	2007
South Carolina	20,000	2008
South Dakota	1,326,023	2007, 2010
Texas	1,000,000	2008
West Virginia	1,020,000	2009
Wyoming	1,005,000	2009
Total	\$18,847,043	

Source: GAO presentation of FMCSA data.

Note: Amounts are rounded to the nearest dollar.

Table 2: States That FMCSA Provided Expanded Deployment Grant Funds before They Were Core-Certified

State	Amount	Fiscal year(s)
Alaska	\$545,000	2007
Arkansas	^a	2008
Delaware	^a	2008
Florida	^a	2007
Georgia	^a	2009
Hawaii	^a	2009
Indiana	100,000	2009
Iowa	^a	2007
Kansas	85,000	2007
Louisiana	^a	2008, 2009
Maine	^a	2008
Massachusetts	^a	2010
Mississippi	^a	2008
New Jersey	^a	2007, 2008
New York	500,000	2007
North Carolina	50,000	2006
Oklahoma	100,000	2008
South Dakota	^a	2006, 2007, 2010
Texas	^a	2008
West Virginia	^a	2009
Wyoming	^a	2009
Total	\$1,380,000	

Source: GAO presentation of FMCSA data.

^aGrant award clearly covered both core and expanded deployment activities but did not specify how the grant funding was to be divided between the activities. In these cases, FMCSA treated the entire grant award as a core deployment grant for the purposes of calculating violation amounts.

Table 3: Amounts Obligated to States and Disbursed from 1996 to April 2011

State	Amount obligated	Amount disbursed
Alabama	\$3,500,000	\$2,518,116
Alaska	4,088,312	2,873,348
Arizona	3,520,000	529,032
Arkansas	3,500,000	1,088,335
California	1,168,934	1,808,104
Colorado	4,070,000	2,601,781
Connecticut	3,980,844	2,919,035
Delaware	3,500,000	514,314
District of Columbia	975,000	0
Florida	3,520,000	358,093
Georgia	3,500,000	0
Hawaii	3,500,000	0
Idaho	3,527,687	1,611,518
Illinois	959,200	129,232
Indiana	1,304,450	89,159
Iowa	3,265,700	267,280
Kansas	3,500,000	1,315,582
Kentucky	5,828,245	4,528,308
Louisiana	3,500,000	680,093
Maine	3,500,000	1,536,553

Maryland	5,227,116	3,254,356
Massachusetts	3,500,000	99,121
Michigan	3,023,092	3,012,586
Minnesota	2,566,500	3,123,500
Mississippi	3,500,000	604,631
Missouri	4,769,639	4,378,478
Montana	2,194,719	2,194,719
Nebraska	977,600	822,441
Nevada	2,638,649	350,000
New Hampshire	21,119	6,716
New Jersey	3,500,000	808,395
New Mexico	3,289,271	1,886,326
New York	3,245,158	2,196,351
North Carolina	4,160,721	2,123,275
North Dakota	1,862,158	1,848,175
Ohio	2,404,519	648,892
Oklahoma	4,319,608	2,098,663
Oregon	0	0
Pennsylvania	350,000	0
Rhode Island	3,080,000	0
South Carolina	2,520,000	2,191,611
South Dakota	3,826,023	2,826,023
Tennessee	3,500,011	1,603,945
Texas	3,500,000	1,163,537
Utah	3,666,832	651,083
Vermont	34,000	14,000
Virginia	4,161,482	3,881,682
Washington	3,293,185	2,779,682
West Virginia	3,520,000	20,000
Wisconsin	4,033,170	3,587,407
Wyoming	3,505,000	11,970
Total	\$154,397,944	\$73,555,448

Source: GAO presentation of FMCSA data.

Note: Amounts obligated include funds that were obligated under the Transportation Equity Act for the 21st Century (TEA-21) and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Amounts disbursed include funds that were disbursed under those two statutes, as well as under TEA-21's predecessor, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). FMCSA told us that funding for CVISN from the ISTEA era began in 1996. Although SAFETEA-LU requires only funds obligated under TEA-21 and SAFETEA-LU be counted toward the CVISN core deployment cap, FMCSA officials told us that they have not been able to separate ISTEA funds from the total CVISN program disbursements. This is why California and Minnesota appear to have more funds disbursed than were obligated. ISTEA disbursements by the Federal Highway Administration may have occurred in other states as well. Amounts are rounded to the nearest dollar.

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