June 8, 2017

The Honorable Ron Johnson  
Chairman, Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Claire McCaskill  
Ranking Member, Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Ben Sasse  
United States Senate  
Washington, DC 20510

Dear Chairman Johnson, Ranking Member McCaskill, and Senator Sasse:

This is in response to your letter, dated March 15, 2017, to the Department of Transportation’s (DOT) Office of Inspector General (OIG), requesting a list of mandatory reporting requirements that OIG recommends should be modified or repealed.

Our office currently has twenty-three (23) statutorily mandated reporting requirements. To respond to those mandates, we generate thirty-three (33) reports. Based on a review of current mandatory reporting requirements, we suggest modifying one mandate and repealing a second, as follows:

**SEMIANNUAL REPORT TO CONGRESS (MODIFY)**

We recommend modifying section 5 of the Inspector General Act of 1978\(^1\) (IG Act) from the current biannual reporting requirement to an annual reporting requirement that summarizes OIG’s activities for the previous full fiscal year. The biannual requirement was established in a pre-Internet era when the Semiannual Report

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featured recently issued IG reports, a listing that was not readily available to Congress or the public. In contrast, IG reports are now readily accessible online. It is our practice, consistent with IG Act amendments in 2008 and 2016, to post within 3 days of delivery to DOT and Congress all closed non-sensitive audits reports and documents containing recommendations for corrective action on our public Web site. Additionally, summaries of investigations referred to the Department of Justice resulting in an indictment or conviction are also posted on our public Web site. Further, in November 2016, we developed a Recommendation Dashboard tool for our public Web site, which provides up-to-date information about the current status of our audit recommendations. The dashboard is updated on a weekly basis. Given these alternative sources for current information about IG activities, an annual report may be sufficient. In consideration of the modification of this mandate, we also suggest extending the reporting requirements under section 5 of the IG Act for an additional 30 days to afford sufficient time to compile 12 months of data for the Semiannual Report.

FOREIGN ASSISTANCE APPROPRIATIONS (REPEAL)

We recommend repealing an annual appropriations provision, which concerns agreements between the Department of State (State) or United States Agency for International Development (USAID) and another Federal agency under section 632(a) of the Foreign Assistance Act of 1961, or any comparable provision of law. The provision requires such agreements to expressly state that the Inspector General for the Federal agency receiving the transfer or allocation of State or USAID funds shall perform periodic program and financial audits of the use of such funds. 3 We believe that State and USAID OIGs may be better equipped and have more appropriate resources to efficiently conduct audits of projects authorized by the Foreign Assistance Act or comparable laws, regardless of which Federal agency receives transferred funds. Cost is also a concern, as the appropriations acts permit, but do not require, that the funds transferred cover the cost of such audits. However, even if funds are made available to the receiving agency’s OIG, there is no guarantee that any funding level agreed to by the agencies would be sufficient to cover an OIG’s expenses.

CONCLUSION

We believe that either modification or repeal of the mandatory reporting requirements as indicated above will afford better allocation and use of our staff resources, allowing DOT’s OIG to focus on reviews that effectually impact the safety, economy, and

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efficiency of major programs throughout the Department. Thank you for the opportunity to respond and provide this information for your consideration.

If you have any questions or need further information, please contact me at (202) 366-1959 or Nathan Richmond, Director and Counsel for Congressional and External Affairs, at (202) 493-0422.

Sincerely,

[Signature]

Calvin L. Scovel III
Inspector General