




Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement – FAA’s
Process for Awarding ARRA Grants for Airport
Projects
Federal Aviation Administration
Project No. 09U3004A000

Date: September 3, 2009

From: 
Lou E. Dixon
Assistant Inspector General
for Aviation and Special Program Audits

Reply to
Attn. of: JA-10

To: FAA Associate Administrator for Airports

On February 17, 2009, the President signed the American Recovery and Reinvestment Act (ARRA) into law, designating \$1.1 billion for Airport Improvement Program (AIP) projects. These funds are intended for airport projects to achieve several goals, including (a) preservation and creation of jobs, (b) promotion of economic recovery, and (c) investment in transportation infrastructure to provide long-term economic benefits. On August 6, 2009, we issued an advisory to FAA outlining our concerns with its process for awarding these ARRA grants. Specifically, some ARRA-funded airport projects may have questionable economic merit or could involve recipients that have had grant management problems.

Consistent with ARRA and Office of Management and Budget guidance, we plan to conduct an audit, the objective of which will be to review the effectiveness of FAA’s process for awarding ARRA grants to airport projects. We will focus on the extent of FAA’s compliance with ARRA requirements and its own policies and procedures in determining which AIP projects warrant ARRA funding. We plan to start the audit the week of September 14, 2009, and will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact me at (202) 366-0500 or Darren Murphy, Program Director, (206) 220-6503.

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cc: FAA Acting Deputy Administrator
FAA Assistant Administrator for Financial Services/Chief Financial Officer
Anthony Williams, ABU-100
Martin Gertel, M-1