

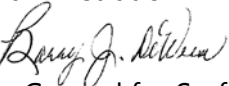


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## Memorandum

Date: April 12, 2018

Subject: INFORMATION: Audit Announcement | High-Speed Rail Grant Risk Mitigation and Oversight of Expenditures | Project No. 18S3002S000  
Federal Railroad Administration

From: Barry J. DeWeese   
Assistant Inspector General for Surface Transportation Audits

To: Federal Railroad Administrator

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The Federal Railroad Administration (FRA) administers the High Speed Intercity Passenger Rail (HSIPR) Program, a discretionary grant program created by the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). Since 2009, Congress has appropriated over \$10 billion for the HSIPR program.<sup>1</sup> As of December 2017, FRA had disbursed \$8.6 billion of those funds. Nearly 39 percent of HSIPR program funding to date has been dedicated to California's high-speed rail corridor between San Francisco and Los Angeles, managed by the California High-Speed Rail Authority (CHSRA).

Given the significant funds provided to the CHSRA for high-speed rail, the House Transportation and Infrastructure Committee's Chairman of the House Subcommittee on Railroads, Pipelines, and Hazardous Materials requested that we review FRA's risk mitigation and oversight of expenditures. Accordingly, we plan to initially focus our work on California's high-speed rail project and specifically assess FRA's (1) risk analysis, assessment, and mitigation efforts—particularly regarding the availability of non-Federal matching funds, business plans, and financial reporting—and (2) procedures for determining whether Federal funds expended complied with applicable Federal laws and regulations.

We plan to begin the audit in April 2018 and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FRA Headquarters

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<sup>1</sup> Congress appropriated \$8 billion through the American Recovery and Reinvestment Act (Pub. L. No. 111-5), \$90 million through the Omnibus Appropriations Act of 2009 (Pub. L. No 111-8), and \$2.5 billion through the Consolidated Appropriations Act of 2010 (Pub. L. No 111-117). Subsequently, Congress rescinded \$400 million in unobligated balances from the program through the Department of Defense and Full Year Continuing Appropriations Act of 2011 (Pub L. No 112-10).

and other locations, as required, and are coordinating this effort with our ongoing audit of FRA's acquisition and use of Monitoring and Technical Assistance Contractors for HSIPR grant oversight.

If you have any questions, please contact me at (202) 366-5630 or Kerry R. Barras, Program Director, at (817) 978-3318.

cc: DOT Audit Liaison, M-1  
FRA Audit Liaison, RAD-43