



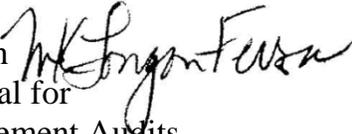
Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement—
New Participants in FAA's Airport Disadvantaged
Business Enterprise Program
Project Number 13Z3005Z000

Date: March 25, 2013

From: Mary Kay Langan-Feirson 
Assistant Inspector General for
Acquisition and Procurement Audits

Reply to
Attn. of: JA-60

To: Director, Audit and Evaluation

Each year, the Federal Aviation Administration (FAA) distributes more than \$3 billion in Federal grants for airport projects. In accepting these grants, airports are required to establish Disadvantaged Business Enterprise (DBE) programs. These programs require airports to provide small businesses owned and controlled by socially and economically disadvantaged individuals (e.g., women and minorities) with opportunities to compete for procurement, construction, professional services, and concession contracts.

However, in the FAA Modernization and Reform Act of 2012, Congress raised concerns that discrimination and related barriers continue to pose obstacles to disadvantaged firms seeking to do business at the Nation's airports. As part of this legislation, Congress directed the Office of Inspector General to report annually from 2013 to 2015 on new DBE participation at the Nation's large and medium hub airports,¹ and to identify reasons why some airports have been more successful than others at hiring new DBEs. Accordingly, our objectives will be to determine (1) the number of new and existing DBE firms hired at the Nation's large- and medium-sized airports in 2012, and (2) what factors led some airports to award more contracts to new DBE firms.

We plan to start the audit the week of April 8, 2013, and will contact your audit liaison to schedule an entrance conference. If you have any questions or require additional information, please contact me at (202) 366-5225; Darren Murphy,

¹ 49 United States Code 40102 defines hub airports by percentage of total United States passenger enplanements, with large hubs representing at least 1 percent and medium hubs at least 0.25 percent.

Program Director, at (206) 220-6503; or Chuck Ward, Project Manager, at (206) 220-6499.

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cc: FAA Associate Administrator for Airports
DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100