



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
Agency Scans of the Department of
Transportation's Initial Implementation of the
American Recovery and Reinvestment Act
Project No. 09U3002M000

Date: April 27, 2009

From: David A. Dobbs 
Deputy Inspector General

Reply to
Attn. of: J-2

To: Secretarial Officers
Heads of All Operating Administrations

The Office of Inspector General (OIG) is undertaking an audit of the Department of Transportation's (DOT) implementation of the American Recovery and Reinvestment Act of 2009 (ARRA), which designated more than \$48 billion for infrastructure investments across several modes of transportation. Our work will consist of a series of structured reviews, or scans, conducted across the DOT agencies that received ARRA funding. This effort is part of our risk-based oversight strategy developed to help DOT address new management challenges presented by ARRA.

Both the President and Congress have emphasized the need for accountability, efficiency, and transparency in the allocation, expenditure, and oversight of ARRA funds. In addition, the Office of Management and Budget (OMB) recently issued detailed guidance to Federal agencies to help ensure successful implementation of ARRA. We have assembled a team to conduct these reviews and have begun working with DOT officials to support and oversee their efforts to manage recovery program funds.

Our objective is to evaluate each agency's ARRA implementation by identifying vulnerabilities that could impede DOT's ability to (1) provide effective oversight to ARRA-funded projects and (2) meet new requirements mandated by ARRA and OMB. We plan to report our results this summer and recommend any needed improvements. If in the course of our reviews we identify significant issues that

warrant immediate attention, we will issue interim ARRA advisories to ensure that DOT, Congress, and the taxpayers receive timely and relevant information.

We will conduct our work at DOT offices and at the following Operating Administrations: the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration, the Federal Transit Administration, the Maritime Administration, and the Office of the Secretary of Transportation. We plan to begin audit work immediately.

We will contact your audit liaisons to schedule entrance conferences as soon as possible. If I can answer any questions or be of further assistance, please contact me at (202) 366-6767 or Ann Calvaresi-Barr, Principal Assistant Inspector General for Auditing and Evaluation, at (202) 366-1427.

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cc: Martin Gertel, Audit Liaison, OST, M-1
All Operating Administration Audit Liaisons