



Memorandum

Date: November 25, 2019

Subject: INFORMATION: Audit Announcement | DOT Oversight of Federal Funds Received by the City of Seattle Department of Transportation| Project No. 19Z3002Z000
Office of the Secretary of Transportation

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

To: Chief Financial Officer
Assistant Secretary for Budget and Programs
Senior Procurement Executive

Every year, the Department of Transportation (DOT) invests more than \$80 billion to build, maintain, and enhance our Nation's transportation system. DOT's Operating Administrations (OA) are charged with overseeing the expenditure of these funds for projects across the country and preventing fraud, waste, and abuse of taxpayer dollars. Recently, the Office of Inspector General received several complaints concerning federally funded projects for the City of Seattle Department of Transportation (SDOT) that are subject to DOT's oversight. SDOT receives Federal funding as either (1) direct financial assistance awards from a DOT OA or (2) pass-through financial assistance awards, wherein an OA obligates funds to the Washington State DOT (WSDOT), which then sends the money to SDOT.

Given the significant amount of departmental funds allocated to State and local governments for transportation-related projects and that we have not conducted an audit of the flow of DOT funds to SDOT or WSDOT, we are initiating this review. Our objective for this self-initiated audit is to assess the Department's oversight of Federal funds received by SDOT. Once we review Federal funding data from the Department's OAs, we may reduce our audit scope to focus on either a specific OA and/or select SDOT projects.

We plan to begin this work in the coming weeks and will contact your audit liaison to schedule an entrance conference. If you have any questions or need

additional information, please contact me at 202-366-5225, or Darren Murphy, Program Director, at 206-255-1929.

cc: DOT Audit Liaison, M-1