




Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
Audit of DOT's Contract Closeout Processes
Project No: 11Z3003Z000

Date: October 27, 2011

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

Reply to
Attn. of: JA-60

To: DOT Senior Procurement Executive
FAA Federal Acquisition Executive

In FY 2010, the Department of Transportation (DOT) obligated approximately \$5.8 billion¹ on contracts for goods and services, a significant pool of contracts that may require careful contract closeout. Effective contract closeout processes protect the Government's interests, minimize administrative costs for both Government and the contractor, and free excess funds for possible use elsewhere. Failure to effectively close out contracts hinders an Agency's ability to manage and effectively utilize remaining funds.

The Office of the Inspector General is initiating an audit of DOT's contract closeout processes to determine whether DOT's Office of the Secretary and DOT Operating Administrations (OAs) are closing contracts efficiently and effectively, including deobligating excess funds on completed contracts.

We plan to begin the audit in October 2011. We will contact your audit liaisons to schedule an entrance conference. If you have any questions or need additional information, please contact Anthony Wysocki, Program Director, at 202-493-0223 or Gary Fishbein, Project Manager, at 202-366-1451.

cc: Anthony Williams, FAA, Audit Liaison
Martin Gertel, M-1

¹ Based on DOT data from the Federal Procurement Data System-Next Generation.