



Memorandum

U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
Department of Transportation’s Credit Council
Department of Transportation
Project No. 16S3004S000

Date: February 17, 2016

From: Calvin L. Scovel III
Inspector General

Reply to JA-30
Attn of:

To: Deputy Secretary

The Department of Transportation (DOT) established the DOT Credit Council¹ in 2004 to ensure the application of consistent credit policies and management practices across the Department’s credit programs. The Council currently oversees the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) program; the Railroad Rehabilitation and Improvement Financing (RRIF) program; the Federal Ship Financing program (Title XI); and the Minority Business Resource Center Short-Term Lending program. It also allocates tax-exempt Private Activity Bonds (PAB). These programs currently have a loan and bond portfolio totaling roughly \$30 billion. The Council sets credit policies, oversees credit programs, and reviews financial analyses of credit applications and PAB allocations and recommends their approval or disapproval. The Council also reviews each program’s loan portfolio and significant modifications to credit and PAB allocation agreements.

Because of the importance of the Credit Council’s role, we are initiating an audit of the Council’s oversight of the Department’s credit programs. Our objective is to assess the Council’s policies and procedures for carrying out its responsibilities.

We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. The audit will take place at DOT Headquarters and other sites as needed. If you have any questions or require additional information, please contact

¹ The Council is chaired by the Deputy Secretary of Transportation and includes the Assistant Secretary for Budget and Programs and Chief Financial Officer, the Undersecretary of Transportation for Policy, General Counsel, the Assistant Secretary for Transportation Policy, the Federal Highway Administrator, Federal Railroad Administrator, the Federal Transit Administrator, the Maritime Administrator and Director of the Office of the Small and Disadvantaged Business Utilization, and up to three at-large nominees of the Secretary of Transportation.

me at (202) 366-1959, or Mitchell Behm, Assistant Inspector General for Surface Transportation Audits, at (202) 366-5630.

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cc: DOT Audit Liaison, M-1
FHWA Audit Liaison, HCFB-32
FRA Audit Liaison, ROA-3
MARAD Audit Liaison, MAR-390