To enhance security, increase Government efficiency, and reduce identity fraud, a 2004 Presidential Directive required Federal agencies to adopt a standard, secure form of identification for employees and contractors who need access to federally controlled facilities and information systems.\(^1\) In response, the Department of Transportation (DOT) began issuing Personal Identity Verification (PIV) cards—the common authentication mechanism across the Federal Government—to its employees and contractor staff. The PIV card is now the foundation of the Department’s process for securely identifying every individual seeking access to DOT’s valuable and sensitive resources, including facilities and information systems.

When a contract ends or a contractor no longer needs a PIV card for any reason, DOT contracting officials are to “promptly” collect contractor employee PIV card(s), removing the ability to access secure DOT facilities and systems. In fiscal years 2020 and 2021, just over 1,000 DOT service contracts\(^2\)—which may have granted contractor staff access to secure DOT facilities and information systems—came to an end. With a total value of $1.5 billion, these contracts provided such services as research and development, testing, security, and information technology support at DOT Headquarters and other facilities across the country. Given that most of these contracts ended during the Coronavirus Disease 2019 pandemic—a time when DOT employees were in a state of

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\(^2\) This universe includes only contracts valued greater than $250,000 (the current simplified acquisition threshold).
maximum telework—there is an elevated risk that prompt and appropriate PIV card collection and deactivation may not have occurred.

Accordingly, we are initiating this audit. Our objective will be to assess DOT’s oversight of contractor employee PIV cards issued in connection with performance of agency contracts. Given the Federal Aviation Administration’s (FAA) unique procurement requirements and the scope of its facilities and systems, we have excluded it from this audit and may conduct a separate, FAA-focused review in the future.

We plan to begin this work immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at DOT Headquarters and reach out to selected DOT facilities nationwide. If you have any questions, please contact me at (202) 345-2619 or Jill Cottonaro, Program Director, at (202) 366-3831.

cc: DOT Audit Liaison, M-1