Memorandum

Date: December 9, 2021

Subject: INFORMATION: Audit Announcement | FAA’s Oversight of CARES Act–Funded Airport Development Grants and Associated Contracts | Project No. 21C3002Z000

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

To: Federal Aviation Administrator

In March 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act to address the public health and economic threats posed by the Coronavirus Disease 2019 pandemic (COVID-19). Of the $2.2 trillion appropriated by the CARES Act, the Federal Aviation Administration (FAA) received $10 billion in emergency funding to prevent, prepare for, and respond to COVID-19 and, as of September 2021, had obligated approximately $9.7 billion of those funds. Approximately 3,300 airports in the United States are eligible to receive CARES Act funds through FAA’s Airport Improvement Program grants. Recipients can use these funds for operational expenses and for airport development, including infrastructure projects. As of September 13, 2021, FAA had awarded approximately $163 million in CARES Act–funded grants for airport development projects.

Our previous audits identified a number of weaknesses in FAA’s oversight of airport development projects. Given these past issues as well as the oversight challenges associated with the large amounts and rapid disbursements of CARES Act funds, we are initiating this audit. Our audit objectives will be to evaluate FAA’s processes for: (1) awarding and administering CARES Act–funded airport

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1 Under the CARES Act, the Department of Transportation received over $36 billion to prevent, prepare for, and respond to COVID-19 across all modes of transportation.
2 Although there is no deadline for FAA to obligate available funds, the act urges Federal agencies to expedite the distributions of funds to grantees and contractors.
development grants and (2) overseeing associated recipient contracts to ensure compliance with Federal and Agency grant and procurement requirements.  

We plan to begin the audit this month and will contact your audit liaison to schedule an entrance conference. Our audit work will be conducted at FAA Headquarters in Washington, DC, with site visits as needed to FAA Airport Regional or District Offices, as well as recipients of CARES Act funds.

If you have any questions, please contact me at (202) 345-2619 or Darren Murphy, Program Director at (202) 255-1929.

cc: DOT Audit Liaison, M-1
    FAA Audit Liaison, AAE-100

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4 This is the second of two audits examining CARES Act–funded grants awarded to the Nation’s airports. The first audit, which was announced on February 19, 2021, is a review of CARES Act funds used for airport operations and maintenance. This new audit will examine airport development projects.