




Memorandum

Date: December 7, 2023

Subject: INFORMATION: Audit Announcement | FAA's Oversight of CRRSA Act and ARPA COVID Relief Grant Funds | Project No. 24V3001A000
Federal Aviation Administration

From: Nelda Z. Smith 
Assistant Inspector General for Aviation Audits

To: Director, Audit and Evaluation

The Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act¹ and the American Rescue Plan Act (ARPA)²—the second and third coronavirus disease 2019 (COVID-19) relief acts—awarded \$10 billion in economic relief to eligible U.S. airports and concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic. To distribute these funds, the Federal Aviation Administration (FAA) established the (1) Airport Coronavirus Response Grant Program (ACRGP) for CRRSA Act and (2) Airport Rescue Grants for ARPA and has issued more than 630 airport concession relief grants and more than 4,100 economic relief grants. By the end of fiscal year 2023, FAA had expended more than \$8.1 billion in grants to airports for such purposes as capital expenditures, operating expenses (including payroll and utilities), debt payments, and concessionaire rent relief.

In a prior audit³ we conducted of FAA's award and oversight of funds appropriated by the Coronavirus Aid, Relief and Economic Security (CARES) Act, we identified weaknesses in FAA's policies and procedures for monitoring the relief funds that we determined contributed to more than \$271 million in unsupported costs, \$85 million in questioned costs, and \$3 million of improper payments. We are initiating this audit because of those issues and the importance of promoting effective stewardship of the significant funds allocated to FAA via CRRSA Act and ARPA. Our audit objectives are to assess FAA's oversight of

¹ Pub. L. No. 116-260, December 27, 2020.

² Pub. L. No. 117-2, March 11, 2021.

³ *FAA Quickly Awarded CARES Act Funds but Can Enhance Its Oversight Approach To Promote Effective Stewardship* (OIG Report No. AV2022032), July 18, 2022.

airport sponsors' compliance with CRRSA Act and ARPA (1) rent relief requirements and (2) economic relief reimbursement eligibility requirements.

We plan to begin the audit in the coming weeks and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FAA Headquarters in Washington, DC, and select Regional Airport District offices responsible for administering the ACRGP and Airport Rescue Grants. Please contact me or Program Director Marshall Jackson if you have any questions.

cc: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-001