



# Memorandum

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

Subject: **INFORMATION:** Audit Announcement – FAA’s  
Oversight of ARRA Expenditures  
Federal Aviation Administration  
Project No. 11U3002A000

Date: January 19, 2011

From: Jeffrey B. Guzzetti   
Assistant Inspector General  
for Aviation and Special Program Audits

Reply to  
Attn. of: JA-10

To: Director, Audit and Evaluation

On February 17, 2009, the President signed the American Recovery and Reinvestment Act (ARRA) into law, designating \$1.1 billion for Airport Improvement Program (AIP) projects. In the 23 months since ARRA’s enactment, the Federal Aviation Administration (FAA) has paid out almost \$1 billion of this amount to airports. While ARRA required rapid obligation of funds to achieve economic stimulus, it also emphasized that Federal agencies must hold grantees accountable for their spending. The President further directed agencies to take “unprecedented efforts...to provide public transparency and accountability of [ARRA] expenditures.”

We recently completed an audit of FAA’s 2008 AIP grants and found that the Agency could improve its risk-based oversight.<sup>1</sup> Given this result and the President’s ARRA directive, we plan to examine FAA’s ARRA expenditures from 2009 to the present. Specifically, we will assess whether FAA increased oversight to prevent improper payments and ensured airports used ARRA funds only for authorized purposes.

We plan to start the audit the week of January 31, 2011, and will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact Darren Murphy, Program Director, at (206) 220-6503, or Charles Ward, Project Manager, at 206-220-6499.

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cc: Acting Associate Administrator for Airports  
Anthony Williams, AAE-001  
Martin Gertel, M-1

<sup>1</sup> OIG Report Number F1-2011-023, “Improper Payments Identified in FAA’s Airport Improvement Program,” December 1, 2010. OIG reports are available on our website: [www.oig.dot.gov](http://www.oig.dot.gov).