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## Memorandum

Date: November 17, 2021

Subject: INFORMATION: Audit Termination Notification — FHWA's Post-Award Oversight of BUILD and TIGER Grants | Project No. 20S3005S000  
Federal Highway Administration

From: David Pouliott   
Assistant Inspector General for Surface Transportation Audits

To: Federal Highway Administrator

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This letter is to inform you that the Office of Inspector General (OIG) is terminating the audit of the Federal Highway Administration's (FHWA) post-award oversight of grants awarded through the Department of Transportation's (DOT) Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER) discretionary grant programs. We announced this audit on March 18, 2020. Between fiscal years 2009 and 2021, DOT received over \$10 billion through these programs to award discretionary grants for transportation projects with a significant national, regional, or local impact. FHWA has been responsible for administering the majority of BUILD and TIGER grants, with individual project award amounts ranging from \$85,000 to as much as \$105 million. Our objective for this self-initiated audit was to assess FHWA's post-award BUILD and TIGER grant<sup>1</sup> oversight.

Two factors led us to the decision to close this audit. Specifically:

- In May 2020, we issued an audit report<sup>2</sup> on FHWA's stewardship of a BUILD discretionary grant administered by its Florida Division. While we

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<sup>1</sup> In 2021, DOT renamed BUILD as the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant program. For simplicity, we will refer to all grants issued under the National Infrastructure Investments appropriation heading as BUILD grants for the remainder of this letter, regardless of whether the DOT named them TIGER, BUILD, or RAISE grants at the time of award. The Consolidated Appropriations Act, 2021 (Pub. L. 116-260, December 27, 2020) appropriated \$1 billion to be awarded by DOT for national infrastructure investments. On April 23, 2021, DOT announced \$1 billion in available fiscal year 2021 discretionary grant funding through RAISE.

<sup>2</sup> *Gaps in FHWA's Guidance and the Florida Division's Process for Risk-Based Project Involvement May Limit Their Effectiveness* (OIG Report No. ST2020035), May 12, 2020. OIG reports are available on our website at

targeted our recommendations to FHWA's administration of BUILD grants in Florida, the Agency's actions to address our recommendations include improvements to FHWA's administration and oversight nationwide. Specifically, FHWA stated it is enhancing the Agency's risk-based stewardship and oversight approach, which includes post-award BUILD oversight.

- We learned through our audit work that FHWA has performed several internal reviews of its BUILD grant administration that included recommendations for improving its processes. In 2019, FHWA began implementing changes to its internal assessment processes, but it has not yet completed a schedule of assessments for its administration and oversight of discretionary grant programs. Because these changes to FHWA's processes remain in progress, it is premature at this time to reliably assess their effectiveness.

In light of these updates, we are ending our audit work and will not make any recommendations requiring further action. As part of our audit close-out, we met with FHWA representatives to provide observations from our work in areas including the Agency's coordination with the Office of the Secretary of Transportation, its grant administration and oversight procedures and guidance, and its efforts to monitor and evaluate its BUILD program oversight.

We remain committed to working with the Department to support and enhance its grant program oversight and processes. It will be important for DOT to ensure that States and other grantees use sound practices to oversee billions of dollars annually in Federal funding and use these funds to address maintaining, improving, and updating the Nation's aging surface transportation infrastructure. We will continue to help the Department identify and implement opportunities to promote effective stewardship, safeguard taxpayer dollars, and maintain and improve the Nation's surface transportation infrastructure.

We appreciate the courtesies and cooperation of FHWA during our review. If you have any questions, please do not hesitate to call me at (202) 366-1844, or Tony Wysocki, Program Director, (202) 493-0223.

cc: DOT Audit Liaison, M-1  
FHWA Audit Liaison, HCFB-32

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<https://www.oig.dot.gov/>. As of October 2021, FHWA has taken action to address five of the report's eight recommendations, which we subsequently closed.