



Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
FRA’s Acquisition and Use of Monitoring and
Technical Assistance Contractors for High Speed
Intercity Passenger Rail Grant Oversight
Federal Railroad Administration
Project No. 16Z3001Z000

Date: April 5, 2016

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

Reply to
Attn. of: JA-60

To: Federal Railroad Administrator

Since 2009, Congress has appropriated over \$10 billion for the Federal Railroad Administration’s (FRA) High Speed Intercity Passenger Rail (HSIPR) program. According to FRA, as of November 2015, it has expended \$4.6 billion on over 149 HSIPR grants. Effective monitoring and oversight of grantees and their contracts is vital to ensure Federal funds are being spent in accordance with regulations and guidance and to protect against fraud, waste, and abuse.

We previously reported that FRA improved its guidance on high speed rail grant agreements, but policies and procedures for amending and monitoring grants remain incomplete.¹ Since 2012, FRA has used Monitoring and Technical Assistance Contractors (MTACs) obtained through an interagency agreement with the Volpe National Transportation Center to help perform technical oversight and manage high speed rail grants and associated contracts.

Given the importance of grant oversight to ensure proper stewardship of taxpayer dollars, we are initiating an audit of FRA’s acquisition and use of MTACs for HSIPR grant oversight. Accordingly, our objectives will be to assess (1) FRA’s acquisition of MTACs through the Volpe Center, and (2) FRA’s management and use of oversight services provided by MTACs for HSIPR projects.

¹ *FRA Improved Its Guidance on High Speed Rail Grant Agreements, But Policies and Procedures for Amending and Monitoring Grants Remain Incomplete*, OIG Report Number ST-2015-038, April 1, 2015. OIG reports are available on our Web site at <http://www.oig.dot.gov/>.

We plan to begin this audit immediately and will coordinate with your audit liaison to schedule an entrance conference. We will conduct this audit at DOT Headquarters, the Volpe Center, and selected HSIPR grant project sites. If you have any questions concerning this audit, please call me at (202) 366-5225, or Tony Wysocki, Program Director, at (202) 493-0223.

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cc: FRA Audit Liaison, RAD-41
DOT Audit Liaison, M-1
OST-R, Audit Liaison, RTC-1
Volpe Audit Liaison, VOLPE-V-140