



Memorandum

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

Subject: **INFORMATION: Audit Announcement—**
FTA's Oversight of Grantees' American Recovery
and Reinvestment Act Contract Award and
Administration Practices
Project No: 11U3007Z000

Date: June 9, 2011

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

Reply to JA-60
Attn. of:

To: Federal Transit Administrator

In February 2009, the President signed the American Recovery and Reinvestment Act (ARRA) into law, designating \$8.4 billion for the Federal Transit Administration's (FTA) transit programs. FTA has awarded 1072 ARRA grants supporting construction or renovation of over 850 transit facilities costing over \$4 billion, the purchase of nearly 12,000 transit vehicles at more than \$2 billion, and preventative maintenance projects totaling \$700 million.

We plan to conduct an audit to determine whether FTA's oversight of transit agencies' ARRA construction and renovation grants is sufficient to ensure (1) that grantees' contract award and administration practices comply with laws, regulations, policies, and procedures; and (2) that grantees achieve the cost, schedule, and performance goals of their ARRA-funded infrastructure investments.

Our audit will include visits to FTA headquarters offices in Washington, D.C., and selected regions, and transit agency offices. We plan to begin the audit immediately. We will contact your audit liaison to schedule an entrance conference. If you have any questions, please do not hesitate to call me at (202) 366-2001, or Ken Prather, Program Director, (202) 205-6084.

cc: Angela Dluger, FTA Audit Liaison
Martin Gertel, M-1