



# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –  
Oversight of Integrity Monitors for Recipients of  
Hurricane Sandy Disaster Relief Funds  
Federal Transit Administration  
Project No. 16H3001H000

Date: September 22, 2016

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

Reply to  
Attn. of: JA-60

To: FTA Administrator

In October 2012, Hurricane Sandy caused widespread damage in the mid-Atlantic and northeastern United States, particularly to the area's transportation infrastructure. In January 2013, the Disaster Relief Appropriations Act of 2013<sup>1</sup> (DRAA) was signed into law and appropriated \$10.9 billion for the Federal Transit Administration's (FTA) Public Transportation Emergency Relief Program for Sandy-related recovery and relief efforts. FTA made a final allocation of the funds to grantees on July 12, 2016; the total of all allocations is \$10.1 billion.

FTA recipients that receive over \$100 million in DRAA funds are required to use independent integrity monitors<sup>2</sup> as part of their DRAA fund oversight.<sup>3</sup> Integrity monitors review procedures and processes for susceptibility to fraud, corruption, and cost abuse; recommend procedures and assist with their implementation to mitigate identified risks; provide investigative services; and make recommendations to tighten controls for the procurement processes.

DRAA directed our office to support oversight of FTA's Hurricane Sandy relief funds; thus we are initiating this audit of FTA's use of integrity monitors. Our objective is to assess FTA's policies for the use of integrity monitors and evaluate FTA's oversight of integrity monitors.

<sup>1</sup> Public Law No. 113-2 (2013).

<sup>2</sup> Five grantees are required to use integrity monitors—Metropolitan Transportation Authority (New York), New Jersey Transit Corporation, Port Authority of New York and New Jersey, Connecticut Department of Transportation, and New York City Department of Transportation.

<sup>3</sup> FTA's Federal Register Notice, Second Allocation of Public Transportation Emergency Relief Funds in Response to Hurricane Sandy: Response, Recovery & Resiliency, May 29, 2013; FTA's Hurricane Sandy Oversight Plan v3.0, March 31, 2016.

We plan to begin this audit later this month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FTA Headquarters, the FTA regional office in New York, and selected grantee office sites in New York, New Jersey, and Connecticut. If you have any questions, please contact me at 202-366-5225 or Ken Prather, Program Director, at 202-366-1820.

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cc: FTA Audit Liaison, TBP-30  
DOT Audit Liaison, M-1