



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –  
Follow-Up Audit on DOT’s Suspension and  
Debarment Program  
Project No. 13Z3004Z000

Date: March 13, 2013

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

Reply to  
Attn. of: JA-60

To: Senior Procurement Executive, DOT  
Director, Audit and Evaluation, FAA

Suspension and Debarment (S&D) actions are among the Government’s strongest tools to deter unethical and unlawful use of Federal funds. On January 7, 2010, we reported that the Department of Transportation’s (DOT) S&D program lacked sufficient controls to prevent awards of contracts and grants to prohibited parties—those with records of wrongdoing and abuse.<sup>1</sup> To respond to our recommendations, DOT has taken actions to improve its S&D policies and procedures, including revising its procedures for identifying and reporting prohibited parties. However, our ongoing work continues to find weaknesses in DOT’s S&D process. In November 2011, the Office of Management and Budget (OMB) directed agencies to enhance their S&D performance in response to a Government Accountability Office (GAO) report, which found that the majority of agencies reviewed lacked characteristics common among effective S&D programs—such as dedicated programs with full-time staff and detailed policies and procedures.<sup>2</sup>

Given the importance of S&D programs and OMB’s recent S&D directives, we are initiating a follow-up audit of DOT’s S&D program. Specifically, our audit objective is to determine if DOT suspends or debarms prohibited parties and reports S&D activities in governmentwide tracking systems timely and accurately.

<sup>1</sup> OIG Report Number ZA-2010-34, “DOT’s Suspension and Debarment Program Does Not Safeguard Against Awards to Improper Parties,” Jan. 7, 2010. All OIG reports are available on our Web site at: [www.oig.dot.gov](http://www.oig.dot.gov).

<sup>2</sup> GAO Report Number GAO-11-739, “Some Agency Programs Need Greater Attention, and Governmentwide Oversight Could Be Improved,” Aug. 2011. DOT was not included in this review.

We will contact your audit liaison to schedule an entrance conference. If you have any questions or require additional information concerning this audit, please call me at (202) 366-5225, or Ken Prather, Program Director, at (202) 366-1820.

cc: DOT Audit Liaison, M-1  
FAA Audit Liaison, AAE-100

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