



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: INFORMATION: Audit Announcement –  
Audit of Union Station Redevelopment  
Corporation  
Federal Railroad Administration  
Project No. 12F3011F000

Date: April 3, 2012

From: Louis C. King   
Assistant Inspector General for Financial and  
Information Technology Audits

Reply to  
Attn. of: JA-20

To: Federal Railroad Administrator

Union Station is a national treasure. In 1983, after years of neglect, the Department of Transportation (DOT) created the Union Station Redevelopment Corporation (USRC) to oversee the Station's multi-million dollar transformation into a modern transportation hub for the District of Columbia, and a shopping and tourist destination. The project was completed in 1988. Presently, Union Station is undergoing a complete interior overhaul and other major changes to improve access to trains, Metrorail and buses. Additional changes include the construction of Burnham Place, a large mixed-use development above the railroad tracks, and the renovation of Columbus Circle outside the Station. These high-dollar investments warrant increased oversight to avoid cost overruns, wasted funds, and damage to the Union Station's historical and functional value.

On December 22, 2011, the Ranking Members of the U.S. House Committee on Transportation and Infrastructure, and its Subcommittee on Economic Development, Public Buildings, and Emergency Management, requested that the Inspector General perform a full Federal audit of the management and financial viability of USRC. Consistent with Ranking Member Rahall and Congresswoman Norton's request, our objectives will be to: (1) assess the adequacy of oversight over Union Station's development, operations, and maintenance, and (2) conduct a quality control review (QCR) of USRC's latest financial statement audit to determine if the audit was performed in accordance with applicable standards. Based on this QCR's outcome,

we will assess the need for and scope of any subsequent financial management reviews of USRC's financial activities.

We will begin this audit immediately and conduct it at DOT's Headquarters and USRC's offices in Washington DC. We will contact your audit liaison to schedule an entrance conference. If you have any questions or need additional information, please contact Earl Hedges, Program Director, at (410) 962-1729, or George Banks, Project Manager, at (410) 962-0186.

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cc: Audit Liaison, FRA, RAD-41  
Martin Gertel, M-1