



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Announcement –
Effectiveness of FTA's Regional Oversight of
Transit Grants
Project Number 11M3002M000

Date: March 11, 2011

From: Joseph W. Comé 
Assistant Inspector General
for Highway and Transit Audits

Reply to
Attn. of: JA-40

To: Federal Transit Administrator

Federal Transit Administration (FTA) programs affect the lives of millions of Americans by providing funding for mass transit services across the country, including buses, subways, light rail, commuter rail, streetcars, passenger ferry boats, and people movers. FTA's programs received over \$10.4 billion in appropriations in fiscal year 2010. In addition to the annual appropriations, the American Recovery and Reinvestment Act of 2009 provided FTA with a one-time infusion of \$8.4 billion for capital investments and increased the scope of FTA's already significant oversight responsibilities. FTA's regional offices play an important role in overseeing more than 1,200 state and local grantees' use of Federal funds to ensure they are spent efficiently and effectively and to prevent fraud, waste, and abuse.

Accordingly, we plan to assess FTA's regional oversight of transit grants to determine whether those oversight efforts are effective in ensuring proper stewardship of Federal funds and preventing waste, fraud, and abuse. Specifically, for each selected regional office, our objectives will be to assess (1) regional oversight responsibilities and types of support provided by FTA Headquarters, (2) the regional office's use of key oversight tools to identify grantees' management weaknesses and make funding decisions, and (3) the regional office's efforts to ensure that grantees are correcting identified management weaknesses.

We plan to begin this audit the week of March 14, 2011, and to conduct our work at FTA Headquarters and a selected region. After we begin this audit, we will determine whether to extend the audit into other regional offices. We will contact your audit

liaison to schedule an entrance conference and explain our audit approach in further detail. If I can answer any questions or be of further assistance, please contact me at (202) 366-5630, or Tom Yatsco, Acting Deputy Assistant Inspector General, at (202) 366-1302.

cc: Audit Liaison, OST
Audit Liaison, FTA