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Description of document: Department of Transportation (DOT) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of Inspectors General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 14-April-2012

Released date: 03-May-2012

Posted date: 04-July-2012

Source of document: FOIA Request  
Department of Transportation  
Office of the Secretary of Transportation  
1200 New Jersey Ave., SE  
W94-122  
Washington, DC 20590  
Fax: (202) 366-8536  
Email: [ost.foia@dot.gov](mailto:ost.foia@dot.gov)

Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See: <http://www.governmentattic.org/6docs/GrassleyCoburn.htm>

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

Office of Inspector General  
Washington, D.C. 20590

May 3, 2012

RE: FOIA No: FI-2012-0067

This letter is in response to your Freedom of Information Act (FOIA) request dated April 14, 2012, sent to the U.S. Department of Transportation (DOT), Office of the Inspector General (OIG). You originally requested a copy of each biannual response to Senators Grassley and Coburn regarding their April 8, 2012, request to the DOT OIG to provide a summary of our non-public management advisories and closed investigations.

In the same letter, you amended that request to include not only the original response from the OIG to the April 8, 2012, letter from the Senators, but that you also wanted each and every biannual response/ report to Senators Grassley and Coburn.

All the responsive documents are available online and can be found at the following links:

June 18, 2010: <http://www.oig.dot.gov/library-item/5352>

January 13, 2011: <http://www.oig.dot.gov/library-item/5475>

This letter closes your FOIA request and no further action is contemplated regarding this matter. The FOIA gives you the right to appeal adverse determinations to the appeal official for the agency. The appeal official for the OIG is the Assistant Inspector General, Brian A. Dettelbach. Any appeal must be submitted within 30 days after you receive this letter.

Any appeal should contain all facts and arguments that you propose warrant a more favorable determination. Please reference the above file number in any correspondence. Appeals to Mr. Dettelbach should be prominently marked as a "FOIA Appeal" addressed to: U.S. Department of Transportation, Office of Inspector General, 7<sup>th</sup> Floor West (J3), 1200 New Jersey Avenue, SE, Washington, DC 20590.

If you have any questions regarding your request, please contact me at either [angel.simmons@oig.dot.gov](mailto:angel.simmons@oig.dot.gov) or (202) 366-6131.

Sincerely,

A handwritten signature in blue ink that reads "Angel Simmons". The signature is fluid and cursive, with the first name "Angel" and last name "Simmons" clearly distinguishable.

Angel Simmons  
OIG FOIA/Privacy Act Officer

Enclosure



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

The Inspector General

Office of Inspector General  
Washington, DC 20590

June 18, 2010

The Honorable Charles E. Grassley  
Ranking Member, Committee on Finance  
United States Senate  
Washington, DC 20510

The Honorable Tom Coburn  
Ranking Member, Permanent Subcommittee  
on Investigations  
Committee on Homeland Security and Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Senators Grassley and Coburn:

Thank you for your letter of April 8, 2010, regarding your continuing efforts to support our mission to promote efficiency and effectiveness and prevent fraud, waste, and abuse in Department of Transportation (DOT) programs. As requested, we are providing information on the independence necessary to carry out our audits, evaluations, and investigations. Specifically, you requested that we:

1. list and describe any instances when the Department resisted and/or objected to oversight activities and/or restricted our access to information for the period of October 1, 2008, to the present;
2. provide a biannual report on all closed investigations, evaluations, and audits conducted by our office that were not disclosed to the public from January 1, 2009, through April 30, 2010;
3. report whether any Federal official has threatened and/or otherwise attempted to impede our ability to communicate with Congress and whether that communication concerns the budget or any other matter; and
4. provide a copy of the recommendations that have not been fully implemented, which we also provided to the Ranking Member of the House Committee on Oversight and Government Reform.

The information you requested is listed below:

**(1) “Instances when the Department resisted and/or objected to oversight activities and/or restricted access to information:”**

In general, the Department is very responsive to our requests for information. However, in a few instances, we experienced minor difficulties obtaining needed information. Specifically:

- In February 2009, the Federal Aviation Administration’s (FAA’s) Office of Airports initially resisted providing, but ultimately did allow, access to its lengthy candidate list of airport projects being considered for American Recovery and Reinvestment Act grants. FAA’s rationale for not providing the list was that the Agency did not want to face potential second-guessing from Congress and other interested parties over those candidates that ultimately might not be selected for recovery funding. FAA provided the information on May 13, 2009, after the Assistant Inspector General for Aviation and Special Program Audits held several discussions with a high-level Agency official and emphasized the Office of Inspector General’s authority under the Inspector General Act to receive all documents related to an Agency’s decision-making.
- In September 2009, the Department’s Office of the Chief Information Officer (OCIO) altered a key question on our Federal Information Security Management Act (FISMA) data call. As a result, the OCIO and the Operating Administrations did not provide the required information. To coordinate the preparation and receipt of the necessary data, the Assistant Inspector General for Financial and Information Technology Audits met several times with Department representatives. However, this situation delayed the process by almost a month, which made it difficult to meet the November 18, 2009, deadline mandated by the Office of Management and Budget for FISMA results. Ultimately, we met the deadline, and the Deputy CIO accepted responsibility for what happened, but we were unable to ascertain the OCIO’s reasons for altering our data request. Subsequently, the new Department CIO, who was not involved in this matter, assured us that this would not happen again.

**(2) “Biannual report on all closed investigations, evaluations, and audits conducted that were not disclosed to the public:”**

- The first enclosure to this letter summarizes our closed, non-public investigations for the period January 1, 2009, through April 30, 2010. We can provide additional information about any of the closed investigations listed, as requested.
- If, during the course of our audit work, we identify areas requiring immediate attention, we will issue a Management Advisory to the audited DOT agency before publicly issuing a full report. These advisories serve as an early warning to Department officials so that they can take corrective actions in a timely manner.

During the period of January 1, 2009, through April 30, 2010, we issued three Management Advisories that were not disclosed to the public, which are listed below:

- July 28, 2009, Management Advisory to the Pipeline and Hazardous Materials Safety Administration, *Immediate Action Needed To Prevent Unsafe Packaging and Transport of Explosives Under Special Permit Numbers 8554, 11579, and 12677.*
- July 28, 2009, Management Advisory to FAA, *FAA's Contract for the Automatic Dependent Surveillance-Broadcast Program.*
- April 7, 2010, Management Advisory to the Pipeline and Hazardous Materials Safety Administration, *Weaknesses in Safety Oversight of Explosives Classified Approvals.*

**(3) “Instances of Federal officials threatening and/or otherwise attempting to impede our office’s ability to communicate with Congress, whether that communication concerns the budget or any other matters:”**

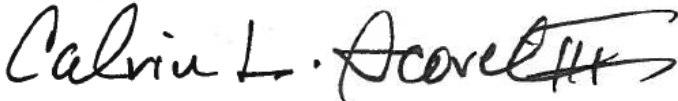
We have no instances to report regarding any threats or attempted obstruction in our ability to communicate with Congress on the budget or other matters.

**(4) “Outstanding recommendations that have not been fully implemented:”**

The second enclosure to this letter lists the number of open recommendations and their associated cost savings estimates, our top three open recommendations, and the number of recommendations implemented since January 5, 2009. We provided this list to the Ranking Minority Member of the Committee on Oversight and Government Reform on April 23, 2010.

Thank you again for your inquiry and for your continuing efforts to ensure our office has the necessary means to provide effective oversight. If you have any questions or need further information, please contact me at (202) 366-1959 or Nathan Richmond, Director and Counsel for Congressional and External Affairs, at (202) 493-0422.

Sincerely,



Calvin L. Scovel III  
Inspector General

Enclosures

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DOT/OIG Closed Investigations, Non-Public

During the period requested, January 1, 2009, through April 30, 2010, we closed 64 investigations that resulted in administrative action and 100 investigations that were unsubstantiated and/or declined for prosecution and for which no other action was taken (i.e., administrative or civil).<sup>1</sup> Please see the two charts below for further details on these investigations.

**ADMINISTRATIVE ACTIONS**

Aviation	Accident Related	1
Aviation	Certificate Fraud, Aircraft	1
Aviation	Suspected Unapproved Parts-Sale	2
Aviation	Substance Abuse/Misconduct	1
Employee	Gratuities (Employee Misconduct)	31
Employee	Computer Fraud	1
Employee	Conflict of Interest (Public Corruption, Current Employee)	2
Employee	Ethics Violation (Misconduct)	5
Employee	Extortion	1
Employee	Misuse of Government Property or Funds	1
Employee	Purchase Card Misuse	1
Employee	Time and Attendance Fraud	1
Employee	Transit Benefit Fraud/Abuse	1
Employee	Travel Voucher Fraud	1
Grant	Disadvantaged Business Enterprise/Minority Business Enterprise/Woman Owned Business Enterprise (DBE/MBE/WBE) Fraud	2
Grant	False Statements/Certifications/Claims	6
Intrusion	Other	1
Procurement	DBE/MBE/WBE Fraud	1
Procurement	False Statements/Certifications/Claims	1
Other	Other	2
Other	Theft of DOT Funds or Property	1
<b>TOTAL</b>		<b>64</b>

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<sup>1</sup> In addition, during the period requested, we closed 89 criminal, civil, and Office of Special Counsel Whistleblower investigations, which as a general rule are publicly disclosed.

**UNSUBSTANTIATED**

Aviation	Accident Related	1
Aviation	Certificate Fraud, Medical	6
Aviation	Interference or Tampering With an Aircraft	1
Aviation	Suspected Unapproved Parts-Maintenance	5
Aviation	Suspected Unapproved Parts-Sale	3
Aviation	Substance Abuse/Misconduct	1
Employee	Conflict of Interest (Public Corruption, Current Employee)	3
Employee	Disclosure of Confidential Information	1
Employee	Ethics Violation (Misconduct)	5
Employee	Misuse of Government Property or Funds	3
Employee	Theft	1
Employee	Time and Attendance Fraud	2
Employee	Transit Benefit Fraud/Abuse	1
Grant	Anti-Trust, Bid Rigging/Collusion	2
Grant	DBE/MBE/WBE Fraud	5
Grant	Embezzlement	3
Grant	False Statements/Certifications/Claims	15
Grant	Kickbacks	1
Grant	Other	2
Grant	Prevailing Wage Violations	1
Grant	Public Corruption/Extortion	2
Hazmat	Carriage by Air	2
Hazmat	Carriage by Motor Vehicle/Public Highway	3
Hazmat	PHMSA Cylinders and Packaging	1
Motor Carrier	Commercial Drivers License Fraud	2
Motor Carrier	Driver Qualification	2
Motor Carrier	Economic Fraud (Committed by Carrier)	1
Motor Carrier	Household Goods/Moving Companies	2
Motor Carrier	Log Books	1
Procurement	DBE/MBE/WBE Fraud	5
Procurement	False Statements/Certifications/Claims	10
Procurement	Federal Acquisition Regulations/FAA Acquisition Management System Violation	1
Procurement	Other	1
Other	Motor Fuel Excise Tax Evasion	1
Other	Other	4
<b>TOTAL</b>		<b>100</b>





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

The Inspector General

Office of Inspector General  
Washington, D.C. 20590

April 23, 2010

The Honorable Darrell Issa  
Ranking Minority Member  
Committee on Oversight and Government Reform  
U.S. House of Representatives  
Washington, DC 20515

Dear Ranking Member Issa:

This correspondence is in response to your letter of March 24, 2010, requesting that the Department of Transportation Office of Inspector General (OIG) provide information on the status of open audit recommendations. Specifically, you requested the following: the number of open recommendations; estimated cost savings associated with open recommendations; our top three open recommendations; and the number of recommendations that have been implemented since January 5, 2009.

As of April 6, 2010, we identified 341 open recommendations, included in 107 audit reports. Of the 341 open recommendations, 45 recommendations, that were included in 33 reports, carry an estimated monetary benefit or cost savings. The enclosed document highlights these 45 recommendations and includes the following information:

- Report Title
- Report Number
- Date Report Issued
- Operating Administration Responsible for Implementing the Recommendation
- Description of Recommendation
- Questioned Costs
- Unsupported Costs
- Funds To Be Put To Better Use
- Target Action Date (Provided by Operating Administrations)
- Remarks

To determine the three most important recommendations, we assessed the universe of open recommendations based on whether the recommendation will lead to a significant impact on safety, a significant financial benefit, or a significant improvement in the economy or efficiency of the program audited. Using this criteria, we consider the following to be the three most important open recommendations.

#### Significant Safety Issue

- Federal Aviation Administration (FAA): **Revise outdated regulations and strengthen its oversight of on-demand operators by implementing an interim risk assessment oversight process for on-demand operators until the risk-based System Approach for Safety Oversight approach is implemented.** (*On-Demand Operators Have Less Stringent Safety Requirements and Oversight than Large Commercial Air Carriers*, AV2009066, issued on July 13, 2009.)

On-Demand operators—who fly at the request of their customers and operate aircraft that are configured for 30 or fewer passengers or 7,500 pounds of payload or less—play a vital role in the Nation's air transportation system. However, regulations are outdated and the margin of safety needs to be enhanced. FAA concurred with this recommendation. The target action date for completion was December 31, 2009. We will contact FAA for a revised action date.

#### Significant Financial Benefit

- Federal Highway Administration (FHWA): **Develop performance goals for measuring the effectiveness of State value engineering programs and for evaluating Division Office personnel in fulfilling the FHWA and Office of Management and Budget requirements for value engineering programs.** (*Value Engineering in the Federal-Aid Highway Program*, MH2007040, issued on March 28, 2007.)

This recommendation was intended to ensure that required value engineering reviews of highway projects are conducted and the results are properly used. The use of such systematic and independently conducted reviews can yield significant savings. Our 2007 report estimated that states could have saved \$725 million in Federal funds over a 4-year period if all required reviews were conducted and more recommendations were accepted. FHWA concurred with this recommendation. The target action date for completion is April 30, 2010. We are currently reviewing information provided by FHWA officials regarding their actions taken to implement this recommendation.

### Significant Program Improvement

- Department of Transportation and Federal Rail Administration (FRA): **Develop an action plan that lays out the steps that DOT will take or has already taken to implement an effective oversight strategy for the Federal Railroad Administration's High-Speed Rail Programs.** (*DOT's Implementation of the American Recovery and Reinvestment Act: Continued Management Attention is Needed To Address Oversight Vulnerabilities*, MH2010024, issued on November 30, 2009.)

This recommendation addresses the significant vulnerabilities FRA and DOT face in starting up a new, large, and highly visible \$8 billion program for high-speed rail corridors and intercity passenger rail service. The High-Speed Rail Program represents a significant organizational transformation for FRA, from a relatively small agency primarily focused on rail safety issues, to a grant-making agency responsible for starting up a large, long-term, multibillion-dollar program, which could receive much public attention and scrutiny. For this new American Recovery and Reinvestment Act of 2009 program, taking on the responsibilities that come with this transformation has been a challenge for FRA. Specifically, acquiring sufficient capacity to effectively manage the program and develop a comprehensive implementation strategy. The Department concurred with this recommendation. The target action date for completion is November 30, 2010.

Lastly, between January 5, 2009 and April 6, 2010, we have closed 424 recommendations that were contained in 173 audit reports.

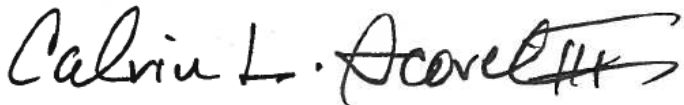
It is important to note that since our last response to the Committee, the Office of the Secretary (OST) has intensified efforts through the use of multiple tools to ensure that expeditious and appropriate action is taken on OIG recommendations. These include:

1. Detailed Progress Tracking – OST produces monthly Recommendation Action Tracking System reports that provide useful metrics for tracking their progress in closing reports. The report includes specific metrics for resolved and unresolved recommendations and older report recommendations. Single Audit recommendations are also tracked and highlighted for specific attention.
2. Single Audit Emphasis – In 2009, DOT redesigned its process for resolving and completing action on Single Audits. During the first 3 months of calendar 2010, increased implementation of this process has significantly cut unresolved single audit recommendations, and enabled OST to close almost half of the Single Audit recommendations that were pending on December 31, 2009.

3. Ten Most Wanted – This listing highlights those reports and recommendations most in need of management action throughout the department, focusing attention on the actions necessary to better ensure that the balance of pending recommendations is current.
4. Top Management Support – The Deputy Secretary is actively engaged in gaining expeditious management action on OIG recommendations. He has been working with Administrators to enhance awareness and involvement in closing recommendations.

Thank you again for your inquiry and interest. If you have any questions or need further information, please contact me at (202) 366-1959 or Nathan Richmond, Director and Counsel for Congressional and External Affairs, at (202) 493-0422.

Sincerely,

A handwritten signature in black ink that reads "Calvin L. Scovel III". The signature is written in a cursive, flowing style with a large initial 'C' and a stylized 'S'.

Calvin L. Scovel III  
Inspector General

Enclosure

Department of Transportation  
Office of Inspector General Open Recommendations  
As of April 6, 2010

REPORT TITLE	REPORT NUMBER	DATE REPORT ISSUED	OPERATING ADMINISTRATION	DESCRIPTION OF RECOMMENDATION	QUESTIONED COSTS	UNSUPPORTED COSTS	FUNDS BE PUT TO BETTER USE	TARGET ACTION DATE	REMARKS
Oversight of Airport Revenue	AV2003030	3/20/2003	FAA	We recommend that FAA verify the current status of \$40.9 million in potential revenue diversions that we identified during this review and, as necessary, seek recoveries of \$252,000 identified at Allegheny County.			\$252,000	12/31/2011	
				We recommend that FAA verify the current status of \$40.9 million in potential revenue diversions that we identified during this review and, as necessary, seek recoveries of \$38,710,289 identified at Miami-Dade County.			\$14,285,026	12/31/2011	Miami-Dade County has agreed to return \$14 million in diverted funds to the Miami International Airport. After an initial payment of \$3 million, Miami-Dade County will pay quarterly payments of \$564,251 over 5 fiscal years, beginning October 1, 2006. FAA expects all funds to be returned by September 2011.
Audit of the Management of Land Acquired Under Airport Noise Compatibility Programs	AV2005078	9/30/2005	FAA	For the 11 airports included in the audit, we recommend that FAA direct airport sponsors to develop and implement plans to recover FAA's share (estimated at \$160.6 million) from the disposition of 3,608 unneeded noise land acres.			\$160,600,000	6/30/2010	
				For the 11 airports included in the audit, we recommend that FAA direct airport sponsors to develop and implement plans to recover FAA's share (estimated at \$81.7 million) of the affected land's fair market value from airports that are misusing noise land disposition proceeds.			\$81,700,000	10/1/2010	
Single Audit - City of Ft. Worth Texas	QC2009058	5/19/2009	FAA	We recommend that FAA recover \$9,893 from the City of Ft. Worth.	\$9,893			TBD	
Single Audit - Michigan Department of Transportation	QC2009103	9/29/2009	FAA	We recommend that FAA recover \$48,000 from the Michigan Department of Transportation.	\$48,000			1/31/2010	
Single Audit - Santa Cruz County, Arizona	SA2010027	11/30/2009	FAA	We recommend that FAA recover \$299,224 from Santa Cruz County.	\$299,224			2/5/2010	
				We recommend that FAA recover \$277,864 from Santa Cruz County.	\$277,864			2/5/2010	
Single Audit - City of Gainesville, Georgia	SA2010037	1/13/2010	FAA	We recommend that FAA determine the allowability of the Davis-Bacon non-compliance and recover \$54,218 from the City of Gainesville.	\$54,218			TBD	

Department of Transportation  
Office of Inspector General Open Recommendations  
As of April 6, 2010

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Single Audit - Owensboro-Davies County Regional Airport Board	SA2010044	2/18/2010	FAA	We recommend that FAA recover \$27,265 from the Airport Board.	\$27,265			TBD	
				We recommend that FAA recover \$138,914 from the Airport Board.	\$138,914			TBD	
Single Audit - Gulfport-Biloxi Regional Airport Authority	SA2010046	3/9/2010	FAA	We recommend that FAA recover \$1,330,834 from the Airport Authority.	\$1,330,834			TBD	
				We recommend that FAA recover \$10,888 from the Airport Authority.	\$10,888			TBD	
Single Audit - City of Lincoln, California	SA2010048	3/9/2010	FAA	We recommend that FAA determine the allowability of the expenditures, and recover \$99,936.	\$99,936			TBD	
Opportunities to Free Up Unneeded FHWA Funds For Use In Hurricane Recovery Efforts	MH2007037	3/6/2007	FHWA	We recommend that FHWA coordinate with the five Gulf State departments of transportation to promptly identify how the earmarked funds in the 19 projects we identified in our audit could best be redirected for use on hurricane recovery efforts. FHWA should also formally alert Congress that approximately \$10.7 million in earmarked funds are available for redirection to hurricane recovery efforts within these same states. If necessary, FHWA should also coordinate with Congress regarding the legislative requirements of each earmark in order to identify the best method for redirecting these funds.			\$7,025,461	3/1/2010	
Value Engineering In The Federal-Aid Highway Program	MH2007040	3/28/2007	FHWA	We recommend that FHWA develop performance goals for measuring the effectiveness of state value engineering programs and for evaluating Division Office personnel in fulfilling the FHWA and OMB requirements for value engineering programs.			\$725,000,000	4/30/2010	
Single Audit - Oglala Sioux Tribe	QC2008037	3/6/2008	FHWA	We recommend that FHWA determine the allowability of the five expenditures and recover \$117,928 from the Tribe, if applicable.	\$117,928			6/15/2010	
				We recommend that FHWA determine the allowability of the transaction, and recover \$1,040,377 from the Tribe, if applicable.	\$1,040,377			6/15/2010	

Department of Transportation  
Office of Inspector General Open Recommendations  
As of April 6, 2010

REPORT TITLE	REPORT NUMBER	DATE REPORT ISSUED	OPERATING ADMINISTRATION	DESCRIPTION OF RECOMMENDATION	QUESTIONED COSTS	UNSUPPORTED COSTS	FUNDS BE PUT TO BETTER USE	TARGET ACTION DATE	REMARKS
Single Audit - Government of Guam	QC2008085	9/25/2008	FHWA	We recommend that FHWA recover \$113,634 from the Government of Guam. We recommend that FHWA recover \$12,536 from the Government of Guam.	\$113,634 \$12,536			5/18/2010 5/18/2010	
Single Audit - Comanche Nation	QC2009044	3/20/2009	FHWA	We recommend that FHWA determine the allowability of the expenditures and recover \$163,430 from the Comanche Nation.	\$163,430			6/30/2010	
Single Audit - City of Ft. Worth Texas	QC2009058	5/19/2009	FHWA	We recommend that FHWA recover \$85,589 from the City of Ft. Worth. We recommend that FHWA determine the allowability of the duplicate wire transfers and recover \$56,626 from the City of Ft. Worth. We recommend that FHWA determine the allowability of the duplicate wire transfers and recover \$26,766 from the City of Ft. Worth.	\$85,589 \$56,626 \$26,766			TBD TBD TBD	
Single Audit - State of Rhode Island & Providence Plantations	QC2009105	9/29/2009	FHWA	We recommend that FHWA recover \$641,620 from the State of Rhode Island and Providence Plantations.	\$641,620			5/24/2010	
Single Audit - Washington County, Florida	SA2010019	11/16/2009	FHWA	We recommend that FHWA recover \$10,200 from the County.	\$10,200			5/16/2010	
Single Audit - City of Tacoma, Washington	SA2010025	11/30/2009	FHWA	We recommend that FHWA determine the allowability of applying State-approved activity rates to federal transportation grants, and recover \$20,164 from the City of Tacoma.	\$20,164			9/30/2010	
Oversight of Design and Engineering Firm's Indirect Costs Claimed On Federal-Aid Grants	ZA2009033	2/5/2009	FHWA	We recommend that FHWA recover the \$2.8 million in unallowable executive compensation and \$1.6 million in other unallowable indirect charges. We recommend that FHWA put approximately \$30.2 million in future Federal-aid funds to better use.	\$4,400,000		\$30,200,000	3/31/2010 5/30/2010	
Single Audit - Commonwealth of Pennsylvania	QC2009108	9/29/2009	FMCSA	We recommend that FMCSA determine the allowability of the leave costs and recover \$67,757 from the Commonwealth of Pennsylvania.	\$67,757			3/29/2010	

Department of Transportation  
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Audit of Federal Transit Administration's Oversight Of Pioneer Valley Transit Authority Electric Bus Cooperative Agreement	MH2008058	7/9/2008	FTA	We recommend that PVT A disallow all future costs claimed by ElectraStor, and develop an action plan in coordination with the OIG to seek recovery of the \$4.25 million in Federal Funds paid for the project.		\$4,250,000		12/31/2010	
Single Audit - South Carolina Department of Transportation	QC2007055	7/18/2007	FTA	We recommend that FTA determine the allowability of the Department's payments to the Authority, and recover \$496,479 from the Department and/or the Authority, if applicable.	\$496,479			12/31/2011	
Single Audit - Attleboro Redevelopment Authority	QC2008065	7/24/2008	FTA	We recommend that FTA recover \$76,464 from the Authority.	\$76,464			12/31/2010	
Single Audit - City of Roanoke, Virginia	QC2009080	8/21/2009	FTA	We recommend that FTA determine the allowability of the contract award and recover \$178,641 from the City of Roanoke.	\$178,641			7/31/2010	
Single Audit - Southeastern Regional Transit Authority	QC2009085	8/25/2009	FTA	We recommend that FTA determine the allowability of the reimbursement request, and recover \$554,496 from the Southeastern Regional Transit Authority.	\$554,496			12/31/2010	
Single Audit - Valley Regional Transit	QC2009094	9/23/2009	FTA	We recommend that FTA ensure that the Valley Regional Transit develop a process to track specific grant related overhead costs and recover \$65,074.	\$65,074			7/31/2010	
Single Audit - Los Angeles County Metropolitan Transportation Authority	QC2009106	9/29/2009	FTA	We recommend that FTA recover \$2,975,628 from the Los Angeles County Metropolitan Transportation Authority.	\$2,975,628			4/30/2010	
Single Audit - Attleboro Redevelopment Authority	SA2010016	11/16/2009	FTA	We recommend that FTA recover \$17,602 from the Attleboro Redevelopment Authority.	\$17,602			9/15/2010	
				We recommend that FTA recover \$44,965 from the Attleboro Redevelopment Authority.	\$44,965			9/15/2010	
Single Audit - City of Rome, New York	SA2010020	11/16/2009	FTA	We recommend that FTA recover \$800,000 from the City of Rome.	\$800,000			5/14/2010	
Single Audit - Pierce Transit, Tacoma, WA	SA2010026	11/30/2009	FTA	We recommend that FTA recover \$435,784 from Pierce Transit.	\$435,784			6/30/2010	
Single Audit - City of Jonesboro, Arkansas	SA2010038	1/13/2010	FTA	We recommend that FTA recover \$155,480 from the City of Jonesboro.	\$155,480			7/13/2010	



Department of Transportation  
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As of April 6, 2010

REPORT TITLE	REPORT NUMBER	DATE REPORT ISSUED	OPERATING ADMINISTRATION	DESCRIPTION OF RECOMMENDATION	QUESTIONED COSTS	UNSUPPORTED COSTS	FUNDS BE PUT TO BETTER USE	TARGET ACTION DATE	REMARKS
Monitoring of FY 2009 Financial Statements	QC2010011	11/16/2009	OST	Clifton Gunderson (an independent external audit firm, under OIG contract and supervision) recommended that DOT monitor the field offices, quarterly inactive project reviews, particularly on stagnant projects, to ensure that inactive obligations are liquidated in a timely manner throughout the year.			\$800,000,000	11/15/2010	We estimate that OST has deobligated approximately \$480,000,000 to date. Clifton Gunderson will determine how much was actually deobligated and made available for other priority projects during the audit of the FY 2010 DOT Financial statements - to be issued on 11/15/10.
The Joint Program Office's Management of the Intelligent Transportation Systems Program Needs to be Improved	AV2009040	3/11/2009	RITA	We recommend that RITA coordinate with FHWA to identify and review old ITS contracts and agreements and de-obligate nearly \$20 million in unneeded funds.  We recommend that RITA coordinate with FHWA review documentation supporting FTA's questionable \$3.9 million in reimbursements on five expired agreements and seek recovery of those funds that cannot be verified.			\$20,000,000  \$3,900,000	9/30/2010  9/30/2010	RITA agreed to deobligate \$48,100,000.
<b>TOTAL</b>					<b>\$14,854,276</b>	<b>\$4,250,000</b>	<b>\$1,842,962,487</b>		





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

The Inspector General

Office of Inspector General  
Washington, DC 20590

January 13, 2011

The Honorable Charles E. Grassley  
Ranking Member, Committee on Finance  
United States Senate  
Washington, DC 20510

The Honorable Tom Coburn  
Ranking Member, Permanent Subcommittee  
on Investigations  
Committee on Homeland Security and Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Senators Grassley and Coburn:

Thank you for your letter of April 8, 2010, regarding your continuing efforts in support of our mission to promote efficiency and effectiveness and prevent fraud, waste, and abuse in Department of Transportation (DOT) programs.<sup>1</sup> As you requested, we are providing you with biannual reports on all our closed audits, investigations, and evaluations that were not publicly disclosed.

During the period of May 1 through September 30, 2010, we issued one non-public audit product to DOT's Deputy Secretary, "Management Advisory: Weaknesses Identified in the Office of the Secretary of Transportation's Acquisition Function" (June 24, 2010). Management advisories issued during our ongoing audits serve as an early warning to the DOT agency so officials can take corrective actions.

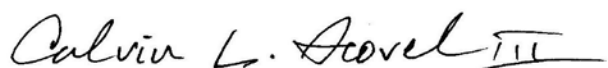
Our closed, non-public investigations for the same period are presented in the enclosure to this letter. We can provide additional information about any of the closed investigations listed upon request.

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<sup>1</sup> We responded to this request on June 18, 2010.

Thank you again for your inquiry and interest. If you have any questions or need further information, please contact me at (202) 366-1959 or Nathan Richmond, Director and Counsel for Congressional and External Affairs, at (202) 493-0422.

Sincerely,

A handwritten signature in black ink that reads "Calvin L. Scovel III". The signature is written in a cursive style with a prominent "C" and "S".

Calvin L. Scovel III  
Inspector General

Enclosure

## DOT/OIG Closed Investigations, Non-Public

During the period May 1 through September 30, 2010, we closed<sup>2</sup> 13 investigations that resulted in administrative action and 49 investigations that were unsubstantiated and/or declined for prosecution and for which no other action was taken (i.e., administrative or civil).<sup>3</sup> Please see the two tables below for further details.

ADMINISTRATIVE		
Aviation	Certificate Fraud, Airmen	2
Employee	Bribery/Gratuities (Employee Conduct)	1
Employee	Ethics Violation (Misconduct)	3
Grant	Anti-Trust, Bid Rigging/Collusion	1
Grant	False Statements/Certifications/Claims	1
Grant	Public Corruption/Extortion	3
Hazmat	Pipelines	1
Hazmat	PHMSA Cylinders and Packaging	1
<b>TOTAL</b>		<b>13</b>

UNSUBSTANTIATED		
Aviation	Accident Related	1
Aviation	Certificate Fraud, Airmen	1
Aviation	Certificate Fraud, Mechanic	1
Aviation	Certificate Fraud, Medical	2
Aviation	S.U.P. Parts-Manufacturing	1
Aviation	S.U.P. Parts-Maintenance	1
Employee	Conflict of Interest (Public Corruption, Current Employee)	1
Employee	Ethics Violation (Misconduct)	2
Employee	Travel Voucher Fraud	2
Grant	Anti-Trust, Bid Rigging/Collusion	3
Grant	DBE/MBE/WBE Fraud	3
Grant	False Statements/Certifications/Claims	14
Grant	Public Corruption/Extortion	3
Hazmat	Carriage by Air	1
Motor Carrier	Broker, Freight Forwarder, Carrier Registration	1
Motor Carrier	CDL	2
Motor Carrier	Driver Qualification	1
Intrusion	Unauthorized Computer Access	1
Procurement	False Statements/Certifications/Claims	4
Procurement	Public Corruption/Extortion	2
Other	Other (C.A.R.S.)	1
Other	Theft of DOT Funds or Property	1
<b>TOTAL</b>		<b>49</b>

<sup>2</sup> This does not include investigations that were reopened.

<sup>3</sup> In addition, during the period requested, we closed 18 criminal, civil, and Office of Special Counsel Whistleblower investigations, which as a general rule are publicly disclosed.