

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Initiated of FAA's

Date: July 9, 2008

Oversight of Denver International

Airport Revenues

For Distan

Federal Aviation Administration Project Number 08A3007A000

From: Lou E. Dixon

Reply to Attn. of: JA-10

Assistant Inspector General

for Aviation and Special Program Audits

To: Assistant Administrator for Financial Services and Chief Financial Officer

The Office of Inspector General plans to review the Denver International Airport's use of airport revenues. Airports nationwide continue to face challenges in complying with Airport Improvement Program grant assurances regarding the use of airport revenues. Prior reviews by our office and the Federal Aviation Administration (FAA) have identified hundreds of millions of dollars in diverted airport revenues. These revenues should have been used for the capital or operating cost of airports but were used for non-airport purposes.

Our audit objective is to determine whether FAA's oversight ensures that the Denver International Airport is using revenues only for airport purposes and is as self-sustaining as possible.

We will conduct the audit at FAA's Headquarters and Northwest-Mountain Region, the Denver Airports District Offices, and the Denver International Airport. We plan to start the audit next week and will contact your audit liaison to schedule an entrance conference.

If you have any questions or require additional information, please contact Scott Macey, Program Director, at (415) 744-0434.

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cc: FAA Acting Administrator Associate Administrator for Airports Anthony Williams, ABU-100 Martin Gertel, M-1