



U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Memorandum

Subject: INFORMATION: Audit Announcement—Review
of Federal Transit Administration's Procedures to
Prevent Antideficiency Act Violations
Project No. 05F3027F000

Date: February 8, 2006

From: Rebecca Leng 
Assistant Inspector General for Information
Technology and Computer Security

Reply to
Attn of: JA-20

To: Deputy Administrator
Federal Transit Administration

At the request of the House Appropriations Committee, we plan to review the Federal Transit Administration's (FTA) budgetary accounting procedures. Our objective is to determine whether FTA has implemented sufficient accounting procedures and internal controls to prevent the reoccurrence of Antideficiency Act violations.

In February 2002, the Office of Inspector General reported that FTA used inappropriate procedures for adjusting obligations on projects that resulted in a negative obligation balance of \$77 million. In June 2003, the Department of Transportation reported that FTA had violated the Antideficiency Act. The report noted that FTA had modified its accounting procedures and taken steps to ensure that similar violations would not occur in the future.

We plan to start this audit immediately. We will contact your audit liaison to schedule an entrance conference to discuss the planned audit. The Program Director for the project is Earl Hedges and the Project Manager is Mark Rielly. For any additional information, please call me at (202) 366-1496 or Earl Hedges at (410) 962-3612.

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cc: Assistant Secretary for Budget and Programs/Chief Financial Officer
Associate Administrator for Budget and Policy, FTA
FTA Audit Liaison, TBP-30
OST Audit Liaison, M-1