

Memorandum



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation


Office of Inspector General

Subject: **INFORMATION:** Notification of Audit of
Federal Highway Administration Oversight of
Assistance Agreements at the Turner-Fairbank
Highway Research Center
Project Number: 07M3002M000

Date: June 12, 2007

Reply to JA-40
Attn. of:

From:

Kurt W. Hyde 
Assistant Inspector General
for Surface and Maritime Programs

To: Associate Administrator for Research,
Development, and Technology

The Office of Inspector General is initiating an audit of assistance agreements issued by the Turner-Fairbank Highway Research Center (the Center). The Federal Highway Administration's (FHWA) Office of Research, Development, and Technology at the Center conducts highway research for FHWA, other operating administrations in the U.S. Department of Transportation, Federal agencies, state and local governments, academia, and the private sector. The Center's research, development, and technology activities are either carried out on-site by Center staff and contractor personnel or assigned to off-site organizations. Our analysis of FHWA assistance agreement data indicates that, as of January 2007, the Center had 39 active assistance agreements valued at approximately \$307 million.

Our audit objective is to evaluate FHWA's internal controls and management practices to minimize fraud, waste and abuse when the Center's research activities are executed using assistance agreements. Specifically, we will assess whether the FHWA has maintained an appropriate system of internal control over assistance

agreements including the oversight of ongoing agreements and whether the government's interests are effectively protected.

Our audit work will be conducted at FHWA Headquarters, the Center in McLean, Virginia, and other sites to be determined during audit survey. We plan to begin the audit in June 2007 and will contact your audit liaison to schedule a formal entrance conference. If you have any questions or require additional information, please contact me at (202) 366-5630 or Joe Marchowsky, Program Director, at (202) 366-1515.

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cc: OST Audit Liaison, M-1
FHWA Audit Liaison, HAIM-13