



# Memorandum


**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General

Subject: INFORMATION: Notification of Review of  
Air Carrier Compensation Payments  
Project No. 02C3001C000

Date: October 24, 2001

From: Mark R. Dayton   
Deputy Assistant Inspector General for  
Competition, Economic, Rail, and Special Programs

Reply To JA-50

Attn Of:

To Assistant Secretary for Aviation and International Affairs

The Office of Inspector General has initiated its review of the Department's Air Carrier Compensation Payment program. The Air Transportation Safety and System Stabilization Act (Act) authorized the payment of funds to compensate air carriers for losses resulting from the September 11, 2001 terrorist attacks. Our objectives will be to review the Department's procedures and processes to implement the Act's compensation payment provisions including ensuring consistency in application and analysis as well as evaluating the reasonableness of the air carriers' compensation claims through testing of source documents.

Our goal is to be proactive in reviewing the payments during the program. Due to the urgency of this program, we began our evaluation prior to this notification. We did discuss our planned efforts with members of your staff and the Department's Office of General Counsel on September 26, 2001.

If you have any questions or require additional information, please contact me at (202) 366-9970, or Michael Goldstein, Program Director, at (212) 264-8701.

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cc: OST Audit Liaison, M-1  
Assistant General Counsel for Environmental, Civil Rights,  
and General Law, C-10  
Director, Bureau of Transportation Statistics, K-1