

Spotlight

Department of Homeland Security



Office of Inspector General

July 2012 OIG-12-105

Why This Matters

The American Recovery and Reinvestment Act (Recovery Act) appropriated \$1 billion to the Transportation Security Administration (TSA) for buying and installing baggage and passenger screening equipment at airports. This is one of a series of audits that we are performing to help ensure that Recovery Act funds were used for authorized purposes.

The objective of this audit was to determine whether costs invoiced by the City of Phoenix for an airport modification project were allowable, allocable, and reasonable.

DHS Response

TSA agreed to resolve the questioned cost and to verify that the City of Phoenix complied with the buy American Act.

Costs Invoiced by the City of Phoenix for Checked Baggage Screening Projects at Phoenix Sky Harbor International Airport

What We Determined

TSA agreed to fund up to \$26,588,898 of modifications to Sky Harbor International Airport to accommodate the installation of new baggage screening equipment. We concluded that costs of \$8,844,377 invoiced for construction and construction-related activities were questionable for reimbursement because they were not allowable under the terms of the funding agreement (\$3,994,119) or were not properly supported (\$4,850,258). In addition, we determined that the City of Phoenix complied with the requirements for submitting quarterly reports to the Federal Government and for paying prevailing wages, but could not support that it complied with the requirement for using goods manufactured in America in the construction of the project.

What We Recommend

TSA resolve the questioned costs of \$8,844,377 and verify that the City of Phoenix complied with the buy American Act.

For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at DHS-OIG.OfficePublicAffairs@dhs.gov