




Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Announcement –
FHWA’s Oversight of Recovery Act Project
Closeouts
Federal Highway Administration
Project Number 13U3002M000

Date: July 2, 2013

From: Joseph W. Comé 
Assistant Inspector General for
Highway and Transit Audits

Reply to
Attn. of: JA-40

To: Federal Highway Administrator

The Federal Highway Administration (FHWA) reported that, as of May 3, 2013, States had spent about 97 percent of the \$26 billion in highway infrastructure investment grant funds appropriated by the American Recovery and Reinvestment Act of 2009 (ARRA) and completed over 11,000 projects. Prompt closeout of completed ARRA projects allows FHWA to release unused funds for use on other projects. According to FHWA, project closeout should occur after States complete all applicable project activities, accept the project as complete, and make a final payment to the contractor. Project closeout is also a critical step toward a final accounting of the States’ use of all Federal-aid highway funds, including those from ARRA.

Our audit objectives will be to determine whether (1) FHWA performs adequate oversight to ensure timely closeouts of completed ARRA highway projects, and (2) lessons learned from closing out ARRA highway projects can be used to improve closeouts of non-ARRA Federal-aid highway projects. We plan to initiate this audit this month and will contact your audit liaison to schedule an entrance conference. If I can answer any questions or be of further assistance, please contact me at (202) 366-5630 or David Pouliott, Program Director, at (202) 366-1844.

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