




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

Memorandum

Subject: INFORMATION: Audit Announcement —
Federal Highway Administration's
Full Oversight Activities During
ARRA Construction
Project Number 11U3008M000

Date: May 17, 2011

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

Reply to JA-40
Attn. of:

To: Federal Highway Administrator

The Federal Highway Administration (FHWA) has increased its oversight of the American Recovery and Reinvestment Act of 2009 (ARRA) funds by undertaking “full oversight” of a number of ARRA projects. By undertaking full oversight, FHWA retains project level approval responsibilities regarding project design, plans, specifications, and estimates and contract awards and inspections—responsibilities typically delegated to the states in accordance with Stewardship and Oversight Agreements. Accordingly, our objectives are to (1) assess FHWA’s guidance for conducting full oversight during project construction and (2) determine whether FHWA's implementation of its full oversight guidance results in ARRA projects meeting quality and cost requirements.

We will conduct the audit at FHWA Headquarters, Field Services Offices, and Division Offices as well as state departments of transportation and project management offices. We plan to begin this audit immediately, 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.

#

cc: Audit Liaison, FHWA
Audit Liaison, OST