



U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

Office of Inspector General

# Memorandum

Subject: INFORMATION: Audit Announcement—  
Audit of Implementation of the Department of  
Transportation's Suspension and Debarment Policies  
and Procedures  
Project No. 07F3010F000

Date: September 27, 2007

From: Mark H. Zabarsky   
Deputy Assistant Inspector General  
for Financial Management Audits

Reply to JA-20  
Attn of:

To: Senior Procurement Executive

The Office of Inspector General plans to conduct an audit of the Department's suspension and debarment process. DOT and its partners (such as grantees) have a responsibility to ascertain whether the individuals or companies with whom it does business are eligible to participate in federally assisted programs and procurements. In FY 2006, DOT obligated about \$55 billion for grants, cooperative agreements, and direct procurement.

The Federal Acquisition Regulation and the Code of Federal Regulations authorize an agency to suspend or debar individuals or companies from doing business with the Federal Government and recipients of federal funds for the commission of any offense indicating a lack of business integrity or honesty. It is very important that DOT have effective procedures in place since suspensions and debarments are used to protect the government against contractors and individuals lacking integrity.

The objectives of the audit are to determine whether: (1) the Department's suspension and debarment policies and procedures are adequate to ensure that fraudulent or unethical individuals or companies are excluded from contracts, grants, and cooperative agreements; and (2) operating administrations are effectively implementing the Department's suspension and debarment policies and procedures.

The audit will be conducted at selected Operating Administrations within the Department. We will contact your audit liaison to schedule an entrance conference. If you have any questions or require additional information concerning this audit, please call me at (202) 366-2001 or Ken Prather, Program Director, at (202) 366-2985.

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cc: Assistant Secretary for Administration  
Assistant Secretary for Budget and Programs/Chief  
Financial Officer  
Procurement Council Members  
Operating Administration Debarring Officials  
Martin Gertel, M-1