



### Why This Matters

The *American Recovery and Reinvestment Act* (Recovery Act) appropriated \$1 billion to the Transportation Security Administration 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 funds invoiced by San Jose for a project to modify the airport to accommodate new baggage screening equipment were allowable, allocable, and reasonable.

### DHS Response

The Transportation Security Administration concurred with the two recommendations and said that it would work with the San Jose to recoup the \$254,092 in questioned costs and to obtain certifications from vendors and subcontractors regarding buy American compliance.

### For Further Information:

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

## Costs Invoiced by San Jose for a Checked Baggage Screening Project at the Norman Y. Mineta San Jose International Airport

### What We Determined

We determined that costs of \$14,133,090 invoiced by San Jose under the agreement were allowable, allocable, and reasonable, and that San Jose complied with the requirements for submitting quarterly reports to the Federal government and for paying prevailing wages to contractor employees. In addition, we:

- (1) identified \$254,092 of owner-controlled insurance program costs that were questionable for Transportation Security Administration reimbursement because they were not adequately supported by the accounting records and
- (2) determined that the San Jose could not provide adequate support that it complied with the requirement for buying goods manufactured in America.

### What We Recommend

Transportation Security Administration's Contracting Officer:

- 1) Resolve the \$254,092 of unsupported owner-controlled insurance program costs.
- 2) Review the iron, steel, and manufactured goods used in the Checked Baggage Inspection System project to determine whether the San Jose complied with applicable "buy American" requirements.