




Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
Phase 2 Assessment: FTA’s Hurricane Sandy
Grant Award and Oversight Processes
Federal Transit Administration
Project No. 14H3001M000

Date: January 16, 2014

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

Reply to
Attn. of: JA-40

To: Federal Transit Administrator

The Disaster Relief Appropriations Act of 2013¹ (DRAA) provided over \$10 billion to the Federal Transit Administration’s (FTA) Public Transportation Emergency Relief Program (Emergency Relief Program) for Hurricane Sandy relief. To date, FTA has awarded grants for about \$577 million of those funds to transit agencies, including the New York Metropolitan Transportation Authority and New Jersey Transit. In addition, FTA recently announced the availability of \$3 billion to be competitively awarded for resilience projects intended to protect transit assets from future disasters in the areas impacted by Hurricane Sandy. Transit agencies in the affected areas may also receive funds from the Federal Emergency Management Agency (FEMA) and insurance companies to cover Sandy-related expenses.

DRAA directed our office to provide oversight of FTA’s Hurricane Sandy relief funds. To comply with DRAA, we initiated a series of audits using a three-phase strategy.² On December 3, 2013, we issued our Phase 1 assessment of FTA’s efforts to meet DRAA’s requirements and implement the new Emergency Relief Program.³ In this Phase 2 audit, our objectives are to: (1) determine if FTA has fully implemented the processes it established to award and oversee projects receiving

¹ Pub. L. No. 113-2 (2013).

² OIG Announcement, *Audit Initiated of DOT’s Oversight of Hurricane Sandy Relief Funds*, March 7, 2013. All OIG products are available on our Web site, www.oig.dot.gov.

³ OIG Report Number MH-2014-008, *Initial Assessment of FTA’s Oversight of the Emergency Relief Program and Hurricane Sandy Relief Funds*, December 3, 2013.

Hurricane Sandy funds, (2) determine whether effective controls are in place to prevent duplicate payments from FEMA and insurance companies, and (3) identify any issues that may have an impact on timely obligation and expenditure of FTA's Hurricane Sandy funds.

We plan to begin this audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FTA Headquarters; FTA Region II in New York, NY; and other related sites as needed. If you have any questions concerning our review, please contact me or my Deputy, Thomas Yatsco, at (202) 366-5630.

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cc: FTA Audit Liaison, TBP-10
DOT Audit Liaison, M-1