



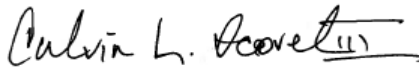
Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
Department of Transportation’s Oversight of
Hurricane Sandy Relief Funds
Project Number 13H3001M000

Date: March 7, 2013

From: Calvin L. Scovel III 
Inspector General

Reply to
Attn. of: J-1

To: Deputy Secretary
Federal Transit Administrator

In October 2012, Hurricane Sandy caused widespread damage in the mid-Atlantic and the northeastern United States, particularly to the area’s transportation infrastructure. Transit agencies, especially in New York and New Jersey, experienced substantial damage to their infrastructure and incurred significant costs to restore operational service after the storm. The Disaster Relief Appropriations Act of 2013¹ (DRAA) designated more than \$13 billion for infrastructure investments across several modes of transportation—including almost \$11 billion to fund the Federal Transit Administration’s (FTA) new Public Transportation Emergency Relief Program (Emergency Relief Program), which was established by the Moving Ahead for Progress in the 21st Century Act.² The DRAA also provided funds to our office to support oversight of FTA’s Sandy relief funding under its Emergency Relief Program.

To comply with the DRAA, we are initiating a series of audits using a three-phase strategy: Phase 1 will be a proactive scan of risks and challenges associated with FTA’s Emergency Relief Program for Sandy relief; Phase 2 will be an evaluation of how the Department has executed Sandy relief awards and addressed the risks identified in Phase 1; and Phase 3 will be a series of Sandy relief post-award and oversight audits based upon significant risks that emerged during Phases 1 and 2.

Our audits will assess vulnerabilities and risks that could impede the Department’s ability to meet the requirements in DRAA and provide effective oversight of Federal

¹ Pub. L. No. 113-2 (2013).

² Pub. L. No. 112-141 (2012) (codified at 49 U.S.C. §5324 (2012)).

funds allocated for the Sandy relief effort. Specifically, the objective for the Phase 1 scan is to provide an early assessment of FTA's readiness, processes, and procedures to meet DRAA's legislative and regulatory requirements, including FTA's planning efforts to implement its new Emergency Relief Program. We will develop specific audit objectives for the second and third review phases as our work progresses.

We plan to begin the first phase immediately and will contact your audit liaisons to schedule an entrance conference and explain our approach in further detail. We will conduct our work at FTA Headquarters; FTA Region II in New York, New York; and other related sites as needed. If you have any questions concerning our review, please contact me at x61959 or Thomas Yatsco, Deputy Assistant Inspector General for Highway and Transit Audits, at x65630.

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