

United States Senate

WASHINGTON, DC 20510

October 6, 2010

Via Electronic Transmission

The Honorable Raymond LaHood
Secretary
U.S. Department of Transportation
West Building
1200 New Jersey Avenue, SE, 9th Floor
Washington, DC 20590

Dear Secretary LaHood:

As Ranking Members of the Senate Committee on Finance, and the Senate Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations, we sent a letter on April 8, 2010, to 69 Inspectors General, asking among other things, about any agency interference or resistance to the OIG's oversight work.

The OIGs replied, indicating varying degrees of cooperation with their agencies. We were disappointed to learn that Department of Transportation is among those that have not fully cooperated with the OIG. A copy of the Inspector General's letter is attached for your reference. The Inspector General reported the following problems:

- The Federal Aviation Administration's Office of Airports resisted in providing access to its candidate list of airport projects being considered for American Recovery and Reinvestment Act grants. Their rationale for not providing the list was that the Agency did not want to face potential second-guessing from Congress and other interested parties, regarding candidates that were not selected for recovery funding. Following several discussions between the Assistant Inspector General for Aviation and Special Program Audits and high-level Agency officials, emphasizing the OIG's authority under the Inspector General Act, requiring all documents related to an Agency's decision-making, they eventually provided the information.
- The Department's Office of the Chief Information Officer (OCIO) altered a key question on the OIG's Federal Information Security Management Act (FISMA) data call, which resulted in the OCIO and the Operating Administrations not providing the required information. The Assistant Inspector General for Financial and Information Technology Audits now had to meet several times with Department representatives to coordinate the preparation and receipt of the necessary data. This situation delayed the process by approximately a month, making it difficult to meet the mandated

deadline set by the Office of Management and Budget for FISMA results.
There was no explanation provided as to why the data was altered.

It is especially troubling that an agency within your department sought to conceal information for expressly for the purpose of preventing the Inspector General from reporting the information Congress. In light of these problems, we have the following questions:

- 1) Prior to this letter, were you aware of these examples of interference with the OIG's oversight function?
- 2) If so, when and how did you become aware of these issues and what steps have you taken to correct the problems?
- 3) If not, what steps do you intend to take to correct the problems?

Thank you for your cooperation and attention to this important matter. Please provide the request set forth in this letter no later than October 20, 2010. Should there be any questions, please contact Jason Foster on Senator Grassley's staff at (202) 224-4515, or Keith Ashdown on Senator Coburn's staff at (202) 224-3721. All formal correspondence should be sent electronically in PDF format to Brian_Downey@finance-rep.senate.gov or via facsimile to (202) 228-2131.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on Finance



Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee

Attachment



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

The Inspector General

Office of Inspector General
Washington, DC 20590

June 18, 2010

The Honorable Charles E. Grassley
Ranking Member, Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Tom Coburn
Ranking Member, Permanent Subcommittee
on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Senators Grassley and Coburn:

Thank you for your letter of April 8, 2010, regarding your continuing efforts to support our mission to promote efficiency and effectiveness and prevent fraud, waste, and abuse in Department of Transportation (DOT) programs. As requested, we are providing information on the independence necessary to carry out our audits, evaluations, and investigations. Specifically, you requested that we:

1. list and describe any instances when the Department resisted and/or objected to oversight activities and/or restricted our access to information for the period of October 1, 2008, to the present;
2. provide a biannual report on all closed investigations, evaluations, and audits conducted by our office that were not disclosed to the public from January 1, 2009, through April 30, 2010;
3. report whether any Federal official has threatened and/or otherwise attempted to impede our ability to communicate with Congress and whether that communication concerns the budget or any other matter; and
4. provide a copy of the recommendations that have not been fully implemented, which we also provided to the Ranking Member of the House Committee on Oversight and Government Reform.

The information you requested is listed below:

CC-2010-051

(1) “Instances when the Department resisted and/or objected to oversight activities and/or restricted access to information:”

In general, the Department is very responsive to our requests for information. However, in a few instances, we experienced minor difficulties obtaining needed information. Specifically:

- In February 2009, the Federal Aviation Administration’s (FAA’s) Office of Airports initially resisted providing, but ultimately did allow, access to its lengthy candidate list of airport projects being considered for American Recovery and Reinvestment Act grants. FAA’s rationale for not providing the list was that the Agency did not want to face potential second-guessing from Congress and other interested parties over those candidates that ultimately might not be selected for recovery funding. FAA provided the information on May 13, 2009, after the Assistant Inspector General for Aviation and Special Program Audits held several discussions with a high-level Agency official and emphasized the Office of Inspector General’s authority under the Inspector General Act to receive all documents related to an Agency’s decision-making.
- In September 2009, the Department’s Office of the Chief Information Officer (OCIO) altered a key question on our Federal Information Security Management Act (FISMA) data call. As a result, the OCIO and the Operating Administrations did not provide the required information. To coordinate the preparation and receipt of the necessary data, the Assistant Inspector General for Financial and Information Technology Audits met several times with Department representatives. However, this situation delayed the process by almost a month, which made it difficult to meet the November 18, 2009, deadline mandated by the Office of Management and Budget for FISMA results. Ultimately, we met the deadline, and the Deputy CIO accepted responsibility for what happened, but we were unable to ascertain the OCIO’s reasons for altering our data request. Subsequently, the new Department CIO, who was not involved in this matter, assured us that this would not happen again.

(2) “Biannual report on all closed investigations, evaluations, and audits conducted that were not disclosed to the public:”

- The first enclosure to this letter summarizes our closed, non-public investigations for the period January 1, 2009, through April 30, 2010. We can provide additional information about any of the closed investigations listed, as requested.
- If, during the course of our audit work, we identify areas requiring immediate attention, we will issue a Management Advisory to the audited DOT agency before publicly issuing a full report. These advisories serve as an early warning to Department officials so that they can take corrective actions in a timely manner.

During the period of January 1, 2009, through April 30, 2010, we issued three Management Advisories that were not disclosed to the public, which are listed below:

- July 28, 2009, Management Advisory to the Pipeline and Hazardous Materials Safety Administration, *Immediate Action Needed To Prevent Unsafe Packaging and Transport of Explosives Under Special Permit Numbers 8554, 11579, and 12677.*
- July 28, 2009, Management Advisory to FAA, *FAA's Contract for the Automatic Dependent Surveillance-Broadcast Program.*
- April 7, 2010, Management Advisory to the Pipeline and Hazardous Materials Safety Administration, *Weaknesses in Safety Oversight of Explosives Classified Approvals.*

(3) "Instances of Federal officials threatening and/or otherwise attempting to impede our office's ability to communicate with Congress, whether that communication concerns the budget or any other matters:"

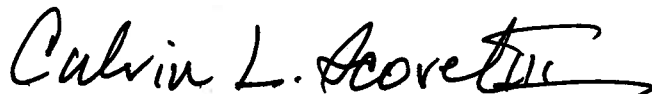
We have no instances to report regarding any threats or attempted obstruction in our ability to communicate with Congress on the budget or other matters.

(4) "Outstanding recommendations that have not been fully implemented:"

The second enclosure to this letter lists the number of open recommendations and their associated cost savings estimates, our top three open recommendations, and the number of recommendations implemented since January 5, 2009. We provided this list to the Ranking Minority Member of the Committee on Oversight and Government Reform on April 23, 2010.

Thank you again for your inquiry and for your continuing efforts to ensure our office has the necessary means to provide effective oversight. If you have any questions or need further information, please contact me at (202) 366-1959 or Nathan Richmond, Director and Counsel for Congressional and External Affairs, at (202) 493-0422.

Sincerely,



Calvin L. Scovel III
Inspector General

Enclosures