



Memorandum

U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement -
Management of the Metropolitan Washington
Airports Authority
Department of Transportation
Project No. 11A300XA000

Date: June 21, 2011

From: Calvin L. Scovel III *C. L. Scovel III*
Inspector General

Reply to
Attn. of: JA-10

To: Deputy Secretary

In 1986, Congress passed a law¹ that authorized the transfer of the federally owned Washington Dulles International and Washington National Airports to the independent Metropolitan Washington Airports Authority (MWAA) under a long-term lease with the Department of Transportation (DOT). MWAA is governed by a 13-member Board² and has broad management authority over the airports, access highways, and other related facilities. In 2006, MWAA also became the sponsor for the Dulles Corridor Metrorail Project, which will be built in part on DOT-owned land. Phase 1 of this high-profile commuter rail project has a \$3 billion budget, of which \$975 million is a DOT investment.³ Our office is currently completing an audit⁴ of the Federal oversight of Phase 1; however, recent decisions by the MWAA Board regarding the project have generated significant attention.

At the request of Representatives Frank R. Wolf and Tom Latham, we are initiating a review of MWAA's management policies and processes. In their request, Congressmen Wolf and Latham stressed that the accountability and transparency of MWAA and its Board are important to ensure the success of the Dulles Corridor Metrorail Project. Accordingly, we plan to determine whether: (1) the policies and processes under which MWAA operates comply with the terms of the law and the

¹ P.L. 99-500 (1986). Previously, the airports were operated by the Federal Aviation Administration (FAA).

² Board members are appointed either by the President of the United States, the Governors of Virginia and Maryland, or the Mayor of Washington, DC. They serve 6-year terms without compensation and establish MWAA policy.

³ This funding was provided through Federal Transit Administration (FTA) programs, and includes \$77.3 million in American Recovery and Reinvestment Act funds.

⁴ Announcement Memo 10U3006M000. "Audit Initiated of FTA's Oversight of the Dulles Corridor Metrorail Project," November 19, 2009. Reports and memos are available on our Web site at <http://www.oig.dot.gov>.

lease between DOT and MWAA, and (2) MWAA's policies and processes are sufficient to ensure accountability and transparency of its Board's activities.

We plan to begin the audit the week of June 27, 2011, and will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact me at x61959, or Jeffrey B. Guzzetti, Assistant Inspector General for Aviation and Special Program Audits, at x60500.

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cc: Martin Gertel, M-1
OST Chief of Staff
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