



Homeland Security

February 3, 2005

MEMORANDUM FOR: Patricia Arcuri
Acting Regional Director, Region III

FROM: *for* Gary J. Barard *D. David Kimble*
Field Office Director

SUBJECT: Southeastern Pennsylvania Transportation Authority
FEMA Disaster No. 1383-DR-PA
Audit Report No. DA-11-05

The Office of Inspector General (OIG) audited public assistance funds awarded to the Southeastern Pennsylvania Transportation Authority, Philadelphia, Pennsylvania. The objective of the audit was to determine whether the Authority accounted for and expended FEMA funds according to federal regulations and FEMA guidelines.

The Authority received an award of \$5.8 million from the Pennsylvania Emergency Management Agency, a FEMA grantee, to provide emergency transportation and restore railroad tracks and bridges damaged as a result of Tropical Storm Allison in June 2001. The awarded provided 75 percent FEMA funding for six large projects and one small project¹. The OIG limited the audit to the \$5,707,938 awarded and claimed under the 6 large projects.

The audit covered the period June 2001 to June 2004. During this period, the Authority received \$4,280,954 of FEMA funds under the 6 large projects.

The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. The audit included tests of the Authority's accounting records, a judgmental sample of expenditures, and other auditing procedures consider necessary under the circumstances.

The OIG determined that the Authority accounted for and used FEMA funds according to federal regulations and FEMA guidelines. On January 28, 2005, Authority officials were informed of the audit results. Since this report contains no recommendations, a response is not required.

Should you have any questions concerning this report, please contract David Kimble or me at (770) 220-5242.

¹ According to FEMA regulations, a large project costs \$50,600 or more and a small project costs less than \$50,600.