



Report In Brief

U.S. Department of Commerce Office of Inspector General

November 10, 2011



Why We Did This Review

The Implementing Recommendations of the 9/11 Commission Act of 2007 require the Department of Commerce Office of Inspector General (OIG) to annually assess the National Telecommunications and Information Administration's (NTIA's) management of the Public Safety Interoperable Communications (PSIC) grant program and to transmit findings to the House Committee on Energy and Commerce and the Senate Committee on Commerce, Science and Transportation.

Background

The Digital Television Transition and Public Safety Act of 2005 (the Act) authorized NTIA—in consultation with the Department of Homeland Security (DHS)—to implement the PSIC program, a \$1 billion, one-time, formula-based matching grant program intended to enable public safety agencies to establish interoperable emergency communications systems using reallocated radio spectrum. NTIA awarded PSIC grants to all states and 5 territories and the District of Columbia ranging from \$692,000 to \$94.0 million and averaging \$17.3 million. The goals of the PSIC program are to (1) achieve meaningful and measurable improvements in public safety and (2) fill interoperability gaps identified in statewide plans.

DHS, in cooperation with NTIA, provides grants management services for the PSIC program; the Federal Emergency Management Agency (FEMA) handles the DHS responsibilities. PSIC program funding has been extended until expended—but not beyond September 30, 2012.

Third Annual Assessment of the Public Safety Interoperable Communications Grant Program: NTIA and FEMA Need to Improve Oversight of PSIC Grants (OIG-12-008-A)

What We Found

We found that NTIA and FEMA need to improve their grantee monitoring. Neither NTIA nor FEMA adequately monitored and addressed:

- *PSIC equipment purchases and operating capability.* Even though approximately 90 percent of the PSIC program will fund the purchase and deployment of equipment, we found no evidence that NTIA or FEMA had procedures in place to specifically monitor whether equipment purchased with PSIC funds is appropriate, has been tested, operates as planned, and improves communication interoperability.
- *Matching share issues.* A review of December 2009–June 2011 financial reports indicated that not all grantees were providing matching shares at the same rate as their federal expenditures.
- *Progress towards meeting program goals.* At the time of our audit, NTIA and FEMA did not have documented plans to track (through onsite or office-based monitoring) the achievement of milestones and project goals for grantees.

We also found that certain grantees with low drawdowns may be at risk of not completing their projects by September 30, 2012.

NTIA and FEMA also intended to evaluate the success of the PSIC program by having grantees provide evidence of improvements in interoperability at the completion of (rather than during) each grant period. In this scenario, however, issues discovered after grant funds have been expended will be difficult to correct, decreasing the likelihood of the program's success.

What We Recommended

We recommend that the Assistant Secretary for Communications and Information, in coordination with the Assistant Administrator, FEMA Grants Program Directorate:

1. Implement a plan that provides for the active monitoring of equipment and its operational capability.
2. Develop a formal document for grantees that reconciles all existing guidance on proportionality and emphasize close monitoring to ensure that matching share requirements will be met.
3. Actively monitor and document grantee progress towards achieving program goals, including the achievement of updated milestones for grantees that requested an extension until September 2012
4. Provide evidence to the OIG quarterly that those grantees with less than 50 percent drawdowns as of September 30, 2011, are being actively monitored through closeout.