June 21, 2011

MEMORANDUM FOR: Lawrence E. Strickling
Assistant Secretary for Communications
and Information

FROM: Ann C. Eilers
Principal Assistant Inspector General for Audit and Evaluation

SUBJECT: Audit of Public Safety Interoperable Communication
Grant Program Costs and Equipment

We are initiating additional audits of selected states and territories awarded grants under the
National Telecommunications and Information Agency’s (NTIA’s) Public Safety Interoperable
Communications (PSIC) program. As you know, the Implementing Recommendations of the
9/11 Commission Act of 2007 requires the Commerce Inspector General to conduct financial
audits, over 4 years, of a representative sample of at least 25 states or territories receiving PSIC
grants. Since 2007, the OIG has completed audits of nine PSIC grantees. Previous audits
uncovered issues related to insufficient or unallowable matching shares, excessive cash
drawdowns, unallowable cost claims, and inadequate subrecipient monitoring practices.

We will determine whether (1) costs incurred by grantees receiving PSIC funds from the
Department of Commerce are allowable and in accordance with grant requirements; (2) grantees
are meeting matching share requirements; (3) equipment acquired by the grantees has been tested
and certified prior to deployment, operates effectively, and improves interoperability in the state;
and (4) grantees are on schedule to complete interoperable communications investments by

We will inform the audit liaison of our arrangements for entrance conferences, and will conduct
our audit work at state offices, NTIA, and DHS. We will also contact individual state auditors as
necessary. If you have any questions, please call me at (202) 482-2754, or Andrew Katsaros,
Assistant Inspector General for Audit, at (202) 482-7859.

cc: Milton Brown, NTIA Audit Liaison
Kathy Smith, NTIA Chief Counsel
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