



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, D.C. 20230

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 September 30, 2011 or with an approved extension, by September 30, 2012.

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.

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