



Testimony of

Ann C. Eilers
Principal Assistant Inspector General
For Audit and Evaluation

U.S. Department of Commerce

before the

House Energy and Commerce Committee
Subcommittee on Communications and Technology

Is the Broadband Stimulus Working?

February 27, 2013

Chairman Walden, Ranking Member Eshoo, and Members of the Subcommittee:

I appreciate the opportunity to testify today about our continued oversight of the Broadband Technology Opportunities Program (BTOP), as well as the challenges the National Telecommunications and Information Administration (NTIA) faces in its oversight of BTOP projects as they are completed and the grant awards closed out.

The American Recovery and Reinvestment Act of 2009 (Recovery Act), passed four years ago this month, provided NTIA approximately \$4.7 billion to establish BTOP. This competitive grant program was established to provide funds for deploying broadband infrastructure in unserved and underserved areas of the United States, enhance broadband capacity at public computing centers, improve access to broadband services for public safety agencies, and promote sustainable broadband adoption. BTOP awards were made in three major areas:

- *program infrastructure (comprehensive community infrastructure, or CCI)*, to provide institutions such as schools, libraries, and medical facilities with internet connectivity, including seven grant awards, totaling approximately \$382 million, targeting 700 megahertz (MHz) interoperable public safety wireless networks;
- *public computing centers (PCCs)*, to establish new public computer facilities or upgrade existing ones to provide broadband access to the general public or specific populations such as low-income individuals, the unemployed, seniors, children, minorities, and people with disabilities; and
- *sustainable broadband adoption (SBA)*, to promote broadband Internet usage and adoption, including among specific populations traditionally underserved by this technology.

NTIA also administers the State Broadband Initiative Program that supports the twice yearly update of the National Broadband Map, a searchable map of broadband availability.

Table I provides a summary of BTOP funding with these and other categories:

Table I. BTOP Funding

Category	No. of Awards	Actual (millions)
CCI	117	\$3,348
State Broadband Initiative Program	56	278
SBA	43	250
PCC	65	199
Rescission		302
Other ^a		147
Cancelled, modified, or terminated awards		171
Total		\$4,695

Source: OIG, based on NTIA data

^a Includes transfer to OIG, transfer to Federal Communications Commission, and NTIA administrative expenses (figures have been rounded).

At the conclusion of the BTOP award process on September 30, 2010, NTIA had awarded 233 grants. As of December 31, 2012, the total number of BTOP grants decreased from 233 to 225 due to grant cancellations, modifications, and terminations, which resulted in approximately \$171 million returned to the U.S. Department of the Treasury. Most of the awards are in CCI projects (see table I).

The Recovery Act also established a central role for Offices of Inspector General in monitoring their agencies' use of funds to prevent fraud, waste, and abuse. To date, our oversight efforts have (1) assessed the establishment, implementation, and program operations of BTOP and (2) reviewed specific issues with some individual awards. This includes 10 published products and 44 recommendations developed to improve the administration of BTOP and monitoring of approximately \$4 billion in grant awards. We have also provided training to NTIA and grant recipients on the need for compliance with terms of the award. Our nonfederal audit review of single and program-specific audit reports has identified audit findings and questioned costs with BTOP awards. Since our testimony on May 16, 2012, to this subcommittee, we have reported on BTOP grantees' matching share, NTIA's management and oversight of its contract for BTOP administration, subrecipient monitoring, and the review of a CCI award to West Virginia.

We currently have two BTOP review engagements in process, including a review of BTOP equipment and an audit of NTIA's closeout of its awards. (Please see appendix for further details.) Further, we have established procedures to closely monitor, follow up on, and analyze trends for Hotline complaints. The Hotline, available online or by telephone, provides stakeholders with a fast and—should they wish—anonymous or confidential means to report waste, fraud, and abuse and to hold BTOP awardees and NTIA accountable for federal dollars. These represent our most immediate efforts to anticipate and address NTIA's ongoing

challenges in administering the program.

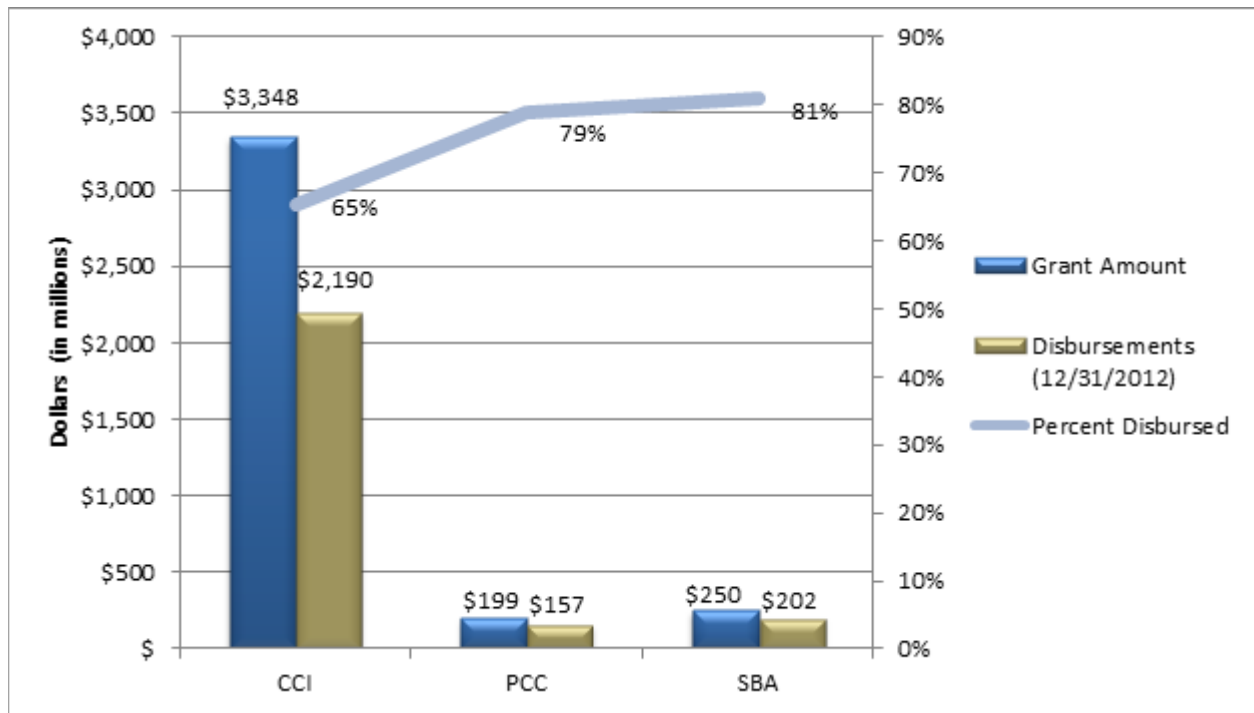
My testimony will address the following challenges that we believe NTIA faces:

1. Some BTOP projects are at risk of not being completed by September 30, 2013;
2. Additional monitoring of equipment may be needed;
3. Findings from OIG and nonfederal audits require close attention;
4. NTIA needs to address challenges associated with the First Responder Network Authority (FirstNet) program and BTOP public safety projects that were affected by its establishment; and
5. Effective oversight remains essential as awards are closed out.

I. Some BTOP Projects Are at Risk of Not Being Completed by September 30, 2013

In our May 2012 testimony, we reported that slow Recovery Act spending represented a challenge. Although overall BTOP disbursement increased from 42 percent as of April 30, 2012, to 67 percent as of December 31, 2012, 27 grants continue to lag, with reported spending at less than 50 percent of their available grant funds (see table 3 below). For all awards, more than \$1.0 billion had not been disbursed at the close of calendar year 2012. Figure 1 below provides a summary of BTOP disbursements through December 31, 2012.

Figure I. BTOP Disbursements by Project Type (as of December 31, 2012)



Source: U.S. Department of the Treasury, Automated Standard Application for Payment

The July 2009 and January 2010 notice of funds availability (NOFA) required that all BTOP grants be awarded by September 30, 2010 and projects be fully completed within 3 years of the grant issuance. Since the first BTOP grants were awarded in December 2009, the forecasted completion dates ranged from November 2012 to September 2013. However, as of February 1, 2013, extensions to complete projects had been requested for more than 35 awards—many until September 30, 2013.

Further, on September 15, 2011, the Office of Management and Budget (OMB) issued memorandum M-11-34, stating that federal agencies “should work collaboratively and transparently with recipients of discretionary Recovery Act grants to accelerate the spending rate for all awarded funds while still achieving core programmatic objectives.” M-11-34 also directs federal agencies to “establish aggressive targets, consistent with programmatic objectives, for outlaying remaining funds [and] take steps to complete Recovery Act projects by September 30, 2013.” While federal agencies were directed to “accelerate the spending rate for all awarded funds while still achieving core programmatic objectives,” M-11-34 does allow for deadline extension waivers where a project must undergo complex environmental review, the long-term nature of programs prevent acceleration, contractual commitments prevent adjusting the timeline for spending or other special circumstances exist. NTIA has informed us that it has requested such a waiver for BTOP projects.

Table 2 provides additional details on the 27 projects with spending levels at 50 percent or less as of December 31, 2012. With approximately 7 months of the 3-year grant life remaining, those projects that have spent 50 percent or less of their grants present a higher risk of not

meeting their spending deadlines.

Table 2. BTOP Grants with Spending Less Than or Equal to 50 Percent (as of December 31, 2012)

Project Type	Number of Grants	Federal Funds (millions)	Portion of Type's Total Grants
CCI	21	\$720.2	18%
SBA	4	\$15.4	9%
PCC	2	\$8.4	3%
Total	27	\$744.0	12%

Source: U.S. Department of the Treasury, Automated Standard Application for Payment

Spending delays result from multiple causes. For example, special award conditions included in CCI awards require that an environmental assessment (EA) conclude prior to the start of construction. Additionally, in its September 2012 *Quarterly Program Status Report*,¹ BTOP reported to Congress that local permitting and agreements for rights-of-way and other land easements, utility pole agreements and make-ready work, and other predeployment activities have caused implementation schedule delays for some grant awards. Also, passage of legislation that established an interoperable nationwide public safety network (discussed later) delayed seven public safety projects because assessments of the legislation's effect on their implementation became necessary.

2. Additional Monitoring of Equipment Procurement May Be Needed

With a complex grant portfolio and recipient profile, NTIA's continual monitoring of the program and technological challenges is essential to ensuring that approximately \$4 billion in federal funds are safeguarded. It is important to verify that the equipment procured under BTOP is appropriate for its intended use; complies with market standards; and has been tested for functionality and properly implemented and inventoried. In December 2012, OIG initiated an equipment review of a sample of BTOP projects. The objectives of this audit include verifying (1) whether NTIA has adequate internal controls in place to monitor equipment procurements and federal interest, (2) whether grantees have appropriately acquired, tested, and implemented the most effective equipment, and (3) whether grantees are on track to complete the projects on time and achieve program goals. As we discussed in our May 2012 testimony, our November 2011 BTOP award monitoring report provided recommendations to NTIA for improving internal controls over monitoring activities. NTIA submitted a responsive action plan to our report and took a number of corrective actions. NTIA committed to

¹ National Telecommunications and Information Administration, March 2012. *Broadband Technology Opportunities Program (BTOP) Quarterly Program Status Report*. Washington, DC: NTIA.

strengthen its procedures for following up on inconsistent performance reporting, documenting identified and resolved grant implementation issues; and strengthening site visits by verifying certain documentation (i.e., grant match). Also, NTIA committed to working closely with recipients that are at risk of not completing projects on time.

In our January 23, 2013, response to the June 4, 2012, congressional request to review the BTOP grant awarded to the Executive Office of the State of West Virginia (EOWV), OIG found several issues associated with the implementation of the award.² We concluded that EOWV:

- had not demonstrated that BTOP funds used to purchase routers were spent cost-effectively,
- had not effectively managed and tracked router inventory, and
- did not administer agreements with community anchor institutions (CAIs) for the receipt of federal property.

Specifically, EOWV did not perform a study to determine the appropriate size router that would most effectively and efficiently meet the individual CAI needs. As a result, it is uncertain whether the selected approach was the most cost-effective. Savings could have been achieved if less expensive routers had been purchased for some locations. The issues we identified with inventory and agreements for the receipt of federal property reflect concerns over the accountability of purchased assets. The West Virginia legislative auditor also reported that federal funds had been misspent on oversized routers.

3. Findings from OIG and Nonfederal Audits Require Close Attention

Our audits of cross-cutting issues affecting BTOP awards resulted in the issuance of reports containing recommendations to strengthen grant match and subrecipient monitoring.

In June of 2012, we issued a report on whether NTIA has processes in place to monitor BTOP recipient match and verify that match contributions meet federal administrative requirements. We concluded that: (1) PCC and SBA grantees do not receive the same detailed match review as CCI projects; (2) grantees permitted a contractor and a subrecipient to access cash drawdowns through the U.S. Department of the Treasury; (3) grantees did not record the grant match in the financial records; and (4) some grantees were behind schedule in contributing their nonfederal match. Steps were needed to ensure that grant match requirements were met and to guard against the unauthorized use of funds. NTIA submitted a responsive action plan to address the report's recommendations.

In January of 2013, we issued a report on the effectiveness of subrecipient monitoring for BTOP.³ We concluded that: (1) awards that had a vendor might not be properly classified, (2)

² On June 4, 2012, the Chairmen of the Subcommittee on Communications and Technology and Subcommittee on Environment and the Economy requested the review.

³ U.S. Department of Commerce, Office of Inspector General, January 2013. *Proper Classification and Strengthened Monitoring of Subrecipients Are Needed for the Broadband Technology Opportunities Program* (OIG-13-013-A).

subrecipient monitoring plans were not in place or were inadequate, (3) subrecipient agreements did not contain all required provisions, and (4) recipients were not reporting all required information into FederalReporting.gov. Effective monitoring of subrecipients is necessary to ensure that project costs are allowable, allocable, and reasonable: program goals are achieved; and that Recovery Act transparency reporting requirements are met.

We also noted other matters not directly related to subrecipient monitoring that warrant attention, including: (1) recipients might not complete projects on time, (2) recipients' financial information was not reconciled to the Recovery Act website, (3) vendors were not reviewed for suspension and debarment, (4) not all vendor contracts were competed for BTOP grants, and (5) recipients did not maintain vendor contracts.

Finally, our nonfederal audit review of single and program-specific audit reports identified questioned costs and noncompliance concerning BTOP awards.⁴ OIG also worked with NTIA to develop a program-specific audit guide for BTOP award recipients that are for-profit entities. The most common findings included noncompliance with (1) applicable policies or procedures (either not having them or not following them), (2) cost principles for allowable costs, and (3) reporting requirements (either deficient or late reports). Please see appendix for further details.

4. NTIA Needs to Address Challenges Associated with the First Responder Network Authority (FirstNet) Program and Existing BTOP Public Safety Projects That Were Affected by Its Establishment

The passage of new legislation requiring NTIA to establish an interoperable nationwide public safety broadband network (PSBN) while continuing to oversee BTOP places additional requirements on NTIA, increasing program risk. As we continue to track the establishment of FirstNet, its impact on key BTOP public safety projects should be closely monitored.

On February 22, 2012, Congress enacted the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), reallocating the D-block spectrum and \$7 billion in funding to NTIA for the establishment of PSBN. Specifically, the law requires the establishment of an independent authority within NTIA called the First Responder Network Authority (FirstNet) to (1) administer the D-block and existing public safety spectrum and (2) oversee the establishment and deployment of the PSBN.

Several BTOP projects involve networks similar to FirstNet's PSBN. As a result, our BTOP oversight helps us anticipate issues and concerns that could potentially arise with FirstNet. We have been closely following the progress of BTOP's seven existing public safety grant awards (totaling \$382 million), having already reviewed the BayWEB grant in a report issued May 2011 and a memorandum issued in January 2012. These seven large, complex infrastructure projects

Washington, D.C.: Department of Commerce OIG.

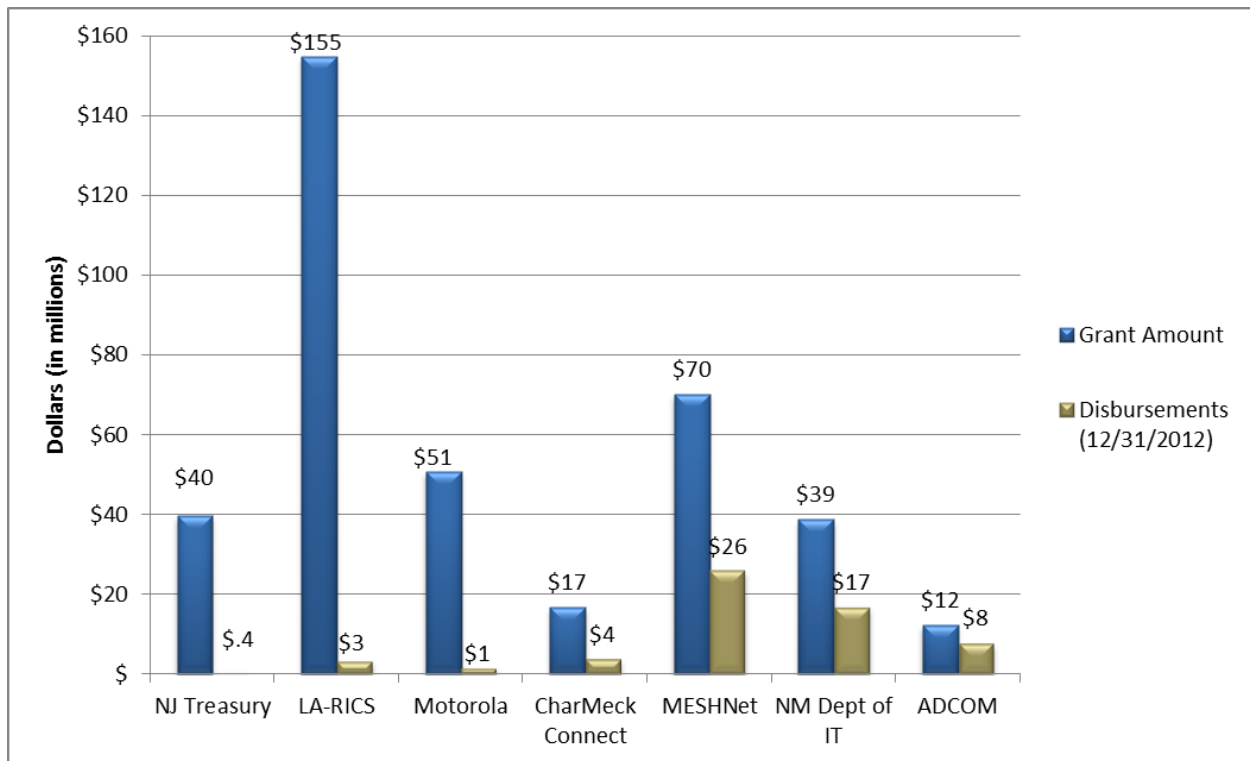
⁴ Nonfederal entities (i.e., states, local governments, tribes, colleges and universities, and nonprofit organizations) that expend \$500,000 or more in federal awards in a year are required to have these awards audited annually in accordance with OMB Circular A-133. Commercial organizations that receive federal funds from the Department are subject to award requirements as stipulated in the award document.

have faced multiple deployment challenges, resulting in slow awardees spending and a subsequent halt:

- Adams County (Colorado) Communications Center, Inc. (ADCOM)
- City of Charlotte, North Carolina (CharMeck Connect)
- Executive Office of the State of Mississippi (MESHNet)
- Los Angeles Regional Interoperable Communications System (LA-RICS)
- Motorola, Inc. (in the San Francisco Bay area)
- New Jersey Department of Treasury
- New Mexico Department of Information Technology

Causes include delays in EAs, vendor selection, design modifications, establishment of governance structure, and the partial suspension of these awards on May 11, 2012. Figure 2 depicts the federal fund amounts and the spending rates as of December 31, 2012, for these projects.

Figure 2. Disbursement of BTOP Public Safety Grant Funds



Source: U. S. Department of the Treasury, Automated Standard Application for Payment

If the suspension from NTIA is lifted, FirstNet will integrate the progress achieved by the seven public safety grantees into the PSBN.

Given the complexity and time requirements of PSBN, it has taken FirstNet several months to fully establish itself and its rules and regulations. While FirstNet hires staff to handle its day-to-day operations, it receives support from NTIA for establishment of its program guidelines. This has put additional requirements on NTIA staff, which could negatively affect oversight of BTOP.

Since its establishment, the FirstNet board has held three meetings. Per the February 12, 2013, meeting, the FirstNet board has informed the public that they have made site visits to each of the seven BTOP public safety awards and are moving forward with issuing new spectrum leases with each. Also, the board has made its recommendations to NTIA to lift its partial suspension, so that the recipients can continue their long-term evolution (LTE) network build-out.

Several challenges remain for FirstNet in the establishment of PSBN, including:

- *Integration of the seven BTOP grants into the PSBN.* Despite the FirstNet board's recommendations, NTIA has to be willing to lift the partial suspension and allow the projects to integrate into FirstNet/PSBN.
- *Construction of a nationwide LTE network.* Due to the size of this network, vendor participation, equipment readiness, and build-out will represent significant challenges.
- *Ensure sufficient funding for build-out and sustenance of a truly nationwide network.* The public safety customer base is a fraction of the commercial network customer base. Therefore, it will be challenging for FirstNet to ensure funding for its network without future congressional funding.
- *Regional and statewide cooperation.* Getting various state and local public safety agencies to cooperate with each other and truly realize the benefits of such a network could pose challenges, as was stated in our May 6, 2011.

With so much significant spending on public safety equipment procurement and deployment, it is imperative to ensure that the equipment works and meets the intended BTOP objectives. OIG continues to oversee NTIA efforts to ensure it can monitor grantees' equipment procurements.

5. Effective Oversight Remains Essential as BTOP Awards Are Closed Out

Finally, Mr. Chairman, we would like to update the Subcommittee on concerns we expressed at our May 2012 testimony relating to funding of oversight. Section 1306 of the Dodd–Frank Wall Street Reform and Consumer Protection Act requires that unobligated Recovery Act funds be returned to the U.S. Department of the Treasury on December 31, 2012. On that date, OIG had \$4.8 million in unobligated oversight funds that OIG needed for continued oversight of BTOP, in addition to approximately \$600,000 for other ARRA oversight activities. OIG requested and received a waiver from this provision for \$4 million, to be divided between

BTOP and other ARRA oversight.

Our future BTOP oversight plan includes a combination of program audits and targeted reviews of risky grants. In addition, we will continue investigating and resolving complaints of wrongdoing made against BTOP award recipients, for which we have established a formal complaint monitoring process. The number of complaints has increased over time, and it is reasonable to expect that number to continue to go up as the program matures.

As of January 14, 2013, NTIA identified 15 awards as being currently in the closeout phase, with an additional 55 scheduled to end within 90 days. Closeout procedures are actions performed at the expiration of an award to ensure that all activities are complete and ensure that the recipient has complied with applicable laws, regulations, OMB circulars, and grant terms and conditions. Of those 55 grants, 26 have submitted a request to extend their performance period to September 30, 2013. The risks associated with inadequate closeout processes include the possibility that assets purchased with federal funds are not properly secured and that unused funds are not promptly returned to the Treasury. Grant closeout procedures also represent one of the final opportunities to detect unallowable uses of funds.

We have initiated an audit of grant closeout procedures to ensure adequate operations are in place to effectively close out the BTOP grants as their period of performance comes to an end. The audit objectives are to evaluate whether grant project closeout policies and procedures established for BTOP are adequate to effectively administer closeout activities and to assess whether closeout procedures are being followed as BTOP grants are closed.

Additionally, while OIG is not in a position to speak to the Administration's budget request for NTIA oversight, it is essential that NTIA receive sufficient funding for the oversight of BTOP. As BTOP projects progress toward completion dates, NTIA must continue to monitor the awards. Oversight will need to continue beyond September 30, 2013 (the target end date for the last of the BTOP awards) to monitor (1) projects receiving extensions and (2) projects that have been completed for which closeout procedures are being performed.

In conclusion, Mr. Chairman, for FY 2013 and beyond, BTOP continues to face challenges, in the oversight of projects as they are being completed and grant awards are closed out. The Subcommittee's continued attention and oversight are important. For the Department to ensure effective implementation of BTOP, especially in light of fulfilling OMB and legislative requirements, OIG and NTIA will need Congress to continue your oversight efforts. This concludes my prepared statement, and I will be pleased to respond to any questions you or other Subcommittee members may have.

Appendix

OIG BTOP-Related Testimony, Reports and Memorandums, Works in Progress, and Training

OIG's BTOP oversight efforts began immediately after passage of the Recovery Act. Our ongoing monitoring activities include: tracking grant recipient spending, reviewing quarterly progress reports submitted by recipients, attending BTOP biweekly meetings to learn updates on program status, attending quarterly meetings with contractors providing program services, reviewing single audit and program-specific audit reports (as well as complaints), and responding to BTOP program office questions. Further, our outreach efforts have resulted in 53 total training sessions, reaching more than 3,250 program staff and grant recipients with more than 3,500 total training hours. For further detail, see table below.

Table A. OIG Oversight of BTOP (2009-Current)

Related Testimony		
Title (Number)	Date	Congressional Audience
Broadband Loans and Grants (OIG-12-026-T)	May 16, 2012	Committee on Energy and Commerce Subcommittee on Communications and Technology (U.S. House of Representatives)
Stimulus Oversight: An Update on Accountability, Transparency, and Performance (OIG-12-012-T)	November 30, 2011	Committee on Science, Space, and Technology Subcommittee on Investigations and Oversight (U.S. House of Representatives)
ARRA Broadband Spending (OIG-11-019-T)	February 10, 2011	Committee on Energy and Commerce Subcommittee on Communications and Technology (U.S. House of Representatives)

Related Reports and Memorandums		
Title (Number)	Release Date	Synopsis of Recommendations
Proper Classification and Strengthened Monitoring of Subrecipients Are Needed for the Broadband Technology Program (OIG-13-013-A)	January 31, 2013	<p>NTIA should:</p> <ul style="list-style-type: none"> • Review grants to ensure subrecipients are properly classified and funds are appropriately accounted for • Work with recipients to ensure effective monitoring mechanisms are in place and reemphasize the importance of including BTOP provisions in subsequent agreements • Notify recipients of the OMB M-0921 vendor/subrecipient reporting requirements and ensure recipients understand what should be reported as federal expenditures • Encourage recipients to review vendors and principals for suspension and debarment throughout the life of the grant and promote appropriate competition • Communicate to recipients the importance of maintaining vendor contracts
Letter to Representatives Walden and Shimkus re: Review of NTIA's BTOP Grant Award to the Executive Office of the State of West Virginia (OIG-13-012-I)	January 23, 2013	<p>Results of our work:</p> <ul style="list-style-type: none"> • EOWV should have had an adequate inventory systems and agreements with CAIs for the router equipment • EOWV should have done a detailed data rate capacity study of each CAI, before signing up for a one-size-fits-all router approach
Review of NTIA's Oversight of the Booz Allen Hamilton Contract Supporting the Broadband Technology Opportunities Program (OIG-12-031-M)	August 9, 2012	<p>NTIA should:</p> <ul style="list-style-type: none"> • Consider improving contract oversight controls : <ul style="list-style-type: none"> ○ invoice and payroll reconciliation ○ closeout audit by the Defense Contract Audit Agency

<p>NTIA Needs Stronger Monitoring of BTOP Grant Recipients' Match (OIG-12-029-A)</p>	<p>June 18, 2012</p>	<p>NTIA should:</p> <ul style="list-style-type: none"> • Develop and implement improved processes for reviewing PCC and SBA grant match amounts • Formally communicate the risk associated with third-party cash drawdowns to all grant recipients and stress the importance of increased monitoring on their behalf when allowing third parties to draw down grant funds from the Treasury ASAP system • Implement program office controls to closely monitor ASAP drawdowns on a timely basis, especially those grant recipients that have delegated ASAP system access to third parties • Communicate to recipients that match expenditures must be supported and correctly reflected in their financial records • Work with NIST and NOAA grants officers to provide NTIA with the BTOP grantees' quarterly financial status reports and monitor the contribution trends and proportionality waiver activity to ensure grantees are providing their required match
<p>Misrepresentations Regarding Project Readiness, Governance Structure Put at Risk the Success of the San Francisco Bay Area Wireless Enhanced Broadband (BayWEB) Project (OIG-12-016-M)</p>	<p>January 10, 2012</p>	<p>NTIA should:</p> <ul style="list-style-type: none"> • “[M]ake a determination whether the corrective actions underway by the grantee and political jurisdictions are sufficient to overcome the defects in the initial application” • “[With the Department,] gather lessons learned from this award to employ on other BTOP and future grant programs”
<p>NTIA Has an Established Foundation to Oversee BTOP Awards, But Better Execution of Monitoring Is Needed (OIG-12-013-A)</p>	<p>November 17, 2011</p>	<p>NTIA should:</p> <ul style="list-style-type: none"> • Take prompt steps to strengthen federal program officers' monitoring efforts • Verify source documentation as part of its monitoring efforts • Strengthen its monitoring tools' internal control capabilities • Improve guidance for recipient match documentation during site visits • Help recipients at risk of noncompliance with award progress and completion requirements to revise completion dates, request project extensions, or rescope projects • Incorporate continuous trend analysis into its award monitoring process

<p>Review of BTOP Award for the San Francisco Bay Area Wireless Enhanced Broadband (BayWEB) Project (OIG-11-024-1)</p>	<p>May 6, 2011</p>	<p>NTIA should:</p> <ul style="list-style-type: none"> • Ensure independent review of complaints and document responses and results • Develop policies and procedures for timely response to complaints, including the communication of issues with OIG • Emphasize for BTOP staff the importance of communication with the grants office when responding to complaints • Ensure, when monitoring awards, that equipment is valued at cost (consistent with cost principles) • Direct BTOP to promptly communicate potential problems or deviations to the grants officer
<p>Broadband Program Faces Uncertain Funding, and NTIA Needs to Strengthen Its Post-Award Operations (OIG-11-005-A)</p>	<p>November 4, 2010</p>	<p>NTIA should:</p> <ul style="list-style-type: none"> • Manage the future lack of funding for BTOP by developing alternative approaches to monitoring and oversight • Ensure that agreements with other agencies, manuals and guidance, training and development, and monitoring procedures are clearly documented and fully adhered to
<p>NTIA Must Continue to Improve its Program Management and Pre-Award Process for its Broadband Grants Program (ARR-19842-1)</p>	<p>April 8, 2010</p>	<p>NTIA should:</p> <ul style="list-style-type: none"> • Create a staffing plan that outlines the necessary management resources and adjusts to key positions lost • Develop and implement documentation policies and procedures • Have in-house counsel document arising program issues and opinions from the Department's • Office of General Counsel • Supplement reviewing staff to address unforeseen delays • Develop procedures for monitoring recipients at risk of experiencing delays in completing post- award NEPA requirements
<p>NTIA Should Apply Lessons Learned from Public Safety Interoperable Communications Program to Ensure Sound Management and Timely Execution of \$4.7 Billion Broadband Technology Opportunities Program (ARR-19583)</p>	<p>March 31, 2009</p>	<p>NTIA should:</p> <ul style="list-style-type: none"> • Seek to extend program office funding to ensure proper oversight • Use joint peer reviews before making grant awards • Complete a prompt environmental assessment of BTOP

Nonfederal Audit Review (2/17/2009–2/20/2013)			
Audit Type	Reports Reviewed	Total Number of Findings	Total Questioned Costs^a
Single Audits	59	63	\$2,220,000
Program-Specific Audits	65	91	\$ 73,000

^aCosts related to audits completed by independent public accountants. We work with NTIA grants officers to resolve these issues, which can result in repayment.

Related Works in Progress	
Subject	Summary of Objectives
Acquisition of Equipment for BTOP Infrastructure Projects	Determine (1) whether NTIA has the personnel and processes in place to effectively monitor grantees' equipment acquisitions, including security, inventory control, and report submittals; (2) assess whether grantees have appropriately acquired, tested, and implemented the most effective equipment; and (3) evaluate whether grantees are on track to complete the BTOP projects on schedule and achieve project goals.
BTOP Grant Closeout Procedures	Determine whether adequate closeout policies and operations have been established to effectively close out the approximately 230 BTOP awards and assess if closeout procedures are being followed as BTOP projects are completed and closed.

Selected Trainings		
Subject	Date	Audience
OIG oversight and reemphasis on the importance of effective subrecipient monitoring	May 24, 2012	BTOP grantees
Project management, grant match, and nonfederal audits	October 6, 2011	Grant recipients (mixed local, state, nonprofit)
State Broadband Initiative on common audit findings and the need for strong recipient internal controls	April 28, 2011	NTIA staff; awardees
Webinar on importance of subrecipient monitoring and common issues with subrecipients	February 3, 2011	NTIA staff; awardees
Fraud prevention (identifying red flags and providing tips to prevent fraud)	Various	NTIA staff; awardees