



August 14, 2015

**MEMORANDUM FOR:** TJ Kennedy  
Acting Executive Director  
First Responder Network Authority

A handwritten signature in black ink, appearing to read "Andrew Katsaros".

**FROM:** Andrew Katsaros  
Principal Assistant Inspector General for Audit and Evaluation

**SUBJECT:** *Audit of FirstNet's Workforce and Recruiting Challenges, Participation at Discretionary Outreach Events, and Internal Control*  
Final Memorandum No. OIG-15-036-A

This memorandum provides the results of our most recent audit of the First Responder Network Authority (FirstNet). We initiated this audit to evaluate and assess FirstNet's efforts and progress toward developing the technical design aspect for the Nationwide Public Safety Broadband Network (NPSBN) against key technical requirements and standards, the requirements of the Middle Class Tax Relief and Job Creation Act of 2012 (the Act), stakeholder requirements, and established performance metrics and milestones. However, after performing our audit procedure of assessing risk, we modified our audit objective to assess FirstNet's efforts and progress toward developing the NPSBN—including establishing an organizational structure, conducting initial consultation and outreach, and finalizing a network design. See appendix A for more specific details on our objectives, scope, and methodology.

## Background

In our October 2014 *Top Management Challenges Facing the Department of Commerce in FY 2015*, we reported that FirstNet faces challenges in establishing an effective organization, leveraging existing infrastructure, and conducting effective outreach to ensure buy-in from the public safety community FirstNet is designed to serve.<sup>1</sup> FirstNet's March 11, 2015, testimony before the United States Senate noted the "growing pains" it has experienced. Nonetheless, during the course of our audit, we observed that FirstNet has made progress in the following ways:

- **Establishing an organizational structure.** FirstNet hired key leadership and support staff for its day-to-day operations; developed controls; awarded contracts to obtain project management and planning support, professional and subject matter support, and network and business plan development; and signed interagency agreements with other federal entities to provide key services.

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<sup>1</sup> U.S. Department of Commerce Office of Inspector General, October 16, 2014. *Top Management Challenges Facing the Department of Commerce*, OIG-15-002. Washington, DC: DOC OIG, 2.

- **Conducting initial consultation and outreach.** FirstNet launched a website, conducted conference calls and webinars with state single points of contact (SPOCs), sent staff to participate in numerous discretionary outreach events sponsored by stakeholders, coordinated with the National Telecommunications and Information Administration’s (NTIA’s) State and Local Implementation Grant Program (SLIGP) team, and established its Public Safety Advisory Committee (PSAC), which was required by the Middle Class Tax Relief and Job Creation Act of 2012.<sup>2</sup> In July 2014, FirstNet began to hold a series of state consultation meetings in order to meet the Act’s requirements to consult with regional, state, tribal, and local jurisdictions through a SPOC.<sup>3</sup>
- **Finalizing a network design approach.** In FY 2013, FirstNet issued 12 requests for information (RFIs) seeking input from vendors and other stakeholders. Later, in FY 2014, it issued another RFI—for assistance in developing a comprehensive network acquisition strategy—and issued a public notice and request for comments seeking input regarding preliminary interpretations of FirstNet’s enabling legislation. In FY 2015, FirstNet issued its second public notice and request for comments seeking input regarding further interpretations of the enabling legislation. Additionally, in April 2015, FirstNet issued a special notice to its draft request for proposals (RFP) proposing FirstNet’s acquisition approach to deploy the NPSBN. It also established spectrum lease agreements with four public safety projects funded by NTIA’s Broadband Technology Opportunities Program (BTOP) grant awards program, as well as one additional spectrum lease agreement funded by other grants and local contributions.

## Findings and Recommendations

Even though FirstNet has made progress in the areas noted above, we identified areas where improvements can be made, including three issues for your prompt attention. These related to our observations with respect to FirstNet’s (1) workforce and recruiting challenges, (2) participation at discretionary outreach events, and (3) internal control. We also note other matters related to milestones for state consultations and RFPs.

### I. FirstNet Faces Hiring Challenges and Places Significant Responsibility on a Few Key Individuals

The Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government (Standards)* state that key duties and responsibilities need to be divided or segregated to reduce the risk of error or fraud—and that, “as part of its human capital

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<sup>2</sup> *Discretionary outreach events* described in this memorandum report refer to speaking engagements (e.g., conferences, expositions, town hall meetings, and summits) that FirstNet staff have attended in the United States and territories on a voluntary basis; these do not include state consultation and related meetings and webinars. The *SLIGP* is designed to provide resources to assist state, local, and tribal government entities as they plan for the nationwide public safety broadband network being developed. In February 2013, FirstNet established the *PSAC*, which consists of 40 members representing all disciplines of public safety as well as state, territorial, tribal, and local governments. See “Public Safety Advisory Committee” at [www.firstnet.gov/about/public-safety-advisory-committee](http://www.firstnet.gov/about/public-safety-advisory-committee).

<sup>3</sup> Public Law 112-96, *Middle Class Tax Relief and Job Creation Act of 2012*, § 6206(c)(2).

planning, management should also consider how best to retain valuable employees, plan for eventual succession, and ensure continuity of needed skills and abilities.”<sup>4</sup>

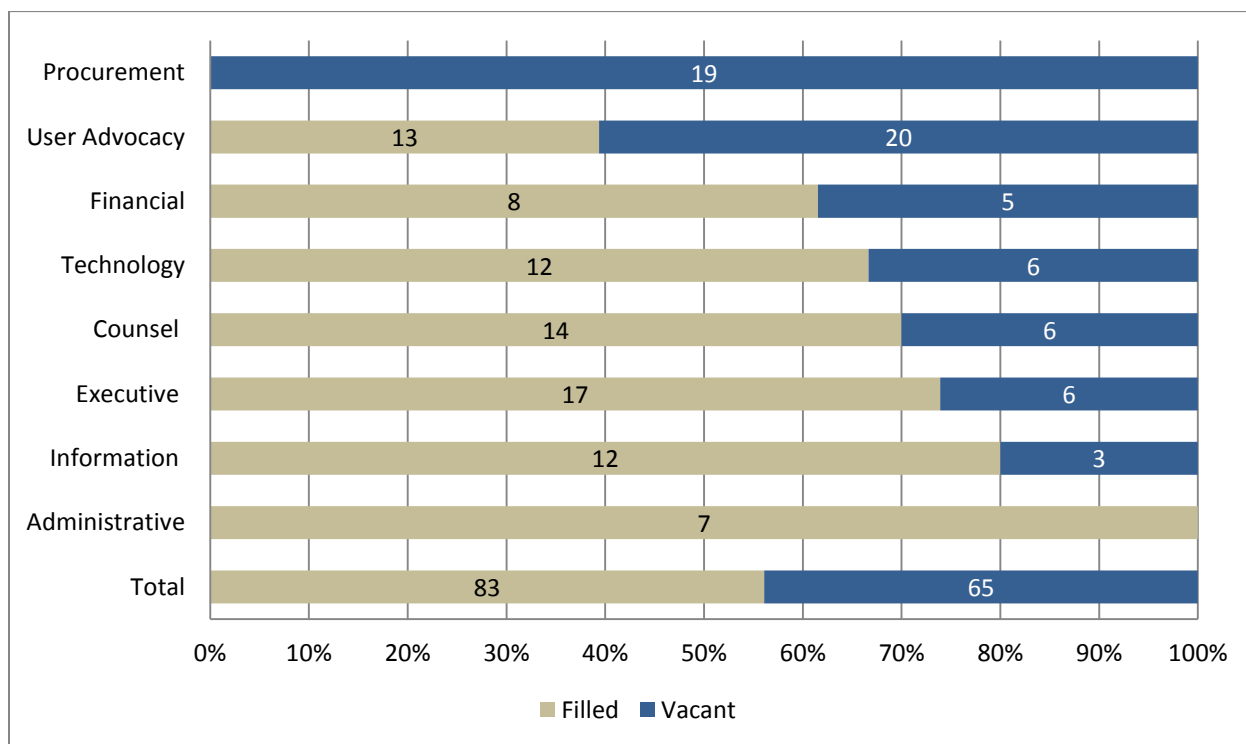
FirstNet, however, over-relies on a few key individuals, requiring key staff members to simultaneously perform the duties of two—and, in one case, three—senior level positions. Should these key staff members choose to leave or become temporarily unable to perform their duties, the organization would become vulnerable to prolonged vacancies of key leadership positions and the associated loss of institutional knowledge. For example, in December 2014, the chief counsel was also the acting chief of staff. Since then, the chief counsel has resigned. The deputy chief counsel is now filling the chief counsel position in an acting capacity, but the chief of staff position is currently vacant. Additionally, since April 2014, the deputy executive director has also been the acting executive director—and, in an updated presentation dated March 26, 2015, this same individual is also named as the chief user advocacy officer.

Additionally, FirstNet has encountered difficulties in hiring and maintaining staff for other key positions as its staffing needs continue to grow and evolve. At the March 2015 FirstNet Board meeting, the acting chief technical officer reported that, although several positions have been filled, the Office of the Chief Technical Officer (OCTO) is in the process of creating 18 federal positions (17 engineers and 1 administrative assistant), which FirstNet plans to fill by the end of FY 2015. As of March 11, 2015, FirstNet had open positions in most of its offices. The OCTO, the Office of the Chief User Advocacy Officer, the Office of the Chief Financial Officer, and the Office of the Chief Counsel all had vacancy rates of 30 percent or more (see figure 1, next page, for all offices).

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<sup>4</sup> GAO, November 1999. *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1, 13–14.

**Figure I. FirstNet Filled and Vacant Positions (Per Office)**



Source: OIG analysis of FirstNet data as of March 11, 2015

The Office of the Chief User Advocacy Officer—responsible for consultation and outreach—and the OCTO—responsible for testing and evaluating technical components of the network—have two of the highest vacancy rates. These offices are critical to the development of the NPSBN, and key vacant positions include many regional directors and supervisors for consultations, radio access network (RAN) design engineers, and a senior technical advisor. In addition to these two offices, FirstNet is beginning the process to fill critical positions in the procurement office, which will be needed in FY 2016 as FirstNet issues RFPs for the development of the NPSBN and evaluates those RFP responses.

FirstNet must manage multiple staffing challenges. The over-concentration of authority in key senior positions may create difficulties in maintaining an effective internal control environment as segregation of duties becomes more of a challenge. In addition, three critical senior positions are currently filled on an “acting” basis, as distinct from permanent. The tentative status of senior officials in acting positions undermines FirstNet’s organizational stability. FirstNet also faces challenges responding to losses of key personnel and the accompanying loss of knowledge as a result of turnover.

Finally, FirstNet also struggles to fill positions of any kind and must operate with ongoing gaps in authority and specialized expertise. At the March 2015 FirstNet Board meeting, the prior chief financial officer stated that the complete hiring process takes 80–235 days—and that FirstNet has lost several candidates because of the lengthy hiring process. In its role as FirstNet’s servicing human resource office, the Department of Commerce submitted a request to the Office of Personnel Management (OPM) to obtain Direct Hire Authority

(DHA), a process that expedites hiring; however, in September 2014, OPM rejected the Department's request. OPM reviewed FirstNet's recruiting efforts and made a determination that hundreds of qualified applicants were referred and available for selection using competitive examining and merit promotion procedures, but FirstNet made only one selection. Based on this, OPM concluded that FirstNet was capable of obtaining the talent needed to accomplish its work without DHA. However, on January 2, 2015, the Department provided notice that it expanded coverage under the Commerce Alternative Personnel System (CAPS) to include FirstNet as a participating organization—and, under CAPS, the Department authorized FirstNet's use of limited DHA for certain scientific and engineering positions.<sup>5</sup> FirstNet stated that it implemented DHA on March 8, 2015.

Although FirstNet has made efforts to improve its ability to hire and retain staff, additional action is needed. The total number of vacant positions, coupled with the extended time required to fill positions, increases the risk that additional delays in designing and implementing the NPSBN will occur and benefits of an interoperable network dedicated to public safety will not be realized.

## II. FirstNet Can Improve Planning for Discretionary Outreach Event Participation

In addition to engaging in consultation activities specified by the Act—such as meeting with state SPOCs in coordination with the SLIGP consultation process—FirstNet has also dedicated significant staff and resources to participating in other discretionary outreach events throughout the U.S. and territories, in order to educate and engage stakeholders from the public safety community.

From October 2013 to December 2014, FirstNet participated in 160 discretionary outreach events, including speaking engagements at conferences, expositions, town hall meetings, and summits. Even though FirstNet conducted outreach through a variety of mechanisms, including the outreach activities described in the background section of this memorandum, we reviewed discretionary speaking engagements as a discrete form of outreach due to the significant resources dedicated to this channel of activity. After reviewing those 160 discretionary outreach events, we found that FirstNet made significant efforts conducting outreach throughout the country. However, FirstNet can improve its approach to managing which events to attend to get the most efficient and effective use of its limited outreach resources.

GAO's *Standards* state that plans, methods, and procedures used to meet goals are a major part of managing an organization. These controls will help government program managers achieve desired results through effective stewardship of public resources—and should provide reasonable assurance that the entity's resources are used efficiently and effectively.

FirstNet did not have a clear plan that guided how it would use its limited outreach resources to participate in the 160 discretionary outreach events identified from October

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<sup>5</sup> CAPS is designed, in part, to “improve hiring and allow the Department to compete more effectively for candidates through direct hiring, selective use of higher entry salaries, and selective use of recruitment incentives.” See *Federal Register*, vol. 80, no. 1, January 2, 2015, p. 26.

2013 to December 2014. It considered which states required high, moderate, or standard outreach as part of its July 2014 User Advocacy Staffing Plan, but it did not establish a proactive execution plan that ensured participation according to the level of outreach identified in the Staffing Plan. Instead, FirstNet officials stated that their participation in speaking engagements was mostly reactive. FirstNet targeted some large public safety associations and some larger states but mostly relied on invitations from interested groups and public safety entities to attend events already planned. FirstNet officials stated that they were reactive because FirstNet did not have an adequate number of staff to be more proactive—and, once key outreach positions are filled, FirstNet plans to be more strategic. By relying mostly on invitations and not having its own execution plan, FirstNet did not provide reasonable assurance that it best managed its outreach resources for participation in discretionary outreach events. Consequently, FirstNet may have missed opportunities to perform outreach in states it identified as needing high levels of outreach.

We completed an analysis of FirstNet’s speaking engagements from October 2013 to December 2014 and determined that FirstNet did not participate in events in some states that represented the largest number of public safety users per state. Although FirstNet staff most frequently attended outreach events in the top three states (i.e., Texas, California, and Florida), they did not participate in any speaking engagements in New York, Pennsylvania, Ohio, and Michigan. As identified by our analysis below, these four states are in the top 10 states with the most public safety users. Although FirstNet noted all states required outreach, these four states were identified by FirstNet as requiring high outreach activity. FirstNet only visited other top states—identified by OIG based on the number of public safety users—once or twice (see table I, next page).

**Table I. Top Ten Public Safety User States**

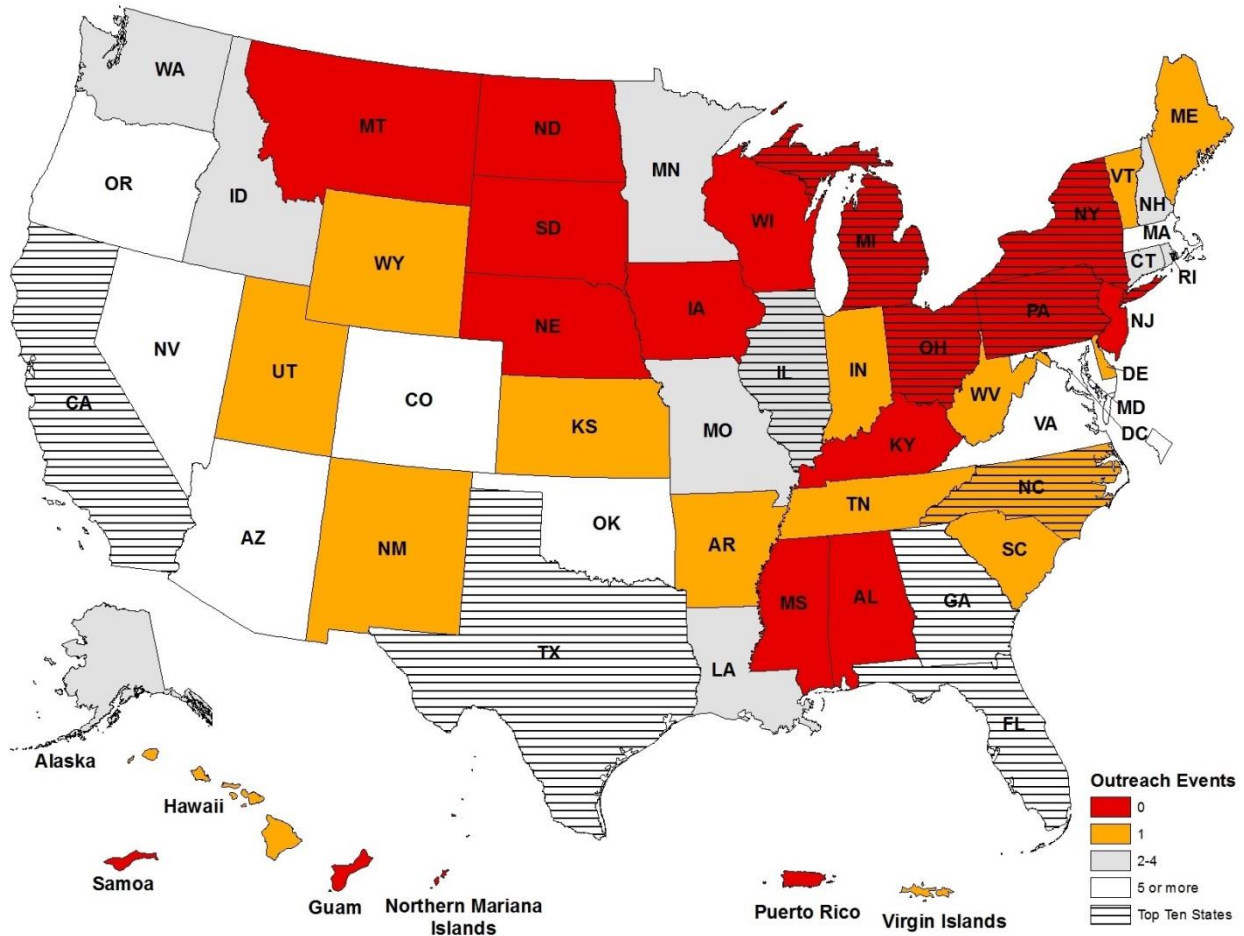
<b>Rank<sup>a</sup></b>	<b>State</b>	<b>Events Attended</b>
1	Texas	9
2	California	11
3	Florida	9
4	New York	0
5	Illinois	2
6	Pennsylvania	0
7	Ohio	0
8	Michigan	0
9	Georgia	7
10	North Carolina	1

Source: OIG analysis of NTIA and FirstNet data

<sup>a</sup> In its July 2014 staffing plan, FirstNet also identified these 10 states as requiring high outreach activity, as opposed to moderate or standard outreach.

Furthermore, FirstNet’s participation in discretionary outreach events reached 37 states and territories throughout the country and the District of Columbia, but it did not participate in any discretionary outreach events in 18 states and territories (see figure 2, next page, for a comprehensive analysis of all 160 outreach events).

**Figure 2. FirstNet Discretionary Outreach Events and the Top 10 Public Safety User States (October 2013–December 2014)**



Source: OIG analysis of NTIA and FirstNet data

In addition to conducting discretionary outreach in the top public safety user states, FirstNet could have identified states that have shown concerns with FirstNet or lacked information about FirstNet and performed discretionary outreach in those states. Some state officials expressed FirstNet concerns in SLIGP grant recipient quarterly performance progress reports provided to NTIA for the quarter ending September 30, 2014.<sup>6</sup> For example: an official from South Dakota, a state where FirstNet did not participate in a discretionary outreach event, reported that public safety users did not have a strong interest in the FirstNet service because commercial services were adequate and that they did not know details about the FirstNet service such as cost and coverage. In addition, officials from New York and Ohio, two top 10 public safety user states where FirstNet did not participate in discretionary outreach events, also expressed concern that they were not receiving enough information from FirstNet about the network. Therefore, one reasonable

<sup>6</sup> NTIA publically posts each SLIGP grant recipient’s information for each state or territory, including quarterly performance progress reports, at [www.ntia.doc.gov/slignp/slignp-awards](http://www.ntia.doc.gov/slignp/slignp-awards).



approach would have been to increase outreach efforts directly in those states where public safety users expressed concerns.

Even though participation in speaking engagements was discretionary, FirstNet identified these outreach events as a significant component to its overall outreach program. Nevertheless, because it did not establish an execution plan or send staff to participate in events in some of the country's top public safety user states, FirstNet has not provided reasonable assurance that it effectively and efficiently used its resources to provide systematic outreach.

Ineffective or inefficient use of outreach resources could negatively impact FirstNet's mission to obtain support from states and public safety users. FirstNet's success is dependent on state and public safety user support: states are not required to opt in to the NPSBN RAN and can instead choose to develop their own interoperability plan. Similarly, public safety users can choose to obtain services from other established service providers. Therefore, educating and engaging states and public safety users earlier in the process contributes to the acceptance—and, ultimately, the success—of creating a NPSBN that meets the legislative intent of the Act.

### III. FirstNet Is Not Consistently Executing Its Established Controls

GAO's *Standards* state that (a) internal control and other significant events need to be clearly documented, (b) documentation should be readily available for examination, and (c) all documentation and records should be properly managed and maintained.<sup>7</sup> Further, approvals and authorizations are controls used to ensure completeness and accuracy of the information processed; having approvals and segregation of duties reduces the risk of error.<sup>8</sup>

FirstNet stated to OIG that it has developed a comprehensive review process for distributing information to external parties, including an internal compliance matrix that includes a routing sheet requiring multiple signatures from different officials attesting that they reviewed and approved the information to be released externally. In order to test these controls, we first requested the internal routing sheet for the RFI that FirstNet released in September 2014. However, FirstNet was not able to provide the internal routing sheet because a FirstNet official stated that the review process did not begin until after September 2014, after the release of the RFI. Subsequently, we requested the internal approval form for the FY 2015 public notice and request for comments, issued in March 2015, in order to obtain an example of an executed internal control from a time when the routing sheet would have been in use. FirstNet was unable to locate this document. Instead, it provided as an example a routing sheet relating to the special meeting of the Board on April 24, 2015.

We are concerned that FirstNet is not consistently following procedures it established to provide and document adequate review. Consistent use of the routing sheet provides a

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<sup>7</sup> GAO, *Standards for Internal Control in the Federal Government*, p. 15.

<sup>8</sup> GAO, *Standards for Internal Control in the Federal Government*, p. 14.

method of verifying that all approvals were obtained. Without a routing sheet, FirstNet risks releasing information that could be incomplete or inaccurate.

### *Other Matters*

**Initial State Consultations.** FirstNet did not meet its original goal of scheduling initial consultation meetings with each jurisdiction. Cooperation from these jurisdictions is a significant factor in ensuring the successful deployment and implementation of the NPSBN.

On April 30, 2014, FirstNet sent an initial consultation package to states' SPOCs that noted a goal of scheduling initial consultations meetings by the end of November 2014.<sup>9</sup> However, as of May 29, 2015, there were 7 consultations yet to be scheduled (see table 2, next page), which was a significant improvement from the 36 unscheduled consultations as of December 2014. FirstNet stated that the timing of these meetings depends on each state's readiness and how quickly FirstNet can fully staff its consultation team.

The state consultation meetings are part of an iterative consultation process that includes regular webinars and other meetings in coordination with SLIGP. The consultation process is designed to capture input from jurisdictions in each state regarding the development of the NPSBN. The state consultation meetings are thus an important, visible measure of progress and accountability to states. FirstNet has extended its timeframe and is now expecting those initial consultations to be completed by the end of FY 2015.

**Table 2. Status of FirstNet's Initial State Consultation Meetings as of May 29, 2015**

Status	Number
Completed	31
Scheduled	18
Not scheduled	7
<b>Total</b>	<b>56</b>

Source: OIG, based on FirstNet data

**Milestones for Requests for Proposals.** FirstNet had planned to issue two critical draft RFPs by March 2015 to initiate the development and building of the NPSBN, one for comprehensive network proposals and another for network equipment and services.<sup>10</sup> At its March 2015 meeting, the Board considered one proposal combining both topics and decided to delay issuance until issues it had identified were addressed. At an April 24, 2015, special meeting, the Board approved the special notice draft RFP; it was issued on April 27, 2015.

<sup>9</sup> FirstNet publicly posted the State initial consultation package and goal, at [http://www.firstnet.gov/sites/default/files/Single%20Point%20of%20Contact%20\(SPOC\)%20Initial%20Consultation%20Package\\_04302014.pdf](http://www.firstnet.gov/sites/default/files/Single%20Point%20of%20Contact%20(SPOC)%20Initial%20Consultation%20Package_04302014.pdf).

<sup>10</sup> FirstNet Program Roadmap Executive Summary, March 2014.

The purpose of the draft RFP is to maximize input for the final RFP, which FirstNet plans to issue by the end of 2015. This is consistent with FirstNet's iterative approach to consultation with states, territories, and tribes, the public safety community, and potential industry partners. FirstNet has communicated that it is on track to meet the milestones in its strategic roadmap and that it understands the importance of timely issuance of the final RFP.

Nonetheless, we have identified issues in this memorandum that could result in delayed implementation. Although milestones are subject to revision, inability to meet major goals or milestones can result in diminished accountability and credibility, thereby undermining FirstNet's mission and the success of the NPSBN.

### *Recommendations*

We recommend that the FirstNet Acting Executive Director

1. develop a comprehensive plan, including an execution strategy, to identify how FirstNet will use its limited outreach resources to participate in discretionary outreach events throughout the country;
2. establish and implement procedures to monitor progress against the comprehensive plan identified in recommendation 1; and
3. instruct personnel to follow established controls and documentation requirements.

On July 23, 2015, OIG received FirstNet's comments on the draft memorandum report, which we include here as appendix B. Based on FirstNet's review of the memorandum draft report and subsequent discussion, we have made some suggested revisions. FirstNet agreed with our findings and has already begun implementing corrective action to address the OIG's recommendations. This final memorandum report will be posted on the OIG's website pursuant to section 8M of the Inspector General Act of 1978, as amended.

In accordance with Departmental Administrative Order 213-5, please submit to us—within 60 calendar days of the date of this memorandum—an action plan that responds to the recommendations in this memorandum report.

We appreciate your cooperation and courtesies extended to us by your staff during our audit. If you have any questions or concerns about this memorandum report, please contact me at (202) 482-7859 or Carol Rice at (202) 482-6020.

cc: Lawrence E. Strickling, Assistant Secretary for Communications and Information, NTIA  
Jason Karp, Acting Chief Counsel, FirstNet  
Paul Madison, Attorney Advisor, FirstNet  
Kathy Smith, Chief Counsel, NTIA  
Milton Brown, Audit Liaison, NTIA  
David Swanson, Audit Liaison, NIST

## **Appendix A. Objective, Scope, and Methodology**

The objective of our audit was to evaluate and assess FirstNet's efforts and progress to develop the technical design aspects for the NPSBN against key technical requirements and standards, the requirements of the Act, stakeholder requirements, and established performance metrics and milestones. To meet our audit objective, we assessed risks associated with developing the technical design aspects for the NPSBN. These include establishing working relationships with entities providing technical advice for the network, including the Public Safety Advisory Committee (PSAC) and the Public Safety Communications Research (PSCR) group, meeting consultation requirements of the Act, developing mechanisms to capture stakeholder feedback and requirements for the network, and meeting established milestones.

As a result of our risk assessment, we determined that an effective organization structure is necessary to conduct consultation and outreach and take the necessary steps to finalize a network design. Consequently, we modified our objective to assess the efforts and progress FirstNet has made to date to develop the NPSBN, including establishing its organizational structure, conducting initial consultation and outreach, and finalizing the network design of the NPSBN. As a result, we directed our fieldwork to assess these efforts. This modification does not preclude further inquiry into examining the technical design components in the future.

To accomplish our modified audit objective, we conducted the following activities:

- interviewed FirstNet, National Institute of Standards and Technology (NIST), and PSCR officials;<sup>11</sup>
- reviewed FirstNet's efforts to gather information regarding key components of the network as required by the Act;
- reviewed organizational charts, job postings, and resumes for a sample of employees to determine staffing levels, staff qualifications, and whether FirstNet is effectively and efficiently utilizing its human resources;
- reviewed FirstNet milestones and related documentation to determine whether FirstNet is meeting its goals;
- reviewed FirstNet's RFI and RFP processes to determine whether appropriate controls were incorporated into the processes;
- assessed FirstNet's progress for completing individual state consultations, including attending two state consultation meetings;
- analyzed FirstNet's outreach activities to determine whether outreach activities supported FirstNet's goals and promoted the NPSBN;
- reviewed NTIA data to determine the top 10 states with the largest number of public safety users; and
- reviewed NTIA's SLIGP documentation to identify state concerns.

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<sup>11</sup> NIST provides financial and accounting services to FirstNet under an interagency agreement.

We reviewed the following laws, regulations, policies, and documents:

- the Act; and
- the GAO *Standards*.

We reviewed controls significant within the context of the audit objectives by interviewing officials at FirstNet and NIST, examining relevant policies and procedures, and reviewing documentation. In satisfying our audit objectives, we did not rely on computer-processed data. Instead we reviewed documentation submitted by FirstNet; therefore, we did not test the reliability of FirstNet's information technology systems.


We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform our audit to obtain sufficient, appropriate evidence that provides a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted our review from November 2014 through April 2015 under the authority of the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, dated April 26, 2013. We performed our work at the Department of Commerce headquarters in Washington, DC; FirstNet offices in Reston, Virginia; and the OIG regional office in Denver, Colorado.

**Appendix B.**  
**Agency Response**



MEMORANDUM FOR: Andrew Katsaros  
Principal Assistant Inspector General for Audit and Evaluation

FROM: TJ Kennedy   
Acting Executive Director  
First Responder Network Authority (FirstNet)

SUBJECT: Comments on the Draft Memorandum Entitled, "*Audit of FirstNet's Workforce and Recruiting Challenges, Participation at Outreach Events, and Internal Control*"

Thank you for sharing with us the Office of Inspector General (OIG) draft memorandum of July 2, 2015, entitled "Audit of FirstNet's Workforce and Recruiting Challenges, Participation at Outreach Events, and Internal Control." We appreciate the opportunity to respond, and our specific comments on the OIG's findings are attached.

Since FirstNet was created in 2012, its staff has worked tirelessly to discharge its responsibilities to create a nationwide interoperable wireless broadband network for public safety users, in consultation with federal, state, local and tribal stakeholders. We appreciate the recognition by the OIG that in the few short years of its existence, FirstNet has made significant progress in establishing an organizational structure, conducting initial consultation and outreach, and finalizing a network design approach. As a start-up governmental agency charged with a complicated and formidable task, FirstNet faces complex challenges, and welcomes OIG's identification of areas where FirstNet may improve its program. As detailed in our attached response, FirstNet agrees with, and has already begun implementing, the OIG's recommendations.

Attachment



**FirstNet Comments on “Audit of FirstNet’s Workforce and Recruiting Challenges, Participation at Outreach Events, and Internal Control”**

Response to Finding on Hiring Challenges

FirstNet appreciates the OIG’s findings related to its hiring challenges. As a newly formed governmental agency dependent on third-party agency hiring support, FirstNet has faced challenges in filling both senior leadership and staff positions. The federal government hiring process can be complex and lengthy, and FirstNet has lost several qualified candidates because of the time it has taken to complete the process. Nevertheless, as noted by the OIG, FirstNet has made progress in creating an organizational structure and hiring key leaders and support staff. Moreover, FirstNet has established new mechanisms, described below, to make the hiring process more efficient and successful.

FirstNet agrees with the OIG’s findings that some important senior positions remain vacant while others are held by individuals on an acting basis, resulting in an over-reliance on a small number of key employees. FirstNet is attempting to fill its senior positions as expeditiously as possible, and recently engaged a recruiting firm to assist in the process. We are confident that the recruiting firm will help create a pool of highly qualified candidates for key positions, resulting in a reduction in the number of senior-level vacancies. It should be noted that, because of the unique nature of FirstNet’s mission, culture and start-up requirements, FirstNet must be selective regarding personnel for key positions. While quantity of employees is important, the quality of all FirstNet team members is critical for future success.

We also agree with the OIG’s assessment that, as FirstNet has expanded, new hiring challenges have arisen, such as filling engineer and other high-skill positions. The OIG’s analysis is based on data as of March 11, 2015. Since that time, FirstNet has hired several individuals for offices that the OIG identified as having the highest vacancy rates. For example, FirstNet has hired four employees in the Office of the Chief User Advocacy Officer since March 2015, and is in the process of interviewing to fill 10 additional positions. Moreover, FirstNet has hired three new employees in the Office of the Chief Counsel since March 2015, and an additional two in the Office of the Chief Financial Officer. During this same period, FirstNet has hired four employees in the Office of the Chief Technical Officer, and has made offers to five other technical team members.

FirstNet has also made changes in the hiring process that should result in more efficient and successful hiring. The OIG memorandum refers to a review done by the Office of Personnel Management (OPM) that indicated FirstNet was being too selective in hiring for certain high-skill positions. From FirstNet’s perspective, many of the applicants referred by OPM were not minimally qualified for the positions FirstNet sought to fill, which required unique skill sets. Since then, however, FirstNet has worked with OPM and Office of Human Resources Management (OHRM) to resolve this issue by arranging to have subject matter experts work with human resource specialists to help ensure that the applicants referred to FirstNet meet minimum qualifications. As a result, OHRM has referred more qualified candidates to FirstNet, and FirstNet has been able to give more offers. As noted in the OIG memorandum, FirstNet is now able to use DHA for certain scientific, engineering and outreach positions. DHA will result in a larger pool of qualified applicants referred to FirstNet, further expediting hiring. FirstNet continues to work with OHRM for DHA authority for certain mission critical positions.

We appreciate the OIG's recognition that FirstNet "has made efforts to improve its ability to hire and retain staff." Although the lengthy federal hiring process will continue to be a challenge, we believe that newly implemented changes will improve FirstNet's ability to hire qualified personnel.

*Response to Finding on Improving Discretionary Outreach Event Participation*

In its memorandum, the OIG provides recommendations on how to improve planning for FirstNet's discretionary outreach.<sup>1</sup> At the outset, it is important to emphasize the significant amount of outreach FirstNet has conducted with a broad range of stakeholders pursuant to the comprehensive consultations required under FirstNet's implementing authorities. Indeed, the OIG acknowledged that FirstNet has "made significant efforts conducting outreach throughout the country," and FirstNet's overall outreach effort has been lauded.<sup>2</sup> It is within this context that we address the OIG's recommendations on the more limited discretionary outreach activities in which FirstNet has participated.

FirstNet agrees that a strategic plan for participating in discretionary speaking engagements would help enable it to make efficient and effective use of its limited resources. Even prior to receipt of the OIG memorandum, FirstNet's outreach staff had begun the process of documenting such a strategy. From October 2013 through December 2014 -- the period of time under OIG review -- FirstNet had only a small outreach team. Because of its limited size, FirstNet focused on executing its planned outreach activities to reach all 56 states and territories, consistent with its consultation obligations under the Act. At the same time, FirstNet supplemented that planned outreach by taking advantage of any discretionary outreach it could accomplish. Now that FirstNet has started to build its regional outreach teams, it is further planning state specific engagement strategies, which will include discretionary speaking engagements consistent with the OIG's recommendations.

The OIG finds that FirstNet should have done additional discretionary outreach in a few states that expressed concern over FirstNet or that have limited access to FirstNet information.<sup>3</sup> To identify these states, the OIG focuses on SLIGP<sup>4</sup> grant recipient quarterly performance progress reports provided to the National Telecommunications and Information Administration for the

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<sup>1</sup> We define "discretionary outreach" as the OIG defines it in its memorandum (page 5, footnote 5), *i.e.*, "speaking engagements (e.g., conferences, expositions, town hall meetings, and summits) that FirstNet staff have attended in the United States and territories on a discretionary basis [that] do not include state consultation meetings and webinars."

<sup>2</sup> As an example, the U.S. Government Accountability Office, in its April 2015 Report to the Chairman of the Senate Committee on Commerce, Science and Transportation, found that FirstNet's outreach activities "generally align with core principles for effective stakeholder participation" because "FirstNet is using an open and clearly defined decision-making process, actively conducting outreach, involving stakeholders throughout the process, using formal and informal participation methods, and including all stakeholders." GAO Report, "Public-Safety Broadband Network: FirstNet Should Strengthen Internal Controls and Evaluate Lessons Learned," at 24.

<sup>3</sup> In addition to the FirstNet website (<http://www.firstnet.gov/>), which contains a tremendous amount of information regarding FirstNet, FirstNet is in regular contact with each state Single Point of Contact (SPOC), including weekly informational emails, monthly calls, and quarterly webinars. Also, in 2015, FirstNet held a two-day informational SPOC meeting that was attended by representatives from 52 states.

<sup>4</sup> State and Local Implementation Grant Program.



quarter ending September 30, 2014. While these reports are informative, we are concerned that relying on them too heavily during such a narrow window of time may not provide an accurate perspective of FirstNet's outreach efforts. For example, based on these reports, the memorandum notes that officials from New York and Ohio expressed concern that they had not received enough information from FirstNet. FirstNet, however, has executed a significant number of consultations and outreach engagements in New York.<sup>5</sup> Moreover, feedback regarding FirstNet's outreach within Ohio has been positive, as recently confirmed at the June 16, 2015 hearing of the House Energy and Commerce Subcommittee on Communications and Technology. During that hearing, Stu Davis, Ohio's Chief Information Officer, made clear that FirstNet had done a good job of communicating with all levels of first responders in Ohio with regard to "what is coming, and what they should be expecting, and what information we need from them."

Regardless, FirstNet agrees that it should reach out to states and territories that express concerns over the FirstNet program, and will continue to be responsive to such states through all of its outreach mechanisms, including participation in other outreach modalities. With a strategy now in place with priorities identified and a growing outreach staff and regional teams, including involvement by FirstNet Board members, FirstNet will continue to improve its ability to participate strategically in discretionary outreach efforts.

*Response to Finding that FirstNet is Not Consistently Executing its Established Controls*

The OIG finds that FirstNet does not consistently execute its established controls, based on a missing administrative routing sheet that FirstNet could not locate. Prior to the OIG's review, it was not FirstNet's practice to retain administrative routing sheets. It is now doing so in light of the concern raised in the OIG's memorandum and for internal control purposes. FirstNet agrees with the OIG's recommendation to increase training of FirstNet personnel on controls and documentation requirements.

*Response to Comments on Initial State Consultations (Other Matters)*

The OIG notes that FirstNet had not met its original goal, from April 2014, to schedule initial consultation meetings with each jurisdiction by the end of November 2014. The OIG acknowledges that, as of May 29, 2015, only seven consultations with jurisdictions had not yet been scheduled, which was "a significant improvement from the 36 consultations as of December 2014." FirstNet is pleased to report that as of the date of this statement, it has held or scheduled initial consultation meetings with 54 of its 56 stakeholders.

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<sup>5</sup> For example, on March 14, 2014, at the Quarterly Board Meeting in New York, FirstNet officials met with key stakeholders from the NYPD and NYFD, and met with still other New York public safety officials on November 10, 2014. On December 15, 2014, FirstNet held a Programmatic Environmental Impact Statement Scoping Meeting, open to the general public and all interested stakeholders. Since December 2014, FirstNet has had another meeting with individuals from New York's Department of Information Technology and Telecommunications, and on April 20, 2015, FirstNet had its initial consultation meeting with New York.