Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2026

December 1, 2025

Report OIG-26-003

U.S. Department of Commerce
Office of Inspector General

UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, DC 20230

December 1, 2025

MEMORANDUM FOR: Secretary of Commerce Howard Lutnick

FROM: Duane E. Townsend
Acting Inspector General

SUBJECT: *Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2026*
Report No. OIG-26-003

Attached is our final report on the Department's top management and performance challenges for fiscal year 2026.

We are required by statute to annually report the most serious management and performance challenges facing the Department and to briefly assess its progress in addressing the challenges.[1] This report will be included in the Department's *Agency Financial Report* for FY 2025 and posted on our website.

We appreciate the cooperation we have received from the Department during our work on this report. If you have questions or wish to discuss our conclusions, please contact me at 202-794-7788.

Attachment

cc: Paul M. Dabbar, Deputy Secretary of Commerce
Yevette DePinto, Chief of Staff
Brian Epley, Chief Information Officer
Jeremy Pelter, Acting Chief Financial Officer and Assistant Secretary for Administration
Operating Unit Heads
Operating Unit Audit Liaisons

[1] 31 U.S.C. § 3516(d).

Introduction and Approach

This report presents our summary of the most serious management and performance challenges facing the U.S. Department of Commerce and its bureaus in fiscal year (FY) 2026. It also includes our assessment of the progress the Department has made to meet these challenges. We base our conclusions primarily on our audits, evaluations, and investigations from recent years (see the appendix for a list of relevant public reports and work in progress).

About This Report

The *Top Management Challenges (TMC)* report is divided into three sections that broadly reflect the Department's major challenge areas:

Modernizing Technology and Operations

Strengthening IT security posture and modernizing technology, systems, and operations to better serve the American people.

Providing Core Services and Data

Providing essential information to stakeholders on such varied subjects as trade, weather and environment, intellectual property, and population data.

Managing Spending

Funding and managing major programs while protecting taxpayer dollars from risk, fraud, waste and abuse.

Why This Matters

The Department plays a central role in implementing efforts to advance the nation's economic and technological leadership. It must also provide top quality data and services to its stakeholders while improving oversight of funding to ensure efficiency and effectiveness while fighting fraud, waste, and abuse.

If the Department does not address these significant challenges, it will struggle to successfully implement its priorities and to meet its mission of creating conditions for economic growth and opportunities for all communities.

Contents

Cover and title page graphics from Adobe Stock

Section 1: Modernizing Technology and Operations

The Department and its bureaus need secure, up-to-date technology, systems, and equipment to provide valuable data and services with adequate safeguards. This is particularly important as the Department continues to implement critical programs intended to ensure American innovation, progress, and prosperity.

But the Department has faced difficulties in upgrading its IT security posture, replacing legacy systems, and safely integrating new technologies into its operations. The Department must also increase its focus on oversight of its major modernization projects, including its scientific facilities.

Implementing Efficient, Effective IT and Cybersecurity Controls

Cybersecurity has been, and continues to be, the number one top management challenge for the Department. Progress in improving the cybersecurity program has been slow, primarily due to inconsistent implementation of security controls throughout the Department's hundreds of IT systems. In addition, recent executive orders have directed the restructuring of the federal workforce and increased oversight of contracts. While the goal of these efforts is to improve efficiency, they also present additional challenges to the Department's efforts to provide a mature, effective cybersecurity program.

Maturing the Information Security Program

An effective cybersecurity program reduces risk to the Department by consistently applying security controls—such as appropriate user access, fixing vulnerabilities, and encryption—across information systems. However, our Federal Information Security Modernization Act of 2014 (FISMA) audit of the Department's information security program in FY 2024 found no measurable improvement in the program's overall effectiveness since FY 2023.[i]

[i] This audit is required annually under FISMA.

The metrics used for FISMA audits through FY 2024[ii] categorized organizations' security controls into five function areas:

1. **Identify.** Understanding the organization's cybersecurity risks
2. **Protect.** Using safeguards to manage those risks
3. **Detect.** Finding and analyzing potential cyberattacks
4. **Respond.** Containing cybersecurity incidents
5. **Recover.** Restoring affected assets and operations

Within the function areas, the control level is rated 1 to 5, depending on how mature the organization's risk management practices are. Levels 4 and 5 indicate the most mature functions.[iii]

Our analysis determined that the Department did not perform these function areas effectively. This was because security controls were largely not implemented on information systems across the Department and its bureaus. As shown below in table 1, the levels of maturity in all five function areas were the same in FYs 2023 and 2024, and the Department did not achieve a 4 or a 5 in any of the functions.

Table 1. Maturity levels were unchanged from FY 2023 to FY 2024.

	Maturity		
Function Area	**FY22**	**FY23**	**FY24**
Identify	3	2	2
Protect	2	2	2
Detect	2	2	2
Respond	3	2	2
Recover	2	3	3

Source: OIG analysis

In a recent report about the Department's security monitoring program, we found significant issues with its data quality and program management capabilities. Although the program is a priority in the Department's security modernization strategy, we found that necessary data was either missing or inaccurate—and therefore unreliable for security operations or risk management. We also found that leadership did not enforce compliance with the deployment of a required security tool. This mirrors our results from other audits, where we found inconsistent implementation of security controls and policies across bureaus. While incremental

[ii] OIG's FISMA metrics are derived from criteria including the National Institute of Standards and Technology's (NIST's) Cybersecurity Framework, which defines the security function areas listed above. In February 2024, NIST updated the framework to include a sixth function area, *Govern*, which supports the organization's strategy for managing and communicating risk. Starting in FY 2025, we have included the Govern function area in our FISMA audits.

[iii] The five maturity model levels are ad hoc (level 1), defined (level 2), consistently implemented (level 3), managed and measurable (level 4), and optimized (level 5).

improvements have been made in recent years, the program has yet to demonstrate significant advancement in overall cybersecurity effectiveness.

Streamlining Operations Without Compromising Security

Across the Department, new executive orders and policies are driving operational changes in security contracts and staffing levels.[iv] While the goal of these efforts is to improve efficiency, they also create challenges in providing effective cybersecurity, including adequately staffing cybersecurity positions and sustaining the institutional knowledge needed to achieve this goal.

Even before these efficiency initiatives, the Department struggled to improve its cybersecurity program. To meet these challenges, the Department must improve its processes and adopt secure, efficient technologies without compromising the integrity or resilience of its cybersecurity posture. Failure to do so could result in real-world damage to national security and departmental missions.

One possible solution is the integration of artificial intelligence (AI) to offset some of these resource constraints. Advancements in AI have the potential to support cybersecurity operations, though the risks associated with AI-enabled capabilities are still emerging. Given the significance of these risks, adoption should be approached with caution, ensuring that capabilities are implemented responsibly but without undue delay. We discuss the Department's AI initiatives and challenges later in this section, in "Integrating AI and Other Emerging Technologies Safely and Effectively."

An urgent need to improve.
If the Department's efforts to streamline processes also compromise its cybersecurity posture, **real-world damage to national security and departmental missions** could result.

In summary, the Department has struggled to consistently implement information security controls across its hundreds of systems, leading to an overall ineffective IT security program. Additional constraints from streamlining federal operations will challenge management's efforts to improve. Until the Department and its bureaus can adapt, cybersecurity will remain a top management challenge.

Modernizing Software, Systems, and Technologies

Federal agencies often face challenges in effectively managing and overseeing IT modernization efforts, which have historically run behind schedule, exceeded budgets, and failed to meet objectives.[1] The Department is no exception. The Department and several of its bureaus have

[iv] Executive Order 14210, *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative* (February 11, 2025), includes mandates for workforce reductions and reorganization plans across federal agencies. Executive Order 14222, *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative* (February 26, 2025), imposes stricter oversight on federal spending and contract management, among other things.

embarked on major projects intended to modernize financial and grants management systems. Weaknesses in oversight can create risks to executing these programs on time, keeping them within budget, and ensuring their full functionality. Our work establishes that the Department must provide more robust oversight of major ongoing modernizations to meet these challenges.

Ensuring Timely, Cost-Effective, and High-Performance IT System Upgrades

The Secretary of Commerce has prioritized the use of modern software and technologies to streamline operations, enhance data collection and accuracy, and improve decision-making at the Department. But many of the Department's software systems are over 3 decades old and are no longer supported. According to the Department's *2022–2026 Strategic Plan*, new technologies such as cloud-based tools are needed to decrease the time spent maintaining legacy systems, increase the efficiency and accuracy of core processes, automate repetitive tasks, and standardize the tools employees use to do their jobs.

The Department must carefully choose which IT modernization programs can be achieved using available resources. Leaders at the Department's Office of the Chief Information Officer (OCIO) told us that resource and strategy changes have shifted their highest priority to maintaining current operations, followed by managing IT modernization programs. In addition, as part of recent contract consolidation efforts across the federal government, OCIO will coordinate a renewed business case analysis for its modernization programs. These changes have impacted the Department's major IT investments,[v] including those needed for the 2030 census, patent management, weather forecast services, and radio spectrum management initiatives.

Our *TMC* reports since FY 2022 have detailed the challenges of two of these IT modernization efforts, the Business Applications Solution (BAS) and the Grants Enterprise Management Solution (GEMS).[2] Our audits have also identified schedule delays, cost increases, and performance issues, which negatively impact the planned returns on these investments.[3]

For example, after multiple schedule delays, the BAS and GEMS program management offices had to reprioritize the transitions to the systems in preparation for the upcoming 2030 census. This has led to further significant delays:

- **Delays for transitions to BAS:**
    - U.S. Census Bureau: 1 year (from 2024 to 2025)
    - National Institute of Standards and Technology (NIST): 3 years (from 2023 to 2026)
- **Delays for transitions to GEMS:**
    - U.S. Census Bureau: 3 years (from 2022 to 2025)
    - NIST: 3 years (from 2023 to 2026)
    - Economic Development Administration (EDA): Originally planned for 2023; new date still to be determined

[v] As defined in Office of Management and Budget (OMB) memorandum M-15-14, a major IT investment is one that requires special management attention because of its importance to the mission or function to the government.

Our 2024 audit of the BAS program reported that the program did not have adequate cost and schedule management controls.[4] Since that report, program costs have increased 20 percent, from a $341 million baseline to at least $410 million in 2025.

We also reported an over 42 percent cost increase for GEMS, from a baseline amount of $73.6 million to $105 million in 2025. The GEMS cost increases do not include an additional $249 million for alternate systems that are being developed by select bureaus.

Following the Department's challenging BAS implementation for the National Oceanic and Atmospheric Administration's (NOAA's) financial operations,[5] Congress directed us to plan and execute strict oversight of the BAS program.[6] We initiated an audit of the program in January 2025, focusing on the next phase of implementation at the Census Bureau.[7]

Integrating AI and Other Emerging Technologies Safely and Effectively

According to a January 2025 executive order, "It is the policy of the United States to sustain and enhance America's global AI dominance in order to promote human flourishing, economic competitiveness, and national security."[8] The President has ordered that AI systems be developed free from ideological bias or engineered social agendas.

Effective oversight is necessary to integrate this new technology safely while meeting the goals of this policy. Beyond the general need for strong oversight, USPTO—as the agency charged with protecting intellectual property for the nation's innovators and inventors—faces specific challenges in adopting AI and other emerging technologies.

Sustaining and Enhancing Global AI Dominance

The Director of the Office of Management and Budget (OMB) has directed agencies to accelerate the federal use of AI by focusing on three key priorities: innovation, governance, and public trust.[9] As part of these priorities, agencies must:

- Remove barriers to innovation and provide the best value for the taxpayer
- Empower AI leaders to accelerate responsible AI adoption
- Ensure that their use of AI works for the American people

The Department faces many challenges in accelerating the adoption of AI as it also attempts to protect safety and privacy. To address these challenges, the Department must implement guidance about AI adoption from recent OMB memorandums; this will include updating departmental policies.

Although the Department can leverage some of its prior AI-related actions, such as designating a chief AI officer, convening AI governance bodies, and creating use-case inventories, new tasks are also required. These include developing a policy on generative AI (which emulates input data to generate derivative, synthetic content such as images, videos, audio, and text), ensuring quality Department data for use in AI, and a strategy for removing barriers to AI use.[10] For the Department

to accelerate the use of safe, secure AI to improve services for the public, it must meet OMB's implementation deadlines[11]—which, according to the Department OCIO officials, is a further challenge as they manage a 35 percent staffing shortfall.

Using Emerging Technologies Reliably, Safely, and Effectively at USPTO

In April 2025, OMB directed agencies to accelerate the use of effective, efficient, and responsible AI that delivers consistent results and preserves public trust.[12] USPTO is already using AI tools intended to enhance the quality and efficiency of its patent examinations. For example, it has tools to support patent classification and searches for prior art, and to conduct image comparisons for patents.

However, we reported in 2025 that USPTO did not have measurable objectives needed to evaluate whether these AI tools were operating effectively. USPTO also lacked an AI-specific risk management plan to help leaders identify, analyze, and mitigate risks associated with the tools to ensure effective oversight.[13]

To meet OMB's mandate as well as its goal of delivering reliable intellectual property rights, USPTO's challenge is to ensure current and future AI tools deliver reliable, high-quality results. In particular, USPTO should properly mitigate risks associated with these tools, including risks related to information security and privacy.

Addressing NIST's Facility Issues to Drive Scientific Innovation and Ensure Workplace Safety

NIST's scientific research ensures our national security and contributes to innovations in critical technologies and manufacturing that help grow the U.S. economy. But outdated, dilapidated NIST facilities have long threatened the bureau's mission performance as well as its workers' health and safety. In FY 2026, NIST continues to face the challenge of addressing its facilities' significant issues while trying to play its crucial role in advancing technology.

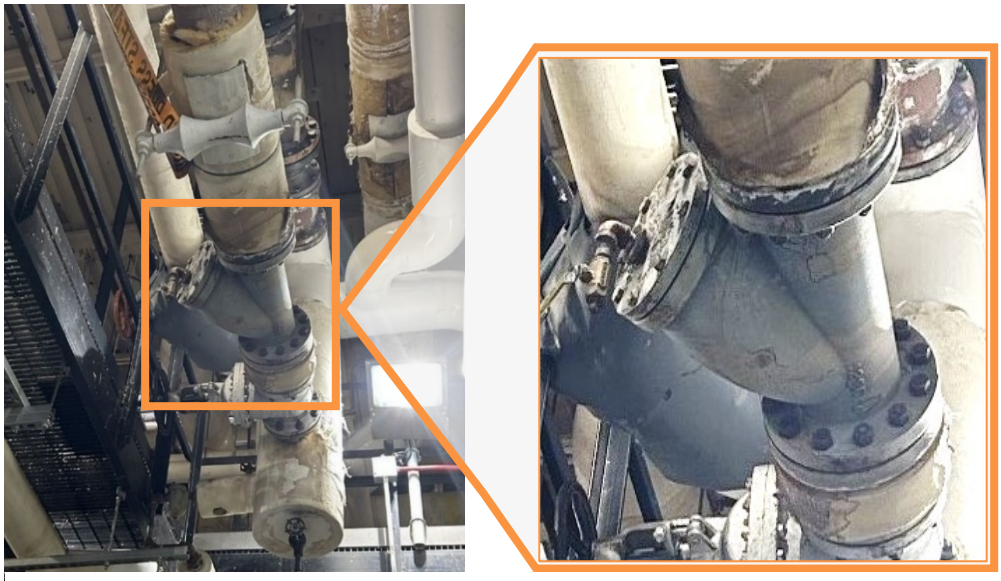
Several organizations have raised concerns about the poor state of NIST's facilities, which date back to the 1950s.[vi] One study, by the National Academies of Sciences, Engineering, and Medicine (NASEM), concluded that NIST's research facilities and laboratories overwhelmingly fail to meet the Department's own standards for acceptable building conditions.[14] The NASEM study also concluded that the inadequacy of NIST's facilities threatens its mission performance by causing substantive delays in key national security deliverables, scientific research, and services to U.S. industry customers.[15]

[vi] One organization, the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology, reviews and makes recommendations on general policy for NIST's organization, budget, and programs. The committee submits an annual report to the Secretary of Commerce for submission to Congress. (Visiting Committee on Advanced Technology. March 2023. *2022 Annual Report*.) A nongovernmental organization, the National Academies of Sciences, Engineering, and Medicine, issued an extensive study in 2023 on NIST's facility conditions. (NASEM. 2023. *Technical Assessment of the Capital Facility Needs of the National Institute of Standards and Technology.)*

Outdated facilities that may not conform to modern building codes create safety and health concerns for NIST's workforce and have led to millions of dollars in equipment damage. Laboratories in particular suffer from a variety of issues with unreliable climate control, plumbing, and power. These issues not only contribute to productivity losses of up to 40 percent for NIST researchers, they also may impact NIST's ability to attract and retain research talent.

They can create safety hazards as well. For example, part of a steam distribution line at NIST's headquarters in Gaithersburg, Maryland, failed in 2020, resulting in an explosion that caused extensive damage and could have led to casualties if anyone had been nearby. Although no one was injured, the explosion led to a 3-day campus shutdown and immeasurable delays to laboratory research. According to NIST employees, these steam pipes are past their useful life and need to be replaced entirely (see figure 1); until they are, the possibility of another explosion in the area remains, and with it further risks to worker safety and productivity.

Figure 1. This Y strainer (the gray uninsulated pipe in the closeup) replaced the one that exploded in 2020 at NIST's Gaithersburg campus steam plant. NIST employees note that these pipes all need to be replaced.



Source: OIG, June 2025

Historically, NIST has not received consistent, significant funding to execute multiple large construction and maintenance projects. Further, the facilities' issues will take years to rectify, and current funding may not be sufficient, making it harder for the United States to catch up.

By contrast, China has made substantial investments in its scientific research institutions, helping it to surpass the United States as a leader in critical technologies. According to research partially funded by the U.S. State Department, the Chinese Academy of Sciences (believed to be the world's largest scientific institution, with a reported departmental budget of nearly $24 billion in 2023)[16] has helped China become a world leader in 57 out of the 64 critical technologies.

NIST must quickly address its facilities' condition, but at the same time, prudent financial management will be essential if NIST is to make the most of any funding it receives. NIST will need to ensure that construction contracts are awarded fairly and in compliance with requirements. It must also closely monitor contracts to ensure that performance requirements are met, improper payments are avoided, the federal government is protected from harm, and contractors and subcontractors are held accountable.

NIST has developed a plan to address its facilities' conditions and functionality. However, this plan relies on sustained, long-term funding from Congress and may need to be updated. As NIST continues to implement the plan, our office will monitor and review its progress in addressing this challenge.

Section 2: Providing Core Services and Data

The Department manages a variety of services that are essential to the nation and the world. Our trade with other countries, our inventions and creations, our weather data and environmental observations, our population and demographic data—all of these rely on the Department and its bureaus.

The complexity of the Department's mission and operations adds to the complexity of its challenges in these areas. How the Department addresses these challenges could affect the United States' economic success and its relationships with the rest of the world.

Ensuring Secure, Fair International Trade

As one of the government's leading trade enforcement and promotion agencies, the Department faces the challenge of protecting U.S. national security and foreign policy interests while also helping U.S. companies be more competitive in global markets.

These responsibilities primarily reside with two Department bureaus: the Bureau of Industry and Security (BIS), which administers and enforces U.S. export control laws and regulations, and the International Trade Administration (ITA), which helps U.S. exporters sell their products overseas and enforces U.S. trade laws and agreements. With the administration prioritizing trade enforcement to promote fair and secure trade, the Department must balance its resources and capabilities to achieve that goal.

Enhancing Operations to Protect U.S. Technologies and Sensitive Items

Effective export controls prevent the unauthorized use of U.S. goods and technologies for purposes contrary to U.S. interests. Foreign adversaries such as China, Russia, and Iran actively attempt to improve their military capabilities by obtaining U.S. goods and technologies. This represents a strategic national security threat.[vii] In our FY 2025 *TMC* report, we highlighted the effective implementation of export controls as an area of concern, and it remains a top challenge in FY 2026. We are also conducting an audit of the adequacy of actions BIS has taken to enforce export controls for China.

[vii] An annual report on national security threats lists China, Russia, Iran, and North Korea as the major state actors challenging U.S. interests. (Office of the Director of National Intelligence. March 2025. *2025 Annual Threat Assessment of the U.S. Intelligence Community*.)

Since 2022, BIS has implemented many new export controls and significantly expanded existing controls on Russia and China to restrict their access to U.S. goods and technologies.[viii] This has greatly increased the number of U.S. goods and technologies subject to export controls and has restricted the ability of hundreds of foreign parties to obtain those items. In addition, while Iran is already subject to comprehensive U.S. export controls, the President has directed the Secretary of Commerce to conduct robust export control enforcement against Iran.[ix]

According to BIS, procurement networks associated with Russia, China, and Iran have adopted increasingly sophisticated tactics to evade export controls and illicitly obtain goods and technologies that originate in the United States. As a result, BIS's enforcement workload has increased.

Another challenge involves the President's trade policy,[17] of which trade enforcement is an integral part. The policy directed the Department, along with other federal entities, to recommend changes to U.S. export control enforcement policies and practices in order to maintain the nation's technological leadership and close loopholes in controls, "especially those that enable the transfer of strategic goods, software, services, and technology" to strategic rivals.[18] The policy also directed that enforcement mechanisms be recommended to incentivize foreign countries' compliance. In response, the Department recommended that export controls should be made "simpler, stricter, and more effective," while at the same time U.S. dominance in AI should be promoted and global technological leadership asserted.[19]

These issues address the transparency and accountability of BIS's regulatory oversight. Use of modern tools, including AI, would enable BIS to better address issues such as the shipment of American technology and sensitive items through intermediary countries to China, Russia, and Iran.

Safeguarding U.S. Industries and Workers from Unfair Trade Practices

International trade is an integral contributor to the U.S. economy and job creation. The United States must protect its industries and workers from foreign competitors' unfair trade practices. Trade remedies enable American companies and workers to compete fairly in both domestic and international markets; ITA's Enforcement and Compliance (E&C) business unit implements these remedies.

One of the Department's strategic goals for enforcing trade rules is to enforce U.S. antidumping and countervailing duty (AD/CVD) trade remedy laws. To accomplish this, E&C determines whether foreign producers are selling goods in the United States at less than normal value (a practice known as "dumping") or being subsidized by foreign governments. When E&C identifies these unfair trade practices, it imposes AD/CVDs on those foreign goods.

[viii] BIS expanded controls in the Export Administration Regulations to respond to Russia's invasion of Ukraine and to counter China's Military-Civilian Fusion strategy, which supports China's goal of developing the most technologically advanced military in the world by 2049.

[ix] The Presidential Memorandum enacts maximum pressure on the Iranian regime, denying Iran nuclear weapons and intercontinental ballistic missiles, countering Iran's development of weapons, and disrupting those who act on behalf of Iran. (Executive Office of the President. February 4, 2025. National Security Presidential Memorandum-2.)

To address foreign dumping and subsidies, the President's trade policy directed the Department to assess whether the policies and regulations related to AD/CVD laws "sufficiently induce compliance by foreign respondents and governments." [20] Robust enforcement of AD/CVD laws helps ensure that trade remedies are accurately applied, protect domestic industries, and maintain fair trade practices. Given the current environment, it is critical that these laws are enforced.

With respect to enforcing trade rules and ensuring that American companies and workers can compete at home and abroad, we found in November 2023 [21] that ITA had not effectively resolved foreign trade barriers to increase exports of U.S. goods and services or ensure that American businesses and workers had equal opportunities to compete in foreign markets. We made eight recommendations to ITA for improving the effective resolution of trade barriers. ITA has developed an action plan to address our recommendations, but they remain unimplemented. The issues detailed in our report underscore the critical need for ITA to implement necessary controls to effectively resolve trade barriers.

Sustaining NOAA's Capabilities to Safeguard Lives and Property

NOAA plays a vital role in protecting lives, property, and economic stability by delivering accurate, timely environmental intelligence. However, the agency's ability to fulfill this mission is increasingly challenged by aging infrastructure, emerging technological demands, and constrained resources. From maintaining geostationary satellite coverage and hurricane reconnaissance capabilities to modernizing a decades-old radar network and integrating uncrewed systems, NOAA faces a complex array of operational and strategic hurdles. These challenges are compounded by persistent staffing shortages, evolving space traffic management responsibilities, and the growing frequency and intensity of extreme weather events.

If left unaddressed, these issues could erode forecast reliability, delay lifesaving warnings, and diminish the nation's capacity to respond to national and global environmental threats. Meeting these challenges will require sustained investment, forward-looking risk management, and a flexible, mission-ready posture to ensure NOAA remains a trusted leader in environmental science and public safety for decades to come.

Sustaining the GOES-R Satellite Series Until GeoXO Is Operational

NOAA's geostationary weather satellite fleet, anchored by the Geostationary Operational Environmental Satellite-R (GOES-R) series, provides critical real-time data for forecasting, severe storm tracking, and emergency alerts. While the constellation is now fully deployed, only three of four satellites are fully functional, and GOES-16, the only reliable on-orbit backup, is approaching its design end of life by 2032. To further compound the problem, the first satellite in the Geostationary Extended Observations (GeoXO) program, the follow-on to GOES-R, is not expected to be operational until 2033, indicating that NOAA must address a potential gap in geostationary satellite coverage.

If any primary satellite fails after GOES-16 is no longer viable, NOAA could lack enough geostationary satellites to observe weather over the Western Hemisphere, impairing its ability to

monitor life-threatening hazards and deliver timely public warnings. While NOAA has agreements with two international space agencies to provide backup satellite observations in the event of satellite or launch anomalies, this scenario presents an operational risk.[x] At the same time, administrative guidance to scale back GeoXO's scope adds uncertainty to the program's timeline and capabilities.

NOAA is exploring options to extend satellite fuel life, including experimental orbital maneuvers, but results remain uncertain. Long-term continuity depends on the timely development of the next-generation satellite program, whose scope and readiness remain in flux.

To ensure uninterrupted geostationary satellite weather observations, NOAA must take strategic actions now to extend the life of current assets, evaluate mitigation strategies, and synchronize future investments with operational needs.

Sustaining and Replacing the Aging NEXRAD Radar Network

The National Weather Service (NWS) has made measurable gains in the accuracy and timeliness of forecasts and warnings, in part due to the robust capabilities of its network of 159 doppler weather radars, known collectively as NEXRAD (Next-Generation Radar). For more than three decades, these radars have served as the backbone of the nation's severe weather detection system, providing real-time coverage essential for issuing tornado, hail, and flash flood warnings.

Recognizing the age of this critical asset, NOAA undertook a Service Life Extension Program, completed in 2024, to sustain the NEXRAD network through the mid-2030s. The program upgraded key components such as transmitters, signal processors, and shelters, extending operational life by roughly a decade. However, over 4,000 NEXRAD components unaddressed by the program face obsolescence and supply chain issues, posing a growing risk of prolonged or even permanent failures across its network.

As the system enters its fourth decade, this uncertainty poses a growing operational risk. By the early 2030s, many key components—already obsolete or increasingly difficult to replace—will face higher chances of failure, potentially threatening uninterrupted radar coverage at a time of increasingly frequent and intense weather events. NOAA's challenge is to maintain this aging but mission-critical system while facing growing uncertainty around its planned replacement.

Fulfilling NWS's Mission amid Staffing Shortages and Hiring Challenges

NWS provides services related to weather, water and climate data, forecasts, warnings, and impact-based decision support for protecting life and property and enhancing the national economy. In previous years' *TMC* reports, we highlighted NWS's long-term challenges in attracting and retaining technical professionals to help it meet its mission.

---

[x] NOAA has agreements with the European Organisation for the Exploitation of Meteorological Satellites and the Japan Meteorological Agency for backups of geostationary satellites. However, the parties to these agreements are required to mitigate risk in their respective satellite systems, and fulfilling the agreements' obligations does not change the parties' responsibilities for maintaining their own satellites. According to the agency, NOAA has relied on an international backup for its satellite observations just once, when European space agencies repositioned Meteosat-3 in 1991 to provide Atlantic Ocean coverage in place of an aging GOES-7 satellite.

NWS's ongoing workforce challenges have been exacerbated by the unplanned departure of approximately 13 percent of its 4,369 employees between January and April 2025. According to NWS leadership, the loss of these 564 employees has led to staffing gaps across the agency, with some Weather Forecast Offices unable to sustain daily 24-hour coverage. To address these gaps, NWS has authorized temporary duty assignments to support critical needs at understaffed Weather Forecast Offices and has offered to reassign 155 employees to targeted positions. NWS also secured direct-hire authority to fill up to 450 mission-critical positions.[xi] In addition, NWS has accelerated the implementation of its "roadmap" for strategic transformation—originally intended as a 10-year plan but now compressed to 18 months—to modernize its operational model and staffing requirements.

NWS must effectively manage both its workforce challenges and its transformation plan if it is to continue to meet its foundational mission of collecting observational data and issuing timely, accurate forecasts and warnings.

Sustaining Operational Readiness with Aging Hurricane Hunter Aircraft Fleet

NOAA's hurricane hunter aircraft fleet plays a critical role in collecting real-time atmospheric data used to forecast hurricanes' tracks and intensity. The fleet consists of three specialized planes: one Gulfstream IV-SP (G-IV) that flies high-altitude storm surveillance missions (see figure 2) and two WP-3D Orion turboprops that fly directly into hurricanes for low-altitude reconnaissance. These aircraft collect critical atmospheric data, such as pressure, temperature, humidity, wind speed, and 3D radar imagery, which is transmitted in real time to NOAA's National Hurricane Center to support life-saving forecasts and warnings. Hurricane hunters also support atmospheric river reconnaissance missions in the Pacific, providing critical observations used to predict severe winter storms across the western United States.

To ensure long-term mission continuity, NOAA has initiated efforts to replace both aircraft types. NOAA is in the process of acquiring four new hurricane hunter aircraft: two Gulfstream G550 high-altitude jets and two C-130J aircraft. The first G550, which will replace the G-IV, is expected to be mission ready in 2026; the second G550 is intended to provide backup capabilities for the high-altitude hurricane surveillance missions and allow NOAA to simultaneously fly these missions into multiple storms. The two C-130J aircraft will replace the WP-3Ds, which are scheduled to be retired by 2030.

Figure 2. The G-IV hurricane hunter takes off from Lakeland Linder Regional Airport, August 2017.

Source: NOAA hurricane hunter website

[xi] According to a White House fact sheet, in July 2025 the President exempted NWS employees from the ongoing federal hiring freeze given their public safety role. (Executive Office of the President. July 7, 2025. Fact Sheet: *President Donald J. Trump Ensures Accountability and Prioritizes Public Safety in Federal Hiring.*)

A critical challenge is developing a new radar system, the vertically scanned doppler radar, and integrating it into the C-130Js. The new system will replace the WP-3Ds' tail doppler radar, which measures storm intensity by capturing 3D radar images of wind patterns and helping to determine the structure of the hurricane. This data, combined with information from the high-altitude jet, supports accurate predictions of the track, maximum wind speed, and storm surge created by a hurricane—essential for state and local governments as they issue timely storm warnings, make evacuation order decisions, and plan emergency storm response and recovery priorities. We discussed the acquisition and mission-related risks of the vertically scanned doppler radar development in a June 2025 audit.[22]

According to a February 2025 Government Accountability Office (GAO) report,[23] NOAA's aging fleet is increasingly prone to mechanical issues, requiring intensive maintenance and presenting operational risks. The report stated that NOAA is "sometimes unable to complete [hurricane hunter] mission requirements . . . because of maintenance, staffing, and other issues. For example, as Hurricane Idalia threatened Florida in August 2023, all three . . . aircraft were grounded, and therefore unable to collect data, because of maintenance issues"—thus underscoring the fragility of the current fleet. The report also noted, "In a 2024 draft report to Congress . . . , NOAA acknowledged that its aging aircraft were an issue—two of its planes entered service in the 1970s and the third in 1994."

As NOAA's WP-3D aircraft continue to age, and with the U.S. Navy's retirement of its P-3 fleet, the challenges of sustaining these platforms are mounting. A shrinking supplier industrial base and a limited pool of experienced heavy maintenance contractors further complicate long-term support. If NOAA's planned acquisition of the C-130J aircraft is delayed beyond 2030, the WP-3Ds will require extensive and costly maintenance to preserve operational readiness and ensure the continued collection of critical hurricane reconnaissance data. To mitigate this risk and align with the timelines of federal budgeting and acquisition cycles, NOAA must proactively initiate planning to define the scope, cost, and schedule for executing major sustainment work packages.

In addition, according to GAO, hurricane hunter missions have increased for both tropical cyclone and winter seasons since 2014. Tropical cyclone missions rose in part due to greater storm activity in the Atlantic basin, especially during the record-setting 2020 season, and increased demand for high-resolution data from forecasters. Winter missions substantially increased beginning in FY 2020 after NOAA's aircraft responsibilities expanded to include Pacific basin atmospheric rivers. This accelerated mission tempo has placed significant operational strain on NOAA's aging aircraft fleet. Maintenance challenges have sometimes resulted in the aircraft being unable to execute mission tasks. For example, the G-IV was unable to fly for 11 days from August to September 2023, preventing high-altitude surveillance missions around Hurricane Lee.

With growing demand for year-round deployments, which leaves a reduced "off season" period for critical aircraft maintenance, NOAA faces mounting pressure to sustain mission readiness and data continuity. Given the uncertainty surrounding the delivery dates of replacement aircraft and timelines to achieve mission readiness, it is critical that NOAA prioritize both the recapitalization and sustainment of its existing fleet. Continued investment in maintenance, service life extension programs, and modernization of onboard systems will be essential to ensure the aging aircraft remain safe, reliable, and capable of supporting life-saving weather forecasts.

These efforts are essential to maintaining NOAA's ability to collect high-resolution storm data that cannot be obtained by satellites or ground-based systems. A lapse in NOAA's ability to fly and collect storm data could have serious consequences for hurricane preparedness and disaster response—potentially putting at greater risk the lives and property of over 100 million Americans in hurricane-prone areas along the Atlantic and Gulf Coasts. However, the combination of aging aircraft, delayed replacements, and complex customization needs presents a significant management challenge. Until the delivery of new aircraft, NOAA risks gaps in its hurricane reconnaissance capabilities, potentially affecting the accuracy of forecasts and the nation's ability to prepare for severe weather events.

Overcoming Acquisition and Workforce Challenges in NOAA's Ship Fleet Modernization

NOAA is actively recapitalizing its fleet through the ongoing construction of Class A and B vessels.[xii] It is also in the early planning stages for two additional ship classes, Class C and D. These efforts are critical for ensuring that NOAA can continue to meet its mission of supporting safe navigation, coastal resource management, and disaster preparedness and response.

Class A ships support research in marine geology, geophysics, ocean engineering, acoustics, bathymetry, gravimetry, magnetometry, and oceanography. They also deploy, operate, and recover scientific instruments and vehicles; support dives; manage moorings and free-floating devices; process and transmit data; and support deep sea and coastal missions.

Class B ships chart and survey deep and shallow waters, producing hydrographic, benthic habitat, and water column geospatial products and deploying and recovering survey launches. They also collect data for climate research, weather and air chemistry, and ocean and coastal research.

The first Class A vessel is expected to be delivered in April 2026. However, the construction of the second vessel, *Discoverer*, began without design specifications to support a critical deep-ocean mission currently being performed by the aging *Okeanos Explorer*, which has exceeded its planned service life. To provide this capability on *Discoverer* would require significant redesign and rework, and increase costs and delay mission readiness. Delays would likely require NOAA to continue operating the 37-year-old *Okeanos Explorer* for longer than intended. NOAA must fully characterize the design changes and mission impacts to inform decision-making on this matter.

Construction on the first Class B vessel, *Surveyor,* began in March 2025. Unlike the Class A program, which is being led by the U.S. Navy, NOAA is the lead agency for the Class B acquisition, with technical support from the Navy. NOAA has not led a new ship acquisition program in

[xii] The first Class A ship on contract, *Oceanographer*, has an expected delivery date of April 2026; the second, *Discoverer,* is expected in October 2026. Two Class B ships, *Surveyor* and *Navigator*, are on contract. Construction for the *Surveyor* started in March 2025, with an estimated delivery date in 2028.

15 years. A lack of recent experience and institutional knowledge increases program and enterprise risk, particularly in establishing and carrying out effective government contract quality assurance functions.

Additionally, modeling and simulation tests have found that *Surveyor*'s hull design requires modification for its sensors to work correctly.[xiii] NOAA must resolve these issues to ensure that *Surveyor* is delivered on schedule and meets mission requirements that ultimately support over $1.8 trillion in maritime commerce in our nation's ports.

Finally, NOAA also faces significant challenges in recruiting and retaining qualified crew for its ships as well as technical experts to manage and oversee the complex fleet recapitalization process. Without an adequately sized and skilled workforce, NOAA risks delays in its acquisition programs and reduced operational readiness of the ships and aircraft.[24]

Maximizing Use of Innovative Uncrewed Systems

In addition to modernizing its fleet of ships and aircraft, NOAA is beginning to use uncrewed systems—including aircraft, surface vehicles, and submersibles—to expand its data collection capabilities and improve the efficiency and effectiveness of its ships and aircraft (see figure 3 for an example). By providing access to remote or hazardous areas, these systems allow NOAA to monitor weather patterns, track wildlife, and study the environment while reducing risks to human safety and allowing its ships and aircraft to spend more time actively supporting missions.

Figure 3. An uncrewed surface vehicle surveys at sea.

Source: NOAA Uncrewed Systems Operations Center

While NOAA has sought to rapidly integrate the use of uncrewed systems, it still needs to develop and implement effective program controls for them. These include a process for developing and managing requirements for uncrewed systems, a process to assign data collection requirements to the appropriate platform (such as an uncrewed aircraft or marine system), a program management plan for acquisitions, and an acquisition strategy to efficiently allocate resources. By implementing these controls, NOAA can optimize its program and maximize the effectiveness of its uncrewed systems.

Maintaining an aging fleet of ships and aircraft while the acquisition of new assets is delayed creates significant operational risks. These include higher maintenance costs, reduced reliability, and potential safety concerns. Continued reliance on outdated platforms places strain on NOAA's resources and compromises its ability to meet mission requirements.

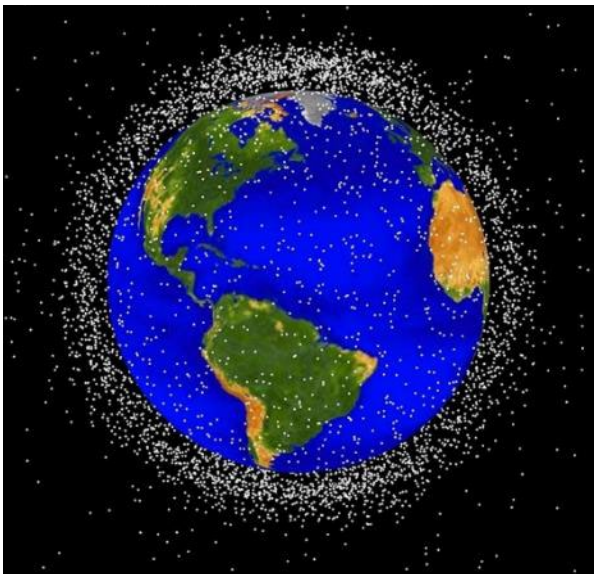
[xiii] Hull-mounted sensors can include multibeam sonar, echo sounder, and fish finders. The sensors rely on transmitting and receiving sound waves; their performance can be significantly degraded by air bubbles caused by the ship moving through the water.

Implementing Commercial Space Services

As commercial activity in space grows rapidly, NOAA's Office of Space Commerce (OSC) is continuing to develop a system to provide space situational awareness data and services to commercial space operators in support of spaceflight safety. Due to the increase in space objects orbiting Earth (figure 4), preventing collisions between satellites and debris is crucial.

In a 2024 audit,[25] we reported that OSC was challenged to effect the transfer of certain responsibilities for providing basic space situational awareness data and services from the Department of Defense to the Commerce Department, as called for in a 2018 White House policy directive.[26] Specifically, OSC's award of a contract for a system integrator, which was integral to providing an initial space situational awareness capability, had been delayed. In addition, the program had challenges with staffing and schedule management.

Figure 4. Orbital debris is most concentrated within 2,000 kilometers of Earth's surface.



Source: NASA website

Since our report, OSC awarded the contract and implemented initial capabilities of its Traffic Coordination System for Space (TraCSS) for a beta group of satellite operators. However, programmatic, acquisition, and resource challenges could impact OSC's ability to complete a production release of TraCSS in January 2026, which is a key step in its roadmap to transitioning services from Defense to Commerce. OSC must also balance these efforts with recent interest in privatizing the TraCSS program.

Safeguarding Intellectual Property and Fostering Innovation

Providing quality, timely patent and trademark rights is a USPTO core function. In our FY 2025 *TMC,* we reported on the need to balance quality and pendency in patent and trademark examinations. This issue remains a challenge. USPTO must also continue to manage fraudulent claims and preserve the integrity of its patent and trademark examination processes.

Reducing Application Backlog Without Sacrificing Quality

USPTO faces ongoing challenges regarding the timeliness of its trademark and patent examination processes. In 2024, we reported that USPTO made some progress in reducing total trademark pendency (the time during which the application is pending, or awaiting a decision) from its highest levels, but further improvement is needed.[27] Trademark application pendency remained above historical levels, from an average of 9.5 months in 2020 to 14.1 months in 2024. On the patent side, almost 800,000 applications remained unexamined at the end of FY 2024, an

approximate 38 percent increase from the end of FY 2020. The Department and USPTO have indicated that patent pendency will be a focus for the immediate future.

At the same time, USPTO's patent quality reviews found that approximately 16 percent of office actions in 2024 did not comply with at least one of the statutes governing patentability. And USPTO's quality reviews have identified a significant percentage of examiner office actions with incorrect or missed double-patenting rejections (which aim to prevent granting a patent claim that is the same as, or not patentably distinct from, a claim in another patent). In a 2025 audit, we reported that many quality review findings go uncorrected; this may impact the quality of issued patents.[28]

USPTO is working toward reducing its trademark application backlog. It has added IT development resources intended to improve the internal trademark examination system and shifted fraud-detection tasks from examining attorneys to the Trademark Register Protection Office. USPTO is also taking steps to address patent pendency, including updating the application routing process, extending examiner working hours, and employing new examiner incentives. Management's focus on pendency is commendable, but USPTO will be challenged to improve the timeliness of its patent and trademark application processes without reducing the quality of its examinations.

Preserving the Integrity of Intellectual Property

The integrity of patent and trademark examination is important to reliable intellectual property rights and the economic health of the United States. It is also vital to the smooth and efficient operation of USPTO.

In a 2021 audit, we found that USPTO had approved trademark filings with digitally altered or mocked-up evidence of use in commerce, did not ensure that goods listed in filings were available for sale on websites, and lacked a comprehensive risk strategy.[29] USPTO's efforts to address these issues included creating the Register Protection Office, which is dedicated to combating threats to the trademark system.

Similarly, in April 2025 USPTO announced the creation of the Patent Fraud Detection and Mitigation Working Group, which is tasked with mitigating threats to the patent system. The group's focus will include addressing erroneous fee certifications, monitoring suspicious filings, and identifying and handling potential misrepresentations to USPTO. These threats can waste office resources and impede the examination of legitimate patent applications.

We applaud these steps toward tackling improper conduct in trademark and patent execution. USPTO's challenge will be to ensure that its actions in this regard are coordinated, effective, and adapted as needed, especially considering the focus on pendency noted above. In addition, USPTO must remain vigilant for new types of improper conduct and maintain adequate resources for these efforts.

Ensuring Quality Population Data

The Census Bureau conducts the decennial census, a constitutionally required count of the U.S. population, every 10 years. Although the 2030 decennial is more than 4 years away, the bureau has been planning for it since 2019. Its challenge will be to provide enough oversight over

the decennial and its follow-up operations to ensure the accuracy of the data it collects—data that will help stakeholders make important political, economic, and social policy decisions that affect the entire nation.

In addition to the decennial, the bureau conducts over 130 surveys, measuring changing U.S. demographic and economic conditions, for itself and on behalf of other agencies. The bureau's ongoing challenge is to maintain these surveys' quality and accuracy.

Providing Sufficient Oversight of Decennial Census Planning and Follow-Up

In the previous decennial census, the bureau's count of the U.S. population as of April 1, 2020, was 331,449,281 people. The decennial census provides the data needed to apportion the U.S. House of Representatives and to distribute federal funding to the states, tribal governments, and local communities. The bureau estimated federal funding for FY 2021 (the first fiscal year after the 2020 decennial) that was distributed using Census data to be more than $2.8 trillion. These funds are used for services and infrastructure, requiring a high level of data quality. If data quality is problematic, the population-based apportionment of representatives and funding will not be as accurate as possible.

Allocating sufficient resources for 2030 census research and testing. The 2030 census is a multiyear program, beginning in 2019 and ending in 2033. The program encompasses four distinct phases, as shown in figure 5.

Figure 5. Planning for the 2030 decennial began years before the actual count.

Source: OIG, based on Census planning information

The bureau publicly released its initial operational plan for the 2030 census on July 23, 2025. Its work is now in the development and integration phase, which includes two major tests: the 2026 Census Test and the 2028 Dress Rehearsal. Each test is designed to measure the effectiveness of new or improved systems and methods for carrying out the decennial census. The bureau will refine the operational plan as needed following these tests. We have focused our near-term work on the 2026 Census Test:

- In December 2024, we began an evaluation to assess the bureau's methodology for selecting test sites for the 2026 Census Test.
- In September 2025, we issued an audit report on the bureau's staffing plans for the 2026 Census Test and its progress in meeting workforce hiring goals.[30]

In our September 2025 audit, we reported that the bureau has not finalized its staffing plan for recruiting and hiring field staff for the test. The bureau had expected to finalize and approve the

staffing plan and cost model by January 31, 2025, but did not because data needed to prepare the plan was received later than expected or had not yet been provided; the bureau also did not have a procedure to document staffing plan requirements and methodology to ensure that workforce planning was done in a consistent and timely manner and according to management's expectations.

The bureau planned to begin recruiting field staff for the 2026 Census Test in October 2025, but an incomplete staffing plan may lead to delays in recruiting and the failure to meet workforce hiring goals. We recommended that the bureau complete and implement its staffing plan before recruitment begins, establish and implement oversight responsibilities over staffing plan activities, develop and implement a process to define responsibilities and expectations, and establish firm dates for staffing plan activities. The bureau concurred with our recommendations.

Improving the accuracy of an important decennial quality check. The Post-Enumeration Survey (PES) is an independent survey of a representative sample of households counted during the decennial. It aims to measure coverage error and census accuracy, acting as a quality check of the decennial.

By matching its responses to 2020 census responses, the 2020 PES created an independent estimate of the number of people living in the United States and Puerto Rico as of April 1, 2020.[xiv] The 2020 PES found statistically significant population undercounts for six states and overcounts for eight states.[31] It also found that some historically undercounted demographic groups (e.g., African American and Hispanic) continued to be undercounted, but to a higher degree, while other groups (e.g., Non-Hispanic White and Asian) were overcounted.[32]

In November 2024, GAO reported that historical coverage errors persisted for some groups and that data quality for the 2020 PES may have declined from previous decennial censuses.[33] GAO also found that the bureau encountered challenges during the 2020 PES and that some methodological choices may have negatively affected data quality.

We issued an audit report in March 2025 on the validity of the 2020 PES's overcounts and undercounts.[34] We found that operational delays, which prompted efforts to address missing data, and a smaller-than-anticipated sample size increased uncertainty in PES estimates, bringing into question the 2020 PES's validity. In addition, quality control processes for certain operations were not carried out as planned. We recommended several changes to the bureau to strengthen the 2030 PES. In response to our recommendation, the bureau concurred with it and acknowledged opportunities to strengthen the PES.

The decennial census is used to measure the U.S. population and is therefore critical to determining federal representation and the distribution of federal funding. This means it impacts millions of people nationwide for a decade after it is conducted. To ensure its accuracy, the decennial needs the most reliable quality check possible.

Improving the Accuracy and Quality of Demographic Surveys

In addition to the decennial census, the bureau conducts more than 130 surveys of households and businesses each year. Estimates for household (i.e., demographic) surveys are released

[xiv] The PES sample excludes people living in group quarters, such as nursing homes and college dorms, and people living in remote Alaska areas.

monthly, quarterly, or annually, and require that thousands of field representatives pay visits in person to interview households that did not initially respond to the survey. Surveys are either carried out and sponsored entirely by the bureau or on behalf of another federal agency, which reimburses the bureau for the work.

Many federal agencies depend on the bureau to collect accurate data for use by their stakeholders. For example, the Current Population Survey (CPS), conducted on behalf of the Department of Labor's Bureau of Labor Statistics, is used to inform stakeholders' decision-making processes on matters related to household employment and earnings.

Improving data collection and quality control procedures to ensure reliable survey estimates. The largest survey carried out by the bureau is the American Community Survey (ACS), which has a target sample size of approximately 3.54 million addresses each year across the United States and Puerto Rico. Each month, field representatives collect demographic, social, economic, and housing information from people living in households and group quarters, and the bureau provides that data plus population estimates to American communities. These estimates are critical for state and local policymakers and planners, who use them to help distribute more than $2.8 trillion in federal funding.

Accurate ACS data gathered from people living in households and group quarters is necessary for a range of policy decisions. Therefore, the bureau must ensure that its representatives follow established production and quality assurance processes when collecting survey data. On August 30, 2023, we initiated an audit of the ACS to determine whether the bureau has implemented adequate data collection procedures to ensure that ACS estimates are reliable. We intend to issue a final report on this audit in FY 2026.

Addressing workforce staffing gaps. The bureau employs thousands of field representatives to carry out some of its largest surveys, such as the ACS, CPS,[xv] and National Crime Victimization Survey (NCVS).[xvi] Field representatives are deemed mission-critical positions without which the bureau cannot carry out its core work.

However, the bureau struggles to recruit and retain field representatives in some areas of the country. This results in staffing shortfalls for surveys, including the ACS, CPS, and NCVS. In March 2025, we issued an evaluation report on the effectiveness of the bureau's strategies to help recruit, hire, and retain employees.[35] We found that the bureau did not meet staffing goals for the three surveys mentioned and did not document recruitment and retention processes. The bureau also did not have effective strategies to address staffing gaps and high levels of field representative vacancies. If the bureau does not recruit and retain enough quality field representatives, it will be unable to complete interviews and collect the social and economic data needed by the federal government, businesses, and other stakeholders.

[xv] Sponsored jointly by the Census Bureau and the Bureau of Labor Statistics, the CPS is the country's primary source of labor force statistics. It has a random sample of approximately 74,000 housing units each month.
[xvi] Carried out on behalf of the Bureau of Justice Statistics (Department of Justice), the NCVS is the country's primary source of information on criminal victimization. The survey has a representative sample of approximately 150,000 households annually.

Section 3: Managing Spending

In recent years, the Department has been at the forefront of efforts to strengthen the American economy and global competitiveness. This has led to many new programs and initiatives for the Department to manage. As the Department's funding for these programs and initiatives has grown, so has its ongoing challenge of ensuring the proper oversight and management of contracts, grants, and financial assistance awards. The Department must manage many high-dollar award programs and procurements while ensuring that it spends taxpayer dollars prudently and safeguards programs from fraud, waste, and abuse.

Managing and overseeing major programs, like NTIA's broadband programs, CHIPS Act programs, FirstNet Authority's management of the nationwide broadband network for first responders, and NIST's manufacturing partnership program, are some of the spending-related challenges the Department needs to meet to carry out its wide-ranging mission.

Strengthening Oversight to Increase Efficiency While Mitigating Fraud, Waste, and Abuse

Safeguarding the funds obligated for the Department's complex programs and initiatives is a major ongoing challenge. Protecting these funds will require strong management and oversight, which in turn depends on the Department's ability to maintain a skilled grants and acquisitions workforce as well as a proactive approach to preventing and detecting fraud and ensuring the accountability of recipients.

Strengthening Monitoring and Oversight of Grants and Contracts

The Department must continue to strengthen its grant and contract administration and oversight to increase efficiency while mitigating fraud, waste, and abuse. Thorough performance monitoring and documentation help ensure that the Department and bureaus provide effective oversight and comply with all applicable regulations and that grant recipients and contractors are fiscally responsible with federal funds.

As the Department focuses on the President's America First Investment Policy and revitalizing our economy, the Department must adapt its oversight to monitor changes in priorities and programs, consolidate programs to work more efficiently, and put controls in place to make sure funds are spent as intended.

The Department's approximate grant obligations and contracts in FYs 2024 and 2025 are shown on the right. The Department is also reviewing its contracts for common goods and services that are to be consolidated for procurement through the General Services Administration in accordance with the administration's direction.[36] Taking a phased approach, the Department has proposed transferring contracts with a current obligation amount of nearly $350 million.

	Grants	Contracts
FY24	$28.5 billion	$5.2 billion
FY25	$21.2 billion	$4.2 billion

With billions of tax dollars spent each year on government contracting, federal acquisitions must be managed effectively, efficiently, and with accountability. As contractors deliver goods and services to help the Department perform its mission, strong internal controls must be in place to provide the best value for taxpayers' resources, eliminate wasteful spending, and ensure that the Department fulfills its statutory responsibilities in the most cost-effective manner possible.

Proposed changes directed through recent executive orders identify opportunities for new approaches Departmentwide to realize savings and deliver on the President's agenda. For example, in February 2025, the President issued an order aimed at transforming federal spending on contracts, grants, and loans.[37] In response, the Secretary of Commerce issued guidance on March 10, 2025, retaining authority to approve contracts exceeding $100,000.

Additionally, changes in funding are expected to refocus the Department on core activities such as enforcing trade laws, producing core statistical products, conducting leading-edge research and development, and collecting essential scientific observations like ocean and weather data to support navigation and forecasting. And with the reduction and potential elimination of programs and bureaus, the Department will need to ensure the continued oversight of grants.

Our recent audit, evaluation, and investigation work has also shown that the Department needs to improve its monitoring and oversight of acquisitions and grants:

- **Lack of adequate oversight at EDA.**[38] Our April 2025 audit report concluded that EDA did not provide adequate oversight of Coronavirus Aid, Relief, and Economic Security (CARES) Act revolving loan fund operators. Four operators awarded 11 loans, totaling more than $4.02 million, to borrowers who did not meet eligibility requirements and who did not use the funds as intended.
- **NIST pandemic relief fund recipients' unapproved spending.**[39] An independent evaluation in March 2024 of CARES Act and American Rescue Plan funding through NIST questioned costs of approximately $2.55 million. Multiple recipients spent funds without prior approval or overspent in certain budget categories.
- **NOAA fisheries' lack of pandemic relief fund oversight.**[40] An independent evaluation in April 2024 of CARES Act and Consolidated Appropriations Act (CAA) pandemic relief funds provided by NOAA to support fisheries assistance identified $314,000 in questioned costs, $24.7 million in unsupported costs, and $19 million in funds to be put to better use. NOAA monitored most funding through a dashboard but had little to no oversight of CAA funding. In addition, an investigation revealed that a business falsely claimed a loss in revenue on a

CARES Act application. When confronted with this evidence, the business agreed to pay approximately $90,000 to settle claims related to the funding.

- **Identification of pricing issues in NOAA contract.** In May 2025, a proactive investigation of pricing issues in the Department's contracts led to NOAA recovering more than $800,000 from a contractor. We found significant discrepancies between the contractor's proposed and actual costs. The investigation also found that the contractor received excessive profits on the contract due to these discrepancies. Our findings led the contractor to sign a settlement agreement with NOAA acknowledging that the contractor had been overpaid and providing for direct reimbursement to NOAA.
- **Slow disbursements of disaster funds by Puerto Rico.**[41] The Bipartisan Budget Act of 2018 appropriated funds for Puerto Rico fisheries impacted by Hurricanes Irma and Maria in September 2017. Funds were properly expended and used as intended, but only about 7 percent of total disaster assistance funds had been disbursed as of July 2024.

Maintaining a Skilled Grants and Acquisitions Workforce

Maintaining skilled workers in these fields has long been a challenge for the Department. The Department's FY 2024 *Acquisition Human Capital Report* states that successful acquisitions directly result from having the right people in place to support the acquisition lifecycle. The plan also states that to ensure the effective stewardship of its resources, the Department must have an acquisition workforce that optimizes the utilization of resources and assets; leverages technology; adapts to changing business environments; promotes the timely delivery of high-quality products and services; and ensures compliance with statutes, regulations, policies, and guidance.

The Department's acquisition workforce is currently undergoing changes. Implementing recent executive orders[42] and consolidating procurement actions through the General Services Administration, intended to eliminate waste and increase efficiency, will effect extensive changes to federal contracting. The Department's acquisition workforce will need to adapt to these proposed changes while maintaining effective oversight of contracts and grant programs.

The Department's Office of Acquisition Management notes that accomplishments in managing and strengthening the Department's acquisition workforce were achieved by offering acquisition-related training to enhance the workforce's knowledge. In addition, some bureaus identified leadership programs for staff growth and development. Further, the Department has forged a new agile acquisition pathway consisting of an agile framework, guidebook, and related artifacts so it can be more customer-centric, continue to learn, and routinely adapt requirements to maximize the value of investments in the Department's unique programs.[43] The Office of Acquisition Management also develops guidance and templates intended to serve as a reference, guide, and collection of best practices. These resources are designed to support consistency and quality across programs. Individual bureaus and programs are encouraged to use them to train program managers and are also welcome to tailor the materials to fit their programs' specific needs.

The Department's most critical challenge in managing its financial assistance and acquisition workforce is to ensure that it has the right talent, with the technical expertise and program management skills to procure, administer, and manage the Department's many highly specialized products, services, and programs.

Mitigating Fraud and Improving Accountability

In recent years, the Department received historic amounts of funding, which is currently being implemented.[44] This funding, like all federal funding, is at risk of fraud.[45] To ensure that funding reaches intended beneficiaries and that funded programs achieve their goals, fraud must be properly mitigated.[46]

Fraud poses a significant risk to the integrity of federal programs and erodes public trust in government.[47] A 2024 GAO report has estimated that fraud costs the federal government between approximately $233 billion and $521 billion in direct losses per year.[48] This amount was cited in a 2025 executive order focused on protecting the United States General Fund from fraud, waste, and abuse.[49] That order noted that financial fraud threatens the integrity of federal programs and undermines trust in government and that it is the United States' policy to defend against financial fraud.[50]

To combat fraud and preserve the integrity of its programs, the Department should manage risk by increasing proactive fraud detection, prevention, and response measures as part of its program implementation and oversight.[51] Elements of an effective fraud risk management program include requiring accurate data from funding recipients, ensuring subrecipient accountability, and working with our office. Effective fraud risk management helps to ensure that services fulfill their intended purpose, funds are spent effectively, and assets are safeguarded.[52]

Requiring accurate data from recipients. GAO and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) have both cited the benefits of data analytic tools and techniques for effective fraud prevention and detection. A 2021 CIGIE report noted that using data analytics throughout a grant's lifecycle can provide greater visibility and insight into the use of federal funds and result in greater accountability.[53] But, as OMB has pointed out, financial award and subaward data must be accurate and high quality to provide transparency in how federal funding is spent.[54]

One way to help ensure the quality of grant data is to require grantees to certify the accuracy and truthfulness of the information they give the Department in applications, reports, and support for expenditures. Robust certifications can also contribute to effective civil and criminal grant fraud enforcement[55] —which, in turn, improves accountability.

Ensuring accountability for subrecipient performance. Accurate data is even more important at the subrecipient level, which is particularly vulnerable to fraud. OMB has stated that prime funding recipients are responsible for reporting subaward data and that agencies must hold recipients accountable for this reporting.[56] It is therefore critical for the Department to ensure that recipients of funding meet their subrecipient reporting requirements.

Collaborating and coordinating with OIG. According to GAO, another important component of effective fraud risk management is for federal agencies to collaborate and coordinate with their OIGs.[57] OMB has noted that agencies' leadership and OIGs share the responsibility of promoting economy, efficiency, and effectiveness in the agencies' programs and preventing and detecting fraud and abuse.[58]

In fact, in FY 2024 our office accounted for approximately $1.4 billion in monetary impacts. This includes $1.3 billion from audits and inspections (including questioned costs and the identification of funds that could be put to better use) and $31 million from investigative recoveries.[59] When compared to our aggregate budget for FY 2024, this represents an approximate return of $24 for every $1 invested.

$24

Estimated return on **every $1** invested in our office in FY 2024

The Department is required to report to us on possible fraud and other criminal matters such as a false claim by a grantee, contractor, or financial assistance recipient.[60] Such reporting is essential to preventing and mitigating fraud in the Department's programs. A 2024 study of 1,921 fraud cases revealed that 43 percent of frauds were detected by tips.[61] More than half of all tips come from employees, and approximately a third of all tips come from external sources such as customers, vendors, and competitors.[62] (According to the same study, a guilty plea or conviction was obtained in 72 percent of cases in which a criminal referral was made.)[63]

Notably, tips are twice as likely to come from employees who received fraud awareness training as from employees who did not, showing the importance of fraud awareness education in preventing fraud.[64] It is important not only to report fraud, but to make sure that the Department's employees and funding recipients know about our office and how to contact us.[65]

Our Office of Investigations is a federal law enforcement entity with jurisdiction to investigate any matter related to the Department's programs and operations. Investigations can include criminal, civil, and administrative matters, and we invite the Department to continue to actively engage with us on fraud risk management and to make award data available for analysis. Effective fraud risk management will help the Department ensure that its funding is being used as intended to serve the American people.

Improving Efficiency in and Oversight of Broadband Grant Programs

Through NTIA, the Department is responsible for administration and oversight of six grant programs worth a total of $49.8 billion, with the shared goal of bringing broadband access to every American.[66] If NTIA is to meet this ambitious goal, its major challenges include increasing efficiency by reducing unrealistic requirements and ensuring sufficient oversight of grant funds.

Increasing Efficiency by Reducing Unrealistic Requirements

The broadband grant programs are intended to expand broadband use in America; lay the groundwork for sustainable economic growth, better education, public safety, and healthcare; and advance other national priorities. However, some requirements—specifically, tight deployment timelines and lengthy permitting processes—create obstacles to deploying broadband programs.

Tight timelines do not account for conditions that might complicate or delay projects. As we reported in March 2025, the deployment timelines for the Broadband Equity Access and Deployment (BEAD) and Middle Mile Grant programs (4 and 5 years, respectively) are unreasonably short.[67] This is due to historically known, predictable geographic barriers—including short construction seasons, locations that are remote or have limited access, and climate hazards or natural disasters—that can cause significant delays to the projects they impact. Additionally, according to industry stakeholders, the telecommunications sector does not have sufficient capacity, both in material and in workforce resources, to complete all projects within the set timelines. In fact, some projects could take 10 or more years to complete.

Lengthy permitting process further impacts timelines and costs. As we have reported, the permitting process for broadband projects is lengthy—sometimes over 2 years for permit requests.[68] This can cut into the already short deployment timelines for broadband programs and lead to increased costs. Concerns over the length of the permitting process have also been expressed in multiple congressional hearings in 2023 and 2024. Failure to make changes will significantly delay broadband deployment and negatively affect the implementation, execution, and achievement of its goal to close the digital divide in underserved and unserved communities.

Even though permitting is outside NTIA's control, the bureau has been proactively developing and implementing initiatives to provide a more streamlined, efficient regulatory framework that complies with environmental and historic preservation obligations. NTIA has reduced potential permitting delays by:

- Establishing 30 new categorical exclusions and adopting 6 categorical exclusions from the First Responder Network Authority supporting streamlined environmental review for its grant programs
- Creating expedited compliance options for Endangered Species Act and National Historical Preservation Act reviews
- Providing publicly available GIS tools to help providers identify and avoid environmental resources and permits
- Partnering with states and territories and providing them with a tool for tracking environmental screening and permitting to enable expedited, paperless environmental compliance

Opportunities for new approaches.
The Department can **increase efficiency** in its broadband programs by revising tight timelines and streamlining the permitting process.

Congress is currently introducing legislation to reduce some of the statutory requirements for the BEAD program. In addition, NTIA conducted a comprehensive review of BEAD program requirements and issued a policy notice in June 2025 updating requirements from those outlined in BEAD's original notice of funding opportunity.[69]

Ensuring Sufficient Oversight of Grant Funds

Oversight of federal funds is one of the critical missions of every executive agency. Ensuring appropriate oversight of broadband programs will be essential to ensuring that the funds are spent effectively. In addition, strong oversight is critical to accomplishing departmental goals, including the expansion of broadband access. NTIA has taken action to strengthen internal controls for broadband program oversight by:

- Enhancing its procedures for verifying certifications from tribal governments that tribal lands were unserved or underserved by broadband
- Developing a framework of policies, procedures, and controls intended to help prevent, detect, and respond to fraud, waste, and abuse in NTIA's grant programs

Our recent work, however, has identified weaknesses in NTIA's processes for managing broadband grants. We have also initiated audits of how NTIA spends administrative funds for Infrastructure Investment and Jobs Act grant programs, NTIA's review process for BEAD's planning phase, and the allocation of BEAD funds.

The Department needs reliable internal controls to ensure that it can oversee funds effectively. Additionally, a renewed interest in increasing government efficiency and eliminating waste further highlights the need for strong oversight and controls. Mitigating these challenges is vital to the success of these programs and to ensuring that their limited resources are used as intended: to close the digital divide.

Managing and Overseeing CHIPS Act Funding

In 2022, Congress passed the CHIPS and Science Act[70] to promote long-term growth in domestic semiconductor manufacturing and research in support of national and economic security. The CHIPS Act of 2022 authorizes direct funding to support semiconductor research and development, innovation, and manufacturing.[xvii] The CHIPS Act also provided $1.5 billion to the Public Wireless Supply Chain Innovation Fund for grants to facilitate the adoption of open and interoperable radio access networks to drive wireless innovation, competition, and supply chain resilience.

These initiatives represent major priorities of the administration. Managing the programs so they meet their goals is an ongoing challenge for the Department.

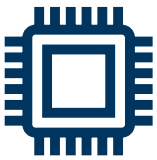
Investing Responsibly in the Nation's Technological Future

NIST is playing a pivotal role in the attempt to bring semiconductor development and manufacturing back to the United States. To do this, the bureau must award and manage $50 billion in direct funding and up to $75 billion in loans and loan guarantees under the CHIPS Act.

[xvii] The CHIPS Act of 2022 (division A of the CHIPS and Science Act) amended Title XCIX of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021; we refer to these provisions collectively as the CHIPS Act.

A program of this size and complexity has many inherent risks, including the potential that funds will be misspent, improper payments will be issued, and ineligible entities will receive funds. This could result in an ineffective program and even the possibility that foreign entities of concern could benefit (for example, by partnering with American companies to conduct research into semiconductors critical to national security). NIST's ongoing challenge is to issue funding efficiently while reducing the risk of errors, fraud, waste, and abuse.

$33.7 billion



The amount of direct funding the CHIPS Program Office awarded between November 2024 and April 2025. The office also issued up to **$5.5 billion** in loans during that time.

The rapid pace of CHIPS awards also presents oversight challenges. The two CHIPS offices, the Program Office and the Research and Development Office, began making awards in FY 2024. As of June 30, 2025, the Program Office has made 20 awards for up to $33.7 billion in direct funding and up to $5.5 billion in loans. Eighteen of the awards—totaling up to $30.5 billion—were announced within the 9-week period of November 15, 2024, to January 17, 2025. On January 16, 2025, the Research and Development Office awarded $7.4 billion to operate the National Semiconductor Technology Center and fund research projects to bring new CHIPS technology to the commercial market. Finalizing so many agreements so quickly increases the risk of many oversight-related issues, including rushed decision-making, insufficient due diligence, compliance gaps, and the need to modify awards later. On August 25, 2025, the Department announced that it would end the $7.4 billion agreement to operate the National Semiconductor Technology Center, stating that operational responsibility for the center had not been established within the Department as required.[71] According to a press release, NIST will assume operational responsibility for the center.[72]

In addition, the main type of funding CHIPS uses (agreements that are not federal contracts, grants, or cooperative agreements) to streamline the award process is exempt from many federal procurement regulations. Given the scale of the funding awarded through these agreements, this approach adds complexity to oversight, increasing the risk of inconsistent accountability, limited transparency, and challenges in measuring performance.

To further complicate matters, the Program Office lost more than half of its employees in 2025 due to government-wide efforts to reduce staffing, according to the NIST Office of Human Resource Management.

Adequate oversight and internal controls can help lower these risks. This makes it crucial for CHIPS to have policies and procedures—and, importantly, people—in place to provide effective oversight. However, we reported in a May 2024 audit that CHIPS had not developed a comprehensive workforce plan to ensure that it has adequately aligned its resources to fulfill its mission and to identify current and future staffing opportunities and constraints.[73]

Internal restructuring is another challenge that must be met if the CHIPS program is to achieve its goals. In March 2025, the President established a new Department of Commerce office, the

United States Investment Accelerator, which will oversee the CHIPS Program Office.[74] The office aims to facilitate and accelerate investments of over $1 billion and to negotiate more favorable terms for U.S. taxpayers. Despite these potential benefits, the restructuring may change how the Program Office operates and engages with funding recipients.

As required by the CHIPS Act, we will continue to monitor the Department's implementation of the CHIPS program in the coming fiscal year.[xviii] In June 2025, we issued a status report of CHIPS Act programs administered by NIST.[75] In addition, in February 2025, we initiated the first of several statutorily required audits.[76] In this audit, we will examine the eligibility requirements of award recipients, including investment commitments, fiscal sustainability, supply chain security, and anti-counterfeiting measures.

Strengthening U.S. Leadership in 5G and Successor Wireless Technologies with the Innovation Fund

Established in 2021, the Public Wireless Supply Chain Innovation Fund aims to support the United States' leading position in the telecommunications ecosystem, reduce costs, enhance competition, and strengthen the nation's telecommunications supply chain. NTIA administers the Innovation Fund grant program for the Department, and NIST serves as the fund's grants office.

As we explained in our *TMC* reports for FYs 2024 and 2025,[77] NTIA had a very short time after funds were appropriated for the program—about 2 months—to review applications and begin awarding grants. NTIA issued three grants on August 8, 2023, meeting the legislative requirement to issue grants within 1 year of fund appropriation.[xix]

Since the program began, NTIA has issued three notices of funding opportunities (NOFOs). As of August 18, 2025, NTIA has awarded 35 grants, for over $550 million. Table 2 summarizes the grants and funds awarded under each of the three NOFOs.

Table 2. Over $550 million of the Innovation Fund's initial $1.5 billion* has been awarded.

NOFO	Release Date	Grant Purpose	Awards	Funding (millions)
1	April 12, 2023	Research and development/testing and evaluation	17	$140.4
2	May 7, 2024	Open Radio commercialization and innovation	18	$410.0
3	Dec. 17, 2024	Software to validate new revenue streams and reduce complexity and cost of integrating multiple vendors	0	$0
			35	**$550.4**

Source: OIG review of NIST's Grant Management Information System

* In July 2025, $850 million of the original $1.5 billion was rescinded (Pub. L. 119-21).

[xviii] The CHIPS Act appropriated $5 million annually to our office from FYs 2022 through 2026 to oversee expenditures related to the semiconductor incentive program and research and development initiatives. We are also required to audit the semiconductor incentive program to assess whether recipients met eligibility requirements, used funds in accordance with the law, fulfilled workforce and community investment commitments, and received sufficient guidance on agreement violations, and whether the Department took appropriate enforcement actions.

[xix] The CHIPS and Science Act was issued on August 9, 2022, and appropriated $1.5 billion to the program.

The CHIPS and Science Act also appropriated $2 million each fiscal year between 2022 and 2032 for our office to conduct oversight of the program. We completed one evaluation report in FY 2025 and launched an audit, which we will issue in FY 2026. Our Office of Investigations is also reviewing and assessing any allegations of fraud in the program.

Our evaluation report, issued in April 2025,[78] found that although NTIA took steps to mitigate some challenges it faced when implementing the program, it lacked a comprehensive strategic plan that would ensure the program's success. Specifically, NTIA did not have a sufficient strategy for anticipating emerging industry challenges, had not fully developed program goals and strategic objectives that align with the program's statutory objectives, and did not develop a comprehensive staffing plan before it began awarding grants.

In February 2025, we initiated an audit of NTIA's award process for NOFO 1 (research and development/testing and evaluation). Our objective is to determine whether NTIA had an adequate review and award selection process to ensure that grant recipients met the program's requirements as described in NOFO 1.

Because this is a new program, NTIA's challenge for FY 2026 is to ensure that a comprehensive internal control framework exists so that funds are granted only to eligible applicants and used according to program objectives.

Improving Oversight Weaknesses in Nationwide Broadband Network for First Responders

When disaster strikes, reliable communications are crucial to first responders' lifesaving efforts as well as their own safety. The Nationwide Public Safety Broadband Network (NPSBN, commonly known as FirstNet) is a nationwide, interoperable broadband network developed to give first responders a dedicated, reliable wireless network for communicating when responding to emergencies. (Figure 6 is an example of equipment that can temporarily connect first responders during a crisis.)

Figure 6. Mobile FirstNet cell sites like this one connect via satellite to provide network coverage.

Source: AT&T website

The Middle Class Tax Relief and Job Creation Act of 2012 established the First Responder Network Authority as an independent authority within NTIA to ensure the deployment and operation of the NPSBN. In March 2017, AT&T was awarded a $6.5 billion, 25-year contract with a ceiling of $100 billion to deploy and operate the network. FirstNet Authority manages and oversees the network and is responsible for contract management and administration.

Appropriate contract management and administration are imperative to the success of NPSBN operations. However, deficiencies in FirstNet Authority's contract management and administration, including weaknesses in contract oversight and inconsistent adherence to federal and departmental regulations, remain ongoing challenges. Moreover, we have found that these deficiencies have a direct operational impact on the effectiveness of NPSBN services.

For example, we reported in 2024 that FirstNet Authority did not ensure effective NPSBN service in support of public safety's response to the wildfires that swept through Maui in August 2023. It ultimately took up to 11 days to temporarily restore NPSBN service at affected cell sites—and, after service was restored, issues with connectivity and communication hampered first responders' ability to perform their mission-critical services. As a result, public safety could not rely on the NPSBN during the critical first days of the wildfire response. Beyond the issues during the wildfires, FirstNet Authority did not ensure that contractual requirements were met for sufficient disaster recovery planning before the wildfires and accurate reporting of response efforts after the wildfires.

We also reported that the NPSBN suffered a nationwide, multi-hour outage in February 2024 that impacted public safety agencies that use NPSBN services. Notification of an NPSBN outage is especially important so that agencies can implement their own alternate communication solutions, if needed. But agencies were not always notified about the February 2024 outage, nor were they updated on efforts to restore the network. Without notification of the outage, the safety of our nation's first responders was in jeopardy and their ability to perform their critical mission was compromised.

The NPSBN contract continues to be a high-profile, mission-critical departmental program that warrants special management attention. We have reported on the NPSBN as a top management challenge for FYs 2017 through 2025,[79] and our audit reports have continually identified issues with FirstNet Authority's oversight of AT&T's contract performance. [80] We are currently conducting two audits of FirstNet Authority's oversight of service availability and user eligibility for the NPSBN.

FirstNet Authority is revising and implementing its corrective action plans to address our audit findings and recommendations from FYs 2024 and 2025. However, we must continue to ensure that FirstNet Authority's action plans are effectively implemented. Until FirstNet Authority puts sufficient oversight for the contract in place, it will continue to put the NPSBN program—and the billions of dollars that fund it—at risk.

This risk is even more serious because the authority of FirstNet Authority is set to terminate in 2027, in accordance with the Middle Class Tax Relief Act. Congress will need to decide whether to reauthorize FirstNet Authority to continue fulfilling its statutory requirements and contract responsibilities for the NPSBN. Even as FirstNet Authority faces uncertainty about its future, it must take immediate action to implement robust controls to ensure the program's success.

Strengthening Hollings MEP Program Oversight

NIST's Hollings Manufacturing Extension Partnership (MEP) is a national network aimed at enhancing the productivity and technological performance of U.S. manufacturing.[81] NIST enters into cooperative agreements with state, university, and nonprofit organizations, which operate 51 MEP

centers (one in each state and in Puerto Rico) to help U.S. manufacturers improve production processes, upgrade technological capabilities, facilitate production innovation, and more.

In April 2025, it was announced that funding for about 20 percent of MEP centers would not be renewed. Although funding was later restored through the end of FY 2025, uncertainty about the program's future still exists. Despite this uncertainty, NIST must still protect the taxpayer money that funds MEP. To meet this challenge, it must improve its oversight to prevent waste of MEP funds and the use of inaccurate data on the program's economic impact.

Fighting Waste of MEP Funds

In 2023, we reported that NIST's inadequate oversight of MEP led to inefficient use of financial resources related to the centers in our review:[82]

- NIST did not ensure that centers used all funds to further MEP's mission. Instead, NIST allowed centers to keep and use millions of dollars for their own purposes, with no accountability to the federal government or taxpayers.
- NIST did not review the reasonableness of centers' executive salaries, resulting in excessive center personnel costs.
- Centers did not meet their award requirement to disclose potential conflicts of interest to NIST. This raises concerns about how they use award funds and increases the risk of fraud, waste, and abuse in the program.

As a result of our findings, we identified nearly $6.9 million in total funds that could be put to better use.

Since issuing that report, we continue to find instances where NIST allowed centers to retain significant financial resources for their own purposes and where award terms were breached, heightening the risk to taxpayer money. For example, we recently found that one center did not report to NIST millions of dollars generated using award funds, while another center claimed several hundred thousand dollars in unallowable expenses.[83] In addition, one center failed to return to NIST nearly $18,000 in federal funds it had overbilled—the center retained the funds for nearly a year and only initiated their return after we questioned center officials about the funds.

Addressing Inaccurate Economic Impact Data

NIST reports MEP's economic impact data in many contexts, including budget justifications. It is therefore key information for Congress and other potential decision-makers. Our September 2024 evaluation found that NIST publicly reported unreliable economic impact data, including 48 percent of the FY 2022 total sales for the seven centers in our review.[84] NIST also overstated MEP's return on investment from FYs 2020 through 2023—by 34 percent in FY 2020 alone. These unreliable economic impacts were also the basis for computing and publishing reports on the MEP program's macroeconomic impacts—reports that are posted on the NIST contractor's public website.

Since we issued our evaluation report, NIST has removed its FYs 2022 and 2023 impacts from its own website and directed its centers not to cite those economic impacts in any marketing or

communications material. However, NIST made no effort to remove or correct the publicly available MEP advisory board reports, allowing the inaccuracies to persist. In fact, the unreliable impacts from 2023 were referenced in an April 2025 letter in support of MEP, signed by 86 U.S. Representatives and addressed to the Secretary of Commerce, which highlighted the impacts as "indisputable." [85]

Similarly, NIST made no attempt to remove or correct the macroeconomic impact reports publicly available on the contractor's website. As a result, another letter to the Secretary supporting MEP, this one signed by 15 U.S. Senators, referenced these inaccurate reports.[86]

In addition, these economic impacts are NIST's primary means of evaluating centers' performance for continued federal funding. NIST's reliance on this data to evaluate centers may have caused it to provide federal funds to centers that overstated their performance.

MEP centers' inefficient use of financial resources, breach of award terms, and unreliable, overstated economic impact data increase the risk of fraud, waste, and abuse throughout the program. We will continue to monitor the program and review its progress in addressing this challenge.

Appendix: Relevant OIG Reports and Ongoing Projects

Section 1: Modernizing Technology and Systems

Cybersecurity and IT Security

Completed

- *Data Quality Challenges and Ineffective Program Management Hinder the Department's Enterprise Cybersecurity Capabilities* (OIG-25-006-A)
- *The National Weather Service Should Further Strengthen Its Protection of Essential Operational Technology* (OIG-25-12-I)
- *Audit of the Department's Vulnerability Reporting and Resolution Program* (OIG-26-002-A)

Ongoing

- Evaluation of the International Trade Administration's Cyber Incident Detection and Response

Systems and Operations

Completed

- Management Alert: *BAS Program's Focus on Technology May Overlook Risks Related to Business Processes* (OIG-21-023-M)
- *The BAS Program Needs to Increase Attention to Business Process Reengineering and Improve Program Management Practices* (OIG-22-025-A)
- *The Department Needs to Improve Oversight to Ensure the Success of Its Financial System Modernization* (OIG-24-014-A)
- *The Department's Vision for an Enterprise Grants Management System Has Not Been Realized* (OIG-25-025-A)

Ongoing

- Audit of BAS System Implementation for the Census Bureau

AI and Emerging Technologies

Completed

- *USPTO Needs to Improve Its Cost Estimating, Scheduling and Agile Practices to Timely Retire Legacy Systems* (OIG-22-026-A)
- *USPTO Should Improve Governance to Promote Effective Oversight of Its Artificial Intelligence Tools* (OIG-25-018-A)

Section 2: Providing Core Services and Data

Secure, Fair Trade

Completed

- *Lack of Defined Processes and Procedures Impede Efforts to Monitor End Use Check Performance* (OIG-20-019-A)
- Management Alert: *Excluding Deemed Exports and Reexports from 15 C.F.R. § 742.6(a)(6) Could Pose a Significant Risk of Unauthorized Technology Release to China's Military* (OIG-24-001-M)
- *ITA Did Not Effectively Resolve Foreign Trade Barriers* (OIG-24-004-A)
- *BIS' Export License Approval Process Reduces Risk of Threats from China's Military-Civilian Fusion Strategy, but BIS Should Take Additional Steps to Mitigate Risks of Unauthorized Technology Release to China's Military* (OIG-24-036-A)

Ongoing

- Audit of BIS's Enforcement of Russia and Belarus Export Controls
- Audit of BIS's Enforcement Efforts to Combat China's Military-Civilian Fusion Strategy

NOAA's Operations and Services

Completed

- *NOAA's Office of Marine and Aviation Operations Needs to Improve the Planning and Governing of Its Ship Fleet Recapitalization Effort* (OIG-20-006-A)
- *OMAO Must Define and Implement a Disciplined Requirements Management Process to Ensure Future Acquisitions Meet User Needs* (OIG-21-027-I)
- *The Success of NOAA's Next-Generation Satellite System Architecture Depends on Sound Requirements Management Practices* (OIG-22-022-A)
- *Space Weather Follow-On (SWFO) Program: Rideshare Schedule Presents Challenges and Lack of Backup Option Warrants NOAA Attention* (OIG-23-015-A)
- *Satellite Integration and Test Phase Improvements Are Needed to Ensure the Success of Future Polar Weather Satellite Missions* (OIG-23-027-A)

- *The GeoXO Program: Cost and Schedule Baselines Are Established, But NOAA Should Evaluate Plans for the Central Satellite Mission and Revise Its Approach to Performance Gains to Provide the Best Overall Value* (OIG-23-028-A)
- Management Alert: *NOAA Must Take Action to Address Significant Ship Fleet Recapitalization Risks* (OIG-24-016-I)
- *NOAA's Office of Space Commerce Efforts to Provide Space Situational Awareness Services Have Been Delayed and Need a Realistic Schedule* (OIG-24-031-A)
- *NOAA Should Assess Opportunities to Improve Hurricane Forecasts and Warnings* (OIG-25-007-A)
- *NOAA Must Take Action to Avoid Gaps in Hurricane Hunter Missions and Improve Oversight, Program Management, and Systems Engineering Practices* (OIG-25-023-A)
- *Independent Evaluation of the National Oceanic and Atmospheric Administration's National Weather Service Tornado Forecasting and Warning Services* (OIG-25-026-I)

Ongoing

- Audit of NOAA's GeoXO Program Implementation
- Audit of NOAA's Space Weather Follow-On Program Progress

Intellectual Property and Innovation

Completed

- *USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations* (OIG-21-030-I)
- *USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register* (OIG-21-033-A)
- *USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making* (OIG-22-010-I)
- *USPTO Needs to Improve Oversight and Implementation of Patent Classification and Routing Process* (OIG-23-026-A)
- *The Department Needs to Strengthen Its Ethics Oversight for USPTO Patent Examiners* (OIG-24-013-I)
- *A 3-Year Exposure of Privacy Act-Protected Data Revealed USPTO Mismanagement in Safeguarding the Sensitive PII of Trademark Filers* (OIG-24-029-I)
- *USPTO Should Address Risks to its Pendency Reduction Efforts for Trademark Applications* (OIG-25-002-A)
- *The United States Patent and Trademark Office Needs to Strengthen Its Quality Review Program* (OIG-25-029-A)

Ongoing

- Audit of USPTO's Patent Center System

Ensuring Quality Population Data

Completed

- *The Census Bureau Did Not Develop a Workforce Plan to Address Field Representative Staffing Gaps* (OIG-25-013-I)
- *The Census Bureau Should Address Challenges from the 2020 Post-Enumeration Survey Ahead of the 2030 Census* (OIG-25-015-A)
- *Audit of the Census Bureau's Progress in Meeting Workforce Hiring Goals for the 2026 Census Test* (OIG-25-030-A)

Ongoing

- Audit of the American Community Survey
- Evaluation of 2026 Census Test Site Selection Methodology

Section 3: Managing Spending

Strengthening Oversight to Increase Efficiency

Completed

- *EDA Generally Maintained Grant Award Files During the COVID-19 Pandemic* (OIG-23-029-I)
- *NTIA Took the Necessary Steps to Implement the Requirements for Awarding Funds Under the Consolidated Appropriations Act, 2021* (OIG-23-018-I)
- *EDA Implemented and Followed the Requirements for Awarding and Disbursing CARES Act Funding Through the Revolving Loan Fund Program* (OIG-23-021-I)
- *EDA Generally Monitored Grants Awarded Under the FY 2019 EDA Disaster Supplemental Notice of Funding Opportunity* (OIG-24-005-A)
- *USPTO Must Improve Acquisition Planning to Ensure Efficient and Competitive Procurements* (OIG-24-008-A)
- *The Puerto Rico Department of Natural and Environmental Resources Needs to Fully Comply with Procurement Regulations When Executing NOAA Awards* (OIG-24-028-A)
- *Independent Program Evaluation of NIST Pandemic Relief Program* (OIG-24-017-I)
- *Independent Program Evaluation of NOAA Fisheries Pandemic Relief Program* (OIG-24-018-I)
- *The Puerto Rico Department of Agriculture Met Pandemic Funds Requirements but Was Slow to Disburse Fishery Consolidated Appropriations Act Funds* (OIG-25-016-A)
- *EDA Needs to Improve Oversight of CARES Act Revolving Loan Funds to Ensure Loans are Made to Eligible Borrowers and Used as Intended* (OIG-25-019-A)
- *Puerto Rico's Department of Natural and Environmental Resources Properly Disbursed Funds but Was Slow in Expending Fishery Disaster Assistance Funds* (OIG-25-009-A)

- *Audit of MBDA Business Center Program* (OIG-26-001-A)

Ongoing

- Audit of EDA's FY 2019 Disaster Relief Grants Costs Claimed and Oversight
- Audit of the Department's Past Performance Evaluations and Oversight of Accenture Contracts

Broadband Grant Programs

Completed

- Management Alert: *NTIA's Reliance on Self-Certifications Increased Fraud Risk for the Tribal Broadband Connectivity Program* (OIG-23-022-M)
- *Semiannual Status Report on NTIA's Broadband Programs* (OIG-24-012-I)
- Management Alert: *Challenges Industry Stakeholders Face with Broadband Deployment* (OIG-24-015-M)
- *Semiannual Status Report on NTIA's Broadband Programs* (OIG-24-033-I)
- NTIA's Award Processes Leave Tribal Broadband Grants Vulnerable to Fraud and Duplication (OIG-24-019-A)
- *Broadband Stakeholders Identified Various Challenges Affecting Broadband Deployment* (OIG-25-014-I)
- *NTIA Broadband Programs: Semiannual Status Report* (OIG-25-031-I)

Ongoing

- Audit of Infrastructure Investment and Jobs Act (IIJA) Administrative Funds
- Audit of NTIA's Allocation of BEAD Funds
- Audit of NTIA's BEAD Program Review Process
- Semiannual Status Report on NTIA's Broadband Programs

CHIPS and Innovation Fund

Completed

- *NIST Surpassed Hiring Goals for CHIPS but Did Not Develop a Comprehensive Workforce Plan* (OIG 24-023-I)
- *NTIA Established the Innovation Fund Program but Needs a Plan to Ensure That the Program Meets Statutory Objectives* (OIG-25-017-I)
- *Commerce CHIPS Act Programs Status Report* (OIG-25-021-I)

Ongoing

- Audit of Semiconductor Incentives Program Eligibility
- Public Wireless Supply Chain Innovation Fund Award Process for NOFO 1

NPSBN Program Oversight

Completed

- *FirstNet Authority Failed to Provide Adequate Contract Oversight for its Initial Two Reinvestment Task Orders* (OIG-23-012-A)
- Management Alert: *The NPSBN Band 14 Signal Strength Does Not Consistently Provide Adequate Band 14 Service for First Responders* (OIG-24-022-M)
- *FirstNet Authority Did Not Ensure the Nation's First Responders' Needs Were Continuing to Be Met Timely When Modifying Key Objectives of the NPSBN Contract* (OIG-24-024-A)
- *FirstNet Authority's Lack of NPSBN Contract Oversight for Coverage Puts at Risk First Responders' Ability to Serve the Public Effectively* (OIG-24-026-A)
- *FirstNet Authority's Lack of Contract Oversight for Device Connection Targets Puts the NPSBN at Risk of Impacting First Responders' Use of the Network (*OIG-24-027-A)
- Management Alert: *February 2024 FirstNet Authority's Nationwide Public Safety Broadband Network Outage Raised a Significant Risk to the Readiness of First Responders Across the Country* (OIG-24-030-M)
- *Nationwide Public Safety Broadband Network Was Not Always Available to First Responders During the Catastrophic 2023 Maui Wildfires* (OIG-25-004-A)

Ongoing

- Audit of the First Responder Network Authority's Oversight of Service Availability for the Nationwide Public Safety Broadband Network
- Audit of the First Responder Network Authority's Oversight of User Eligibility for the Nationwide Public Safety Broadband Network

NIST's MEP Oversight

Completed

- *NIST Must Improve Monitoring of MEP to Prevent Waste of Financial Resources* (OIG-23-014-I)
- *NIST Overstated MEP's Economic Impacts to Congress and Other Stakeholders* (OIG-24-037-I)
- *OIG's Evaluation of MEP's Economic Impact Reporting Process Also Identified Instances of Noncompliance at Centers, Led to NIST Action* (OIG-25-011-I)

Ongoing

- Audit of NIST Cooperative Agreements with Ohio Department of Development

References

[1] Government Accountability Office (GAO). February 25, 2025. *High Risk Series*, "Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness."

[2] *TMC*s FY 2025, OIG-25-001; FY 2024, OIG-24-002; FY 2023, OIG-23-001; and FY 2022, OIG-22-001.

[3] Commerce OIG, February 22, 2024, *The Department Needs to Improve Oversight to Ensure the Success of Its Financial System Modernization*, OIG-24-014-A; and June 30, 2025, *The Department's Vision for an Enterprise Grants Management System Has Not Been Realized*, OIG-25-025-A.

[4] Commerce OIG, *Financial System Modernization*, OIG-24-014-A.

[5] Commerce OIG, *Financial System Modernization*, OIG-24-014-A.

[6] Senate Appropriations Committee. Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill 2025, Senate Report 118-198, 77.

[7] Commerce OIG. January 2025. *Audit of BAS System Implementation for the Census Bureau*.

[8] Executive Office of the President. January 23, 2025. Executive Order 14179: *Removing Barriers to American Leadership in Artificial Intelligence*.

[9] OMB. April 3, 2025. *Accelerating Federal Use of AI through Innovation, Governance, and Public Trust*. Memorandum M-25-21, 2.

[10] OMB, *Accelerating Federal Use of AI*.

[11] OMB, *Accelerating Federal Use of AI*, 25.

[12] OMB, *Accelerating Federal Use of AI,* and April 3, 2025, *Driving Efficient Acquisition of Artificial Intelligence in Government,* Memorandum M-25-22.

[13] Commerce OIG. April 22, 2025. *USPTO Should Improve Governance to Promote Effective Oversight of its Artificial Intelligence Tools,* OIG-25-018-A.

[14] National Academies of Sciences, Engineering, and Medicine (NASEM), *Capital Facility Needs*.

[15] NASEM, *Capital Facility Needs*, 3.

[16] Australian Strategic Policy Institute. August 2024. *ASPI's Two-Decade Critical Technology Tracker: The Reward of Long-Term Research Investment*.

[17] Executive Office of the President. January 20, 2025. *America First Trade Policy*.

[18] *America First Trade Policy* § 4(c).

[19] Executive Office of the President. April 3, 2025. *Report to the President on the America First Trade Policy*, *Executive Summary*, "Chapter 19: Review of U.S. Export Controls (Section 4(c) of AFTP)," 7–8.

[20] *America First Trade Policy* § 2(h).

[21] Commerce OIG. November 1, 2023. *ITA Did Not Effectively Resolve Foreign Trade Barriers*, OIG-24-004-A.

[22] OIG. June 17, 2025. *NOAA Must Take Action to Avoid Gaps in Hurricane Hunter Missions and Improve Oversight, Program Management, and Systems Engineering Practices,* OIG-25-023-A, 11.

[23] GAO. February 13, 2025. *Hurricane Hunter Aircraft: NOAA and Air Force Should Take Steps to Meet Growing Demand for Reconnaissance Missions*, GAO-25-107210, 2.

[24] Commerce OIG. March 12, 2024. Management Alert: *NOAA Must Take Action to Address Significant Ship Fleet Recapitalization Risks,* OIG-24-016-I. This alert identified the challenges NOAA faces in ensuring that it has sufficient staff with the required skills to simultaneously acquire three new classes of ships.

[25] Commerce OIG. July 30, 2024. *NOAA's Office of Space Commerce Efforts to Provide Space Situational Awareness Services Have Been Delayed and Need a Realistic Schedule*, OIG-24-031-A.

[26] Executive Office of the President. June 18, 2018. *Space Policy Directive-3, National Space Traffic Management Policy*.

[27] Commerce OIG. October 24, 2024. *USPTO Should Address Risks to its Pendency Reduction Efforts for Trademark Applications*, OIG-25-002-A.

[28] Commerce OIG. August 28, 2025. *The United States Patent and Trademark Office Needs to Strengthen Its Quality Review Program,* OIG-25-029-A.

[29] Commerce OIG. August 11, 2021. *USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register*, OIG-21-033-A.

[30] Commerce OIG. September 16, 2025. *Audit of the Census Bureau's Progress in Meeting Workforce Hiring Goals for the 2026 Census Test*. OIG-25-030-A.

[31] Census Bureau. May 19, 2022. *U.S. Census Bureau Releases 2020 Undercount and Overcount Rates by State and the District of Columbia*; accessed August 25, 2025.

[32] Census Bureau. March 10, 2022. *Census Bureau Releases Estimates of Undercount and Overcount in the 2020 Census*; accessed August 14, 2025.

[33] GAO. November 21, 2024. *2020 Census: Coverage Errors and Challenges Inform 2030 Plans*, GAO-25-10760.

[34] Commerce OIG. March 25, 2025. *The Census Bureau Should Address Challenges from the 2020 Post-Enumeration Survey Ahead of the 2030 Census*, OIG-25-015-A.

[35] Commerce OIG. March 13, 2025. *The Census Bureau Did Not Develop a Workforce Plan to Address Field Representative Staffing Gaps,* OIG-25-013-I.

[36] Executive Office of the President. March 25, 2025. *Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement*, Executive Order 14240.

[37] Executive Office of the President. February 26, 2025. *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative*, Executive Order 14222.

[38] Commerce OIG. April 30, 2025. *EDA Needs to Improve Oversight of CARES Act Revolving Loan Funds to Ensure Loans Are Made to Eligible Borrowers and Used as Intended,* OIG-25-019-A.

[39] Institute for Defense Analyses (IDA). March 27, 2024. *Independent Program Evaluation of National Institute of Standards and Technology (NIST) Pandemic Relief Program,* OIG-24-017-I.

[40] IDA. April 4, 2024. *Independent Program Evaluation of National Oceanic and Atmospheric Administration (NOAA) Fisheries Pandemic Relief Program*, OIG-24-018-I.

[41] Commerce OIG. January 22, 2025. *Puerto Rico's Department of Natural and Environmental Resources Properly Disbursed Funds but Was Slow in Expending Fishery Disaster Assistance Funds*, OIG-25-009-A.

[42] Executive Orders 14222 and 14240.

[43] Department of Commerce Office of Acquisition Management, n.d. *Acquisition Human Capital Report Fiscal Year 2024*, 6–7.

[44] Office of Internet Connectivity and Growth. *2023 Annual Report*, 6.

[45] GAO. April 2024. Report to Congressional Committees: *Fraud Risk Management*, GAO-24-105833, 1.

[46] GAO. July 2015. *A Framework for Managing Fraud Risk in Federal Programs*, GAO-15-593SP, 5.

[47] GAO, *A Framework for Managing Fraud Risk*, 2.

[48] GAO, *Fraud Risk Management*, 18.

[49] Executive Office of the President. March 25, 2025. *Protecting America's Bank Account Against Fraud, Waste, and Abuse*. Executive Order 14249.

[50] Executive Order 14249, *Protecting America's Bank Account*.

[51] GAO, *A Framework for Managing Fraud Risk*, 5.

[52] GAO, *A Framework for Managing Fraud Risk*, 2.

[53] CIGIE. January 2021. *The IG Community's Joint Efforts to Protect Federal Grants from Fraud, Waste, and Abuse*, 3.
[54] OMB. April 4, 2024. *Reducing Burden in the Administration of Federal Financial Assistance*, M-24-11, 7.
[55] CIGIE, *The IG Community's Joint Efforts to Protect Federal Grants*, 3.
[56] OMB, *Reducing Burden*, 7.
[57] GAO, *A Framework for Managing Fraud Risk*, 26.
[58] OMB. December 3, 2021. *Promoting Accountability through Cooperation among Agencies and Inspectors General,* M-22-04, 1.
[59] These figures are from our *Semiannual Reports to Congress* for spring and fall 2024. For questioned costs and funds put to better use, see pp. 33 of the spring 2024 report and 35 of the fall 2024 report. For the investigative recovery numbers, see pp. 5 of spring 2024 and 7 of fall 2024.
[60] Department Administrative Order 207-10, §§ 3.01 and § 3.02(b).
[61] Association of Certified Fraud Examiners (ACFE), n.d. *Occupational Fraud 2024: A Report to the Nations*, 23.
[62] ACFE, *Occupational Fraud 2024*, 23.
[63] ACFE, *Occupational Fraud 2024*, 72.
[64] ACFE, *Occupational Fraud 2024,* 42.
[65] ACFE, *Occupational Fraud 2024,* 23.
[66] Commerce OIG. February 6, 2024. *Semiannual Status Report on NTIA's Broadband Programs*, OIG-24-012-I, 1.
[67] Commerce OIG. March 20, 2025. *Broadband Stakeholders Identified Various Challenges Affecting Broadband Deployment,* OIG-25-014-1, 3.
[68] Commerce OIG, *Broadband Challenges*, OIG-25-014-1, 5.
[69] NTIA. June 6, 2025. BEAD Restructuring Policy Notice.
[70] CHIPS and Science Act of 2022, Pub. L. No. 117-167, 136 Stat. 1366 (2022).
[71] Secretary of Commerce Howard W. Lutnick. August 25, 2025. Letter to Natcast Chief Executive Officer Deirdre Hanford.
[72] Department of Commerce. August 25, 2025. Press release: *Department of Commerce Takes Action Against the Biden Administration's Unlawfully Established Operator of the National Semiconductor Technology Center, "Natcast."*
[73] Commerce OIG. May 20, 2024. *NIST Surpassed Hiring Goals for CHIPS but Did Not Develop a Comprehensive Workforce Plan*, OIG 24-023-I.
[74] Executive Office of the President. March 31, 2025. *Establishing the United States Investment Accelerator,* Executive Order 14255.
[75] Commerce OIG. June 3, 2025. *Commerce CHIPS Act Programs Status Report*, OIG-25-021-I.
[76] Commerce OIG, *Audit of Semiconductor Incentives Program Eligibility*.
[77] *TMC* FY 2024, 49–50; and *TMC* FY 2025, 21–22.
[78] Commerce OIG. April 9, 2025. *NTIA Established the Innovation Fund Program but Needs a Plan to Ensure That the Program Meets Statutory Objectives*, OIG-25-017-I.
[79] *TMC* FY 2017*,* OIG-16-049, 3; *TMC* FY 2018, OIG-17-033, 17; *TMC* FY 2019, OIG-19-004, 11; *TMC* FY 2020, OIG-20-001, 11; *TMC* FY 2021, OIG-21-003, 12; *TMC* FY 2022, OIG-22-001, 36; *TMC* FY 2023, OIG-23-001, 26; *TMC* FY 2024, OIG-24-002, 32; and *TMC* FY 2025, OIG-25-001, 22.
[80] Commerce OIG, March 1, 2023, *FirstNet Authority Failed to Provide Adequate Contract Oversight for its Initial Two Reinvestment Task Orders,* OIG-23-012-A; May 16, 2024, *The NPSBN Band 14 Signal Strength Does Not Consistently Provide Adequate Band 14 Service for First Responders Final Memorandum*, OIG-24-022-M; May 30, 2024, *FirstNet Authority Did Not Ensure the Nation's First Responders' Needs Were Continuing to Be Met Timely When Modifying Key Objectives of the NPSBN Contract,* OIG-24-024-A; June 5, 2024, *FirstNet Authority's Lack of NPSBN Contract Oversight for Coverage Puts at Risk First Responders' Ability to Serve the Public Effectively,* OIG-24-026-A; June 12, 2024, *FirstNet Authority's Lack of Contract Oversight for Device Connection Targets Puts the NPSBN at Risk of Impacting First Responders' Use of the Network,* OIG-24-027-A; July 18, 2024, *February 2024 FirstNet Authority's Nationwide Public Safety Broadband Network Outage Raised a Significant Risk to the Readiness of First Responders*

Across the Country, OIG-24-030-M; December 5, 2024, *Nationwide Public Safety Broadband Network Was Not Always Available to First Responders During the Catastrophic 2023 Maui Wildfires,* OIG-25-004-A.

[81] Omnibus Trade and Competitiveness Act of 1988, Pub. L. No. 100-418, § 5121, 102 Stat. 1107, 1433 (1988).

[82] Commerce OIG. March 13, 2023. *NIST Must Improve Monitoring of MEP to Prevent Waste of Financial Resources*, OIG-23-014-I.

[83] Commerce OIG. February 25, 2025. *OIG's Evaluation of MEP's Economic Impact Reporting Process Also Identified Instances of Noncompliance at Centers, Led to NIST Action*, OIG-25-011-I.

[84] Commerce OIG. September 25, 2024. *NIST Overstated MEP's Economic Impacts to Congress and Other Stakeholders*, OIG-24-037-I.

[85] United States House of Representatives. April 9, 2025. Letter to Secretary Lutnick and Acting Under Secretary Burkhardt in support of the MEP program.

[86] United States Senate. April 8, 2025. Letter to Secretary Lutnick in support of the MEP program.

To report fraud, waste, abuse, or
whistleblower reprisal
in the Department of Commerce,
visit our **hotline page**
or call us toll free at
(800) 424-5197.

U.S. Department of Commerce
Office of Inspector General
Washington, DC 20230