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# **Audit of Administrative Funds for NTIA Broadband Programs**

REPORT NO. OIG-26-022-A

JUNE 30, 2026

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June 30, 2026

**MEMORANDUM FOR:** Arielle Roth  
Assistant Secretary of Commerce for Communications and  
Information and Administrator, National Telecommunications  
and Information Administration

A handwritten signature in black ink, appearing to read "Arthur L. Scott Jr." with a stylized flourish at the end.

**FROM:** Arthur L. Scott Jr.  
Assistant Inspector General for Audit and Evaluation

**SUBJECT:** *Audit of Administrative Funds for NTIA Broadband Programs*  
Report No. OIG-26-022-A

Attached is the final report on our audit of the National Telecommunications and Information Administration's use of Infrastructure Investment and Jobs Act administrative grant funding. We will post the final report on [our website](#) per the Inspector General Act of 1978, as amended (5 U.S.C. §§ 404, 420).

Within 60 calendar days, please provide an action plan addressing the report's recommendation, as required by Department Administrative Order 213-5.

We appreciate your staff's cooperation and professionalism during this audit.

Attachment





## Audit of Administrative Funds for NTIA Broadband Programs

Audit Report OIG-26-022-A

June 30, 2026

➤ **What We Audited** | Our objective was to assess the National Telecommunications and Information Administration's (NTIA's) spending of grant program administrative funds authorized by the Infrastructure Investment and Jobs Act (IIJA).

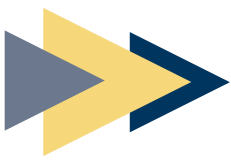
➤ **Why This Matters** | A primary goal of NTIA is to expand high-speed broadband internet access to every American. To meet this goal, NTIA implemented grant programs funded by IIJA, totaling \$48.2 billion, and the Consolidated Appropriations Act, 2021, totaling \$1.6 billion.

Congressional staff members asked us whether NTIA is appropriately allocating and using administrative funds to oversee the four IIJA grant programs. We initiated this audit to answer that question.

➤ **What We Found** | We found that NTIA initially did not maintain a consolidated 10-year spend plan for cost-category allocation under the IIJA program. NTIA manages cost-category allocations annually pursuant to the apportionment process required by the Office of Management and Budget. Although this initially posed a risk to long-term cost tracking, NTIA's decision to use annual plans has allowed it to be more responsive to the changing fiscal needs of the \$48.2 billion broadband portfolio, mitigating this concern.

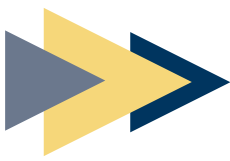
Ten of the transactions we tested, valued at about \$324,000, lacked detailed information to link costs to their respective grants. Because NTIA has successfully realigned its administrative framework within the 2.7 percent aggregate cap permitted by law and received congressional approval to manage funds across the portfolio, the inability to trace these transactions to individual grant accounts does not represent a material risk of statutory noncompliance. However, establishing internal controls for the planning and tracking of expenses is considered a best practice to ensure continued statutory compliance in the future.

➤ **What We Recommend** | We made one recommendation to NTIA that it consider implementing controls to plan for and track expenses by each broadband program's life cycle. NTIA concurred with our recommendation and is working to implement it.



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## Introduction

A primary goal of the U.S. Department of Commerce’s National Telecommunications and Information Administration (NTIA) is to expand high-speed broadband internet access to every American. To meet this goal, NTIA implemented grant programs funded by the Infrastructure Investment and Jobs Act (IIJA), totaling \$48.2 billion,<sup>1</sup> and Consolidated Appropriations Act (CAA), 2021,<sup>2</sup> totaling \$1.6 billion. Specifically:

- The Broadband Equity, Access, and Deployment (BEAD) program (\$42.45 billion) expands broadband infrastructure for unserved and underserved areas. The BEAD program could use up to 2 percent of funds (\$849 million) for program administration with the requirement that funds remained available until expended.
- The Digital Equity Act (DE) programs (\$2.75 billion) promote digital equity, inclusion, and capacity for eligible entities. The DE programs could use up to 2 percent of funds (\$55 million) for program administration with the requirement that funds remained available until expended.
- The Enabling Middle Mile Broadband Infrastructure (MM) program (\$1 billion) connects middle-mile<sup>3</sup> infrastructure to last-mile<sup>4</sup> networks and increases network resiliency in unserved and underserved areas. The MM program could use up to 2 percent of funds (\$20 million) for program administration with the requirement that funds remained available through September 2026.
- The Tribal Broadband Connectivity Program (TBCP) (\$1 billion from CAA, 2021, and \$2 billion from IIJA) helps underserved tribal areas adopt broadband service. TBCP could use up to 2 percent of funds (\$60 million) for program administration with the requirement that funds remained available until expended.

Each grant program received its funding through a separate appropriation account. Within those accounts, IIJA allowed up to 2 percent of funds from each grant program for administrative expenses. CAA, 2024, allowed up to an additional 0.7 percent for administrative expenses as well as the ability to transfer funds between grant programs, including those programs appropriated by CAA, 2021.<sup>5</sup> This limit of up to 2.7 percent, which

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<sup>1</sup> See Pub. L. No. 117-58, 135 Stat. 429, 1353-55 (2021).

<sup>2</sup> See Pub. L. No. 116-260, 134 Stat. 1182, 2138 (2020).

<sup>3</sup> Any broadband infrastructure that does not connect directly to an end-user location, as defined by IIJA.

<sup>4</sup> The final portion of a network that connects the middle mile to individual homes, businesses, or end-user devices, as defined by industry standards and NTIA.

<sup>5</sup> See Pub. L. No. 118-42, 138 Stat. 25, 177-78 (2024).

is about \$1.3 billion,<sup>6</sup> applies to all broadband programs collectively, not individual programs.<sup>7</sup>

Congressional staff members asked us whether NTIA is appropriately allocating and using administrative funds to oversee the four IJA grant programs. We initiated this audit to answer that question.

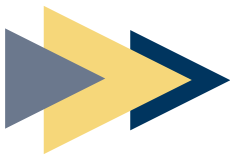
## ► Objective

Our objective was to assess NTIA's spending of grant program administrative funds authorized by IJA. To accomplish our objective, we reviewed data from December 2021 through June 2024. Appendix 1 details our scope and methodology.

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<sup>6</sup> This amount is calculated by finding 2.7 percent of the sum of the IJA and CAA, 2021, broadband appropriations:  $(\$48.2 \text{ billion} + \$1.6 \text{ billion}) \times 2.7 \text{ percent} = \$1.3 \text{ billion}$ .

<sup>7</sup> This includes the four IJA broadband programs (BEAD, TBCP, DE, and MM) as well as the Connecting Minority Communities program and the Broadband Infrastructure Program.



## Finding and Recommendation

**Summary:** This report presents our observations on NTIA's allocation and use of administrative funds authorized by IJA and the 2021 and 2024 CAAs for BEAD, DE, MM, and TBCP. We found that NTIA produced and managed a spend plan detailing cost category allocations on an annual fiscal year basis. As of June 2024, NTIA had expended approximately \$253 million, representing about 19 percent of the \$1.3 billion available for IJA program administrative funds. Our testing of sample transactions, accounting for over \$55 million of the approximately \$253 million spent, revealed that all transactions were allowable under the guidelines set forth by IJA and the 2021 and 2024 CAAs.

### ➤ **NTIA Properly Allocated and Used IJA Administrative Funds**

We found that NTIA initially did not maintain a consolidated 10-year spend plan for cost-category allocation under the IJA program. NTIA manages cost-category allocations annually pursuant to the apportionment process required by the Office of Management and Budget (OMB).<sup>8</sup> Although this initially posed a risk to long-term cost tracking, NTIA's decision to use annual plans has allowed it to be more responsive to the changing fiscal needs of the \$48.2 billion broadband portfolio, mitigating this concern. As of June 2024, NTIA had expended approximately \$253 million of the \$1.3 billion available for administrative expenses in support of IJA broadband programs.

Our sample covered five categories and included 68 transactions from a total of 43,320, representing over \$55 million (about 22 percent) of the total transaction value. This sampling ensured a proportional representation of IJA programs. Of the 68 transactions in our sample, we focused separately on 12 overhead transactions.<sup>9</sup>

Our testing confirmed that all 68 transactions were allowable administrative costs. NTIA correctly calculated and allocated the 12 overhead transactions (about \$28 million) according to policy. For the remaining 56 transactions (about \$27 million), NTIA could

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<sup>8</sup> Office of Management and Budget, August 2023. *Preparation, Submission, and Execution of the Budget*, Circular No. A-11.

<sup>9</sup> Overhead expenses, or indirect costs, are expenses that are necessary to a program but not directly tied to its operating functions. Therefore, by definition, these expenses are not attributable to a specific program. See OMB Circular No. A-11, Section 100, 6.

demonstrate that all of them were allowable administrative costs supporting IJA broadband programs, but 10 transactions (about 18 percent), valued at about \$324,000, lacked detailed information to link costs to their respective grants. Below is a breakdown of our results by category:

- **Miscellaneous:** For one transaction that involved printing business cards, we were given the invoices and a list of personnel supporting IJA programs. Although the business cards were made for personnel supporting BEAD and other IJA programs, this transaction was charged only to BEAD funds.
- **Benefits and Compensation:** For two transactions, we were unable to tie the personnel to the program charged. For one transaction charged to BEAD, the personnel associated with the transaction were either shown to work with BEAD, TBCP, and MM or were not on the provided staffing list, so we were unable to determine with which program they were associated. For the other transaction charged to DE funds, we were unable to determine the program to which the personnel were assigned.
- **Travel:** For seven transactions, the documentation provided did not show how the trip related to the program charged. For example, the purpose for one trip lacked details to show that the trip was in support of BEAD versus another IJA program, so we were unable to verify that the correct program was charged for the travel expenses.

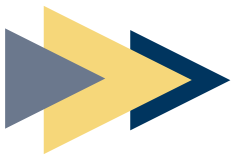
Senior financial officials at NTIA explained that due to staffing issues, employees frequently assist with several grant programs simultaneously to enhance operational efficiency. Because NTIA has successfully realigned its administrative framework within the 2.7 percent aggregate cap permitted by law and received congressional approval to manage funds across the portfolio, the inability to trace these specific transactions to individual grant accounts does not represent a material risk of statutory noncompliance. However, having established internal controls for the planning and tracking of expenses is considered a best practice<sup>10</sup> to ensure continued statutory compliance in the future.

## Recommendation

We recommend that NTIA's Chief Financial Officer and Director of Administration consider implementing controls to plan for and track expenses by each broadband program's life cycle.

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<sup>10</sup> Department of Commerce. *Accounting Principles and Standards Handbook*. Chapter 6, "Internal Controls," sec. 6-1. June 2024 rev.



## Summary of NTIA's Response and OIG Comments

NTIA reviewed a draft version of this report and responded to our finding and recommendation. In its response, NTIA concurred with our recommendation. NTIA's complete response is included in this report as appendix 2.

We are pleased that NTIA concurs with our recommendation. We look forward to receiving NTIA's action plan, which will provide details on its corrective actions.

# Appendix 1. Scope and Methodology

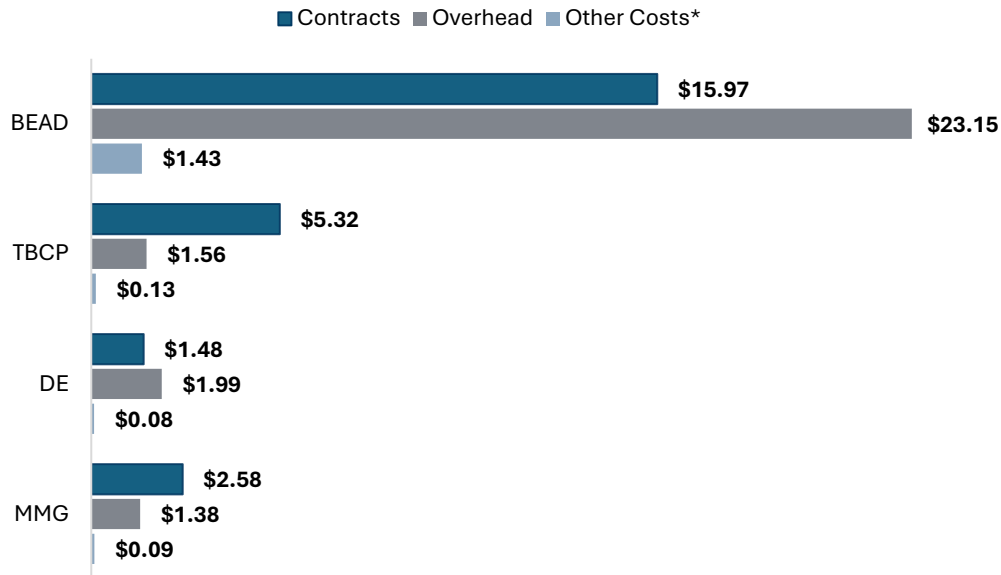
Our audit objective was to assess NTIA's spending of grant program administrative funds authorized by IIJA. The IIJA administrative fund data used for this audit was from December 2021 through June 2024 for BEAD, MM, DE and TBCP.

To assess NTIA's spending of IIJA administrative funds, we:

- Reviewed the following documents:
  - Public Law 117-58, *Infrastructure Investment and Jobs Act*, November 2021
  - Public Law 116-260, *Consolidated Appropriations Act, 2021*, December 2020
  - Public Law 118-42, *Consolidated Appropriations Act, 2024*, March 2024
  - Public Law 118-5, *Fiscal Responsibility Act of 2023*, June 2023
  - Department of Commerce *Accounting Principles and Standards Handbook*, June 2024
  - U.S. Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government*, September 2014
  - GAO Office of the General Counsel, *Principles of Federal Appropriations Law*, 2016
  - *Inspector General Act of 1978*, as amended, 5 U.S.C. §§ 401-24
  - OMB *Circular A-11*, August 2023
  - *NTIA FY 2024 Budget as Presented to Congress*, March 2023
  - Department of Commerce *Budget, Performance and Program Analysis Handbook*, June 2022
- Interviewed officials from NTIA's Office of Internet Connectivity and Growth and budget offices to:
  - Determine what guidance NTIA followed to budget, administer, and monitor administrative funds
  - Conduct walkthroughs of systems that track administrative funds
  - Assess oversight measures that NTIA used to monitor funds
- Analyzed a judgmental sample of administrative fund transactions to determine if they were supported and allowable

To determine the sample for the audit, we started with the universe of 43,320 transactions worth approximately \$253 million. We developed a judgmental sample that represented that universe. We selected a sample of 68 transactions, totaling over \$55 million, focusing on areas that had high monetary value and covered a variety of expense categories. Figure 1 shows the breakout of the total transactions by program and category.

Figure 1. Transactions by Program and Expense Type (in millions)



Source: OIG analysis

\* The “other costs” category includes the travel, benefits and compensation, and miscellaneous expense types.

We also adjusted the sample to provide representative coverage for all four programs. We did not use our sample to project results onto the universe of transactions. The final sample transaction totals by program are as follows:

- BEAD: 34 transactions (50 percent of 68)
- DE: 10 transactions (15 percent of 68)
- MM: 10 transactions (15 percent of 68)
- TBCP: 14 transactions (20 percent of 68)

To ensure variety of coverage, we selected transactions in various expense categories for each program based on three considerations: (1) high-risk transactions, (2) high monetary value by expense type, and (3) judgmentally selected transactions by expense type. The chart below shows the breakdown of the transaction selections for each program.

Table 1. Transaction Selections by Program

<b>Expense Type</b>	<b>BEAD</b>	<b>DE</b>	<b>MM</b>	<b>TBCP</b>	<b>Totals</b>
Travel	9	1	1	2	13
Contracts	5	4	4	7	20
Benefits and Compensation	9	2	2	3	16
Miscellaneous	4	1	1	1	7
Overhead	7	2	2	1	12
<b>Totals</b>	<b>34</b>	<b>10</b>	<b>10</b>	<b>14</b>	<b>68</b>

Source: OIG sampling

We assessed internal controls that were significant to our objective by testing controls in place for the budgeting, administering, and monitoring of administrative funds.

We relied on computer-processed data to support our finding, conclusions, and recommendation. We assessed the reliability of this data by performing reasonableness and detailed testing on the data provided by NTIA. We found the data provided by NTIA to be sufficiently reliable to support our finding and conclusions.

We conducted our audit from April 2024 through April 2026 under the authority of the Inspector General Act of 1978, as amended (5 U.S.C. §§ 401 – 424), and Department Organization Order 10-13, as amended October 21, 2020.

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

## Appendix 2. NTIA's Response

NTIA's response to our draft report begins on the following page.



**UNITED STATES DEPARTMENT OF COMMERCE**  
**National Telecommunications and**  
**Information Administration**  
Washington, D.C. 20230

DATE: May 19, 2026

TO: Arthur Scott Jr.  
Assistant Inspector General for Audit and Evaluation  
Office of Inspector General  
U.S. Department of Commerce

FROM: Arielle Roth **ROTH**  
Assistant Secretary of Commerce for Communications and Information  
National Telecommunications and Information Administration

Digitally signed by  
ARIELLE ROTH  
Date: 2026.05.21  
13:52:45 -04'00'

SUBJECT: Draft Report: Audit of Administrative Funds for NTIA Broadband Programs

Thank you for the opportunity to respond to the Department of Commerce Office of Inspector General (OIG) draft audit report referenced above. I am pleased that the draft report accurately states that the National Telecommunications and Information Administration's (NTIA) allocation and use of administrative funds authorized by the Infrastructure Investment and Jobs Act (IIJA) and Consolidated Appropriations Act (CAA) were allowable under applicable law.

NTIA tentatively concurs with the draft report's sole recommendation to "consider implementing controls to plan for and track expenses by each broadband program's life cycle." After OIG releases its final report, NTIA will provide its management decision, which will detail its position on OIG's final findings and recommendation(s) and any actions NTIA will take on such recommendation(s) pursuant to 5 U.S.C. § 405.

Thank you for your input and ongoing collaboration with NTIA staff. If you have any questions, please contact Patrick Sullivan, Senior Attorney and Audit Liaison, at [psullivan@ntia.gov](mailto:psullivan@ntia.gov).

# REPORT

# FRAUD & WASTE ABUSE



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