



Audit of NIST's Assessment of Applicant Eligibility for CHIPS Incentives Funding

Audit Report OIG-26-030-A

September 24, 2026

- **What We Audited** | Our objective was to determine whether entities receiving financial assistance met the eligibility requirements in the Creating Helpful Incentives to Produce Semiconductors Act of 2022 (CHIPS Act of 2022).
- **Why This Matters** | The CHIPS Act of 2022 appropriated funds to support research and development, innovation, and manufacturing related to semiconductors. It provided \$50 billion to the U.S. Department of Commerce, with \$39 billion dedicated to incentivizing investment in facilities and equipment to develop and manufacture domestic semiconductors. The act also provides up to \$75 billion in loan guarantee agreement authority. The Department's National Institute of Standards and Technology (NIST) established the CHIPS Program Office (CPO) to oversee implementation of the semiconductor incentives program.
- **What We Found** | We found that NIST sufficiently assessed whether applicants met statutory eligibility requirements. All six of the companies we reviewed were eligible to receive financial assistance.
- **Potential Risks** | We made no recommendations, but we identified some potential risks. Nearly all announced funding—over \$36.3 billion of the \$36.4 billion total—was awarded within a 10-week period. Additionally, CPO made exceptions for three companies to use equipment from Chinese suppliers. Finally, four of the six companies submitted letters of support from schools and customers that contained notably similar language. We will continue to monitor these risks in future audits.