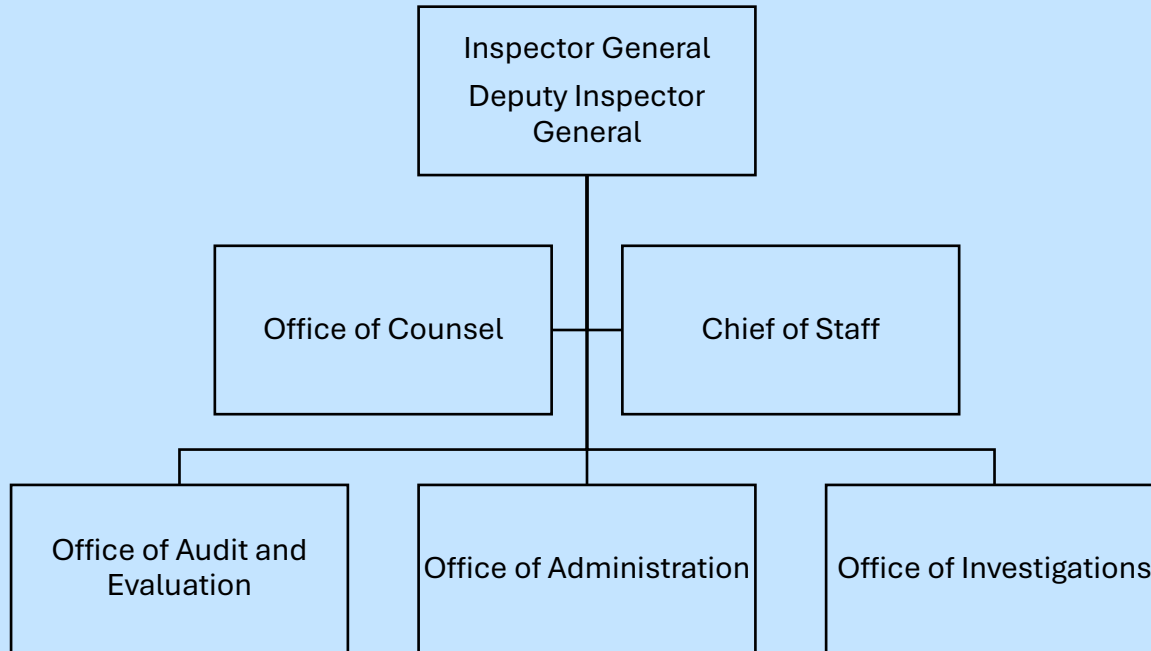




U.S. Department of Commerce  
Office of Inspector General

# Semiannual Report to Congress

March 2026



**Oversight Areas**

- Office of the Secretary
- Bureau of Economic Analysis
- Bureau of Industry and Security
- U.S. Census Bureau
- U.S. Economic Development Administration
- First Responder Network Authority
- International Trade Administration
- Minority Business Development Agency
- National Institute of Standards and Technology
- National Oceanic and Atmospheric Administration
- National Technical Information Service
- National Telecommunications and Information Administration
- Office of the Under Secretary for Economic Affairs
- United States Patent and Trademark Office

**OIG Main Number**

Inspector General . . . . . 202-793-3331

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**More Information**

Visit [www.oig.doc.gov](http://www.oig.doc.gov) to learn more about our activities. We are also on LinkedIn and X through our social media handle [@CommerceOIG](https://twitter.com/CommerceOIG). Email website comments to [oigweb@oig.doc.gov](mailto:oigweb@oig.doc.gov).

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# FROM THE OFFICE OF INSPECTOR GENERAL

I am pleased to present the U.S. Department of Commerce Office of Inspector General's (OIG's) Semiannual Report to Congress. This report summarizes oversight work that we completed during the 6-month period ending March 31, 2026.

During this reporting period, OIG continued our focus on programs and operations that are high priorities for the Department and Congress. Our [Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2026](#) report outlines risks and challenges for the Department in the areas of modernizing technology and operations, providing core services and data, and managing spending. Our Office of Audit and Evaluation issued reports related to the census, cybersecurity, National Oceanic and Atmospheric Administration (NOAA) satellite programs, broadband programs, and financial management. We made 38 recommendations that, if implemented, will improve the efficiency and effectiveness of Department operations.

Our Office of Investigations (OI) continues to identify opportunities to strengthen integrity by identifying areas that are susceptible to fraud, waste, and abuse. For example, during this reporting period, a United States Patent and Trademark Office (USPTO) employee agreed to pay \$500,000 in a civil settlement to resolve conflict of interest allegations arising from one of our investigations. And in a second example, a joint investigation between the FBI and OIG resulted in a contractor pleading guilty of making false statements related to a scheme to defraud federal programs.

Additionally, OIG continues to meet with Department and bureau leaders to maintain collaborative, productive working relationships. We've also conducted numerous briefings to congressional staff on our Top Management Challenges report and our work related to the U.S. Census Bureau and the First Responders Network Authority (FirstNet Authority).

We are steadfast in our mission to provide independent and objective oversight of the Department and its programs. The work highlighted in this report reflects the high value we

## Report Highlights



**\$13,412,732.94**

Recoveries and Potential Savings

**10**

Audit, Evaluation, & Inspection Reports



**7**

Investigative Reports

**477**

Hotline Contacts



place on that mission. I thank Secretary Lutnick, senior officials throughout the Department, and members of Congress and their staffs for supporting our work and sharing our commitment to improve departmental programs and operations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Duane E. Townsend", with a long horizontal flourish extending to the right.

Duane E. Townsend  
Performing the Duties of Inspector General

# TOP MANAGEMENT AND PERFORMANCE CHALLENGES FACING THE DEPARTMENT OF COMMERCE IN FISCAL YEAR 2026

OIG is required by statute (see 31 U.S.C. § 3516(d)) to annually report the most serious management and performance challenges facing the Department. Below is a summary of our final report ([OIG-26-003](#)) issued December 1, 2025, on the Department's top management and performance challenges for fiscal year (FY) 2026. The report's three sections broadly reflect the Department's major challenge areas:

- Modernizing technology and operations
- Providing core services and data
- Managing spending

## Modernizing Technology and Operations

### Information Security

Despite some progress over the years, the Department's cybersecurity program still cannot be considered effective overall. And while plans to streamline operations may improve efficiency, they will also create challenges in sustaining adequate cybersecurity funding and staffing.

### Modernizing Departmental Systems

Implementation of two new departmental systems, intended to modernize financial and grant management, is progressing. However, both projects have suffered cost increases, significant schedule delays, and performance issues.

### Artificial Intelligence and Other Emerging Technologies

As the Department accelerates its use of artificial intelligence (AI), a significant challenge will be to implement guidance and protect users' safety and privacy. USPTO, too, is working to ensure that its new technologies, including AI tools, are effective.

### NIST Facility Upgrades

The National Institute of Standards and Technology's (NIST's) outdated, dilapidated facilities threaten mission performance and worker health and safety. NIST has developed a plan to address the condition of its facilities, but the plan relies on sustained, long-term funding from Congress.

## Providing Core Services and Data

### Global Trade

The Bureau of Industry and Security (BIS) has implemented and expanded many export controls in recent years to address the national security threats posed by foreign adversaries that try to obtain U.S. goods and technologies. At the same time, the International Trade Administration's (ITA's) enforcement of trade remedies empowers American companies and workers, but it has not yet taken some steps needed to effectively resolve foreign trade barriers.

### Satellite, Weather, and Environmental Capabilities

NOAA's fleet of geostationary weather satellites has been deployed, but long-term continuity of weather data depends on the timely development of the next-generation satellite program, whose scope and readiness remain in flux.

In addition, the National Weather Service (NWS) is maintaining its aging, mission-critical weather radar system even as it faces uncertainty around its planned replacement. NWS also faces longstanding workforce challenges, exacerbated by the departure of approximately 13 percent of its employees in early 2025.

NOAA is replacing its aging fleets of specialized "hurricane hunter" planes and research ships. To prevent gaps in critical real-time hurricane data and support safe navigation, coastal resource management, and disaster preparedness and response, NOAA is maintaining its current fleets' operations as it addresses technical challenges associated with the replacements.

Finally, the Department has begun providing basic space situational awareness data and services. Programmatic, acquisition, and resource challenges could impact the Office of Space Commerce's ability to complete a key step toward fulfilling its requirements.

### Patent and Trademark Timeliness and Integrity

USPTO has made some progress in reducing trademark application pendency. It still needs to improve the timeliness of its patent and trademark application processes and effectively address fraudulent claims without sacrificing quality.

### 2030 Census and Other Population Surveys

The U.S. Census Bureau has planned extensive research and testing to prepare for the 2030 census, but challenges persist with an important census quality check. The bureau also must carry out production and quality assurance processes for a survey that provides population estimates of American communities. At the same time, staffing issues may

affect its ability to complete the surveys that provide data the government, businesses, and other groups need.

## Managing Spending

### Oversight and Fraud Prevention

As the Department focuses on the President's America First Investment Policy and revitalizing the economy, its challenges include adapting its grant and contract oversight to changing priorities and programs, consolidating programs for more efficiency, ensuring that its acquisitions staff has the skills and expertise needed, and managing fraud risk by increasing fraud detection, prevention, and response.

### Broadband Grant Programs

The National Telecommunications and Information Administration (NTIA) is administering almost \$49.8 billion for six grant programs aimed at getting broadband access to every American. NTIA has begun addressing unrealistic requirements that cause delays and hinder progress even as an increased emphasis on eliminating government waste highlights the need for strong oversight.

### CHIPS and Science Act Programs

To help increase American leadership in semiconductors and related technologies, the Creating Helpful Incentives to Produce Semiconductors (CHIPS) program is awarding and managing up to \$125 billion in direct funding, loans, and loan guarantees. The program's ongoing challenge is to issue funding efficiently while reducing the risk of errors, fraud, waste, and abuse. In addition, NTIA is managing the Public Wireless Supply Chain Innovation Fund, a CHIPS Act-funded grant program aimed at increasing U.S. leadership in 5G and successor technologies. As it implements this program, NTIA needs to ensure that funds are granted only to eligible applicants and used according to program objectives.

### First Responder Network Authority

FirstNet Authority administers a multibillion-dollar contract with AT&T to develop and manage a nationwide broadband network to give public safety entities a dedicated, reliable means of communicating during emergency response. Longstanding deficiencies in FirstNet Authority's contract administration seriously impact the contract's performance as well as the network's services to first responders.

## **Hollings Manufacturing Extension Partnership Program**

Inadequate oversight has placed NIST's Hollings Manufacturing Extension Partnership (MEP) program, which aims to help U.S. manufacturers improve, upgrade, and innovate, at risk. Inefficient use of funds and unreliable, overstated economic impact data increase the potential for fraud, waste, and abuse throughout the program

## COMPLETED WORKS

Our completed works section is divided into four subsections. Three of these broadly reflect the Department's most serious management and performance challenges in FY 2026: (1) modernizing technology and systems, (2) providing core services and data, and (3) managing spending.<sup>1</sup> The fourth section lists our other significant reports. For information on our ongoing work, please visit the [Audits Initiated page](#) on our website.



### Modernizing Technology and Systems

Strengthening IT security posture and modernizing IT systems and operations.



### 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 funds from risk, fraud, and waste.

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<sup>1</sup> For more details on these challenge areas, please see *Top Management and Performance Challenges Facing the Department of Commerce in FY 2026*, [OIG-26-003](#). U.S. Department of Commerce. December 1, 2025.

## 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. The following report discusses our work in this area.

### [Audit of the Department's Vulnerability Reporting and Resolution Program \(OIG-26-002-A\)](#)

We initiated an audit to assess the effectiveness of the Department's program for managing public-reported vulnerabilities in its public-facing information technology systems. We found that the Department established a vulnerability disclosure program; however, the program was not fully effective. Specifically, the vulnerability disclosure policy (VDP) did not include all internet-accessible systems, the VDP's testing guidelines restricted the tools public security researchers could use to identify system vulnerabilities, the Department did not always fully remediate reported vulnerabilities, and the Department did not always remediate vulnerabilities within established deadlines.

We made three recommendations to the Department to revise the testing scope to align with the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency's VDP policy, update and implement VDP procedures, and work with bureaus to implement an automated solution to prompt action on delayed vulnerability remediation.

## 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 following reports discuss our work in this area.

### [Evaluation of the Space Weather Follow-On Program’s Progress in Preparing the SWFO-L1 Satellite for Launch and Operations \(OIG-26-008-I\)](#)

Our evaluation objective was to assess the Space Weather Follow-On (SWFO) program’s progress in preparing the SWFO Lagrange point 1 satellite for launch and operations.

We found that the SWFO program made adequate progress in preparing for launch and operations. However, we also found that the SWFO Program Office did not conduct vibration testing using the actual flight separation system, nor did it receive a formal waiver for this deviation from “Test-As-You-Fly” standards. Further, we identified several observations that highlight areas of concern and opportunities for improvement within the SWFO program and its support of NOAA missions.

We made seven recommendations to the NOAA Deputy Under Secretary for Operations to help decrease the risk of launch failure, prevent unnecessary spending on future rideshare missions, minimize the recurrence of errors in future programs, and avoid potential gaps in space weather data availability.

### [Evaluation of NOAA’s Progress Implementing the GeoXO Satellite Program \(OIG-26-009-I\)](#)

The Geostationary Extended Observations (GeoXO) satellite program represents the next generation of the NOAA’s geostationary weather satellites. The data these satellites gather is vital for short-term weather forecasts and real-time tracking of storm systems and environmental hazards.

Our objective was to assess the progress NOAA has made implementing GeoXO. We also evaluated NOAA’s efforts to address the risk of a potential future gap in geostationary observations, and we assessed the program’s risk management processes.

We found that the GeoXO program has made adequate progress in its current phase of development and is achieving the desired technology maturity. However, NOAA should consider enhancing its continuity planning and risk management by:

- Managing the risk of a continuity gap in geostationary satellite data
- Improving the program's risk management processes to ensure mission success

We made six recommendations to NOAA to mitigate the risk of a continuity gap and improve the program's risk management processes.

### **Audit of Data Collection and Quality Control Procedures for the U.S. Census Bureau's American Community Survey (OIG-26-010-A)**

The American Community Survey (ACS) collects data on people and housing units from all 50 states, the District of Columbia, and Puerto Rico. The survey covers topics such as age, number and age of children, military service, commutes, education, income, and employment. Policymakers use ACS data to distribute more than \$2.8 trillion in federal funding.

Our audit objective was to determine whether the U.S. Census Bureau has implemented adequate data collection procedures to ensure ACS estimates are reliable. We found that the bureau did not effectively implement its data collection and quality control procedures to ensure that ACS estimates were reliable.

We made 17 recommendations to the bureau to monitor and evaluate data collection, complete interviews, monitor supervisory review of cases, strengthen its reinterview process, and develop policy on when regional offices should respond to inquiries.

### **Evaluation of the Methodology the Census Bureau Used to Select the Test Sites for the 2026 Census Test (OIG-26-012-I)**

The next decennial census of U.S. residents will take place in 2030. The decennial requires years of planning and testing to ensure the efficiency of its operations and the accuracy of the headcount. Deficiencies in planning or testing could affect the integrity, efficiency, and effectiveness of decennial operations.

The 2026 Census Test is the bureau's next major test. The bureau has planned in-field operations at multiple sites to evaluate new and enhanced processes and methods for improving the design of the 2030 census. Bureau officials stated that they used a new, innovative data-driven process to select the test sites.

Our objective was to assess the bureau's selection methodology. However, the bureau could not provide supporting documentation of the judgments, methodologies, and assumptions used to plan, execute, and provide oversight of the test site selection process. As a result, we could not verify how the bureau selected the sites.

Without establishing a formal, documented methodology as a solid foundation, as specified by its own statistical quality standards, the bureau risks inefficiencies or suboptimal site selections that could compromise overall readiness for the 2030 census and beyond. We made two recommendations to the bureau to strengthen its processes for reviewing and documenting site selections for future census tests.

## 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. The following reports discuss our work in this area.

### Cost Savings from a Prior Audit

In April 2025, we issued a report ([OIG-25-019-A](#)) on costs claimed by grant recipients of the Coronavirus Aid, Relief, and Economic Security Act of 2020's revolving loan fund (RLF), which is administered by the U.S. Economic Development Administration (EDA). We found that RLF operators claimed loan costs that were not allowable, allocable, and reasonable, and we made four recommendations to EDA. During this reporting period, in response to one of our recommendations, the Department determined that required procedures had not been followed, terminated an RLF award, and ensured the return of \$515,696 to EDA.

### Audit of MBDA Business Center Program ([OIG-26-001-A](#))

The Minority Business Development Agency's (MBDA's) Business Center program is a network of centers supporting minority business enterprises that are funded through cooperative agreements with private-sector entities, state entities, native entities, and institutes of higher education. MBDA has an oversight role to ensure that Business Centers meet the terms and conditions of their cooperative agreements and report accomplishments in a consistent, accurate manner.

We conducted this audit to follow up on a [2017 audit](#) that found issues with how MBDA administers the Business Center program. The objective for this audit was to determine the adequacy of MBDA's oversight of the MBDA Business Center program to ensure requirements are met.

We found significant issues with MBDA's oversight and monitoring of its Business Center program, similar to our 2017 audit. Specifically, we found that MBDA did not (1) sufficiently monitor Business Center activities for compliance with award requirements, (2) ensure performance metrics reported by Business Centers were accurate and reliable, (3) address Business Center single audit findings, and (4) perform required Business Center site inspections. Consequently, MBDA cannot ensure that Business Centers comply with

award terms and conditions. Further, MBDA cannot ensure that Business Center program goals are being met.

We recommended that MBDA consider improvements to monitoring and oversight when finalizing its plan for continuing operations as it implements Executive Order 14238.

### **United States Patent and Trademark Office Fiscal Year 2025 Financial Statements (OIG-26-004-A)**

Independent public accounting firm KPMG LLP audited USPTO's FY 2025 financial statements in accordance with U.S. generally accepted auditing standards, standards applicable to financial audits contained in *Government Auditing Standards*, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

In its audit report, KPMG determined that USPTO financial statements were fairly presented, in all material respects, and in accordance with U.S. generally accepted accounting principles. KPMG identified no material weaknesses in internal control over financial reporting. In addition, KPMG identified no instances of reportable noncompliance with applicable laws, regulations, contracts, and grant agreements.

### **Department of Commerce Fiscal Year 2025 Consolidated Financial Statements Audit (OIG-26-007-A)**

Independent public accounting firm KPMG LLP audited the Department's FY 2025 consolidated financial statements in accordance with U.S. generally accepted auditing standards, standards applicable to financial audits contained in *Government Auditing Standards*, and OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

In its audit report, KPMG determined that the consolidated financial statements were fairly presented, in all material respects, and in accordance with U.S. generally accepted accounting principles. Also, KPMG identified certain deficiencies in internal control over financial reporting, specifically (1) material weaknesses related to controls over grant accrual processes and significant unusual transactions, and (2) significant deficiencies related to the validity of undelivered orders, general information technology controls, and monitoring of service organizations. In addition, KPMG identified no instances of reportable noncompliance with *Government Auditing Standards* or OMB Bulletin No. 24-02, as well as no instances in which the Department's financial management systems did not substantially comply with (1) federal financial management systems requirements, (2) applicable federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

## Reviews of Single Audits

*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) (2 C.F.R. Part 200, Subpart F) currently requires nonfederal entities that expend \$1,000,000 or more per year in federal awards to obtain an annual independent financial audit, referred to as a single audit (2 C.F.R. § 200.501).<sup>2</sup> We conducted desk reviews on a judgmental sample of single audit reporting packages for which the Department is the cognizant or oversight agency. The objectives of the desk reviews included identifying quality issues that may warrant follow-up work, revisions to the reporting package, or appropriate management official attention. During the desk reviews, we examined the audit reporting packages, which included financial statements, federal award expenditures, and auditors’ reports, but not the auditors’ underlying documentation. We then determined whether the audits performed met the reporting requirements of the Uniform Guidance.

During this period, we conducted desk reviews of five single audit reporting packages. The audits covered approximately \$13.5 million in total federal expenditures, including \$6.5 million in Department expenditures. We found that one of the five single audit reporting packages fully met federal reporting requirements, whereas the remaining four did not meet all requirements.

Additionally, during this reporting period, the American Institute of Certified Public Accountants (AICPA) informed us that as a result of a single audit quality control review<sup>3</sup> we previously completed, the AICPA found a certified public accounting firm in violation of ethical standards and required the firm to complete remedial action. Remedial action is taken when the matter is not considered egregious and the AICPA believes disciplinary action is not necessary. OIG will continue to report ratings of Fail to the AICPA when quality deficiencies are identified that affect the reliability of the audit results.

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<sup>2</sup> As of October 1, 2024, the threshold for conducting single audits increased from \$750,000 to \$1,000,000. Because the single audits we reviewed were completed before that date, the \$750,000 threshold applied.

<sup>3</sup> The objectives of a quality control review include (1) determine whether the single audit was conducted in accordance with applicable standards and requirements, (2) identify any follow-up audit work needed, and (3) identify any issues that may require management’s attention.

## Additional Significant Reports

In addition to the work summarized in the top challenge areas, we completed other important projects during this reporting period. These projects represent our commitment to detecting and preventing fraud, waste, and abuse and improving the Department's programs and operations.

### Census Employee Misused Public Office, Creating a Conflict of Interest

On November 19, 2025, OIG closed an investigation that found that a Census employee created an appearance of a conflict of interest and misused their public office for personal gain by, among other things, engaging in contract oversight for a company owned by their live-in romantic partner and for which they previously worked. Census reassigned the employee to a position that has no interaction with or oversight of their partner or their employees.

### Census Contractor Stole Sensitive Documents

On December 1, 2025, OIG closed an investigation into allegations that a contractor abused their administrative access to Census systems. OI substantiated that the contractor abused their subject-matter-expert access to acquire Census files unrelated to the contractor's work and provide sensitive contracting documents to the contractor's employer.

### Senior FirstNet Authority Officials Interfered with OIG Audits

On December 18, 2025, OIG closed an investigation into allegations that senior FirstNet Authority officials interfered with OIG audits by, among other things, altering and withholding documents requested by OIG, intimidating staff who communicated with OIG personnel, improperly monitoring employees' communications with OIG, and taking retaliatory action against an employee who cooperated with OIG. The allegations were substantiated. In August 2025, OIG received a response from FirstNet Authority stating that several individuals involved in the investigation are no longer employed by the Department and that appropriate counseling was provided to those who remain. FirstNet Authority also noted that new leadership is in place.

### Senior FirstNet Authority Official Resigns Following OIG Investigation into Retaliation

On December 18, 2025, OIG closed an investigation that substantiated allegations that a FirstNet Authority senior government employee retaliated against the complainant for providing information to OIG. The employee subsequently resigned from their position with the Department. The complainant was restored to a senior executive service-level employee, promoted, and had their negative ratings removed.

### **Senior NTIA Official Removed After OIG Finds Misuse of Position**

On January 7, 2026, OIG closed an investigation determining that a senior government employee engaged in two instances of misuse of position. In August 2023, the employee sought employment with an entity that was actively pursuing federal funding from NTIA under the Broadband Equity, Access, and Deployment (BEAD) program. Subsequently, in April and May 2024, and contrary to explicit guidance from Department ethics officials, the employee facilitated their child's placement in an internship that had not been publicly advertised. NTIA concurred with OIG's findings and removed the employee.

### **Employee of NOAA Grant Recipient Sentenced to Prison and Ordered to Pay Restitution and Fines for Theft**

On February 2, 2026, OIG closed an investigation into allegations of embezzlement involving a former employee of a NOAA grant recipient. A joint investigation with the FBI established that the employee stole over \$200,000 from the NOAA grant recipient to pay for personal expenses. In June 2025, the employee pleaded guilty to theft in connection with healthcare in United States District Court for the District of Oregon and was sentenced to 8 months imprisonment, 3 years supervised release, \$211,083 in restitution, a \$10,000 fine, and a \$100 court assessment fee. Additionally, in December 2025, the Department's suspension and debarment official debarred the employee from government procurement and nonprocurement programs and from directly or indirectly receiving the benefits of federal assistance programs for a period of 3 years.

### **Misconduct Probe Leads to Resignation of NOAA Employee**

On February 2, 2026, OIG closed an investigation into allegations that a NOAA employee misused their position while interfering with a law enforcement operation and lacked candor during their OIG interview. OIG reported its findings to the Department, which placed the employee on leave. While on leave, the employee resigned from their position.

### **Company Settles \$11.8 Million False Claims Act Case**

On February 3, 2026, OIG closed an investigation into allegations of False Claims Act violations involving an audio electronics company. The joint investigation with the Department of Justice (DOJ), established that the company evaded ITA antidumping and countervailing duties and agreed to a settlement with DOJ for \$11,809,628. The case was closed without further action.

### **EDA Grant Recipient Improperly Charged Federal Grants, and Employee Found Guilty of Embezzlement**

On February 11, 2026, OIG closed an investigation that substantiated allegations that an EDA grant recipient improperly billed personnel hours towards multiple EDA-funded awards. The investigation also determined that the former Executive Director had diverted

federal grant funding to a relative for personal gain. The former Executive Director was charged with multiple state-level felony criminal offenses; however, he later pleaded guilty to a single felony charge and was sentenced to probation. The EDA grant recipient terminated the employment of the former Executive Director, and he was subsequently debarred from receiving the benefits of federal assistance programs for a period of 3 years. The results of the investigation were referred to EDA, which issued a demand letter to the grant recipient for repayment of \$103,454.94. The case was closed with no further action.

### **Census Takes Disciplinary Action Regarding a Senior Government Official**

On March 18, 2026, OIG closed an investigation that substantiated allegations of conflicts of interest and favoritism. The allegations stemmed from a senior Census official's personal relationships and professional interactions with a bureau contractor and a network of related companies and individuals, including an associated company that employed the official's family member. On February 3, 2026, the bureau took final disciplinary action.

### **NTIA Grant Recipient Sentenced for Wire Fraud and Ordered to Pay Restitution**

On March 24, 2026, OIG closed an investigation substantiating that a former chief executive officer (CEO) of an NTIA grant recipient stole approximately \$800,000 from a \$1.9 million award by submitting fabricated documentation for equipment purchases. The scheme was discovered after the individual was terminated for unrelated reasons. The former CEO was arrested in December 2024. In April 2025, the former CEO pleaded guilty to one count of wire fraud and was sentenced to 28 months in prison, 3 years of probation, and over \$828,000 in restitution. In February 2026, the Department's Suspension and Debarment office debarred the individual from receiving the benefits of federal assistance programs for 3 years.

### **BIS Employee Removed from Federal Service after Violations of Firearm and Conduct Rules**

On March 31, 2026, OIG closed an investigation into an allegation of misconduct related to a BIS Office of Export Enforcement employee. The allegation was unsubstantiated; however, during the investigation, we discovered that the employee violated federal regulations while flying armed. The employee was removed from their position and from federal service for failure to follow instructions and inappropriate conduct.

# STATISTICAL DATA

Consistent with the Inspector General Act of 1978 (IG Act), as amended, OIG is providing the following statistical data:




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### Table 1. Office Of Investigations Statistical Highlights for This Period

**Investigative activities** cover investigations opened and closed by OIG; arrests by OIG agents; indictments and other criminal charges filed against individuals or entities as a result of OIG investigations; and convictions secured at trial or by guilty plea as a result of OIG investigations.

**Allegations received** presents the number of complaints from employees, stakeholders, and the general public that were handled by our Compliance and Ethics unit. Of these, some resulted in the opening of investigations; others were referred to bureaus for internal administrative follow-up. Others were unrelated to departmental activities or did not provide sufficient information for any investigative follow-up and were not accepted for investigation or referral.

The metrics used for the statistical data referenced in this table include the following: ensure data input is completed accurately; obtain data extraction via reports generated in OIG's case management system; and complete quality assurance with supporting documentation in the case files and discussions with individual investigative personnel.

	
<b>Allegations Received</b>	
Total hotline contacts	477
Contacts related to departmental programs	360
Number of hotline referrals to departmental management	142
	
<b>Reports</b>	
Total number of investigative reports issued during the reporting period	7*
	
<b>Prosecutive Actions</b>	
Total number of individuals or entities referred to DOJ for criminal prosecution	12
Total number of individuals or entities referred to state/local prosecuting authorities for criminal prosecution	0
Indictments/Informations/Criminal Complaints	6
Convictions	1
*This figure consists of reports of investigation, case closure memorandums to the Department/bureaus (investigative summaries), and notice of concern memorandums.	

## Table 2. Resolution and Follow-Up

The IG Act requires us to present in this report information concerning reports issued before the beginning of the reporting period (October 1, 2025) for which no management decision had been made by the end of the period (March 31, 2026). There are two reports with a recommendation that remains unresolved for more than 6 months for this reporting period.

**Audit resolution** is the process by which the Department reaches an effective management decision in response to audit reports. **Management decision** refers to management's evaluation of the findings and recommendations included in the report and the issuance of a final decision by management concerning its response.

Department Administrative Order 213-5, *Audit and Evaluation Resolution and Follow-up*, provides procedures for management to request a modification to an approved action plan or for a financial assistance recipient to appeal an audit resolution determination. The following table summarizes modification and appeal activity during the reporting period.

Report Category	Modifications	Appeals
Actions pending (September 30, 2025)	0	1*
Submissions	22	0
Decisions	14	1
Actions pending (April 1, 2026)	8	0

\*In November 2025, NIST notified OIG of the appeal of OIG-25-011-I and of its decision to waive the entire debt amount.

### Table 3. Audit and Inspection Statistical Highlights for This Period

**Audits** comply with standards established by the Comptroller General of the United States for audits of federal establishments, organizations, programs, activities, and functions.

**Inspections** include evaluations, inquiries, and similar types of reviews that do not constitute an audit or a criminal investigation.

Questioned costs*	\$0
Value of audit recommendations that funds be put to better use†	\$0
<b>Total potential monetary benefits</b>	<b>\$0</b>
Value of audit recommendations agreed to by management‡	\$6,888,807

\* **Questioned cost:** This is a cost questioned by OIG because of (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that an expenditure of funds for the intended purpose is unnecessary or unreasonable.

† **Value of audit recommendations that funds be put to better use:** This results from an OIG recommendation that funds could be used more efficiently if Department management took action to implement and complete the recommendation. Such actions may include (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the Department, a contractor, or a grantee; (5) avoidance of unnecessary expenditures identified in pre-award reviews of contracts or grant agreements; or (6) any other savings specifically identified.

‡ **Value of audit recommendations agreed to by management:** This is the sum of (1) disallowed costs and (2) funds to be put to better use that are agreed to by management during resolution. Disallowed costs are the amount of costs that were questioned by the auditors or the agency action official and subsequently determined—during audit resolution or negotiations by a contracting officer—not to be charged to the government.

#### Table 4. Reports with Questioned Costs

See table 3 for a definition of “questioned cost.” An **unsupported cost** is a cost that is not supported by adequate documentation at the time of the review. Questioned costs include unsupported costs.

<b>Report Category</b>	<b>Number</b>	<b>Questioned Costs</b>	<b>Unsupported Costs</b>
A. Reports for which no management decision had been made by the beginning of the reporting period	0	\$0	\$0
B. Reports issued during the reporting period	0	\$0	\$0
<b>Total reports (A+B) requiring a management decision during the period</b>	<b>-</b>	<b>\$0</b>	<b>\$0</b>
C. Reports for which a management decision was made during the reporting period	0	\$0	\$0
i. Value of disallowed costs	-	\$0	\$0
ii. Value of costs not disallowed	-	\$0	\$0
D. Reports for which no management decision had been made by the end of the reporting period	0	\$0	\$0

### Table 5. Reports with Recommendations That Funds Be Put to Better Use

See table 3 for a definition of “recommendations that funds be put to better use.”

Report Category	Number	Value
A. Reports for which no management decision had been made by the beginning of the reporting period	1	\$6,888,807
B. Reports issued during the reporting period	0	\$0
<b>Total reports (A+B) requiring a management decision during the period</b>	<b>1</b>	<b>\$6,888,807</b>
C. Reports for which a management decision was made during the reporting period	1	\$6,888,807
i. Value of recommendations agreed to by management	–	\$6,888,807
ii. Value of recommendations not agreed to by management	–	\$0
D. Reports for which no management decision had been made by the end of the reporting period	0	\$0

### Tables 6-A, 6-B, and 6-C. Report Types for This Period

**Performance and financial statement audits** provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Financial statement audits are primarily to provide an opinion about whether an entity's financial statements are presented fairly in all material respects in conformity with an applicable financial reporting framework. Reporting on financial statement audits performed in accordance with generally accepted government auditing standards also includes reports on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

**Inspections** include evaluations, inquiries, and similar types of reviews that do not constitute an audit or investigation. An inspection is defined as a process that evaluates, reviews, studies, or analyzes the programs and activities of a department or agency to provide information to managers for decision making; makes recommendations for improvements to programs, policies, or procedures; and identifies where administrative action may be necessary.

**Other public releases** from this period include reports on top management challenges and implementation of the Cybersecurity Information Sharing Act of 2015, a letter to OMB, and our audit and evaluation work plan.

**Table 6-A. Audits**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>	<b>Funds to Be Put to Better Use</b>	<b>Amount Questioned</b>	<b>Amount Unsupported</b>
<i>Audit of MBDA Business Center Program</i>	<a href="#"><u>OIG-26-001-A</u></a>	11.19.2025	\$0	\$0	\$0
<i>Audit of the Department's Vulnerability Reporting and Resolution Program</i>	<a href="#"><u>OIG-26-002-A</u></a>	11.20.2025	\$0	\$0	\$0
<i>United States Patent and Trademark Office FY 2025 Financial Statements</i>	<a href="#"><u>OIG-26-004-A</u></a>	12.11.2025	\$0	\$0	\$0
<i>Department of Commerce FY 2025 Financial Statements</i>	<a href="#"><u>OIG-26-007-A</u></a>	01.30.2026	\$0	\$0	\$0
<i>Audit of Data Collection and Quality Control Procedures for the U.S. Census Bureau's American Community Survey</i>	<a href="#"><u>OIG-26-010-A</u></a>	03.10.2026	\$0	\$0	\$0

**Table 6-B. Evaluations**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>	<b>Funds to Be Put to Better Use</b>	<b>Amount Questioned</b>	<b>Amount Unsupported</b>
<i>Evaluation of the International Trade Administration's Cyber Incident Detection and Response (Not Public)</i>	<a href="#">OIG-26-005-I</a>	01.20.2026	\$0	\$0	\$0
<i>Evaluation of the Space Weather Follow-On Program's Progress in Preparing the SWFO-L1 Satellite for Launch and Operations</i>	<a href="#">OIG-26-008-I</a>	03.5.2026	\$0	\$0	\$0
<i>Evaluation of NOAA's Progress Implementing the GeoXO Satellite Program</i>	<a href="#">OIG-26-009-I</a>	03.9.2026	\$0	\$0	\$0
<i>Evaluation of the Methodology the Census Bureau Used to Select the Test Sites for the 2026 Census Test</i>	<a href="#">OIG-26-012-I</a>	03.16.2026	\$0	\$0	\$0
<i>NTIA Broadband Programs: Semiannual Status Report</i>	<a href="#">OIG-26-013-I</a>	03.19.2026	\$0	\$0	\$0

**Table 6-C. Other Public Releases**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>
<i>Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2026</i>	<a href="#"><u>OIG-26-003</u></a>	12.01.2025
<i>Interagency Joint Report on the Implementation of the Cybersecurity Information Sharing Act of 2015 (2023-2024)</i>	<a href="#"><u>AUD-2025-001</u></a>	12.18.2025
<i>2026 Annual Letter to OMB re: Government Charge Card Abuse Act 2012</i>	<a href="#"><u>OIG-26-006-M</u></a>	01.27.2026
<i>Office of Audit and Evaluation FY 2026 Work Plan</i>	<a href="#"><u>OIG-26-011</u></a>	03.12.2026

## Tables 7, 7-A, and 7-B. Unimplemented and Unresolved Recommendations by Operating Unit

All tables concerning unimplemented or unresolved recommendations do not include recommendations from (a) recurring, annual audits (such as financial statement audits) or (b) single audits.

Recommendations from all performance audit, evaluation, and inspection reports issued prior to FY 2019 have been implemented.

**Resolved but unimplemented recommendations** are those for which (a) the operating unit(s) agreed to OIG recommendations and (b) OIG approved the action plan. Columns 2 and 3 of table 7 provide details on resolved but unimplemented recommendations.

**Unresolved recommendations** include those with no approved action plan as of March 31, 2026, or those for which the action plans are not due until after March 31, 2026. Columns 4 and 5 of table 7 provide details on unresolved recommendations.

Table 7-A, which is shown in appendix 1, provides details on FYs 2020–2026 performance audit, evaluation, or inspection reports that have resolved but unimplemented recommendations. During those FYs, we issued 113 audits and evaluations (excluding financial statement audits). As of March 31, 2026:

- 45 of the 113 reports (40 percent) had resolved but unimplemented recommendations.
- 142 of 641 total recommendations (22 percent) were resolved but unimplemented.
- 10 of these resolved but unimplemented recommendations had potential monetary benefits of \$393,820,452.

Table 7-B, which is shown in Appendix 2, provides the full list of eight reports with 43 unresolved recommendations, including those for which an action plan is not due until after March 31, 2026. See figure 2 for a snapshot of unresolved recommendations from three reports with action plans submitted by March 31, 2026.

**Table 7. Summary of Unimplemented and Unresolved Recommendations by Operating Unit**

<b>Operating Unit</b>	<b>FYs 2020–2026 Unimplemented Recommendations (Resolved)</b>	<b>Potential Monetary Benefits of FYs 2020–2026 Unimplemented Recommendations</b>	<b>FYs 2020–2026 Unresolved Recommendations</b>	<b>Potential Monetary Benefits of FYs 2020–2026 Unresolved Recommendations</b>
Bureau of Economic Analysis	–	–	–	–
Bureau of Industry and Security	14	\$0	1	\$0
U.S. Census Bureau	15	\$363,083,441	19	\$0
U.S. Economic Development Administration	4	\$4,020,050	0	\$0
First Responder Network Authority	0	\$0	0	\$0
International Trade Administration	8	\$0	1	\$0
Minority Business Development Agency	0	\$0	1	\$0
National Institute of Standards and Technology	17	\$8,845,676	0	\$0
National Oceanic and Atmospheric Administration	28	\$12,209,000	20	\$0
National Technical Information Service	0	\$0	0	\$0
National Telecommunications and Information Administration	6	\$0	0	\$0
Office of the Secretary	37	\$5,662,285	1	\$0
United States Patent and Trademark Office	13	\$0	0	\$0
<b>Total</b>	<b>142</b>	<b>\$393,820,452</b>	<b>43</b>	<b>\$0</b>

### Table 7-A. Unimplemented Recommendations from Audit, Evaluation, and Inspection Reports

Table 7-A, which is in appendix 1, does not include recommendations (a) from financial statement audits or (b) addressed to specific non-federal entities in connection with audits of financial assistance awards. For the full list of reports with unimplemented recommendations, see appendix 1.

Recommendations from all performance audit, evaluation, and inspection reports issued prior to FY 2020 have been implemented. Figure 1 is a snapshot of unimplemented recommendations by year.

**Figure 1. Snapshot of Unimplemented Recommendations by Year**

Year	Reports Issued	Total Recommendations	Total Unimplemented Recommendations	Potential Monetary Benefits
2020	16	76	3	\$11,895,000
2021	14	72	2	\$0
2022	19	112	8	\$0
2023	15	112	12	\$6,888,807
2024	24	127	48	\$363,440,426
2025	18	104	67	\$11,596,219
2026	7	38	2	\$0

## Table 7-B. Unresolved Recommendations from Audit, Evaluation, and Inspection Reports

Table 7-B, which is in appendix 2, includes audit and evaluation reports with unresolved recommendations (OIG has not yet approved auditees' action plans). Either the submitted action plan is in the review process, or the action plan is not due until after March 31, 2026. Figure 2 shows unresolved recommendations for reports with action plans submitted.

**Figure 2. Snapshot of Unresolved Recommendations for Reports with Action Plans Submitted by March 31, 2026**

Report Date	Report Number	Short Title	Unresolved Recommendations
09.23.2024	<a href="#">OIG-24-036-A</a>	BIS Export License Approval	1
06.17.2025	<a href="#">OIG-25-023-A</a>	NOAA Hurricane Hunter Missions	7
01.20.2026	<a href="#">OIG-26-005-I</a>	ITA's Cyber Incident Detection and Response (Not Public)	2

For the full list of reports with unresolved recommendations, including those for which an action plan is not due until after March 31, 2026, see appendix 2.

**Table 8. Descriptions of Instances of Whistleblower Retaliation**

<b>OIG Report/Case No.</b>	<b>Narrative Description of Investigations Concerning Senior Government Employees Where Allegations of Whistleblower Retaliation Were Substantiated</b>
<b>24-0470-I</b>	On December 18, 2025, OIG closed an investigation that substantiated allegations that a FirstNet Authority senior government employee retaliated against the complainant for providing information to OIG. The employee subsequently resigned from their position with the Department. The complainant was restored to a senior executive service-level employee, promoted, and had their negative ratings removed.

**Table 9. Reports on Investigations Concerning Alleged Misconduct by Senior Government Employees**

<b>OIG Case No.</b>	<b>Narrative Description of Investigations Involving Senior Government Employees Where Allegations of Misconduct Were Substantiated</b>
<b>24-0595-I</b>	On November 19, 2025, OIG closed an investigation that found that a Census employee created an appearance of a conflict of interest and misused their public office for personal gain by, among other things, engaging in contract oversight for a company owned by their live-in romantic partner and for which they previously worked. Census reassigned the employee to a position that has no interaction with or oversight of their partner or their employees. On August 12, 2025, OIG sent a criminal referral to DOJ, which declined the referral the same day.
<b>24-0175-I</b>	On December 18, 2025, OIG closed an investigation into allegations that senior FirstNet Authority officials interfered with OIG audits by, among other things, altering and withholding documents requested by OIG, intimidating staff who communicated with OIG personnel, improperly monitoring employees' communications with OIG, and taking retaliatory action against an employee who cooperated with OIG. The allegations were substantiated. In August 2025, OIG received a response from FirstNet Authority stating that several individuals involved in the investigation are no longer employed by the Department and that appropriate counseling was provided to those who remain. FirstNet Authority also noted that new leadership is in place. OIG sent a criminal referral to DOJ on March 12, 2024, and again on July 15, 2024. DOJ declined both referrals the same day they were referred.
<b>24-0470-I</b>	On December 18, 2025, OIG closed an investigation that substantiated allegations that a FirstNet Authority senior government employee retaliated against the complainant for providing information to OIG. The employee subsequently resigned from their position with the Department. The complainant was restored to a senior executive service-level employee, promoted, and had their negative ratings removed.
<b>24-0887-I</b>	On January 7, 2026, OIG closed an investigation determining that a senior government employee engaged in two instances of misuse of position. In August 2023, the employee sought employment with an entity that was actively pursuing federal funding from NTIA under the BEAD program. Subsequently, in April and May 2024, and contrary to explicit guidance from Department ethics officials, the employee facilitated their child's placement in an internship that had not been publicly advertised. NTIA concurred with OIG's findings and removed the employee. On March 26, 2025, OIG sent a criminal referral to DOJ, which declined the referral the same day.

OIG Case No.	Narrative Description of Investigations Involving Senior Government Employees Where Allegations of Misconduct Were Substantiated
25-0942-I	On February 2, 2026, OIG closed an investigation into allegations that a NOAA employee misused their position while interfering with a law enforcement operation and lacked candor during their OIG interview. OIG reported its findings to the Department, which placed the employee on leave. While on leave, the employee resigned from their position. On August 12, 2025, OIG sent a criminal referral to DOJ, which declined the referral the same day.
22-0567	On March 18, 2026, OIG closed an investigation that substantiated allegations of conflicts of interest and favoritism. The allegations stemmed from a senior Census official's personal relationships and professional interactions with a bureau contractor and a network of related companies and individuals, including an associated company that employed the official's family member. On February 3, 2026, the bureau took final disciplinary action.
25-1144-I	On March 31, 2026, OIG closed an investigation into an allegation of misconduct related to a BIS Office of Export Enforcement employee. The allegation was unsubstantiated; however, during the investigation, we discovered that the employee violated federal regulations while flying armed. The employee was removed from their position and from federal service for failure to follow instructions and inappropriate conduct.

### Table 10. Description of Closed and Non-Public Inspections, Evaluations, Audits, and Certain Investigations

OIG is required to describe (a) any inspection, evaluation, and audit conducted that is closed and not disclosed to the public and (b) any investigation conducted involving a senior government employee that is closed and not disclosed to the public. During this semiannual period, we issued one evaluation report that was not disclosed to the public. We also terminated one audit. We closed one investigation involving a senior government employee that was not disclosed to the public.

OIG Report/Case No.	Narrative Description of Closed and Non-Public Inspections, Evaluations, Audits, and Certain Investigations
2024-495	In July 2024, we initiated an audit of EDA's Regional Technology and Innovation Hub (Tech Hub) program. Our objective was to determine whether EDA had an adequate review and award selection process to ensure that grant recipients met the Tech Hub program requirements. We suspended the audit in February 2025 due to EDA's grant data migration efforts. In November 2025, we were informed that Phase II Tech Hub awards will not be obligated until April or May 2026. We determined that continued work to address these objectives was not warranted and closed the audit in December 2025.
23-0791-I	On January 9, 2026, OIG closed an investigation regarding allegations that a senior government employee retaliated against a complainant for providing information to OIG. The allegations were unsubstantiated, because the agency provided clear and convincing evidence that it would have taken the same actions regardless of the protected disclosures.
OIG-26-005-I	On January 20, 2026, we completed an evaluation of ITA's cyber incident and detection and response and transmitted a final report to the Department and ITA. ITA indicated that they have taken action on the issues identified during our evaluation. The Department asserted that our final report should be considered controlled unclassified information and should not be publicly released.

# **ADDITIONAL REPORTING REQUIREMENTS**

## Review of Legislation and Regulations

This section requires the inspector general of each agency to review existing and proposed legislation and regulations relating to that agency's programs and operations. Based on this review, the inspector general is required to make recommendations concerning the impact of such legislation or regulations on (1) the economy and efficiency in the administration of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in those programs and operations. Some of OIG's audits examine compliance with existing laws, regulations, and other legal requirements. OIG's reports of such audits describe findings and include recommendations on any action necessary to address such findings. OIG is also a participant in the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and its regular review of legislative and regulatory items that affect the inspector general community at large and individual departments. During this reporting period, our office reviewed updates to the Federal Acquisition Regulation and the following legislation:

- Freedom of Information Act (FOIA) Clarification Act
- Fraud Prevention and Accountability Act
- S. 874, Expanding Whistleblower Protections for Contractors Act

## Information Required by the Federal Financial Management Improvement Act

No matters to report.

## Description of Interference or Delays

No matters to report.

## APPENDIX 1. TABLE 7-A, REPORTS WITH UNIMPLEMENTED RECOMMENDATIONS

Report Date	Report No. and Subject	Total Recommendations Made	Unimplemented Recommendation(s)	Potential Monetary Benefits of Unimplemented Recommendations
11.12.2019	<a href="#">OIG-20-006-A</a> , <i>Audit of NOAA's OMAO Ship Fleet Acquisition Planning</i>	7	Recommendation 1	\$11,895,000
07.20.2020	<a href="#">OIG-20-037-A</a> , <i>Audit of the Department's Fleet Management Practices</i>	7	Recommendations 2 and 4	\$0
10.01.2020	<a href="#">OIG-21-001-A</a> , <i>Audit of the Department's Compliance with the Geospatial Data Act of 2018</i>	6	Recommendation 3	\$0
05.25.2021	<a href="#">OIG-21-027-I</a> , <i>Evaluation of NOAA's Ship Fleet Requirements Management Processes</i>	7	Recommendation 1	\$0
11.08.2021	<a href="#">OIG-22-003-A</a> , <i>Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of Fiscal Year 2021</i>	9	Recommendation 7	\$0
12.16.2021	<a href="#">OIG-22-014-I</a> , <i>Review of the Department of Commerce's Processes for Responding to Hotline Complaints</i>	2	Recommendations 1 and 2	\$0
06.08.2022	<a href="#">OIG-22-022-A</a> , <i>Audit of the Next-Generation Satellite System Architecture Planning and Implementation</i>	7	Recommendations 1, 4, and 6	\$0
07.20.2022	<a href="#">OIG-22-026-A</a> , <i>Audit of USPTO's Efforts to Retire Patent Legacy Systems</i>	6	Recommendation 1	\$0
09.22.2022	<a href="#">OIG-22-033-A</a> , <i>Performance Audit of the U.S. Department of Commerce's Working Capital Funds</i>	5	Recommendation 2	\$0

Report Date	Report No. and Subject	Total Recommendations Made	Unimplemented Recommendation(s)	Potential Monetary Benefits of Unimplemented Recommendations
01.09.2023	<a href="#">OIG-23-008-I</a> , <i>Review of the Bureau of Industry and Security's Law Enforcement Function</i>	7	Recommendation 5	\$0
03.13.2023	<a href="#">OIG-23-014-I</a> , <i>Evaluation of NIST's Hollings Manufacturing Extension Partnership Program</i>	5	Recommendations 1, 2, 3, 4, and 5	\$6,888,807
08.30.2023	<a href="#">OIG-23-025-A</a> , <i>Audit of the U.S. Census Bureau Demographic Programs Directorate's Reimbursable Survey Data Quality and Reliability</i>	15	Recommendations 1, 7, 12, 13, and 15	\$0
09.28.2023	<a href="#">OIG-23-030-A</a> , <i>Audit of the Department's Identification and Remediation of Vulnerabilities for High Value Assets</i>	4	Recommendation 1	\$0
10.23.2023	<a href="#">OIG-24-003-I</a> , <i>Evaluation of Single Audit Findings Impacting Department of Commerce Programs</i>	2	Recommendation 2	\$0
11.01.2023	<a href="#">OIG-24-004-A</a> , <i>Audit of ITA's Efforts to Resolve Foreign Trade Barriers</i>	8	Recommendations 1, 2, 3, 4, 5, 6, 7, and 8	\$0
01.22.2024	<a href="#">OIG-24-009-A</a> , <i>Audit of the Department's Implementation of Multi-Factor Authentication on High Value Assets</i>	8	Recommendation 4	\$0
02.05.2024	<a href="#">OIG-24-011-I</a> , <i>Independent Evaluation of the 2020 Decennial Census EAE Operation</i>	10	Recommendations 1, 5, 6, and 10	\$0
02.14.2024	<a href="#">OIG-24-013-I</a> , <i>Evaluation of Ethics Oversight in Preventing Financial Conflicts of Interest by USPTO Patent Examiners</i>	8	Recommendations 4, 7, and 8	\$0
02.22.2024	<a href="#">OIG-24-014-A</a> , <i>Audit of the Department's Implementation of the Business Applications Solution Program</i>	6	Recommendations 1, 3, 4, and 6	\$0

Report Date	Report No. and Subject	Total Recommendations Made	Unimplemented Recommendation(s)	Potential Monetary Benefits of Unimplemented Recommendations
04.04.2024	<a href="#">OIG-24-018-I</a> , <i>Independent Program Evaluation of NOAA Fisheries Pandemic Relief Program</i>	3	Recommendation 2	\$314,000
05.08.2024	<a href="#">OIG-24-021-A</a> , <i>Audit of the 2020 Census Paid Advertising Campaign</i>	6	Recommendations 3 and 6	\$363,083,441
05.20.2024	<a href="#">OIG-24-023-I</a> , <i>Evaluation of CHIPS Workforce Management</i>	2	Recommendation 1	\$0
06.03.2024	<a href="#">OIG-24-025-A</a> , <i>Audit of Departmental Employee Locality Pay</i>	4	Recommendations 1, 2, 3, and 4	\$42,985
06.12.2024	<a href="#">OIG-24-027-A</a> , <i>Audit of FirstNet Authority's NPSBN Device Connection Targets (Contract Oversight)</i>	3	Recommendation 1	\$0
06.20.2024	<a href="#">OIG-24-028-A</a> , <i>Audit of Puerto Rico Department of Natural and Environmental Resources' Administering of NOAA Grants</i>	5	Recommendations 1, 2, 3, 4, and 5	\$0
06.24.2024	<a href="#">OIG-24-029-I</a> , <i>Evaluation of USPTO's Response to the Exposure of Trademark Filers' Sensitive PII</i>	10	Recommendations 8 and 10	\$0
07.30.2024	<a href="#">OIG-24-031-A</a> , <i>Audit of NOAA's Office of Space Commerce SPD-3 Activities</i>	5	Recommendations 3, 4, and 5	\$0
09.19.2024	<a href="#">OIG-24-035-A</a> , <i>Biennial Audit of the Department's Compliance with Geospatial Data Act Requirements</i>	1	Recommendation 1	\$0
09.25.2024	<a href="#">OIG-24-037-I</a> , <i>Evaluation of NIST's Manufacturing Extension Partnership Economic Impact Reporting</i>	8	Recommendations 2, 3, 4, 5, 6, 7, and 8	\$0
10.24.2024	<a href="#">OIG-25-002-A</a> , <i>Audit of USPTO's Management of Trademark Pendency</i>	6	Recommendations 3, 5, and 6	\$0

Report Date	Report No. and Subject	Total Recommendations Made	Unimplemented Recommendation(s)	Potential Monetary Benefits of Unimplemented Recommendations
12.5.2024	<a href="#">OIG-25-004-A</a> , <i>Audit of the Nationwide Public Safety Broadband Network's Services During the Maui Wildfires</i>	11	Recommendations 1, 3, 5, 6, and 7	\$0
12.17.2024	<a href="#">OIG-25-006-A</a> , <i>Audit of the Department's ECDM Program</i>	7	Recommendations 1, and 7	\$5,619,300
01.06.2025	<a href="#">OIG-25-007-A</a> , <i>Audit of NOAA's Implementation of Weather Act Requirements</i>	8	Recommendations 1, 2, 3, 4, 5, 6, and 7	\$0
02.25.2025	<a href="#">OIG-25-011-I</a> , <i>Evaluation of NIST's Manufacturing Extension Partnership Economic Impact Reporting</i>	4	Recommendations 1, 2, 3, and 4	\$1,956,869
02.27.2025	<a href="#">OIG-25-012-I</a> , <i>Evaluation of the National Weather Service's Protection of Operational Technology</i>	4	Recommendations 2 and 4	\$0
03.13.2025	<a href="#">OIG-25-013-I</a> , <i>Evaluation of U.S. Census Bureau Workforce Recruitment, Hiring, and Retention</i>	1	Recommendation 1	\$0
03.25.2025	<a href="#">OIG-25-015-A</a> , <i>Audit of the U.S. Census Bureau's 2020 Post-Enumeration Survey Results</i>	1	Recommendation 1	\$0
04.22.2025	<a href="#">OIG-25-018-A</a> , <i>Audit of USPTO's Governance of Its Artificial Intelligence Tools</i>	5	Recommendations 2 and 3	\$0
04.30.2025	<a href="#">OIG-25-019-A</a> , <i>Audit of CARES Act Grants Recipients Through EDA's Revolving Loan Fund Program</i>	4	Recommendations 1, 2, 3, and 4	\$4,020,050
06.11.2025	<a href="#">OIG-25-022-I</a> , <i>Evaluation of the Bureau of Industry and Security's Cyber Incident Detection and Response</i>	13	Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13	\$0
06.30.2025	<a href="#">OIG-25-025-A</a> , <i>Audit of Grants Enterprise Management System (GEMS) Program Implementation</i>	10	Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10	\$0

Report Date	Report No. and Subject	Total Recommendations Made	Unimplemented Recommendation(s)	Potential Monetary Benefits of Unimplemented Recommendations
07.08.2025	<a href="#">OIG-25-026-I</a> , <i>Independent Evaluation of the National Oceanic and Atmospheric Administration's National Weather Service Tornado Forecasting and Warning Services</i>	6	Recommendations 2, 3, 4, 5, and 6	\$0
08.28.2025	<a href="#">OIG-25-029-A</a> , <i>Audit of USPTO's Quality Reviews of Continuing Patent Applications</i>	6	Recommendations 1, 2, 3, 4, 5, and 6	\$0
09.16.2025	<a href="#">OIG-25-030-A</a> , <i>Audit of the Census Bureau's Progress in Meeting Workforce Hiring Goals for the 2026 Census Test</i>	4	Recommendations 1 and 3	\$0
11.19.2025	<a href="#">OIG-26-002-A</a> , <i>Audit of the Department's Vulnerability Reporting and Resolution Program</i>	3	Recommendations 2 and 3	\$0

## APPENDIX 2. TABLE 7-B, REPORTS WITH UNRESOLVED RECOMMENDATIONS

Report Date	Report No. and Subject	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
09.23.2024	<a href="#">OIG-24-036-A</a> , <i>Audit of BIS's Efforts to Counter China's Military-Civilian Fusion Strategy</i>	1	BIS submitted an action plan on 11/25/2024. We met with BIS to discuss the plan on 1/23/2025 and 3/12/2025. Further BIS activities to update the action plan and implement the recommendation are on hold as BIS continues to assess the implications of the America First trade policy on the deemed export policy decisions we described in our report.	\$0
06.17.2025	<a href="#">OIG-25-023-A</a> , <i>Audit of Office of Marine and Aviation Operations Aircraft Program</i>	7	NOAA submitted a revised action plan on 12/11/2025. We met with NOAA to discuss the plan on 12/15/2025. NOAA agreed to re-submit an action plan.	\$0
11.19.2025	<a href="#">OIG-26-001-A</a> , <i>Audit of MBDA's Business Center Program</i>	1	Action plan due on 04/27/2026	\$0
01.20.2026	<a href="#">OIG-26-005-I</a> , <i>Evaluation of the International Trade Administration's Cyber Incident Detection and Response (Not Public)</i>	2	ITA and OS submitted the action plans on 3/24/2026. As of 3/31/2026, OIG was reviewing the action plans.	\$0
03.05.2026	<a href="#">OIG-26-008-I</a> , <i>Evaluation of the Space Weather Follow-On Program's Progress in Preparing the SWFO-L1 Satellite for Launch and Operations</i>	7	Action plan due on 05/04/2026	\$0

Report Date	Report No. and Subject	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
03.09.2026	<a href="#">OIG-26-009-I</a> , <i>Evaluation of NOAA's Progress Implementing the GeoXO Satellite Program</i>	6	Action plan due on 05/08/2026	\$0
03.10.2026	<a href="#">OIG-26-010-A</a> , <i>Audit of Data Collection and Quality Control Procedures for the U.S. Census Bureau's American Community Survey</i>	17	Action plan due on 05/11/2026	\$0
03.16.2026	<a href="#">OIG-26-012-I</a> , <i>Evaluation of the Methodology the Census Bureau Used to Select the Test Sites for the 2026 Census Test</i>	2	Action plan due on 05/15/2026	\$0

## APPENDIX 3. PEER REVIEWS

OIGs play an important role in preventing waste, fraud, and abuse and conduct peer reviews to help them fulfill their role. To accomplish peer reviews, [CIGIE](#) provides policies and procedures, including the *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*, *Quality Assurance Review Guidelines for Offices of Investigations of Federal Offices of Inspector General*, and *Guide for Conducting External Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspector General*.

### Results of Peer Reviews Conducted by Another OIG

On March 19, 2025, OIG's Office of Investigations received official notification that the system of internal safeguards and management procedures for OIG's investigative function was in compliance with the CIGIE's *Quality Standards for Investigations* and the applicable Attorney General guidelines. The Federal Reserve Board OIG conducted the peer review.

On July 30, 2025, the Office of Audit and Evaluation received official notification of the peer review of its inspection and evaluation operations by the Pension Benefit Guaranty Corporation OIG (PBGC OIG). PBGC OIG's External Peer Review Report covered the 3-year period ending March 31, 2025, and its report of our inspection and evaluation operations is available on our [website](#). We received a Pass rating, the highest available rating.

We do not have any outstanding recommendations from any peer review.

### Peer Reviews Conducted of Another OIG and List of Outstanding or Not Fully Implemented Recommendations from Any Peer Review

We did not conduct a peer review of another OIG during this reporting period.

## APPENDIX 4. ALL REPORTING REQUIREMENTS

The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages of this report.

Topic	Page(s)
Review of Legislation and Regulations	<a href="#">38</a>
Significant Problems, Abuses, and Deficiencies Relating to the Administration of Programs and Operations; Associated Reports and Recommendations for Corrective Action	<a href="#">7</a>
Recommendations Made Before the Reporting Period for Which Corrective Action Has Not Been Completed and Potential Cost Savings Associated with the Recommendation	<a href="#">38</a>
Significant Investigations Closed	<a href="#">20</a>
Convictions Resulting from Investigations	<a href="#">20</a>
Audit, Inspection, and Evaluation Reports with Questioned Costs, Unsupported Costs, and Funds Put to Better Use; Associated Management Decisions	<a href="#">23, 24</a>
Management Decisions Regarding Audits, Inspections, or Evaluations Issued During a Previous Reporting Period	<a href="#">21</a>
Information Required by the Federal Financial Management Improvement Act of 1996	N/A
Results of Peer Reviews Conducted by Another OIG	<a href="#">45</a>
Status of Any Outstanding Recommendations from Peer Reviews Conducted by Another OIG and Why Implementation Is Not Complete	N/A
Prior Peer Reviews Conducted of Another OIG and List of Outstanding or Not Fully Implemented Recommendations from Any Peer Review	N/A
Statistical Tables Regarding Investigations	<a href="#">20</a>
Description of Metrics Used for Determining the Data in the Statistical Tables Regarding Investigations	<a href="#">20</a>
Investigations Concerning Senior Government Employees or Officials in Which Allegations of Misconduct Were Substantiated	<a href="#">33</a>
Description of Whistleblower Retaliation Instances	<a href="#">33</a>
Description of Interference or Delays	N/A
Description of Closed and Non-Public Inspections, Evaluations, and Audits; Investigations Involving a Senior Government Employee	<a href="#">33</a>
Statistical Tables Showing Audit, Inspection, and Evaluation Reports for Which Final Action Had Not Been Taken Before the Commencement of the Reporting Period	<a href="#">38</a>
Statement on Why Final Action Has Not Been Taken with Respect to Each Audit, Inspection, and Evaluation Report in Which a Management Decision Has Been Made but Final Action Has Not Been Taken	<a href="#">43</a>

## ACRONYMS AND ABBREVIATIONS

<b>ACS</b>	American Community Survey	<b>IT</b>	Information Technology
<b>AI</b>	Artificial Intelligence	<b>ITA</b>	International Trade Administration
<b>AICPA</b>	American Institute of Certified Public Accountants	<b>KPMG</b>	KPMG LLC
<b>BEAD</b>	Broadband Equity, Access, and Deployment	<b>MBDA</b>	Minority Business Development Agency
<b>BIS</b>	Bureau of Industry and Security	<b>MEP</b>	Manufacturing Extension Partnership
<b>CARES Act</b>	Coronavirus Aid, Relief, and Economic Security Act	<b>NIST</b>	National Institute of Standards and Technology
<b>Census Bureau</b>	U.S. Census Bureau	<b>NOAA</b>	National Oceanic and Atmospheric Administration
<b>CEO</b>	Chief Executive Officer	<b>NPSBN</b>	Nationwide Public Safety Broadband Network
<b>C.F.R.</b>	Code of Federal Regulations	<b>NTIA</b>	National Telecommunications and Information Administration
<b>CHIPS</b>	Creating Helpful Incentives to Produce Semiconductors	<b>NWS</b>	National Weather Service
<b>CIGIE</b>	Council of the Inspectors General on Integrity and Efficiency	<b>OI</b>	Office of Investigations
<b>COVID-19</b>	Coronavirus Disease 2019	<b>OIG</b>	Office of Inspector General
<b>DOJ</b>	U.S. Department of Justice	<b>OMAO</b>	Office of Marine and Aviation Operations
<b>EAE</b>	Evaluations and Experiments	<b>OMB</b>	Office of Management and Budget
<b>ECDM</b>	Enterprise Continuous Diagnostics and Mitigation	<b>PBGC</b>	Pension Benefit Guaranty Corporation
<b>EDA</b>	U.S. Economic Development Administration	<b>PII</b>	Personally Identifiable Information
<b>FirstNet Authority</b>	First Responder Network Authority	<b>RLF</b>	Revolving Loan Fund
<b>FY</b>	Fiscal Year	<b>SPD-3</b>	Space Policy Directive-3
<b>FOIA</b>	Freedom of Information Act	<b>SWFO</b>	Space Weather Follow-On
<b>GEMS</b>	Grants Enterprise Management System	<b>Uniform Guidance</b>	<i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>
<b>GeoXO</b>	Geostationary Extended Observations	<b>U.S.</b>	United States
<b>IG Act</b>	Inspector General Act of 1978, as amended	<b>U.S.C.</b>	United States Code

**USPTO**

United States Patent and  
Trademark Office

**Weather Act**

Weather Research and  
Forecasting Innovation Act  
of 2017

**VDP**

Vulnerability Disclosure  
Policy

# REPORT

# FRAUD & WASTE ABUSE



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### **Our Mission**

To conduct independent and objective audits, evaluations, and investigations that promote economy, efficiency and effectiveness—and deter fraud, waste, and abuse—in the programs and operations of the Department of Commerce.