



UNITED STATES GOVERNMENT
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: June 21, 2022

TO: Managing Director
Bureau Chief, Wireline Competition Bureau

FROM: Inspector General *For RM*

SUBJECT: Audit of the Federal Communication Commission's Emergency Broadband Benefit Program (Project no. 21-AUD-10-01).

In accordance with requirements of Section 904 of the 2021 Consolidated Appropriations Act, the Federal Communications Commission (FCC) Office of Inspector General (OIG) submits the attached final report on the mandated audit of FCC's Emergency Broadband Benefits Program (EBBP). The OIG contracted Kearney and Company, P.C. (Kearney), to perform this audit consistent with the OIG's authority under the Inspector General Act of 1978, as amended, including but not limited to sections 2(1)(2) and 4(a)(1). The audit is not intended as a substitute for any agency regulatory compliance review or regulatory compliance audit.

The audit was performed in accordance with generally accepted government auditing standards. Those standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives.

The overall objective of this performance audit was to determine whether the FCC and its service providers used EBBP funds to benefit eligible households and pay for eligible program expenses in the appropriate amounts during the emergency period.¹

In the attached report dated June 21, 2022, Kearney found that EBBP funds were disbursed to providers that met the provider eligibility requirements established by the FCC. However, Kearney found that the FCC did not have effective controls in place to ensure the verification of household eligibility when manual review was required. Kearney also found deficiencies associated with FCC's reliance on providers to self-certify that the requirements under section 904 of the Consolidated Appropriations Act of 2021 had been met.

¹ The EBBP emergency period began on December 27, 2020 and is effective until six months after the Secretary of the Department of Health and Human Services (HHS) determines that the public health crisis related to the Coronavirus Disease 2019 (COVID-19) terminates.

Further, Kearney found that FCC did not have effective controls to: (1) ensure that payments were made to eligible Providers, for eligible expenses; (2) reduce improper payments; and (3) prevent fraud, waste, and abuse in the EBB program. Of the 385 claimed household reimbursements tested, 49 failed internal controls testing.

FCC Management partially concurred with the finding. FCC Management agreed that internal control for the EBBP could be strengthened, but did not agree that the program lacked adequate controls to prevent ineligible payments.

Kearney is wholly responsible for the attached audit report and the conclusions expressed therein. The OIG monitored Kearney's performance throughout the audit and reviewed Kearney's audit report and the related audit documentation. Our review did not disclose any instances where Kearney did not comply in all material respects with generally accepted government auditing standards.

If you have any questions concerning the audit, please contact Robert McGriff, Assistant Inspector General for Audit, at (202) 423-0357 or robert.mcgriff@fcc.gov; or Sophie Jones, Deputy Assistant Inspector General for Audit, at (202) 210-0976 or sophila.jones@fcc.gov.

Attachment

cc: Assistant Managing Directors
Deputy Bureau Chief, Wireline Competition Bureau
Chief Financial Officer