

# SEMIANNUAL REPORT TO CONGRESS

APRIL 1, 2024 - SEPTEMBER 30, 2024



**Federal Communications Commission  
Office of Inspector General**

## From the Inspector General



I am pleased to submit this Semiannual Report to Congress for the period of April 1, 2024, through September 30, 2024, which highlights the Federal Communications Commission (FCC) Office of Inspector General’s (OIG) significant accomplishments.

In March 2024, I came to this position with an understanding that FCC OIG’s role is to help the Commission succeed through impactful oversight that strengthens FCC’s programs and operations for the American public. To be successful, we need to constructively engage with our stakeholders and partners to leverage their support, enhance cooperation and coordination, and maximize results for taxpayers.

In this spirit, I spent much of my first six months as Inspector General engaging in outreach to invite feedback, starting internally with the excellent FCC OIG team. Through this engagement I gained valuable insight into the hard work and dedication of FCC OIG professionals and learned what support and resources are needed to meet our mission. I also shared a “one OIG” vision to better leverage our collective knowledge, talent, skills, and expertise. With sincere thanks to our FCC OIG team, I am happy to report that together we have delivered on the following four core values.

**Independence:** Conducting objective, fair, and nonpartisan oversight that strengthens the FCC’s programs and operations.

**Transparency:** Communicating clearly and regularly with our stakeholders about FCC OIG’s work and activities to protect FCC programs.

**Accountability:** Producing timely, high quality, and influential reports that help FCC meet its mission and ensure program integrity.

**Inclusion:** Encouraging innovation and teamwork and supporting FCC OIG employees through professional growth and leadership development.

In accordance with these core values, we actively enhanced outreach and engaged stakeholders. We met with FCC’s Chair, Commissioners, Bureau and Office Chiefs and their staffs, as well as the leadership team of the Universal Service Administrative Company to establish rapport, share insights, provide information about and role and responsibilities of FCC OIG, and emphasize whistleblower rights and protections. We also facilitated information-sharing with bipartisan congressional staff, the Office of Management and Budget, and the Government Accountability Office. For the first time, we engaged in several listening sessions with FCC stakeholders to help inform our annual Top Management and Performance Challenges report.

Given our limited resources, we leveraged our IG community and law enforcement networks for low-cost, high-quality training, and leadership development opportunities. We further maximized our knowledge and expertise of OIG leading practices through participation on Council of Inspectors General on Integrity and Efficiency (CIGIE) committees and working groups, and at oversight events.

Recognizing the value of data sharing and analytics, my team coordinated and participated in joint oversight initiatives with CIGIE, the Pandemic Response Accountability Committee (PRAC), and the U.S. Department of Treasury’s Office of Payment Integrity. We also improved transparency around whistleblower rights and protections by engaging in additional outreach and enhancing our external website.


Of critical importance, our FCC OIG team has clearly demonstrated a strong return on investment for the **\$12.1 million** that Congress invested in our oversight in Fiscal Year (FY) 2024. **Since January 2024, the monetary impact of our investigations and audits have exceeded \$144 million**, comprised of a [January 2024 Audit of USAC’s Oversight of the Universal Service Fund’s Contribution Process](#) identifying \$28.6 million in questioned costs; a [Civil False Claims Act case](#) involving FCC’s High-Cost program resulting in a \$6.5 million settlement in July 2024; and most recently, a set of criminal [plea agreements](#) in October 2024 involving fraud against the Lifeline program resulting in \$109 million restitution.

There is so much more work to be done to protect FCC programs—and we are on the job!

We have an active portfolio of investigations, ongoing audit work, and proactive analytics efforts underway. Further, we are developing our first FCC OIG strategic plan and look forward to seeking feedback from our stakeholders to move this effort forward. Finally, we are benchmarking leading practices with our OIG colleagues and taking a whole-of-government approach to strengthening federal programs.

I would like to acknowledge the Chairwoman, Commissioners, and FCC’s leadership team for engaging with my office to enhance OIG and FCC communications. I appreciate their continued attention to our reports and recommendations. I would also like to thank Congress for its bipartisan support and continued interest in our work. Finally, I recognize our IG community colleagues for graciously offering guidance, expertise, and for sharing crucial resources to help move our mission forward. I look forward to continuing these critical conversations, fostering these important relationships, and expanding our partnerships.

Finally, to FCC OIG—it is my honor to lead this team and thank you all for your dedication, hard work, ideas, and engagement. Together, we are protecting programs that connect us all!



**Fara Damelin**  
**Inspector General**

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## Abbreviations and Acronyms

<b>ACP</b>	Affordable Connectivity Program
<b>CAF</b>	Connect America Fund
<b>CIGIE</b>	Council of the Inspectors General on Integrity and Efficiency
<b>DOJ</b>	U.S. Department of Justice
<b>EB</b>	Enforcement Bureau
<b>ECF</b>	Emergency Connectivity Fund
<b>E-Rate</b>	Schools and Libraries / E-Rate Program
<b>FCC</b>	Federal Communications Commission
<b>FY</b>	Fiscal Year
<b>HCF</b>	Healthcare Connect Fund
<b>IP</b>	Improper Payments
<b>IPA</b>	Independent Public Accountant
<b>LL</b>	Lifeline Program
<b>OIG</b>	Office of Inspector General
<b>OMB</b>	U.S. Office of Management and Budget
<b>OSC</b>	Office of the Special Counsel
<b>PIIA</b>	Payment Integrity Information Act of 2019
<b>PRAC</b>	Pandemic Response Accountability Committee
<b>RDOF</b>	Rural Digital Opportunity Fund
<b>SCRIP</b>	Supply Chain Reimbursement Program
<b>Telecom</b>	Telecommunications
<b>TRS</b>	Telecommunications Relay Services
<b>USAC</b>	Universal Service Administrative Company
<b>USF</b>	Universal Service Fund
<b>WCB</b>	Wireline Competition Bureau
<b>WPEA</b>	Whistleblower Protection Enhancement Act of 2012

# About the Federal Communications Commission and Office of Inspector General

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**The Federal Communications Commission** (FCC or the Commission) is an independent regulatory agency, established by Congress to regulate interstate and foreign communications by radio, television, wire, satellite, and cable. FCC's jurisdiction covers the fifty states, the District of Columbia, the Commonwealth of Puerto Rico and all U.S. territories. Among its responsibilities, the FCC is responsible for carrying out the following:

- Promoting competition, innovation and investment in broadband services and facilities;
- Supporting the nation's economy by ensuring an appropriate competitive framework for the unfolding of the communications revolution;
- Encouraging the highest and best use of spectrum domestically and internationally;
- Revising media regulations so that new technologies flourish alongside diversity and localism; and
- Providing leadership in strengthening the defense of the nation's communications infrastructure.

The Commission is comprised of five Commissioners appointed by the President and confirmed by the Senate for five-year terms. The President designates one of the Commissioners to serve as Chairperson and that role is currently fulfilled by Commissioner Jessica Rosenworcel. The remaining four Commissioners currently include Brendan Carr, Geoffrey Starks, Nathan Simington, and Anna Gomez.

The FCC is organized into seven Bureaus responsible for implementing and overseeing the tremendous portfolio of the FCC, to include processing applications for licenses and other filings; analyzing complaints; conducting investigations; developing and implementing regulatory programs; and taking part in hearings. As of September 30, 2024, the FCC had 1,511 employees.

The Commission is responsible for the overall management, oversight, and administration of the Universal Service Fund (USF) and Telecommunications Relay Services (TRS). USF was established by the Telecommunications Act of 1996 to facilitate meaningful access to essential services for all Americans. In recent years, the focus of USF has been to expand access to broadband services and facilities. The Universal Service Administrative Company (USAC) administers the USF programs under the direction and control of the Commission. Recently, USAC was also directed to administer supplemental programs created by Congress in response to the pandemic and in connection with the *Infrastructure Investments and Jobs Act*.

**FCC Office of Inspector General (FCC OIG)** is a statutorily created independent office whose mission is to detect and deter waste, fraud, abuse, and misconduct in the FCC, and to promote economy and efficiency in the Commission’s operations. FCC OIG is committed to protecting programs that connect us all.

In March 2024, Fara Damelin was sworn in as the first Presidentially appointed, Senate-confirmed Inspector General (IG) of the FCC, and reports to the Chair, the Commissioners, and Congress. FCC OIG is comprised of a dedicated and hard-working team of experienced professionals who run the daily operations of our office and handle the full range of independent audit, investigative, legal, analytics, and administrative support responsibilities to allow us to meet our mission.

At the end of this semiannual reporting period, FCC OIG had 48 full-time, permanent employees who oversee the FCC’s operations and its financial assistance portfolio, as well as two part-time legal Pathways interns. In addition, during this semiannual period, with the critical support and assistance of the Inspector General Community (IG Community), FCC OIG welcomed temporary detailees from the Social Security Administration and Department of Justice Offices of Inspector General, who are gaining professional development opportunities as Chief of Staff and Senior Advisor to the IG on Strategic Planning and Outreach, and assisting in carrying out FCC OIG key initiatives. In addition, we have entered into memoranda of understandings with other federal OIGs for assistance. The U.S. Treasury Inspector General for Tax Administration (TIGTA) provides counsel expertise and the U.S. Department of Housing and Urban Development (HUD) OIG provides report design and production assistance. We are very grateful for the incredible support of our IG Community colleagues.

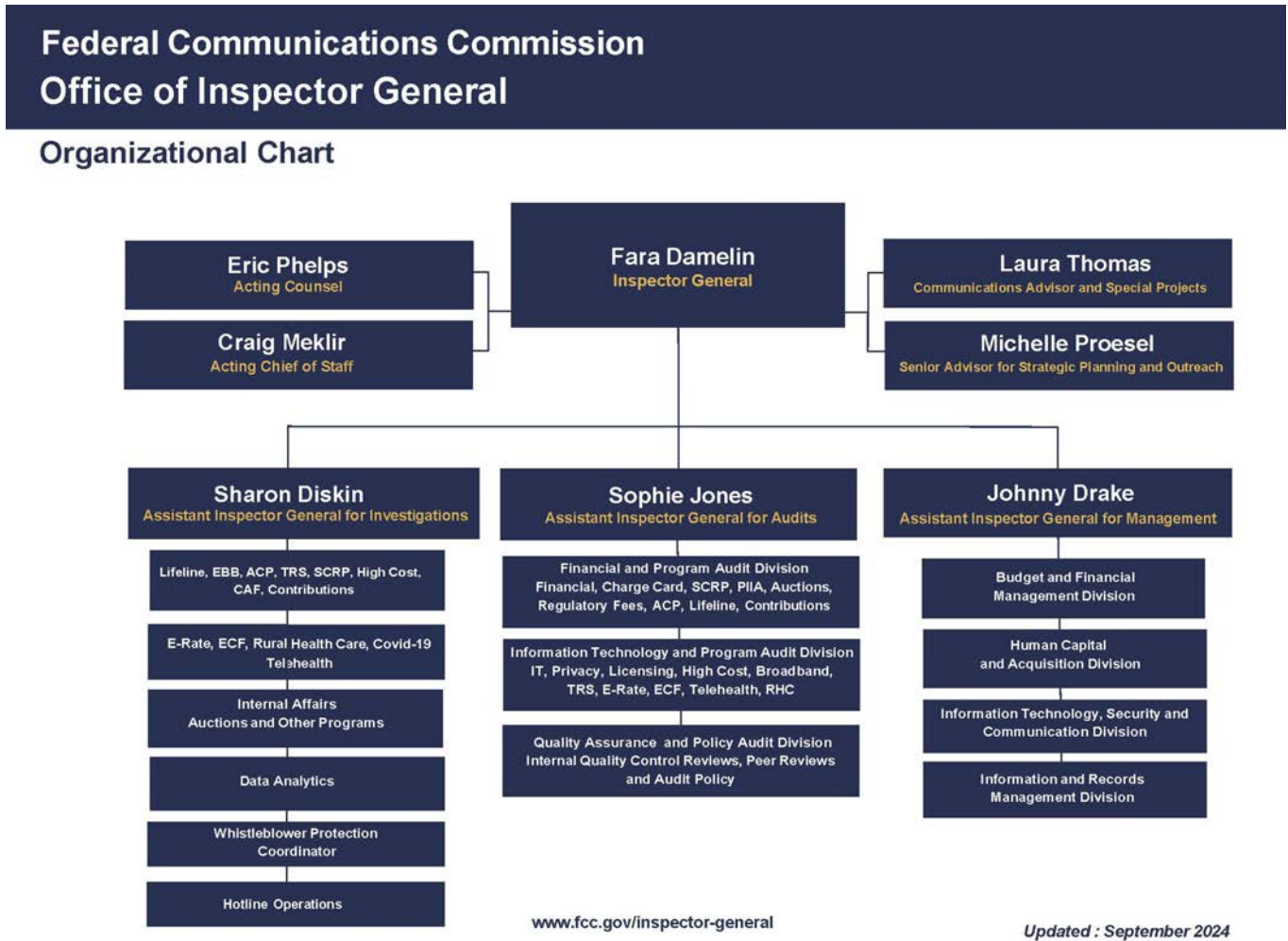
FCC OIG is located at 45 L Street, NE, Washington, D.C., within FCC’s headquarters. In prior semiannual reports, FCC OIG raised concerns about a lack of secure office space. Recognizing the need for adequate secure space to meet our mission, as well as independent authority over how to use that space, IG Damelin evaluated the issues previously raised and worked with FCC management to address related concerns.

## OIG STAFF HIGHLIGHTS

*We currently have **48 employees** on our multidisciplinary team with a wide breadth of oversight experience and a dedication to federal service.*

***28 employees** have 15 or more years of federal service and **7 of those** have 30 or more years of federal service. FCC OIG has **10 employees, including legal Pathways interns** with military experience: **9 veterans** and **an active military reservist**.*

Below is our current organizational chart:



### FCC OIG’s Oversight Portfolio During the SAR Reporting Period

In carrying out our oversight mission with limited resources, FCC OIG focused a significant portion of its efforts on overseeing and monitoring FCC’s USF programs, as these programs entailed outlays totaling approximately \$8 billion in 2023.

- High-Cost / Connect America Fund (CAF) Program: Supports certain qualifying telecommunications carriers serving high-cost (primarily rural) areas. Telecommunications carriers receiving support must offer services to rural area consumers at rates reasonably comparable to the rates for services offered in urban areas. The CAF was designed to transition the program from supporting voice-only telephone service to supporting multi-purpose networks capable of offering broadband Internet access. Disbursements for the High-Cost Fund, including legacy and CAF support, totaled \$4.3 billion in calendar year 2023.
- Schools and Libraries / E-Rate Program: Supports eligible schools and libraries in every U.S. state and territory to help fund telecommunication services, internet access, and internal connections. Between July 1, 2022, to June 30, 2023, USAC processed over 35,000 applications from schools and libraries



seeking over \$3 billion in E-Rate support to more than 132,000 schools and libraries. USAC committed over \$2.46 billion to provide E-Rate support during this same time frame.

- **Lifeline Program:** Assists low-income consumers to obtain affordable telephone and broadband internet service by offering a monthly benefit of up to \$9.25 toward phone or internet services for eligible consumers (and up to \$34.25 monthly for those living on Tribal lands). In 2023, USAC distributed approximately \$870 million in Lifeline Program assistance to over 7.3 million subscribers.
- **Rural Health Care Program:** Assists rural healthcare providers through the Healthcare Connect Fund (HCF) Program and the Telecommunications (Telecom) Program, which subsidize the cost of broadband and telecommunications services to increase healthcare connectivity in underserved areas across rural America. In 2023, the Rural Health Care Program received more than 13,000 HCF Program and more than 2,000 Telecom Program applications. USAC distributed approximately \$470 million in funding for the program.
- **Telecommunications Relay Services (TRS):** Allows persons who are deaf, hard of hearing, deafblind, or have speech disabilities to communicate by telephone in a manner that is functionally equivalent to telephone services used by persons without such disabilities. According to FCC’s 2023 Agency Financial Report, TRS accounted for approximately \$1 billion, or 11 percent of FCC’s FY 2023 funding.

**USF PROGRAM  
DISBURSEMENTS 2023**



High-Cost/CAF: \$4.3 Billion

E-Rate: \$2.46 Billion

Lifeline: \$870 Million

Rural Health Care: \$470 Million

We also focused on the following high-dollar and high-profile supplemental programs established by Congress.

- **Supply Chain Reimbursement Program (SCRCP):** Pursuant to the *Secure and Trusted Communications Networks Act of 2019*, passed by Congress to address communications equipment or services that pose a national security risk, FCC established the Supply Chain Reimbursement Program (SCRCP). The SCRCP is designed to reimburse providers of advanced communications services with ten million or fewer customers for reasonable expenses incurred in the removal, replacement, and disposal of covered communications equipment and services from their networks deemed to pose security threats to the United States. To qualify for reimbursements, the covered equipment and services must have been produced or provided by Huawei Technologies Company or ZTE Corporation on or before June 30, 2020. The SCRCP was appropriated \$1.9 billion, but the program received applications for approximately \$5.6 billion. FCC determined that to fund all reasonable and supported cost estimates and cover estimated administrative expenses, the program would require \$4.98 billion.. Given the shortfall in funding, FCC determined that it would fund approximately 40 percent of eligible expenses for 85 providers deemed qualified to participate in the program.
- **Emergency Connectivity Fund (ECF):** Section 7402 of the American Rescue Plan Act of 2021, signed into law on March 11, 2021, funded \$7.17 billion to the ECF Program. ECF funding was administered to eligible schools and libraries for the purchase of eligible equipment and/or advanced telecommunications and information services, for

**SUPPLEMENTAL  
FUNDING**



SCRCP: \$1.9 Billion

ECF: \$7.17 Billion

ACP: \$14.2 Billion

use by students and library patrons at locations other than schools and libraries during the Covid 19 pandemic.

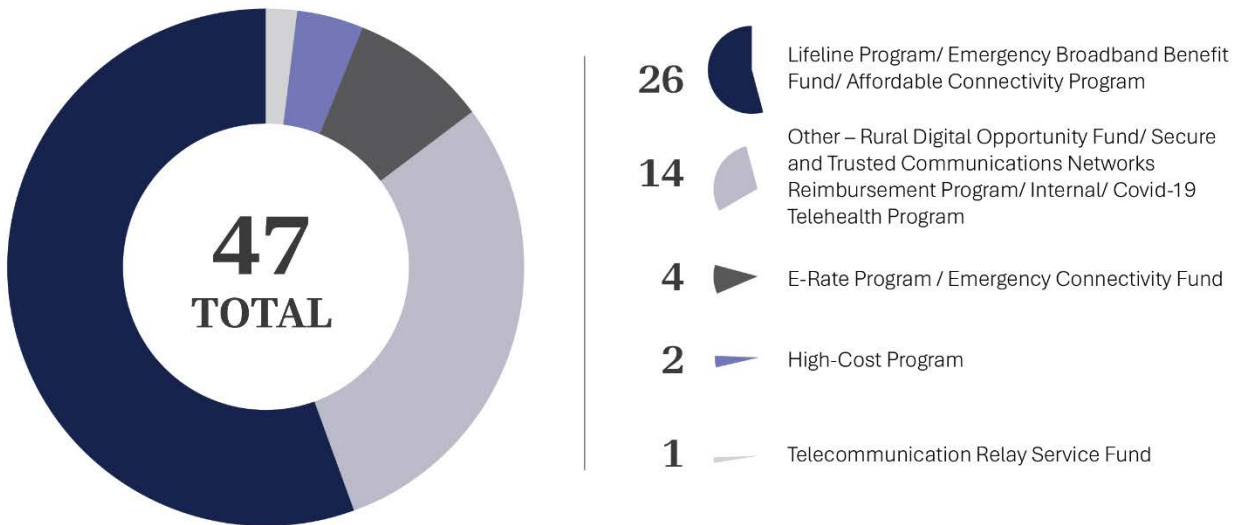
- Affordable Connectivity Program (ACP): ACP was a \$14.2 billion federal program that offered eligible households a discount of up to \$30 per month toward internet service and up to \$75 per month for households on qualifying Tribal Lands. Eligible households could also receive a one-time discount of up to \$100 toward the purchase of a laptop, desktop computer, or tablet from participating internet companies if the household contributed more than \$10 and less than \$50 toward the purchase price. The ACP launched in December 2021 and as of February 8, 2024, over 23 million households relied on the program to access affordable internet service before the taxpayer funded program ran out.

## Profile of Performance and Summary

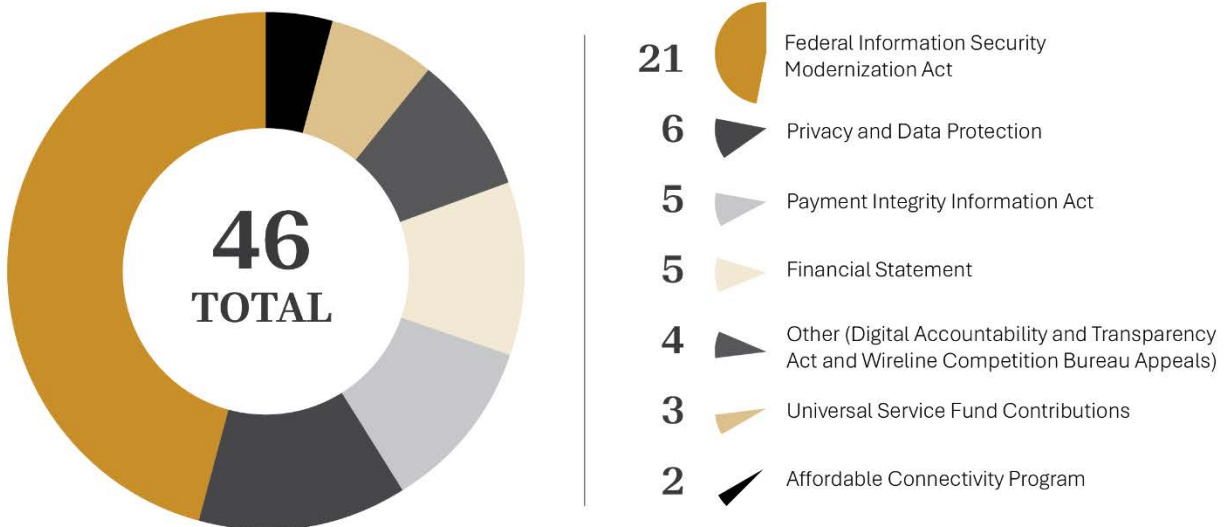
### Activity During This Period – 4/1/24 – 9/30/24

Ongoing Investigations as of 9/30/24	<b>47</b>
Investigations Opened/Closed	<b>10/17</b>
Referrals to U.S. Department of Justice for Civil Prosecution	<b>2</b>
Referrals to U.S. Department of Justice for Criminal Prosecution	<b>3</b>
Cases in Active Referral to Criminal Prosecutors as of 9/30/24	<b>13</b>
Cases in Active Referral to Civil Prosecutors as of 9/30/24	<b>15</b>
Investigative Recoveries	<b>\$6.5 Million</b>
Administrative Referrals to FCC Management or USAC	<b>8</b>
Subpoenas Issued	<b>4</b>
Audit, Evaluations, and other Products Issued	<b>3</b>
Ongoing Audits as of 9/30/24	<b>6</b>
Audit/Evaluation/Inspections Initiated during SAR Period	<b>4</b>
Open Recommendations as of 3/31/24	<b>61</b>
Closed Recommendations during SAR Period	<b>24</b>
Open Recommendations as of 9/30/24	<b>46</b>
New Recommendations Issued during SAR Period	<b>9</b>
Responses to <i>Freedom of Information Act</i> Requests	<b>8</b>

### Open Investigations by FCC Program



### Open Audit Recommendations by FCC Program or Functional Area



## Highlights

Over the past six months, FCC OIG has conducted investigations, audits, evaluations, inspections, and other reviews to carry out its oversight mission. In addition to these operational undertakings, FCC OIG has focused on enhancing outreach and transparency, promoting whistleblower protections, and working with FCC to resolve open recommendations. These efforts have proven successful. FCC OIG will continue to identify partnership and engagement opportunities to enhance its impact.

### Enhanced Outreach and Transparency

As described below, FCC OIG has enhanced its outreach and community engagement to maximize transparency, promote coordination, and share information about its oversight portfolio.

- Enhanced content on FCC OIG’s website to share new information about our oversight and team, to include:
  - Incorporating Senior Staff page and more comprehensive [FCC OIG Organizational Chart](#).
  - Revamping the [Audit Page](#) to include additional pages for the bi-annual [Audit Plan for Calendar Years 2024-2025](#), a new page summarizing [Ongoing Work](#), and Recommendation Closure Memorandums.
- Posted all of [FCC OIG Office of Audit Published Reports](#), as well as our [FCC OIG List of Open Recommendations](#) on [Oversight.Gov](#).
- Coordinated with FCC to share information about the role of FCC OIG at FCC’s new employee orientation on a biweekly basis, highlighting whistleblower rights and protections.
- IG Fara Damelin presented to FCC’s Senior Management Council regarding the Pandemic Response Accountability Committee’s (PRAC’s) [Blueprint for Enhanced Program Integrity: Ch. 1 Strengthening Federal Programs](#).
- Initiated an FCC OIG social medial campaign to timely and widely share FCC OIG staff and oversight updates on the following three platforms: [X](#), [Facebook](#), and [LinkedIn](#).

### Promoting Whistleblower Protections

Whistleblowers play a critical role in exposing fraud, waste, and abuse, and FCC OIG is committed to ensuring whistleblowers are educated about their rights and remedies. Over the past six months, FCC OIG prioritized whistleblower protections and taken the following actions to enhance whistleblower protection outreach and education both within FCC OIG and for the Commission at large.

**2302(c) Certification:** FCC OIG received the Office of Special Counsel’s (OSC) [2302\(c\) Certification](#). This status affirms we have met the statutory obligations to inform FCC employees about the rights and remedies available to them under the *Civil Service Reform Act*, the *Whistleblower Protection Act*, and the *Whistleblower Protection Enhancement Act*, and that we have satisfied the requirements of the *Dr. Chris Kirkpatrick Whistleblower Protection Act of 2017* and the *National Defense Authorization Act*.

**Enhanced Webpage for Whistleblower Protections:** FCC OIG revamped our external website to include enhanced information regarding [whistleblower rights and protections](#) prominently located on our webpage.

**OSC Training and Annual Notice of Whistleblower Protections:** FCC OIG took several steps to meet the requirements of this program, to include: (1) issuing an annual IG notice to FCC OIG regarding whistleblower protections, (2) hosting a training session by OSC to discuss how to appropriately handle whistleblower complaints, and (3) ensuring that updated OSC posters are located in all common areas of the agency.

**Review of the FCC’s Non-Disclosure Policies, Forms, and Agreements for Compliance with the Whistleblower Protection Enhancement Act of 2012:** FCC OIG conducted a [review](#) to assess FCC’s incorporation of the required anti-gag provision specified in the *Whistleblower Protection Enhancement Act of 2012* (WPEA) and successive appropriations acts. The review found five FCC non-disclosure forms and agreements contained the required WPEA language, and eight did not. In response to FCC OIG’s review, the Commission [remediated](#) five of its non-disclosure documents and began taking steps to update the final three. The Commission also added the WPEA language to Directive 1114.4–FCC Directive System, which provides guidance to FCC employees regarding drafting or changing policies and procedures, and plans to add WPEA language to USAC’s NDA for evaluators and advisors involved in procurement requests, as well as to USAC’s employee handbook. Finally, the Commission committed to: (1) instructing bureaus and offices to seek review of new non-disclosure forms and policies from the Office of General Counsel, prior to implementation, to help ensure those forms and policies include required language; (2) assessing whether to supplement existing NO FEAR Act training to include an annual notice to all employees from the Commission’s Office of Workplace Diversity regarding their rights under the WPEA; and (3) to the extent it utilizes forms prepared by other government entities that lack the requested language, watching for updates and replacing the existing forms with revised versions as they become available.

## Resolution of Open Recommendations

Our auditors’ independent oversight allows us to assess the Commission’s internal control structure and make impartial recommendations for corrective actions to strengthen controls when we identify internal control gaps or weaknesses. Our work helps to protect individuals and entities the Commission serves through its programs. Our recommendations help FCC meet its mission to regulate interstate and international communications and implement and enforce America’s communications law and regulations. As of September 30, 2024, FCC OIG had 46 open recommendations that can be found together with all associated FCC OIG reports on [www.oversight.gov](http://www.oversight.gov).

FCC OIG recently published [FCC’s Top Management and Performance Challenges for Fiscal Year 2025](#), which discusses FCC’s progress in addressing FCC OIG and GAO recommendations related the following five challenges identified:

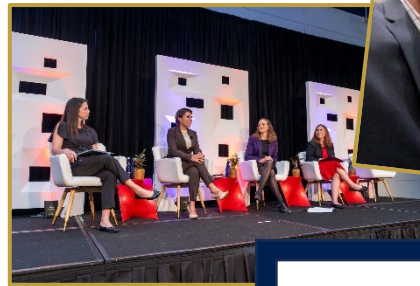
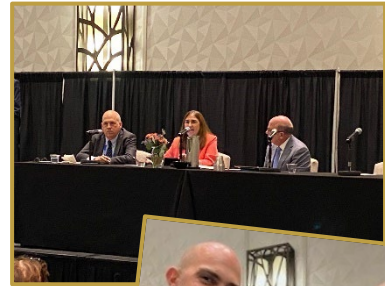
1. Ensuring Performance Management and Accountability
2. Leading Governmentwide Broadband Coordination Efforts
3. Managing Fraud Risks and Protecting the Public from Scams and Identity Theft
4. Safeguarding National Security and Promoting Public Health and Safety
5. Modernizing Information Technology and Enhancing Cybersecurity

The report highlights where FCC has made progress by addressing recommendations focused on performance management, reducing improper payments, and information technology and cybersecurity. It also identifies remaining open recommendations from FCC OIG and GAO reports related to the above challenges. We encourage FCC to continue to address the remaining recommendations to protect information, strengthen FCC operations, and enhance program integrity.

## A Glimpse into FCC OIG Over the Past Six Months



*FCC OIG welcomes its first-ever  
Presidentially appointed and  
Senate-confirmed Inspector General,  
Fara Damelin, at her swearing-in  
ceremony.*



*IG Fara Damelin participates in various  
events with OIG community colleagues.*



*FCC OIG congratulates  
Sabrina Hargraves and  
Andrea Collymore, on  
their acceptance into the  
CIGIE Fellows Program,  
and welcomes CIGIE  
Fellow Michelle Proesel  
from DOJ OIG to our  
team. Congratulations to  
the CIGIE Fellows from  
throughout the federal  
oversight community!*



*FCC OIG commemorated 9/11  
together, paying our respects to those  
who lost their lives and loved ones  
through volunteer community service.*





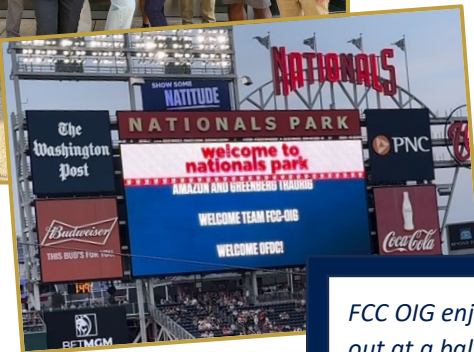
*FCC OIG's first Bring Your Kids to Work Day was a tremendous success!*



*FCC OIG hosts a Federal Service Town Hall and celebrates its incredible employees who have devoted many years to public service.*



*FCC OIG joins AmeriCorps OIG for refresher training on "IG Authorities," courtesy of Cam Thurber from FDIC OIG. (Thanks so much!)*



*FCC OIG enjoys a night out at a ballgame! Go Nats!*

# FCC OIG Oversight Activities and Accomplishments

## Investigations

FCC OIG is responsible for investigating allegations of criminal misconduct or civil fraud in the Commission’s telecommunications subsidy programs; employee misconduct and conflicts of interest; and whistleblower retaliation raised by employees of contractors and grantees.

We receive allegations from FCC employees and contractors, USAC, and the public. We also have invested in a robust data analytics team, which has helped identify significant trends involving identity theft, false claims, and false statements. Beyond detecting red flags and identifying additional matters for investigation, our office has issued public advisories and warning letters based upon proactive efforts, which has helped prevent and deter fraud, and assisted the FCC in identifying gaps and addressing them with additional internal controls.

FCC OIG does not currently employ any federal law enforcement officers or have statutory law enforcement authority. Our Office of Investigations is primarily staffed by investigative attorneys and data analysts.

With over 25 criminal and civil cases in referral to United States Attorneys’ Offices (USAO) across the nation, we are grateful to our law enforcement partners in the IG Community and at the Federal Bureau of Investigation (FBI) for their assistance in vigorously pursuing our investigations.

We are actively engaging in strategic planning, which includes analyzing the law enforcement needs of the office. This process includes identifying training, technology, and resources that would be required to support law enforcement officers. In the interim, shortly after the close of this semiannual period, we entered into a memorandum of understanding with the National Aeronautics and Space Administration’s (NASA) OIG to obtain the dedicated investigative services of a senior special agent to partner with our investigative attorneys on multiple cases. We greatly appreciate the support of NASA OIG.

### INVESTIGATIVE ACTIVITY DURING THIS PERIOD

# 54

*Cases pending as of April 1, 2024*

# 10

*New Cases*

# 17

*Cases Closed*

# 47

*Cases pending as of September 30, 2024*

*\*These numbers do not include preliminary reviews of allegations from the Hotline or other sources, or matters involving minimal analysis of the allegations or evidence.*

## Highlighted Investigation

### [Armstrong Group of Companies Agrees to Pay \\$6.5 Million and Enter into Compliance Agreement to Resolve False Claims Act Investigation Involving FCC's High-Cost Program](#)

On July 12, 2024, as a result of a joint investigation between FCC OIG, DOJ's Civil Division, and the U.S. Attorney's Office for the Western District of Pennsylvania (with support from FCC), a \$6.5 million settlement was reached with the Armstrong Group of Companies (Armstrong). This settlement resolved allegations that Armstrong violated the False Claims Act (FCA) by knowingly violating the Commission's rules governing the High-Cost Program, which provides support to incumbent local exchange carriers operating in primarily rural areas to expand and support connectivity infrastructure throughout the United States.

The United States alleged that between 2008 and 2023, the Armstrong Group's five telephone companies intentionally failed to comply with FCC's regulations that governed what costs they were allowed to report for purposes of claiming subsidy payments from the government, and as a result these companies received greater payments than they were entitled to receive under the FCC's rules.

Armstrong agreed to the settlement, which included the first-ever High-Cost program compliance plan with the Commission. There has been no determination of liability.

This investigation arose in connection with whistleblower allegations made by Armstrong Group's former controller in a *qui tam* suit under whistleblower provisions of the FCA. The whistleblower will receive \$1,267,500 as a share of the recovery.

## Proactive Investigative Activities

### [Notification of Identity Theft Against 35 FCC Employees](#)

As a result of the significant levels of Unemployment Insurance (UI) and Paycheck Protection Program (PPP) fraud being reported by other federal OIGs, FCC OIG obtained PPP and UI data from the PRAC and the Department of Labor (DOL) OIG and conducted a proactive investigation. After a thorough investigation of the data provided, we did not identify any FCC employees who fraudulently obtained UI or PPP benefits.

However, we determined that the stolen identities of 35 FCC employees were used to fraudulently obtain UI benefits during the Covid-19 pandemic. We informed all 35 employees that their stolen identities were used to claim UI benefits. Additionally, we provided these employees with information disseminated by the Federal Trade Commission on steps they may take in these circumstances. Our investigation also identified 15 instances in which individuals who never worked for FCC fraudulently claimed they lost their positions at FCC and applied for UI benefits. We did not find identity theft against FCC employees with respect to the PPP program. In August, we raised awareness of this serious issue by posting the information on our website.

### **Referrals Pertaining to the Emergency Connectivity Fund**

During this reporting period, OI completed site visits and document collection from selected schools participating in the ECF Program. In addition to the referrals reported in previous semiannual reports, FCC OIG has made eight formal referrals to the Wireline Competition Bureau (WCB), USAC, and the Enforcement Bureau to assess whether ECF participants violated ECF rules and regulations sufficient to warrant recovery of funds or follow-up pertaining to several issues, including:

1. Lack of use of ECF-funded devices, Wi-Fi hotspots and services
2. Lack of remote use of ECF-funded devices, Wi-Fi hotspots and services
3. Failure to properly assess unmet needs
4. Failure to maintain required documentation, including asset and service inventories of ECF-funded devices, Wi-Fi hotspots, and services
5. Purchase of excess equipment
6. Overbilling and/or excess profits collected by ECF service providers
7. Failure to respond to FCC OIG requests for documentation
8. Falsification of information on funding application requests and invoices

These additional administrative referrals involve over \$480,000 (in addition to the previously reported referrals involving over \$1.3 million) of ECF program funds that could potentially be recovered by FCC and/or USAC.

In response, USAC has instituted special compliance reviews of OI's referred ECF participants. Furthermore, USAC informed FCC OIG it is proceeding with sending letters of inquiry to 20 program participants and recommended seeking recovery of ECF funding from four additional program participants.

In addition, OI has referred its findings to FCC OIG's Office of Audits for consideration of an audit, evaluation or other review of the ECF program.

### **FCC OIG's Use of Data Analytics**

FCC OIG's data analytics team continues to proactively identify, deter, and pursue potential fraud, waste, and abuse of the USF, as well as Congressionally-appropriated subsidy programs. Our recently-hired data manager has worked to improve the functionality and security of our data architecture and data ingestion processes.

During this reporting period, the team has supported multiple ongoing criminal and civil investigations related to the ACP, Lifeline, E-Rate, and ECF programs, and undertaken efforts to advance proactive analytic work related to various FCC programs. Additionally, the data team has begun supporting new audit projects related to SCRP and the Covid Telehealth Program.

In addition to working with FCC and USAC on program data and systems, the team has also actively engaged with the Department of Treasury's Office of Payment Integrity and the PRAC's Pandemic Analytics Center of Excellence (PACE).

## **Hotline Operations**

FCC OIG maintains a hotline to facilitate the reporting of allegations of fraud, waste, abuse, mismanagement, or misconduct in FCC programs or operations. Commission employees and concerned citizens may report such allegations to the hotline at (202) 418-0473 or toll free at (888) 863-2244 or by e-mail at [hotline@fcc.gov](mailto:hotline@fcc.gov). During the reporting period, FCC OIG received 22,564 hotline allegations: 78 were referred to FCC Consumer Center or other FCC Bureaus and 874 were referred to other agencies. None of the allegations received by the hotline raised issues that fell within the jurisdiction of FCC OIG, and therefore none were referred for investigation or audit. Recognizing how critical hotlines are to effective oversight operations, FCC OIG is exploring how to enhance hotline operations as part of its strategic planning initiative and looks forward to reporting on these efforts in future semiannual reports.

## **Audits, Inspections, Evaluations, and Other Reviews**

FCC OIG's Office of Audits (OA) conducts and initiates contracts for independent and objective audits, inspections, evaluations, and other related projects. Due to our limited resources, we staff our projects using a combination of OA personnel and contracted auditors. OA contracts with Independent Public Accountant (IPA) firms for many mandatory projects and some discretionary projects. All contracted OA projects are closely monitored by OA staff to ensure project objectives and applicable engagement standards are met. OA also provides assistance to OI on accounting and audit matters and OA provides assistance in responding to Congressional inquiries.

OA projects are conducted in accordance with relevant professional standards, including *Generally Accepted Government Auditing Standards* (GAGAS) (also known as [Government Auditing Standards](#) (GAS) or the Yellow Book) and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) [Quality Standards for Inspection and Evaluation](#) (Blue Book). OA staff is responsible for monitoring, planning, and executing projects that cover all areas of the Commission's activities. Over the past 6 months, FCC OIG performed the following audits, inspections, and evaluations.

## **Completed Audit**

### [FY 2023 Audit of the Federal Communication Commission's Compliance with the Payment Integrity Information Act of 2019 \(Project No. 24-AUD-01-01\)](#)

On May 29, 2024, FCC OIG issued a contracted audit report determining that while 11 of 13 FCC programs assessed were compliant with Payment Integrity Information Act (PIIA), FCC was noncompliant with PIIA overall because two of the 13 FCC programs, the USF's Lifeline program and the ACP, did not comply with one of the 10 PIIA criteria. The report also noted three USF programs (Lifeline, Schools and Libraries, and High-Cost) included IP amounts and rates above the statutory threshold. The report highlighted PIIA improvements made by FCC in FY 2023 and the related closure of seven prior-year PIIA recommendations.

The audit report identified five findings and made five recommendations to improve the Commission's PIIA reporting. If implemented, the recommendations will aid in FCC's compliance with PIIA and strengthen controls for payment integrity. In its response, FCC concurred with four findings and did not concur with one of the two noncompliance findings.

## **Audit Projects Initiated During the Semiannual Period**

### **Audit of the FCC’s Supply Chain Reimbursement Program (24-AUD-06-02)**

On May 17, 2024, FCC OIG initiated an in-house audit of the SCRP, which was created at the direction of Congress to reimburse providers of advanced communications services for the reasonable expenses incurred in the removal, replacement, and disposal of covered equipment and services for the purpose of protecting the security and integrity of communications. The objectives of the audit are to determine whether:

- The SCRP is effectively designed to comply with requirements of the Secure and Trusted Communications Networks Act of 2019
- Implementation of the SCRP effectively ensures eligible program participants remove, replace, and dispose of the covered communications equipment and services that pose a threat to the nation’s communications network
- Performance measures for the SCRP are developed and monitored in accordance with the Government Performance and Results Act

### **Information Technology (IT) and Operational Technology (OT) Asset Management Evaluation (Project No. 24-EVAL-07-02)**

On April 26, 2024, FCC OIG initiated a review of FCC’s management of IT and OT assets to determine whether the FCC’s processes and internal controls for managing hardware and software are effective. OMBFY 2024 Guidance on Federal Information Security and Privacy Management Requirements, OMB M-24-04, requires agency staff to clearly understand the devices connected within their information systems to gauge cybersecurity risk to the agency mission and operations. FCC OIG’s evaluation will assess asset management processes and controls for IT assets such as servers, workstations, routers, switches, firewalls, intrusion detection systems, mobile devices, and OT assets, such as programmable systems and other devices, connected to FCC network at various locations.

### **Audit of the High-Cost Universal Broadband Portal Data (Project No. 24-AUD-04-02)**

On April 3, 2024, FCC OIG initiated an audit to determine whether deployment obligation data submitted to the High-Cost Universal Broadband Portal is in accordance with FCC rules. Specifically, the audit will determine whether:

- USAC’s verification reviews of telecommunication carriers participating in CAF programs with defined broadband deployment obligations are in compliance with Title 47 of the Code of Federal Regulations, §54.302-320, and relevant FCC public notices and orders
- USAC’s performance measures testing, conducted to ensure telecommunication carriers meet speed and latency requirements, is adequately supported by the FCC’s Performance Measures Testing Framework, in compliance with relevant FCC orders

### **Inspection of FCC’s Management of the COVID-19 Telehealth Program (24-INSP-09-01)**

On June 28, 2024, FCC OIG initiated an inspection to determine whether FCC effectively managed the COVID-19 Telehealth Program to ensure that telehealth funding was disbursed and used in accordance with applicable program enacting legislation and FCC orders. We will examine FCC’s and USAC’s compliance with applicable orders and legislation related to the management and administration of the Telehealth program.

## Peer Reviews

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 111-203), section 989C requires Inspectors General to report the latest peer review results in their semiannual reports to Congress. Generally Accepted Government Auditing Standards require audit organizations that conduct engagements in accordance with those standards, to establish and maintain a system of quality control and obtain an external peer review once every three years. In 2017, the Council of Inspectors General on Integrity and Efficiency (CIGIE) implemented a similar external peer review program for OIGs that perform inspections and evaluations (I&E). Like audit peer reviews, I&E peer reviews provide assurance to OIGs and their stakeholders of compliance with applicable standards, and thereby, help ensure the integrity of their work. In addition to having an outside entity conduct a peer review of FCC OIG, we conduct peer reviews of other OIGs, as shown below.

**Table 1. Peer Reviews conducted of FCC OIG**

<i>Type of review</i>	<i>Date of Peer Review</i>	<i>Reviewing OIG</i>	<i>Rating</i>	<i>Outstanding Recommendations</i>
Audit	9/1/2022	Pension Benefit Guaranty Corporation OIG	Pass	None
Inspection and Evaluations	5/27/2022	Export-Import Bank of the United States OIG	Pass	None

**Table 2. Peer Reviews conducted by FCC OIG**

<i>Type of review</i>	<i>Date of Peer Review</i>	<i>Reviewing OIG</i>	<i>Rating</i>	<i>Outstanding Recommendations</i>
Audit	9/30/2024	Railroad Retirement Board OIG	Pass	None
Inspection and Evaluations	3/28/2024	Pension Benefit Guaranty Corporation OIG	Pass	None

Finally, FCC OIG is currently undergoing an Inspection and Evaluation Peer Review which is being conducted by the Federal Housing Finance Administration OIG. We look forward to reporting the results of this peer review in a future semiannual report. All [FCC OIG Peer Review Reports](#) are posted on our website.

## Review of Legislation and Regulations

Pursuant to 5 U.S.C. § 404(a)(2), FCC OIG monitors and reviews existing and proposed legislation and regulatory proposals for their potential impact on FCC OIG and the FCC's programs and operations. We perform this activity to evaluate legislative potential for encouraging economy and efficiency while helping to reduce fraud, waste, abuse, and mismanagement.

Over the past 6 months, FCC OIG has monitored enacted laws, proposed legislative matters, as well as issued and emerging regulations.

### Pending Rulemakings

#### Competitive Bidding Repository:

Following up on suggestions by an internal USAC risk assessment and a GAO review, FCC OIG previously recommended that the Commission adopt a process by which USAC would collect and release competitive bidding documents and standardize bid responses from service providers to assist applicants in reviewing and selecting the most effective bid. The Commission sought comments on this proposal, in the [Notice of Proposed Rulemaking FCC-21-124, "Promoting Fair and Open Competitive Bidding in the E-rate Program"](#), but has not taken action on this issue. On August 16, 2022, DOJ's Antitrust Division filed an *ex parte* comment in the proceeding, recommending the Commission adopt the proposal. In part, the Antitrust Division stated that to best protect the E-Rate Program's competitive process, real-time, centralized, electronic collection of pre-award bids and bid selections should occur, which would allow for more robust enforcement of the laws designed to protect the E-Rate Program's public procurement process and enhance the Program's integrity, including the investigation and prosecution of antitrust and related crimes related to E-Rate procurements. This matter is still pending and provides an opportunity to address and reduce risks in the E-Rate Program via enhanced transparency.

#### Government-Wide Suspension and Debarment:

In previous semiannual reports, FCC OIG highlighted the importance of FCC establishing a robust suspension and debarment program in alignment with the government-wide suspension and debarment regulations discussed below. This would help protect FCC and other federal agencies from doing business with individuals or entities who have demonstrated they are not good stewards of federal funds.

FCC's current rules authorize the Commission to debar an individual or entity after a criminal conviction or civil judgment for misconduct related to USF programs. However, while those rules address some egregious wrongdoing, conduct that falls short of this high bar may nonetheless pose a significant threat to program integrity. This limited criteria restricts efforts to protect the USF, FCC's emergency and supplemental programs, and the entire federal government from individuals and entities who lack present responsibility.

In 2005, OMB issued [Guidelines to Agencies on Governmentwide Debarment and Suspension \(Non-Procurement\)](#), 2 C.F.R. Part 180, which provide model suspension and debarment non-procurement regulations. OMB's guidelines significantly differ from FCC's current suspension and debarment program, and provide a broader and more comprehensive approach to protecting federal funds, with a centralized government-wide suspension and debarment program coordinated by the [Interagency Suspension and Debarment Committee](#).



In 2020, the Commission issued a [“Modernizing Suspension and Debarment Rules” Notice](#), which proposed to adopt rules consistent with the OMB Guidelines, and to supplement the Guidelines through FCC-specific regulations, including rules addressing those matters for which the Guidelines give each agency discretion. The notice recognized that other federal agencies have adopted most of the OMB Guidelines with limited changes and proposed to do the same. Comments were received in March 2020, but no final action has yet been taken by the Commission.

Government-wide suspension and debarment are critical administrative remedies that protect federal funds from fraud, waste, abuse, and mismanagement. We continue to strongly urge the Commission to promptly adopt stronger and more comprehensive suspension and debarment regulations that align with the model practices set forth by 2 C.F.R. Part 180. This would provide FCC and its Enforcement Bureau, as well as FCC OIG, with another effective tool to protect FCC and all federal programs from individuals and entities who are not responsible stewards of federal funds.

### **Meetings and Reviews in Accordance with OMB Memoranda 22-04 and 22-12**

Consistent with our ongoing mandate to prevent and detect fraud, waste, and abuse in the Commission’s programs, and in the cooperative spirit of [OMB Memorandum M-22-04, Promoting Accountability through Cooperation among Agencies and Inspectors General](#), and [OMB Memorandum 22-12: Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act, M-22-12](#), during this SAR period we constructively engaged with FCC regarding the following two programs:

- Schools and Libraries Cybersecurity Pilot Program, to study the effectiveness of using Universal Service funding to support cybersecurity services and equipment to protect school and library broadband networks; and
- Schools and Libraries Program’s Making Off-Premises Use of Wi-Fi Hotspots and Services Eligible for Program Support.

We recognize that it is not FCC OIG’s role to engage in program design or policy development and that FCC OIG is ultimately responsible for overseeing the Commission’s programs. We shared observations and lessons learned from prior oversight to assist FCC in reducing potential fraud, waste, and abuse in the above programs. We appreciated the Commission’s consideration and incorporation of FCC OIG’s feedback.

## Partnerships & Professional Development

In addition to the oversight we have conducted during the reporting period, FCC OIG has emphasized other priority initiatives to meet our core values of: Independence, Transparency, Accountability, and Inclusion. We have focused on enhancing information-sharing and collaboration with partners and stakeholders and promoting leadership development and teamwork. Below is a brief summary of some of our key efforts in these areas:

### Strengthening Relationships with Stakeholders and Partners

#### Engagement with FCC, Congress, and other Key Stakeholders

Pursuant to the Inspector General Act of 1978, FCC OIG has a dual reporting requirement to the Chair and Commissioners, as well as to Congress. Beyond that, FCC OIG is accountable to the American Public for the Federal investment in oversight.

To fulfill this requirement, during this reporting period, IG Damelin met with the Chairwoman and Commissioners and provided them monthly IG updates. In addition, she conducted regular meetings with the Commission's leadership and provided written IG updates to the Bureau and Office Chiefs. IG Damelin also:

- Held several briefings and sent updates on a bipartisan basis to congressional staff from the House and Senate;
- Held several “meet-and-greets” with FCC Bureau and Office Chiefs and attended an office-wide staff meeting;
- Visited USAC to meet with its leadership team to provide an overview about the OIG and new initiatives, as well as to discuss ideas for enhancing communication and outreach and identifying opportunities to collaborate and share information; and
- Made a presentation to FCC's Chief Risk Officer, Sandeep Khanna, and the FCC's Senior Management Council, to share a briefing regarding the PRAC's [Blueprint for Enhanced Program Integrity: Ch. 1 Strengthening Federal Programs](#); and
- Participated in a “Meet the IG” panel with the FCC's summer interns.

To enhance outreach to the FCC, the IG and members of the FCC OIG team:

- Joined the FCC's biweekly new employee orientation to provide information about FCC OIG to all new FCC staff;
- Engaged in multiple listening sessions with Commissioners, FCC leadership, and the Government Accountability Office to solicit feedback for the FCC's Top Management and Performance Challenges Report; and
- Conducted briefings at the USAO for the District of Columbia to provide information about our office and oversight portfolio.

### **Joint Activities and Participation with IG Community and Law Enforcement Partners**

Over the past several months, FCC OIG has increased its participation in activities and working groups hosted by CIGIE as well as our individual collaborations with other OIGs. As a member of CIGIE, IG Damelin is actively involved in CIGIE’s Legislation Committee, the Grant Fraud Working Group, and the Professional Development Committee’s CIGIE Fellows Program. She has also served as a guest speaker for CIGIE’s Leadership Series at American University (AU). In addition, members of FCC OIG’s team participate in the Federal Audit Executive Council, the Data Analytics Working Group, and activities hosted by the Inspections and Evaluation Committee Activities and Roundtable.

With respect to our investigations, FCC OIG has partnered with various DOJ litigating divisions and USAOs throughout the nation in holding accountable and bringing to justice individuals who have defrauded FCC’s programs within the jurisdiction of FCC OIG. In addition to the criminal and civil prosecutors handling our cases across the country, during this reporting period, we partnered with several law enforcement partners including the FBI, United States Postal Inspection Service (USPIS), Special Inspector General for the Troubled Asset Relief Program (SIGTARP), NASA OIG, and the PRAC.

These alliances have yielded positive results during this and previous reporting periods. They are especially critical to meeting our mission because our office does not currently have statutory law enforcement authority or employ federal law enforcement officers. Without these partnerships we would not be able to fully pursue our very significant portfolio of investigations.

We thank our many law enforcement partners for their support and assistance in helping us meet our mission. Our collective efforts have served as a deterrent to others contemplating criminal activity and misconduct against FCC programs and helped maintain the public’s confidence in the nation’s telecommunications programs.

### **Collaboration with the Pandemic Response Accountability Committee**

The CARES Act established the [Pandemic Response Accountability Committee](#), composed of inspectors general from across the Federal government, to promote transparency and prevent and detect fraud, waste, abuse, and mismanagement related to pandemic-relief funds. It carries out this mission by conducting, coordinating, and supporting IGs in the oversight of the trillions of dollars in emergency Federal spending. The PRAC provides several resources to the public including publishing oversight reports created by federal OIGs overseeing their agencies’ response to the coronavirus pandemic; hosting a hotline where individuals can submit fraud, waste, and abuse allegations; maintaining a list of pandemic-related work by OIGs; and leading, coordinating, and developing key reports and work products.

Prior to her recent Senate confirmation, IG Damelin had the pleasure of helping to lead the development of the PRAC’s [Blueprint for Enhanced Program Integrity, Chapter 1, Best Practices for Strengthening Federal Programs](#), which was released in May 2024. This capstone report was uniquely designed to support Federal and state program administrators by providing well-tested strategies and concrete steps to help enhance internal controls. It highlights the importance of constructive working relationships between federal agencies and their Offices of Inspector General, and the need for transparent and regular communications that protect federal programs and the communities who rely on them.

During this reporting period, with thanks to the team at OMB’s Office of Federal Financial Management, IG Damelin worked with her PRAC Co-Lead, Alice Siempelkamp, to brief the lessons learned and leading practices to

the Council of Federal Financial Assistance (COFFA) on June 12, 2024, and to the Chief Financial Officer Council (CFO Council) on June 18, 2024.

Beyond the above, IG Damelin also further contributed to the development of the second chapter of the PRAC's [Blueprint for Enhanced Program Integrity, Opportunities for Policymakers to Improve Program Integrity \(Chapter 2\)](#). This chapter shares lessons learned and best practices identified from pandemic-related oversight, focusing on recommendations to help legislators and regulators prevent and detect fraud and improper payments in government programs.

In addition, FCC OIG has actively engaged with the PRAC's Pandemic Analytics Center of Excellence (PACE) to assist us with our audits and investigations related to the over \$10 billion in pandemic relief subsidy programs that were administered by FCC. These programs include the Emergency Connectivity Fund (ECF), an over \$7 billion Covid relief program to provide equipment and broadband to schools to promote remote learning during the pandemic, and the Emergency Broadband Benefits Program (EBBP), an over \$3 billion Covid relief program to provide internet service to qualifying low-income customers, to include Tribal customers, during the pandemic through monthly broadband subsidies. We have requested and received a tutorial by the PACE on its graph analytics capabilities, and sent dozens of requests for graph analytics to the PACE team to run against their databases and help us identify risks and red flags. In addition, we are working with the PACE to assist us with an ongoing audit of the COVID-19 Telehealth Program.

As a small OIG with limited resources, the PRAC, in particular its analytics center, has already become a critical partner. We hope that the PACE will be extended and ultimately expanded to help us protect all of FCC's subsidy portfolio, totaling more than \$8 billion a year in legacy USF programs, as well as its supplemental programs.

### **Promoting Professional Development, Leadership, and Teamwork**

FCC OIG has engaged in several activities over the past six months to support the professional growth and leadership development of its team. Towards this end, we have leveraged our constructive relationships with the IG Community, DOJ, and the Office of Special Counsel, to provide training and opportunities to grow our skillsets and bring in leading practices.

#### **OUR THANKS AND ACKNOWLEDGEMENTS**

*We take this opportunity to thank the many in the Inspector General Community who have stepped up to assist FCC OIG as we leverage opportunities, expand stakeholder outreach, support our team, and enhance our impact.*

*Special shout out to HUD OIG's Communications Team for the new design of this report, and to HUD IG Rae Oliver Davis for sharing her office's communications expertise!*



**SPECIAL THANKS  
TO AUSA  
PAUL  
KAUFMAN!**



In addition to the IG Authorities and OSC Whistleblower training discussed earlier, we welcomed Assistant United States Attorney (AUSA) Paul Kaufman, from the U.S. Attorney's Office for the District of New Jersey, to conduct a training session for FCC OIG and AmeriCorps OIG that covered the use of parallel proceedings to pursue federal fraud cases.

With respect to leadership development, FCC OIG actively participated in three key CIGIE Professional Development Programs (PDC): CIGIE Fellows Program, CIGIE's Mentoring Program, and CIGIE's AU Leadership Series. For the mentoring program, we have staff participating as both mentors and mentees. In addition, for CIGIE's AU Leadership Series, our staff members have signed up for three different programs, and IG Damelin, who has personally benefited from several PDC leadership programs over the years, served as a guest speaker for three AU leadership program sessions over the past six months.

## Reporting Requirements

Section 5273 of the Fiscal Year 2023 National Defense Authorization Act streamlined semiannual reporting requirements in the *Inspector General Act of 1974*, as amended. These changes also provided flexibilities for OIGs to summarize information available at OIG websites and at [www.oversight.gov](http://www.oversight.gov). Section 804(b) of the *Federal Financial Management Improvement Act of 1996* (FFMIA) requires OIGs to report instances and reasons when agencies had not met certain FFMIA requirements. Below is a list of each OIG statutory reporting requirement and a page number index.

<b><i>New citation</i></b>	<b><i>New Requirement (NDAA* for fiscal year 2023, sec. 5273)</i></b>	<b><i>Page number</i></b>
<b>5(a)(1)</b>	a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment and associated reports and recommendations for corrective action made by the Office	21-22
<b>5(a)(2)</b>	an identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation	<i>Appendices I and II</i>
<b>5(a)(3)</b>	A summary of significant investigations closed during the reporting period.	18-19
<b>5(a)(4)</b>	an identification of the total number of convictions during the reporting period resulting from investigations	<i>None</i>
<b>5(a)(5)</b>	information regarding each audit, inspection, or evaluation report issued during the reporting period, including (A) a listing of each audit, inspection, or evaluation; (B) if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	21-22  <i>None</i>
<b>5(a)(6)</b>	information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	<i>None</i>
<b>5(a)(7)</b>	the information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	<i>None</i>
<b>5(a)(8)</b>	(A) an appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or (B) if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General;	23
<b>5(a)(9)</b>	list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete;	<i>None</i>
<b>5(a)(10)</b>	a list of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review	<i>None</i>

New citation	New Requirement (NDAA* for fiscal year 2023, sec. 5273)	Page number
	conducted before the reporting period) that remain outstanding or have not been fully implemented;	
5(a)(11)	statistical tables showing (A) the total number of investigative reports issued during the reporting period; (B) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period; (C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and (D) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities;	Profile of Performance  Profile of Performance  None  None
5(a)(12)	a description of the metrics used for developing the data for the statistical tables under paragraph (11).  The Office of Investigations issues “investigative reports” to either (1) close an investigation or (2) refer a matter for administrative action or for pursuit of civil or criminal fraud. An “investigative report” refers to any document, including but not limited to a Report of Investigation, sufficient to close a case in OI’s Case Management System. We do not close a matter until it is finally resolved, that is until (a) action is taken by the Commission in an administrative referral, or until the civil or criminal referral is declined or resolved by the court or (b) it is determined that no further action is merited.	Description to the left
5(a)(13)	a report on each investigation conducted by the Office where allegations of misconduct were substantiated involving a senior Government employee or senior official (as defined by the Office) if the establishment does not have senior Government employees...	None
5(a)(14)	(A) a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and (B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable;	None
5(a)(15)	information related to interference by the establishment, including - (A) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including— (i) with budget constraints designed to limit the capabilities of the Office; and (ii) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and (B) a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period;	None
5(a)(16)	Detailed descriptions of the particular circumstances of each - (A) Inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and (B) Investigations conducted by the office involving a senior government employee that is closed and not disclosed to the public.	None

# Appendix I

## OI Unimplemented Recommendations

The following FCC OIG OI recommendations remain open and are described in this SAR:

<i>Recommendation</i>	<i>Page number</i>
OI Advisory Regarding ACP Provider Noncompliance with Program Usage & De-Enrollment Rules	Please refer to page 15 of the Fall 2023 FCC OIG Semiannual Report.
OI Recommendation Regarding ACP Enrollment Verification	Please refer to page 13 of the Spring 2024 FCC OIG Semiannual Report.
OI Recommendations to Strengthen the National Verifier’s Manual Review Process	Please refer to page 13 of the Spring 2024 FCC OIG Semiannual Report.
Creation of an Online Competitive Bid Repository within EPC	24-25
Suspension and Debarment Recommendation	24-25



## Appendix II

### OA Unimplemented Recommendations

As of this semiannual reporting period, FCC OIG’s OA had 46 open and unimplemented recommendations from its audits, inspections and evaluations. Information Technology recommendations are considered sensitive and contain non-public information. Therefore, those recommendations are presented by FISMA reporting metrics domain only.<sup>1</sup>

<i>Project code</i>	<i>Project title</i>	<i>Report issue date</i>	<i>Recommendations</i>
24-AUD-01	Audit of the Federal Communications Commission’s FY 2023 Compliance with the Payment Integrity Information Act of 2019 Requirements	6/4/2024	<p>4. Direct USAC to perform a cost-benefit analysis to identify additional approaches for further reducing the IPR below the reporting threshold. Additional approaches could include, but are not limited to, evaluating the appropriateness of the volume of applications assigned per reviewer, increasing the effectiveness of employee training, providing program requirement reminders and updates, adding additional layers of review, creating a documentation checklist to determine program eligibility, and providing ongoing coaching to educate staff on the Lifeline Program requirements, including documentation requirements relating to eligibility.</p> <p>5. Develop and implement policies and procedures to identify, quantify, and report in the OMB Annual Data Call any downward revisions that are submitted by providers resulting from provider non-compliant conduct.</p>
23-AUD-06-01	FY 2023 FCC Financial Statements Audit	11/15/2023	<p>1. Ensure accounting policies and procedures adequately address recording of all withheld payment transactions in accordance with accounting standards.</p> <p>2. Ensure journal vouchers are adequately reviewed to catch erroneous entries before transactions are approved and recorded.</p> <p>3. Strengthen OMD’s role in monitoring controls over withheld payments by ensuring the Chief Financial Officer (CFO), or designee, reviews the list of withheld payments and obtains periodic status updates on those withheld payments.</p> <p>4. Ensure directives are reviewed and updated, in accordance with directive policies and procedures.</p>

<sup>1</sup> The FISMA reporting metrics domains: risk management and supply chain risk management, configuration management, identity and access management, data protection and privacy and security training, information security continuous monitoring, incident response, and contingency planning.

Project code	Project title	Report issue date	Recommendations
23-AUD-05-01	Final Report on Audit of USAC's Oversight of the USF Contributions Process	1/31/2024	<p>5. Develop and implement policies and procedures to strengthen coordination of the follow-up activities among the relevant offices at the FCC and its reporting components to ensure withheld payments are accounted for correctly.</p>
23-AUD-01-04	Final Report on the Audit of the Federal Communications Commission Affordable Connectivity Program	1/22/2024	<p>1. Take action, as deemed appropriate, against the 243 service providers identified in the condition and effect sections to recover the \$28,632,140 contributions owed to the USF.</p> <p>2. Collaborate with the FCC EB to prioritize the development, documentation, and implementation of a process for referring service providers to the FCC EB. Examples of decisions to be considered when developing the process should include but are not limited to:</p> <p>Defining criteria that, when met by a service provider, results in referral to the FCC EB.</p> <p>Determining the timing of the referrals to reduce the likelihood of the one-year statute of limitations preventing enforcement action by the FCC EB.</p> <p>3. Develop and implement a process to ensure the responsibilities of an employee separating from USAC are transitioned to another team member before the employee leaves USAC.</p> <p>4. Develop and implement periodic BPO review agent training to ensure BPO review agents are knowledgeable regarding the eligibility documents required for each eligibility determination type and how to apply program rules to eligibility determinations.</p> <p>12. Using information from the United States Census Bureau, FCC conducted surveys, or other reliable sources, the FCC should continue to develop and implement a plan to identify targeted population in its outreach efforts to increase enrollment for unserved or underserved high poverty areas and for areas where broadband usage is not widespread.</p> <p><i>*Note: OIG closed this recommendation after the close of this reporting period. This recommendation will not be reported in subsequent semiannual reports.</i></p>

<i>Project code</i>	<i>Project title</i>	<i>Report issue date</i>	<i>Recommendations</i>
23-EVAL-05-01	Final Report on the Federal Communications Commission’s Fiscal Year 2023 Federal Information Security Management Act Evaluation	1/5/2024	<ul style="list-style-type: none"> <li>2. Risk Management</li> <li>3. Risk Management</li> <li>6. Supply Chain Risk Management</li> <li>17. Identity and Access Management</li> <li>18. Identity and Access Management</li> <li>20. Access Controls</li> </ul>
22-EVAL-06-01	FY 2022 FISMA Evaluation Report	2/28/2023	<ul style="list-style-type: none"> <li>1. Risk Management</li> <li>2. Risk Management</li> <li>5. Supply Chain Risk Management</li> <li>6. Supply Chain Risk Management</li> <li>8. Configuration Management</li> <li>12. Identity Access Management</li> <li>13. Identity Access Management</li> <li>14. Identity and Access Management</li> </ul>

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			17. Configuration Management
			18. Configuration Management
22-AUD-01-01	Fiscal Year 2021 Payment Integrity Information Act of 2019 Performance Audit	6/28/2022	<p>14. Continue to enhance USAC’s applicant outreach program to educate applicants on the schools and libraries (S&amp;L) program rules, especially rules relating to the competitive bidding processes.</p> <p>15. Enhance the use of automation tools in E-rate Productivity Center (EPC) to check invoices for common errors and invoices that are flagged as high risk of non-compliance with program invoicing requirements.</p>
21-AUD-08-06	FY 2021 DATA Act Audit	11/8/2021	<p>5. Develop and implement oversight policies and procedures to ensure component entities report financial assistance awards timely.</p> <p>7. Coordinate with USAC management to develop and implement processes for obtaining all required data elements from awardees prior to issuing an award. This may include updating or creating program forms to include all required data elements needed for Financial Assistance Broker Submission.</p> <p>8. Develop and implement oversight policies and procedures for monitoring data reported by component entities to ensure that all DATA Act information is being reported timely, accurately, and completely.</p>
21-INSP-10-01	Fiscal Year 2021 Privacy and Data Protection Inspection	3/29/2024	<p>2. Implement a baseline of technologies that sustain and do not erode privacy protections relating to the use, collection, and disclosure of information.</p> <p>3. Implement the EDR tool that was previously acquired for privacy protection.</p> <p>4. Identify and implement other technologies that will bring the FCC into full compliance with the requirement for continuous auditing of compliance with stated privacy policies and practices.</p>

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			<p>5. Document a formal process to perform PIAs for proposed rules, including details on the type of personally identifiable information collected and the number of people affected, in the FCC Privacy Act Manual, as a requirement.</p> <p>6. Update the FCC Privacy Act Manual to include conducting PIAs for proposed rules.</p> <p>7. Follow existing processes to annually review and update all privacy policies and directives. In particular, ensure that the FCC Directives 1113.1 – The FCC Privacy Act Manual, and 1113.2 – Compliance with Privacy Laws and Guidance are updated.</p>
20-AUD-01-01	FY 2019 Improper Payments Elimination and Recovery Improvement Act (IPERIA) Compliance Audit	6/15/2020	12. FCC Management develop policies and procedures that (a) acknowledge the interdependent relationships between FCC, the TRS Fund Administrator, and TRS providers; (b) address the responsibilities of each party to manage risks of IPs; and (c) describe methodologies used to obtain assurance that each party manages its risks of IPs appropriately and as intended.
19-EVAL-07-01	FY 2019 FISMA Evaluation Report	1/8/2020	4. Identity and Access Management
18-EVAL-07-01	FY 2018 FISMA Evaluation Report	12/21/2018	3. Configuration Management  11. Information Security Continuous Monitoring
17-EVAL-07-01	FY 2017 FISMA Evaluation Report	12/21/2017	3. Risk Management
16-EVAL-06-01	FY 2016 FISMA Evaluation Report	12/8/2016	11. Identity and Access Management.
13-AUD-12-29	FY 2014 Wireline Competition Bureau Audit	6/14/2017	4. We recommend WCB develop and implement a plan that ensures the closure of pending appeals in a timely manner and prioritizes the resolution of appeals filed 2010 and earlier.

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