



UNITED STATES GOVERNMENT
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: May 17, 2021

TO: Acting Chairwoman Jessica Rosenworcel
Commissioner Brendan Carr
Commissioner Geoffrey Starks
Commissioner Nathan Simington

FROM: Inspector General *for RM, AIG*

SUBJECT: Audit of the Fiscal Year 2020 Federal Communications Commission Compliance with the Payment Integrity Information Act of 2019

The Federal Communication Commission (FCC) Office of Inspector General (OIG) submits the attached report on the FCC's compliance with improper payment reporting requirements, in accordance with the Payment Integrity Information Act (PIIA) of 2019. The PIIA repeals and replaces prior payment integrity laws, including the Improper Payment Elimination and Improvement Act of 2012, and is intended to improve and further efforts to identify and reduce improper payments.

The OIG contracted with Lani Eko & Company, CPAs, PLLC (LEC) to audit the FCC's compliance with the PIIA. The audit was performed in accordance with generally accepted government auditing standards.

In the attached report, dated May 17, 2021, LEC noted that the FCC was in compliance for eight of its ten programs that were identified as susceptible to significant improper payments. However, LEC could not form an opinion on the FCC's compliance for the Universal Service Fund Lifeline Program (USF-LL). LEC reported that the auditors did not receive sufficient, appropriate evidence to support a conclusion on the accuracy of the Program's estimated improper payment rate and the related payment integrity information. Therefore, the auditors reported a scope limitation for the USF-LL Program.

LEC also reported they were unable to rely on the improper payment rate that FCC management reported for the Universal Service Fund High-Cost Program because management had not addressed deficiencies noted during the improper payments audits performed in FY 2018 and 2019. Lastly, LEC noted that due to the COVID 19 pandemic, FCC did not complete USF recovery audits for two programs that met the PIIA threshold. The PIIA requires recovery audits for all programs that expended \$1,000,000 or more annually.

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

Questions regarding this report may be directed to Robert McGriff, Assistant Inspector General for Audit, at (202) 418-0483 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: Managing Director
Chief of Staff
Chief Financial Officer