




UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, D.C. 20230

April 8, 2011

MEMORANDUM FOR: Lawrence E. Strickling, Assistant Secretary for
Communications and Information and Administrator,
National Telecommunications and Information Administration

FROM: Ann Eilers 
Principal Assistant Inspector General for
Audit and Evaluation

SUBJECT: Review of NTIA BTOP Grantees' Match

In February 2009, the President signed into law the almost \$800 billion American Recovery and Reinvestment Act. The Recovery Act appropriated \$4.7 billion in funds to the National Telecommunications Information Administration (NTIA) to establish a grant program, the Broadband Technology Opportunities Program (BTOP), designed to increase broadband Internet service to unserved and underserved areas in the country.

BTOP has made more than 230 awards, totaling approximately \$4 billion in federal share. In order to successfully complete their BTOP projects, grantees are also required to either match, from nonfederal sources, at least 20 percent of the federal funds or to request a waiver of the matching requirement. Additional consideration is given to those projects that contribute a nonfederal cost share/match that equals or exceeds 30 percent of the total eligible costs of the project.

The BTOP awards include \$1.4 billion in matching requirements. The objective of our audit is to determine whether NTIA has processes in place to ensure BTOP grantees' matching shares meet federal administrative requirements and the cost principles included in the terms and conditions of the award.

We plan to begin work immediately. We will contact your audit liaison to establish an entrance conference in order to discuss this audit. If you have any questions, please call me at (202) 482-2754.

cc: Anthony G. Wilhelm, Director, Broadband Technology Opportunities Program, NTIA
Kathy Smith, Chief Counsel, NTIA
Milton Brown, Deputy Chief Counsel and Audit Liaison, NTIA