

Audit of NTIA's Public Wireless Supply Chain Innovation Fund Award Process for Notice of Funding Opportunity 1

REPORT NO. OIG-26-027-A

September 3, 2026

U.S. Department of Commerce
Office of Inspector General
Office of Audit and Evaluation





September 3, 2026

MEMORANDUM FOR: Arielle Roth
Assistant Secretary of Commerce for Communications and
Information and NTIA Administrator
National Telecommunications and Information Administration

Arvind Raman
Under Secretary of Commerce for Standards and Technology
and Director, National Institute of Standards and Technology

A handwritten signature in cursive script, reading "Arthur L. Scott, Jr.", in dark ink.

FROM: Arthur L. Scott, Jr.
Assistant Inspector General for Audit and Evaluation

SUBJECT: *Audit of NTIA's Public Wireless Supply Chain Innovation Fund
Award Process for Notice of Funding Opportunity 1*
Report No. OIG-26-027-A

Attached is the final report on our audit of the National Telecommunications and Information Administration's execution of the award process for the Public Wireless Supply Chain Innovation Fund's Notice of Funding Opportunity 1.

We will post the final report on [our website](#) per the Inspector General Act of 1978, as amended (5 U.S.C. §§ 404, 420).

By November 2, 2026, please provide an action plan addressing the report's recommendations, as required by Department Administrative Order 213-5.

We appreciate your staff's cooperation and professionalism during this audit.

Attachment





Audit of NTIA's Public Wireless Supply Chain Innovation Fund Award Process for Notice of Funding Opportunity 1

Audit Report OIG-26-027-A

September 3, 2026

➤ **What We Audited** | Our objective was to determine whether the National Telecommunications and Information Administration (NTIA) had an adequate application review and award selection process to ensure that grant recipients met the requirements of the Innovation Fund program's Notice of Funding Opportunity (NOFO) 1, *Public Wireless Supply Chain Innovation Fund Grant Program – Expanding Testing and Evaluation*.

➤ **Why This Matters** | The marketplace for fifth generation (5G) cellular network technology is consolidated and dominated by a few vendors. The Innovation Fund aims to accelerate the development and adoption of open and interoperable wireless technologies to enable new vendors to enter the market more easily and to facilitate growth and innovation in the wireless industry.

On August 9, 2022, Congress established the enhancement of supply chains for 5G and successor technology as a national priority through the Creating Helpful Incentives to Produce Semiconductors and Science Act, which appropriated \$1.5 billion for the Innovation Fund. However, in July 2025, the One Big Beautiful Bill Act rescinded \$850 million of that funding. NTIA received 125 grant applications and—through an interagency agreement to receive grants management services from the National Institute of Standards and Technology (NIST)—awarded 17 grants, totaling approximately \$140.5 million, based on NOFO 1.

➤ **What We Found** | NTIA had an adequate application review and award selection process to ensure that grant recipients met the requirements of the Innovation Fund program's NOFO 1. However, we found that NTIA did not always follow its process and could not appropriately support the award decisions made by its program office regarding the grant applications in our sample.

➤ **What We Recommend** | We made five recommendations to NTIA and one to NIST to conduct oversight of the grant review process and of the financial statement analyses, respectively. They concurred with our recommendations and are working to implement them.



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Introduction

The marketplace for fifth generation (5G)¹ cellular network technology is consolidated and dominated by a few vendors, which can reduce resilience and security in the supply chain, increase prices, and make it difficult for new vendors to enter the market. On January 1, 2021, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year (FY) 2021 (NDAA) established the Public Wireless Supply Chain Innovation Fund to:

- Support the United States' leading position in the telecommunications ecosystem and strengthen the nation's telecommunications supply chain
- Reduce costs for consumers and operators
- Enhance competition²

The Innovation Fund aims to accelerate the development and adoption of open and interoperable wireless technologies, which allow “operators to procure the best solutions for their specific needs by mixing and matching network components, rather than procuring proprietary, end-to-end solutions from a single supplier.”³ Thus, new vendors could provide individual components rather than a full network architecture, enabling them to enter the market more easily and facilitating growth and innovation in the wireless industry.

To support the fund's objectives, the NDAA requires that Innovation Fund grants be awarded within 1 year of fund appropriation. On August 9, 2022, Congress established the enhancement of supply chains for 5G and successor technology as a national priority through the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act, which appropriated \$1.5 billion for the Innovation Fund.⁴ However, in July 2025, the One Big Beautiful Bill Act rescinded \$850 million of that funding.⁵

¹ According to the Federal Communications Commission (FCC), 5G is the fifth generation of mobile technology with greater capacity for a more efficient and flexible network to support future services and applications. 5G promises faster data rates and lower latency, or delays, in data transmission. FCC, May 4, 2021. [5G FAQs](#). Accessed March 24, 2026.

² Public Wireless Supply Chain Innovation Fund Implementation, 87 Fed. Reg. 76182 (December 13, 2022).

³ 87 Fed. Reg. 76182 (December 13, 2022).

⁴ Pub. L. No. 117-167 § 106(a) (August 9, 2022).

⁵ Pub. L. No. 119-21 § 40011 (July 4, 2025).

As the agency responsible for administering the Innovation Fund, the National Telecommunications and Information Administration (NTIA) issued its first Innovation Fund notice of funding opportunity, *Public Wireless Supply Chain Innovation Fund Grant Program – Expanding Testing and Evaluation* (NOFO 1), on April 12, 2023. Grant applications were due on June 2, 2023. NTIA received 125 grant applications and—through an interagency agreement to receive grants management services from the National Institute of Standards and Technology (NIST)—awarded 17 grants in four rounds, totaling approximately \$140.5 million, based on NOFO 1. The period of performance for this NOFO is up to 5 years from the date of the award.

The CHIPS Act requires Office of Inspector General (OIG) oversight of the Innovation Fund program’s activities. Additionally, OIG’s Top Management Challenges report for FY 2024 noted the Innovation Fund as a priority, stating, “establishing and implementing a comprehensive control framework to ensure funds are appropriately awarded and recipients are using the funds consistent with the Innovation Fund’s objectives.”⁶ The Top Management Challenges reports for FYs 2025 and 2026 include similar language.⁷ This audit addresses that challenge by determining whether grants were awarded to eligible applicants.

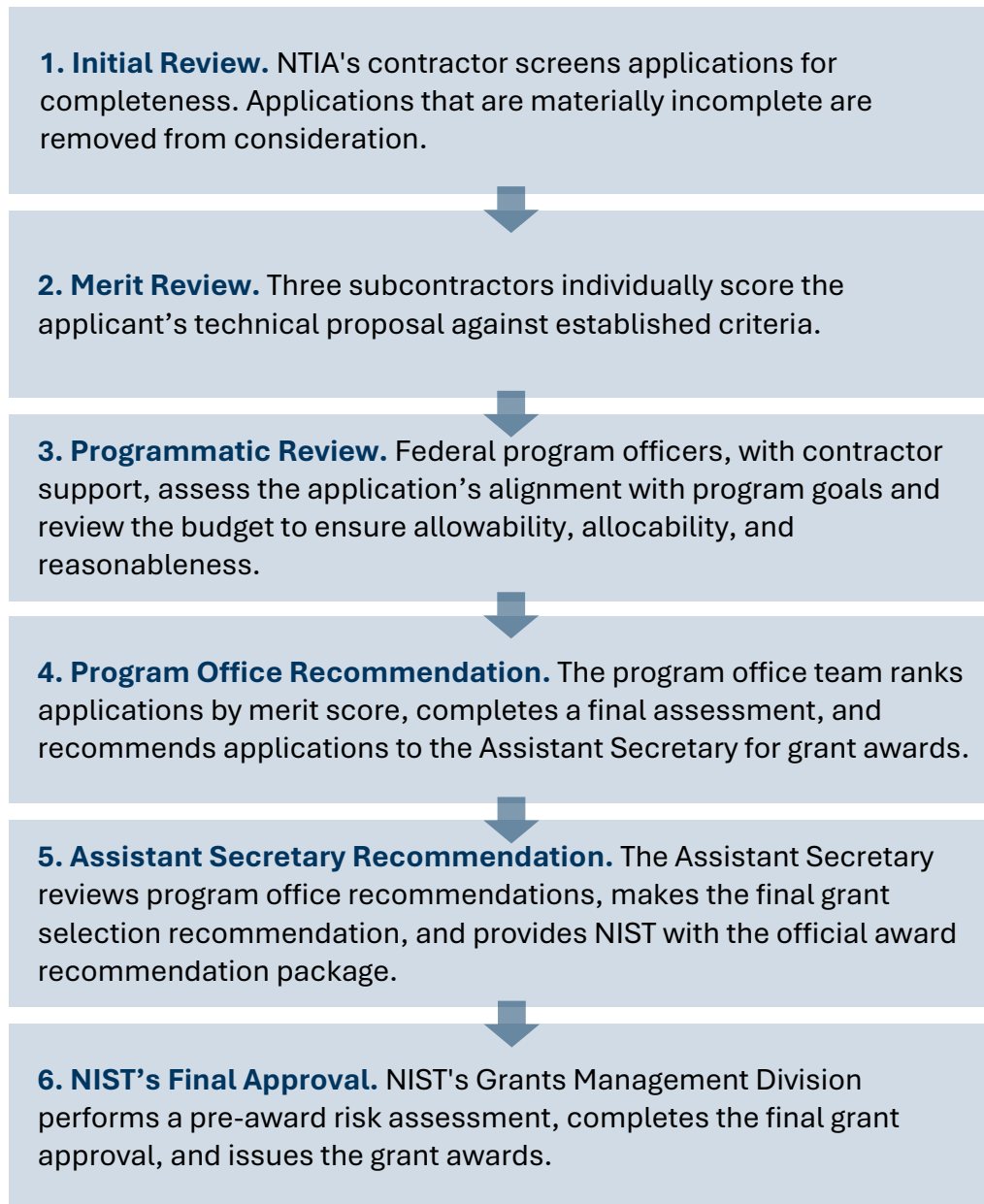
➤ **NOFO 1 Grant Application Review Process**

NTIA's grant application review process has three review phases: initial, merit, and programmatic. These phases are followed by the Innovation Fund program office’s overall review, the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator’s grant recommendation, and NIST’s risk assessment, final approval, and issuance of grants. To facilitate its process, NTIA used an existing blanket purchase agreement to contract external personnel to perform the initial reviews of applications for NOFO 1 and to provide program office support. The contracted agency provided subcontractors to conduct merit reviews. See figure 1 on the next page for a summary of the grant application review process.

⁶ Commerce OIG. October 12, 2023. *Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2024*, [OIG-24-002](#), 49 and 50.

⁷ Commerce OIG. October 16, 2024, *Top Management and Performance Challenges Facing the Department of Commerce in FY 2025*, [OIG-25-001](#), 22; and December 1, 2025, *Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2026*, [OIG-26-003](#), 31.

Figure 1. NTIA's Grant Application Review Process



Source: OIG analysis of NTIA and NIST policies

➤ Objective

Our audit objective was to determine whether NTIA had an adequate application review and award selection process to ensure that grant recipients met the requirements of the Innovation Fund program's NOFO 1, *Public Wireless Supply Chain Innovation Fund Grant Program – Expanding Testing and Evaluation*. Appendix 1 details our audit scope and methodology. For our audit, we judgmentally selected 8 of the 17 funded (that is, awarded) grant applications, valued at approximately \$123.5 million, and 5 of the 101 nonfunded grant applications for our review sample. Appendix 2 details our sample methodology.



Findings and Recommendations

Summary: We found that NTIA had an adequate application review and award selection process to ensure that grant recipients met the requirements of the Innovation Fund program’s NOFO 1. However, we found that NTIA did not always follow its process and could not appropriately support the award decisions made by its program office regarding the grant applications in our sample, which may lead to questions about the reasonableness of NTIA’s decisions.

This occurred because NTIA and NIST did not implement a comprehensive pre-award quality assurance review during the review and award selection process to ensure that all eligibility criteria or requirements were documented prior to funds being obligated. These oversight gaps prevent NTIA from assuring that the award process operated as intended and in a fiscally responsible manner.

➤ **NTIA Did Not Ensure That Grant Files Reviewed Were Complete and Accurate to Support the Grant Selection Process**

We found that NTIA did not always ensure that application files were complete and contained sufficient documentation to support the grant selection process. Specifically, for our sample of 13 applications (8 funded,⁸ 5 nonfunded), we found that only 1 application file was complete per the requirements in the *Department of Commerce Grants and Cooperative Agreements Manual*.⁹ The manual states that the official award file should contain “[d]ocumentation of the analysis upon which the award selection was based including, evaluations, scores, justifications, etc.”¹⁰ Additionally, the manual requires that applications meet the “minimum general requirements and any mandatory technical and administrative requirements stated in the program’s regulations and

⁸ The exact value of funded grants in our sample is \$123,490,362.72.

⁹ U.S. Department of Commerce. April 20, 2021. *Department of Commerce Grants and Cooperative Agreements Manual*. On October 1, 2024, the Department issued the *Department of Commerce Federal Financial Assistance Manual*, which replaced the *Department of Commerce Grants and Cooperative Agreements Manual*. For this audit, we used the April 20, 2021, version of the manual because it was in effect when the Innovation Fund grants were awarded.

¹⁰ *Department of Commerce Grants and Cooperative Agreements Manual*, 56.

NOFO,”¹¹ and NOFO 1 requires that all applicants submit a Certificate Pertaining to Foreign Interests (Standard Form [SF] SF-328).¹² Lastly, the manual requires that contractors complete conflict-of-interest (COI) forms and that the COI forms be included in the official grant files.¹³ However, for the remaining 12 applications, certain file documentation was missing, inaccurate, or outdated.

NTIA Program Office and NIST Grant Files Lacked Required Supporting Documentation

Program office and grant files¹⁴ we reviewed lacked documentation to support NTIA’s decisions, foreign interests forms, and COI forms.

Documentation to support NTIA’s decisions. Program office files lacked documentation to comprehensively support NTIA’s decision memorandum. We reviewed five nonfunded Innovation Fund applications and noted that NTIA’s documentation for one of the five was not sufficient to support the application’s elimination from consideration. The *Department of Commerce Grants and Cooperative Agreements Manual* states that the official award file should contain documentation of the analysis that was relied upon for the award selection.¹⁵ However, NTIA was unable to provide documentation to fully support how the strengths and weaknesses of the application were considered. NTIA’s program office stated in its recommendation memorandum to the selecting official that the applicant’s “proposed activities do not align with the NOFO objectives and overall Innovation Fund program goals,” would primarily benefit a government agency, and “would not provide benefits to the Open RAN [Radio Access Network] supply chain.”¹⁶

However, the documentation in the file does not substantiate NTIA’s decision to eliminate the application from consideration. Specifically, the merit and programmatic documentation did not include comments stating that the project primarily benefited a government agency or that the project did not benefit the Open RAN supply chain. In fact, merit reviewers gave this application the highest rating of all NOFO 1 applications

¹¹ *Department of Commerce Grants and Cooperative Agreements Manual*, 38.

¹² NTIA. April 12, 2023. NOFO 1, *Public Wireless Supply Chain Innovation Fund Grant Program – Expanding Testing and Evaluation*, 11.

¹³ *Department of Commerce Grants and Cooperative Agreements Manual*, 40 and 56.

¹⁴ The program office maintained application documentation for nonfunded applications, and NIST maintained grant files for funded applications.

¹⁵ *Department of Commerce Grants and Cooperative Agreements Manual*, 56.

¹⁶ NTIA. November 3, 2023. *Decision Memorandum No. 3 – Innovation Fund Third Package of Grant Applications Recommended for Award*, 12.

reviewed. NTIA did not have any other documentation, outside of the decision memorandum, to substantiate claims that the applicant was ineligible.

In its *Public Wireless Supply Chain Innovation Fund Programmatic Review Policy*, NTIA notes that the program office provides “the Selecting Official with a summary of the FPOs’ [federal program officers’] analysis for each application reviewed,” which may include the “general reasons an FPO recommends the application for award[.]”¹⁷ However, the information in the decision memorandums was high level, and NTIA did not provide sufficient documentation to clearly understand how the decisions were made. With the absence of additional documentation, we were unable to substantiate NTIA’s decisions.

Foreign interests forms. We found that some of the grant files did not include documentation to support that an appropriate approval was received to remedy a potential material deficiency in the grant applications. Specifically, five of the eight funded grant applications (valued at nearly \$70 million) did not include a completed SF-328 when the application was submitted. NOFO 1 requires that all applicants submit an SF-328 as part of the application packet to enable NTIA to assess an entity to determine if it “may pose undue risk to a project or U.S. national security interests.”¹⁸

The SF-328 includes information regarding “indebtedness, liabilities or obligations to a foreign person(s),” which may indicate that a foreign entity has undue influence over the applicant. Moreover, NTIA’s *Public Wireless Supply Chain Innovation Fund Pre-Award Initial Review Policy* notes that a missing SF-328 is a potential material deficiency and states, “the applicant is not permitted to make any material revisions to their application unless the [sic] permitted to do so by the Assistant Secretary.”¹⁹ However, NTIA allowed the applications to proceed through the application review process without first obtaining the Assistant Secretary’s approval.

NTIA stated that due to the number of applications without an SF-328, NTIA officials allowed applicants to provide the SF-328 after the application due date. NTIA also stated that the decision memorandum, which NTIA sent to NIST recommending applications for grant awards and was signed by the Assistant Secretary, memorialized the decision to allow applicants to provide the SF-328 forms after the application due date. However, the decision memorandum was the last step in NTIA’s grant selection process, and there was no additional documentation to substantiate curing this deficiency until after the review process was completed. NTIA should have obtained approval to allow applicants to

¹⁷ NTIA. May 2023. *Public Wireless Supply Chain Innovation Fund Programmatic Review Policy*, 7 and 8.

¹⁸ NOFO 1, 10–11.

¹⁹ NTIA. May 2023. *Public Wireless Supply Chain Innovation Fund Pre-Award Initial Review Policy*, 8 and 9.

provide the missing SF-328 forms before the applications proceeded to the merit review process.

COI forms. We found that none of the files for the eight grants (valued at approximately \$123.5 million) we reviewed contained COI forms for application reviewers. The *Department of Commerce Grants and Cooperative Agreements Manual* requires that contractors complete COI forms and that the COI forms be included in the official grant files.²⁰ Additionally, NTIA's *Public Wireless Supply Chain Innovation Fund Pre-Award Merit Review Policy* states, "Each reviewer must sign and submit a nondisclosure and confidentiality form pertaining to the dissemination of confidential information and to potential financial and other conflicts of interest."²¹ Instead, NTIA accepted its contractor's nondisclosure agreement (NDA) form and *Organizational Conflict of Interest Mitigation (OCI) Plan* in place of the Department-approved COI form.

The OCI plan states that before engaging in the Innovation Fund application review process, the contractor will complete a COI search of its internal database to determine whether any applicant has received attestation services from the contractor. However, subcontractors (not contractor employees) conducted the merit review, and while the OCI plan states that "subcontractors will be subject to this OCI Mitigation Plan,"²² the merit reviewers did not work for the company. Therefore, a COI search of the contractor's records would likely not have included services provided by the subcontractor.

The OCI plan also notes that the contractor will collect COI forms from its subcontractors (merit reviewers) to ensure that no COI exists and that the subcontractor is responsible for notifying the contractor "when it identifies an OCI."²³ However, the grant file did not include COI forms for merit reviewers; it included only the contractor's NDA, which references the OCI plan but does not include comprehensive COI language.

The Department's grants manual states that, "Non-federal reviewers must complete the *Reviewer Conflict of Interest and Confidentiality Certification for Peer Reviewers* certification. If an equivalent certification is used, FALD [the Federal Assistance Law Division] should review it for completeness before it is used."²⁴ However, NTIA was unable

²⁰ *Department of Commerce Grants and Cooperative Agreements Manual*, 40 and 56.

²¹ NTIA. May 2023. *Public Wireless Supply Chain Innovation Fund Pre-Award Merit Review Policy*, 5.

²² Deloitte Consulting LLP. May 2023. *Organizational Conflict of Interest (OCI) Mitigation Plan in Support of National Telecommunications and Information Administration (NTIA) Broadband Grants Program Development and Administrative Services*, 9.

²³ Deloitte Consulting LLP, *OCI Mitigation Plan in Support of NTIA Broadband Grants Program Development and Administrative Services*, 9.

²⁴ *Department of Commerce Grants and Cooperative Agreements Manual*, 40. The reviewer certification in the manual includes comprehensive COI information.

to provide documentation that verified that FALD approved the use of an equivalent certification (that is, the NDA and OCI plan).

We recognize that NTIA attempted to mitigate COI concerns with the NDA and the form used by application reviewers to attest that they had no COIs related to the application under review; however, the Department's COI form was more comprehensive. For example, the Department's form required nonfederal reviewers to not only certify that they did not have a COI but also:

If any of the following have a financial or other interest in the application [the reviewer was] asked to review or comment on:

- I [the reviewer], my spouse, minor child, or general partner.
- A profit or non-profit organization in which I serve as an officer, director, trustee, general partner, or employee; or
- Any person or organization with which I am negotiating or have an arrangement concerning employment, including consultancy or a past employer (within the last year).²⁵

NTIA Relied on Inaccurate or Outdated Documentation to Assess Applications

We found that five of the eight grant applications we reviewed included inaccurate or outdated documentation.

Cost-share consideration. NTIA completed the initial, merit, and programmatic reviews using inaccurate cost-share budgets for three (valued at nearly \$6 million) of the eight grant applications in our sample. For federal grants, cost share is the portion of project costs that a grant recipient must cover with nonfederal funds. Although NOFO 1 did not require cost share, it states that preference would be given to applications that included cost-share budgets in their proposals and budget. NTIA's *Public Wireless Supply Chain Innovation Fund Programmatic Review Policy* instructs contracted grant application reviewers and NTIA staff to document and assess the level and effect of cost share on cost reasonableness and cost-effectiveness.²⁶

We reviewed three applications that resulted in awarded funds, all submitted by the same applicant, that included cost-share budgets that were significantly inflated. For all three applications, we found evidence that application reviewers relied on the inflated cost-share budgets in all three phases of the application review process, and reviewers'

²⁵ Department of Commerce. July 2021. COI form section 2, "Reviewer Conflict of Interest and Confidentiality Certification for Peer Reviewers."

²⁶ NTIA. May 2023. *Public Wireless Supply Chain Innovation Fund Programmatic Review Policy*, 5.

comments confirmed that the inflated cost-share budgets were specifically considered as part of the merit or programmatic application reviews. Although NTIA identified the issue in these applications before making an award recommendation to NIST, NTIA's official recommendation memorandum to NIST still included the inflated cost-share amounts for two of these three applications. Moreover, NTIA could not provide other documentation to support further review of the adjusted cost-share and how it affected the proposal's review scores.

Upon identification of these cost-share errors, NTIA's Innovation Fund program office, in a subsequent decision memorandum to the Assistant Secretary, noted that the cost share for these applications decreased, confirmed that the projects remained cost-effective, and stated that the projects' substance was not impacted. However, NTIA did not document its review process to substantiate its assessment of the significantly reduced cost share, its effect on the applicant's budget, and NTIA's conclusion.

Foreign interests forms. NTIA relied on outdated debt information in its decision to award a grant to one of eight funded grant applicants, valued at over \$42 million. The U.S. Government Accountability Office's (GAO's) *Standards for Internal Control in the Federal Government* states that management should use quality information, defined as "appropriate, current, complete, accurate, accessible, and provided on a timely basis," to achieve the entity's objectives.²⁷ In addition, NOFO 1 requires the applicant to submit an SF-328 as part of the application packet to enable NTIA to assess an entity that "may pose undue risk to a project or U.S. national security interests."²⁸

As noted previously, the SF-328 requests information regarding "indebtedness, liabilities or obligations to a foreign person(s)," which may indicate that a foreign entity has undue influence over the applicant. One applicant submitted an SF-328 that was signed and dated in 2019, and the form had an expiration date of October 2021, but NTIA announced NOFO 1 in April 2023, a year and a half after the form's expiration. Also, the SF-328 was not included in the initial application, and NTIA allowed the applicant to provide the SF-328 after the application submission, as discussed in the "NTIA Program Office and NIST Grant Files Lacked Required Supporting Documentation" section of this report.

Budget review. An FPO made conflicting statements during the programmatic review regarding the budget for one of eight funded grant applicants (valued at nearly \$22 million). The FPO stated that the budget was cost-effective while also stating that the budget did

²⁷ GAO. September 2014. *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#), 58 and 60. On May 15, 2025, GAO issued an updated version of the standards. For this audit, we used the September 2014 version because it was in effect when the Innovation Fund grants were awarded.

²⁸ NOFO 1, 10–11.

not appear reasonable due to travel costs, the number of people on the team, and costs for equipment maintenance. NTIA was unable to provide documentation to support how the contradictory statements were evaluated to reach the conclusion to award a grant.

NTIA Performed Limited Oversight

These issues occurred because NTIA did not have a process to assess all review phases to ensure that applicants were treated consistently and fairly. NTIA exclusively relied on contractor quality assurance reviews during the merit review phase and did not complete independent assessments of any of the review phases. The Department's grants manual states, "All applications must be treated fairly and equitably under the review process,"²⁹ and requires the program office to provide NIST with "a complete and accurate funding recommendation package" for the official award file.³⁰ The recommendation package must include the basis for selecting an application for a grant.³¹

In addition, NTIA was unable to provide documentation to show that it had conducted contractor oversight for application review support for NOFO 1 grants. The Federal Acquisition Regulation (FAR) states: "Agencies shall ensure that – (a) Contracts include inspection and other quality requirements, including warranty clauses when appropriate, that are determined necessary to protect the Government's interest."³²

Because NTIA relied on contractor support during the review process, NTIA should have ensured a surveillance plan was in place to provide adequate surveillance of the contractor's work. The FAR states:

Government contract quality assurance shall be performed at such times (including any stage of manufacture or performance of services) and places (including subcontractors' plants) as may be necessary to determine that the supplies or services conform to contract requirements. Quality assurance surveillance plans should be prepared in conjunction with the preparation of the statement of work. The plans should specify-

- (1) All work requiring surveillance; and
- (2) The method of surveillance.³³

NTIA's contracting officer's representative (COR) at the time of our audit and the program office team were unaware of the existence of a quality assurance surveillance plan (QASP)

²⁹ *Department of Commerce Grants and Cooperative Agreements Manual*, 35.

³⁰ *Department of Commerce Grants and Cooperative Agreements Manual*, 26.

³¹ *Department of Commerce Grants and Cooperative Agreements Manual*, 48.

³² FAR § 46.102(a).

³³ FAR § 46.401(a).

associated with the NOFO 1 application review support. In addition, they could not provide sufficient documentation to support that contract surveillance for NOFO 1 support services was conducted. We found the applicable QASP in the files of a different audit project and provided NTIA with a copy of it. Additionally, NTIA told us that the COR during the time of NOFO 1 application review was no longer employed at NTIA, and any files that may have existed to support that oversight was conducted were not accessible. The program manager, a key individual in the NOFO 1 award process, also departed NTIA.

The FAR states, “Files must be maintained at organizational levels that ensure- (1) Effective documentation of contract actions; [and] (2) Ready accessibility to principal users[.]”³⁴ Additionally, GAO’s *Standards for Internal Control in the Federal Government* states that management should clearly document internal controls and other significant events “in a manner that allows the documentation to be readily available for examination. . . . Documentation and records are properly managed and maintained.”³⁵ However, NTIA did not store documentation in a location that was readily accessible to all relevant contracting personnel and the OIG audit team. Instead, all documentation was accessible only to the previous COR.

Due to this lack of oversight, NTIA could not appropriately support the award decisions made by its program office regarding the grant applications in our sample. NTIA provided documents to demonstrate that oversight was performed through weekly meetings involving the COR, program team, and contractor support staff, as well as through monthly reports and meetings slides and notes, all of which document the COR’s active role in contract surveillance. However, the documentation NTIA provided was high level and did not adequately document these activities or other surveillance that NTIA may have provided.

Additionally, as highlighted above, the program office review files did not always substantiate the decisions outlined in the decision memorandum. Therefore, the decision memorandum could not be relied upon to inform decisions for the approximately \$123.5 million in grants that we reviewed. These oversight gaps prevent NTIA from assuring that the award process operated as intended and in a fiscally responsible manner. Additionally, NTIA may not have assurance that support for grant decisions is being retained, which, in turn, may lead to questions about the reasonableness of NTIA’s decisions.

³⁴ FAR § 4.802(c).

³⁵ GAO, *Standards for Internal Control in the Federal Government*, 48.

Recommendations

We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator:

1. Require the reviewers to ensure that all required documents are completed before they are submitted for an award decision.
2. Ensure that the decision memorandum is supported by documentation maintained in the program office files for nonfunded applications or in the grant file for awarded grants.
3. Require (a) reviewers to conduct any needed analysis to ensure that requirements are met and decisions are appropriately supported and (b) the program office to analyze these reviews to determine grant eligibility and maintain documentation for grant eligibility.
4. Develop a process for conducting and documenting quality assurance activities to ensure that all phases of application reviews are performed in accordance with the relevant federal, Department, and Innovation Fund policies and that documentation is readily available for review.
5. Ensure that the COR adheres to the QASP to conduct and document sufficient oversight of the initial and merit review processes conducted by contractors.

► **NIST Did Not Ensure That Grants Specialists Provided Evidence of Completed Financial Statement Analyses**

NIST did not provide sufficient evidence that the grants specialists completed a financial statement analysis for four of the eight funded grant applications in our sample. Grants specialists conduct analyses of financial documentation to determine whether the applicant is high risk, which would result in the grants officer including specific award conditions in the final award to minimize the risk to the government. The *Department of Commerce Grants and Cooperative Agreements Manual* states that the grants office is responsible for reviewing the applicant's single audit or other audit report.³⁶ In addition, NIST guidance states, "The [grants specialists] must complete a written assessment of the audit review, or related financial documents, including evaluation of any findings."³⁷

³⁶ *Department of Commerce Grants and Cooperative Agreements Manual*, 22.

³⁷ NIST. April 2018. *NIST Grants Management Division Award Action Receipt, Clearance and Execution*, section 8.5.2, 7.

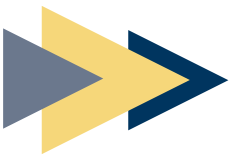
For the four of the eight funded grants in our sample, NIST grants specialists documented their financial statement analyses in the Grants Management Information System's comment boxes, but the comment boxes included only high-level, simple comments and lacked sufficient details to corroborate that a comprehensive review had occurred. Specifically, the comments in the Grants Management Information System did not include the grants specialist's evaluation of findings, if any, or an assessment of the financial statement review. NIST officials stated that the practice of including a simple comment regarding a financial analysis constituted sufficient documentation. However, four other grant files we reviewed included more detailed analyses, such as financial statement details as well as the grants specialist's analysis and recommendation regarding the financial information.

Without a comprehensive written assessment, NIST was unable to confirm whether it completed a proper risk assessment of financial records, which could result in grants being awarded to financially unstable applicants.

Recommendation

We recommend that the Under Secretary of Commerce for Standards and Technology and Director, National Institute of Standards and Technology, instruct the Director of the Financial Assistance Agreements Management Office to:

6. Ensure that grants officers are providing adequate oversight to ensure that grants specialists are conducting reviews in accordance with *NIST Grants Management Division Award Action Receipt, Clearance and Execution* and the *Department of Commerce Grants and Cooperative Agreements Manual*.



Conclusion

NTIA did not always ensure that application files were complete and contained sufficient documentation to support the grant selection process. Additionally, NIST did not provide evidence that the grants specialists completed a financial statement analysis for four of the eight funded grant applications in our sample. NTIA should conduct oversight of the grant review process, and NIST should conduct oversight of the financial statement analyses. Without proper oversight, the bureaus cannot ensure that funds are properly awarded.



Summary of NIST's and NTIA's Responses and OIG's Comments

On June 22, 2026, we received NIST's response to our draft report, and on July 24, 2026, we received NTIA's response. In their respective responses, both NIST and NTIA concurred with our recommendations, and NIST also provided technical comments on the draft report. NTIA's response also included comments on four draft report recommendations. Below we address NTIA's comments on two recommendations. The complete responses from NIST and NTIA are included in this report as appendix 3.

➤ Discussion of Recommendation 1

Recommendation 1: Require the reviewers to ensure that all required documents are completed before they are submitted for an award decision.

NTIA Comments. NTIA stated that its NOFO 1 awards process included mechanisms to ensure that all required documents were obtained prior to award decisions; thus, no awards were issued to applicants who did not include SF-328 forms with their applications, and the Assistant Secretary's approval of the decision to cure was memorialized in an official decision memorandum.

OIG Response. Although NTIA concurred with recommendation 1, we disagree with NTIA's decision to document the Assistant Secretary's approval to allow applicants to provide missing documentation during the last step in NTIA's grant selection process. To be compliant with its program policies, NTIA should have obtained approval to allow applicants to provide the missing SF-328 forms before the applications proceeded to the merit review process. We agree that no awards were issued to applicants that did not include an SF-328.

➤ Discussion of Recommendation 3

Recommendation 3: Require (a) reviewers to conduct any needed analysis to ensure that requirements are met and decisions are appropriately supported and (b) the program office to analyze these reviews to determine grant eligibility and maintain documentation for grant eligibility.

NTIA Comments. NTIA stated that while OIG has indicated that additional procedures should be required during review, the Innovation Fund team conducted reviews during NOFO 1 in accordance with NOFO and Department requirements. NTIA further stated that when an application did not align with program objectives or NOFO requirements, it

documented the basis for that determination in decision memorandums, as required by the established review process.

OIG Response. NTIA concurred with recommendation 3; however, we disagree that NTIA was able to fully support the basis for its determinations in decision memorandums. As noted in the “Documentation to support NTIA’s decisions” section of the report, NTIA was unable to provide documentation to fully support how the strengths and weaknesses of an application were considered. Specifically, NTIA included information in the decision memorandum explaining why an applicant was ineligible; however, the documentation in the program file did not substantiate NTIA’s decision to eliminate the application from consideration. Additionally, NTIA did not have any other documentation, outside of the decision memorandum, to substantiate claims that the applicant was ineligible.

We are pleased that NIST and NTIA concurred with our recommendations. We look forward to receiving NIST’s and NTIA’s action plans, which will provide details on their corrective actions.



Appendix 1. Scope and Methodology

Our audit objective was to determine whether NTIA had an adequate application review and award selection process to ensure that grant recipients met the requirements of the Innovation Fund program's NOFO 1, *Public Wireless Supply Chain Innovation Fund Grant Program – Expanding Testing and Evaluation*. To satisfy our objective, we focused solely on the review and approval process for grant applications, both awarded and nonfunded, for NOFO 1.

To assess whether NTIA properly awarded Innovation Fund federal funds for NOFO 1, the audit team:

- Reviewed the following laws, regulations, policies and guidance:
 - NDAA for FY 2021, January 1, 2021, Pub. L. No. 116-283
 - CHIPS and Science Act, August 9, 2022, Pub. L. No. 117-167
 - One Big Beautiful Bill Act, July 4, 2025, Pub. L. No. 119-21
 - Code of Federal Regulations, Title 2, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
 - Federal Register, volume 87, *Public Wireless Supply Chain Innovation Fund Implementation*, December 13, 2022
 - GAO's *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014
 - *Department of Commerce Grants and Cooperative Agreements Manual*, April 20, 2021
 - NOFO 1, *Public Wireless Supply Chain Innovation Fund Grant Program – Expanding Testing and Evaluation*, April 12, 2023
 - *NIST Grants Management Division Award Action Receipt, Clearance and Execution*, April 2018
 - *Public Wireless Supply Chain Innovation Fund, Eligibility of Applicants and Participants in Grant Funded Activities Regarding Foreign Entities of Concern*, June 12, 2023
 - *Public Wireless Supply Chain Innovation Fund Pre-Award Initial Review Policy*, May 12, 2023
 - *Public Wireless Supply Chain Innovation Fund Initial Administrative and Eligibility Review Guidance*, May 15, 2023

- *Public Wireless Supply Chain Innovation Fund Pre-Award Merit Review Policy, May 17, 2023*
- *Public Wireless Supply Chain Innovation Fund Merit Review Guidance, May 17, 2023*
- *Public Wireless Supply Chain Innovation Fund Programmatic Review Policy, May 31, 2023*
- *Public Wireless Supply Chain Innovation Fund Pre-Award Programmatic Reviewer Guidance, May 31, 2023*
- *Reviewer Conflict of Interest and Confidentiality Certification for Peer Reviewers*
- *Organizational Conflict of Interest Mitigation (OCI) Plan*
- Reviewed NTIA and NIST internal grant award policies and procedures to identify appropriate processes and internal controls for awarding grants.
- Interviewed officials from NTIA and NIST to understand the award review process.
- Selected a judgmental sample of NOFO 1 awards (approximately \$123.5 million) and assessed whether:
 - The initial, merit, and programmatic reviews met NTIA’s standard operating procedure, Department, and federal regulation requirements
 - Applicants met the criteria established in NOFO 1
 - Reviewer conflict-of-interest and confidentiality forms were completed, and conflicts were identified (if applicable)
 - NIST’s grants office award files and NTIA program files were complete
 - NTIA’s Innovation Fund program office files demonstrated that NTIA conducted contractor oversight of the Innovation Fund program specific to the NOFO 1 application review process

In addition, we assessed the internal controls that were significant to our objective by interviewing bureau personnel and reviewing internal policies and documentation for evidence that internal control activities had been performed. We reported internal control weaknesses in the “Findings and Recommendations” section of this report.

We did not rely on computer-processed data to support our findings, conclusions, and recommendations. Instead, we reviewed documentation included in grant files or submitted by NTIA and NIST; therefore, we did not test the reliability of their information technology systems.

We conducted our audit from February 2025 through May 2026 under the authority of the Inspector General Act of 1978, as amended (5 U.S.C. §§ 401-424), and Department Organization Order 10-13, as amended October 21, 2020.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that provides a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.



Appendix 2. Sample Methodology

Our detailed sampling plan for the funded and nonfunded applications (tables 1 and 2) is as follows.

Table 1. Funded Applications

Application Type	Universe Grants	Universe Funding Total	Sample Grants	Sample Funding Total
R&D	14	\$26,429,411.00	5	\$9,476,557.00
T&E	3	\$114,013,805.72	3	\$114,013,805.72
Total	17	\$140,443,216.72	8	\$123,490,362.72

Source: OIG analysis of NTIA data

The combined total federal funding included within our sample is approximately \$123.5 million. Our sample of awarded Innovation Fund grants was a judgmental selection based on our analysis of risk and award batch number. The sample included:

- Three research and development (R&D) awards that were randomly selected, including one grant from each NOFO 1 batch to ensure coverage of all batches ³⁸
- An additional two R&D grants based on our analysis of risk factors
- All three training and education (T&E) awards (largest amount of federal funds awarded)

Table 2. Nonfunded Applications

Application Type	Universe	Sample
R&D	58	2
T&E	43	3
Total	101	5

Source: OIG analysis of NTIA data

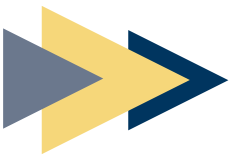
³⁸ We selected awards by assigning each R&D award a random value in a spreadsheet (using the RAND function) and selecting the award within each batch with the lowest assigned random value.

Our sample of nonfunded Innovation Fund grant applications was a judgmental selection from a randomized list of grants provided by our Data Analytics division, based on our analysis of risk and project type. The sample population of nonfunded applications excludes the funded applications and seven applications that did not fall under a specified Innovation Fund NOFO 1 category.

The sample included:

- Two randomly selected T&E applications³⁹
- One T&E application based on its high merit-review score
- One R&D application based on its high merit-review score
- One R&D application based on our analysis of risk factors

³⁹ Our Data Analytics division downloaded a list of applications from grants.gov. We verified and labeled the application type, based on the information NTIA provided and our research. Data Analytics randomly assigned numbers to each validated application, and we selected the two awards with the lowest assigned random value.



Appendix 3. NTIA's and NIST's Responses

NTIA's and NIST's responses to our draft report begin on the following page.



UNITED STATES DEPARTMENT OF COMMERCE
National Telecommunications and
Information Administration
Washington, D.C. 20230

DATE: July 24, 2026

TO: Arthur Scott Jr.
Assistant Inspector General for Audit and Evaluation
Office of Inspector General
U.S. Department of Commerce

FROM: ARIELLE ROTH
Arielle Roth ROTH
Assistant Secretary of Commerce for Communications and Information
National Telecommunications and Information Administration

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ARIELLE ROTH
Date: 2026.07.24 14:37:15
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SUBJECT: Response to OIG Draft Audit Report: *Audit of NTIA's Public Wireless Supply Chain Innovation Fund Award Process for NOFO 1*, May 19, 2026

Thank you for the opportunity to respond to the Department of Commerce Office of Inspector General (OIG) draft audit report on the Public Wireless Supply Chain Innovation Fund (PWSCIF) program's NOFO 1 award process (2025-511). I am pleased that the draft report states that the National Telecommunications and Information Administration (NTIA) "had an adequate application review and award selection process to ensure that grant recipients met the requirements of the Innovation Fund program's NOFO 1."

NTIA tentatively concurs with the draft report's five recommendations and views these recommendations as complementary to NTIA's ongoing improvements to the processes for subsequent NOFO application reviews.

NTIA is taking steps to address the issues raised in the report and will continue reassessing processes to ensure strong internal controls, documentation practices, and oversight procedures. NTIA is committed to fully implementing the recommendations provided, enhancing our processes for future funding rounds, and maintaining close coordination with OIG to ensure that the Innovation Fund continues to operate at the highest levels of integrity while administering grants that further U.S. technological leadership and facilitate the adoption of open and interoperable wireless networks.

After OIG releases its final report, NTIA will provide its management decision, which will detail its position on OIG's final findings and recommendation(s) and any actions NTIA will take on such recommendation(s) pursuant to 5 U.S.C. § 405.

In its concurrences noted below, NTIA provides context to some of the draft recommendations, detailing relevant NTIA staff actions during the review process for NOFO 1.

RECOMMENDATIONS

Per the draft report, OIG recommends that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator:

OIG Recommendation #1: Require the reviewers to ensure that all required documents are completed before they are submitted for an award decision.

RESPONSE: Concur.

NTIA's NOFO 1 awards process included mechanisms to ensure all required documents were obtained prior to award decisions. Thus, no awards were issued to applications with missing SF-328s and the Assistant Secretary's approval of the decision to cure was memorialized in an official decision memorandum.

OIG Recommendation #2: Ensure that the decision memorandum is supported by documentation maintained in the program office files for nonfunded applications or in the grant file for awarded grants.

RESPONSE: Concur.

During NOFO 1, NTIA documented the basis for each award and non-award decision through the established review process and corresponding decision memoranda, as detailed by the NOFO. While OIG has indicated that NTIA should retain additional documentation and NTIA will do so in the future to further solidify its procedures, please note that NTIA followed the established review procedures and recorded its determinations consistent with such procedures.

OIG Recommendation #3: Require (a) reviewers to conduct any needed analysis to ensure that requirements are met and decisions are appropriately supported and (b) the program office to analyze these reviews to determine grant eligibility and maintain documentation for grant eligibility.

RESPONSE: Concur.

While OIG has indicated that additional procedures should be required during review, please note that during NOFO 1, the Innovation Fund team conducted reviews in accordance with the NOFO and Department requirements. Further, when an application did not align with program objectives or NOFO requirements, NTIA documented the basis for that determination in decision memoranda, as required by the established review process.

OIG Recommendation #4: Develop a process for conducting and documenting quality assurance activities to ensure that all phases of application reviews are performed in accordance with relevant federal, Department, and Innovation Fund policies and that documentation is readily available for review.

RESPONSE: Concur. NTIA will develop a process for conducting and documenting quality assurance activities to ensure that all phases of application reviews are performed in accordance with relevant policies and that documentation is readily available for review. NTIA conducted oversight of contractors' work throughout each phase of the review process through recurring meetings, participation in the development of the review processes and guidelines, and approval of deliverables. NTIA will further formalize and document these activities to ensure compliance and accessibility. In addition, NTIA will ensure use of the Department of Commerce's "Reviewer Conflict of Interest and Confidentiality Certification for Peer Reviewers" form as part of its conflict-of-interest mitigation. The PWSCIF program team relied on NDAs, in which reviewers agreed to comply with an Organizational Conflict of Interest Mitigation Plan, and reviewer attestations as the conflict-of-interest prevention mechanism. NTIA is not aware of any real or perceived conflict of interest affecting any of the NOFO 1 reviewers.

OIG Recommendation #5: Ensure that the COR adheres to the QASP to conduct and document sufficient oversight of the initial and merit review processes conducted by contractors.

RESPONSE: Concur.



June 10, 2026

MEMORANDUM FOR Arthur L. Scott, Jr.
Assistant Inspector General for Audit and Evaluation

From: Arvind Raman, Ph.D. 
Under Secretary of Commerce for Standards and Technology &
Director, National Institute of Standards and Technology

Subject: National Institute of Standards and Technology's Response to an Office of
Inspector General's Draft Report dated May 19, 2026, *Audit of NTIA's Public
Wireless Supply Chain Innovation Fund Award Process for Notice of Funding
Opportunity 1*

Thank you for the opportunity to respond to the Office of Inspector General (OIG) draft report entitled Audit of the National Telecommunications and Information Administration's (NTIA) Public Wireless Supply Chain Innovation Fund Award Process for Notice of Funding Opportunity 1.

The National Institute of Standards and Technology (NIST) concurs with the recommendation and will prepare a formal action plan upon issuance of OIG's final report.

Finding 2: NIST did not ensure that grants specialists provided evidence of completed financial statement analyses.

OIG's Recommendation #1: Ensure that grants officers are providing adequate oversight to ensure that grants specialists are conducting reviews in accordance with NIST Grants Management Division Award Action Receipt, Clearance and Execution and the Department of Commerce Grants and Cooperative Agreements Manual.

If you have any questions, please contact Amy Egan, Audit Liaison, at (307) 975-2819 or amy.egan@nist.gov.

REPORT

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