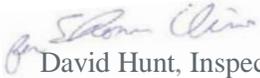


# memorandum

DATE: April 14, 2014

TO: Tom Wheeler, Chairman  
Mignon Clyburn, Commissioner  
Jessica Rosenworcel, Commissioner  
Ajit Pai, Commissioner  
Michael O'Rielly, Commissioner

FROM:  David Hunt, Inspector General

SUBJECT: Audit of Federal Communications Commission (FCC) Compliance with the Improper Payments Elimination and Recovery Act (Pub.L. 111-204) (IPERA or IPIA) for Fiscal Year (FY) 2013.

In accordance with Office of Management and Budget Memorandum for the Heads of Executive Departments and Agencies, M-11-16, dated April 12, 2011, (OMB Guidance), the FCC Office of Inspector General (OIG) submits the attached document regarding FCC IPERA compliance.

OIG engaged the services of independent certified public accounting firm Lani Eko & Company, CPA's, PLLC (LEC) to audit FCC compliance with IPERA for FY 2013 in accordance with generally accepted government auditing standards. In the attached report dated April 10, 2014, LEC determined the FCC complied with the seven IPERA criteria as defined in the Office of Management and Budget (OMB)'s Memorandum M-11-16 issuance of Revised Parts I and II to Appendix C of OMB Circular A-123, Part II (A) (4). However, they identified two findings, and made five recommendations to FCC's Management for improvement regarding reporting of improper payment recapture audits and overpayments. The FCC concurred with the findings and expressed its appreciation for the recommendations from LEC for improving FCC's identification of improper payments.

In connection with the contract with LEC, we attended most, if not all, interviews LEC conducted as part of its audit; regularly met with LEC to discuss the audit status and any outstanding issues; and reviewed LEC's report and related documentation.

LEC is responsible for the attached auditor's report and the conclusions expressed therein. Our review disclosed no instances where LEC did not comply in all material respects with U.S. Generally Accepted Government Auditing Standards.

Attachment

cc: Managing Director  
Chief of Staff  
Chief Financial Officer