



Federal Communications Commission  
Washington, D.C. 20554

December 19, 2019

Radha Sekar  
Chief Executive Officer  
Universal Service Administrative Company  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005

Re: Fiscal Year 2019 Federal Information Security Modernization Act Findings

Dear Ms. Sekar:

This letter concerns findings from the Federal Communications Commission's (FCC or Commission) annual Federal Information Security Modernization Act (FISMA) evaluation for fiscal year 2019. In preparing the Commission's annual FISMA evaluation, the independent auditor, Kearney and Company, working under the direction of the Commission's Office of Inspector General identified control deficiencies related to the Universal Service Administrative Company's (USAC) compliance with FISMA requirements. The auditors' findings included three areas of control deficiency. The first area is related to USAC's risk management; the second area is related to identity and access management mechanisms within USAC; and the third area is related to monitoring of USAC's external service provider.

The Memorandum of Understanding (MOU) between the FCC and USAC requires USAC to administer the Universal Service Fund consistent with all applicable government and Commission requirements.<sup>1</sup> The MOU further requires USAC to coordinate with the FCC's Chief Information Officer and promptly take steps to implement all recommendations arising from any FISMA-related audits.<sup>2</sup> Corrective action is essential to improving the effectiveness and efficiency of operations and helps to deter fraud, waste, and abuse. Consistent with these requirements, USAC should provide the Commission with corrective action plans addressing the findings identified by the auditors within 30 days of receipt of this letter. The corrective action plans should state the specific actions that USAC will take to correct each noted finding, the operating unit and staff person within USAC that will be responsible for implementing the corrective action, and an estimated date for completing implementation of the corrective action.

Thank you for your prompt attention to these matters. Please feel free to contact me if you have any questions or wish to discuss this issue further.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Stephens".

Mark Stephens  
Managing Director

---

<sup>1</sup> MOU at § II (dated December 19, 2018).

<sup>2</sup> MOU at § IV.G.4 and § IV.H.1.