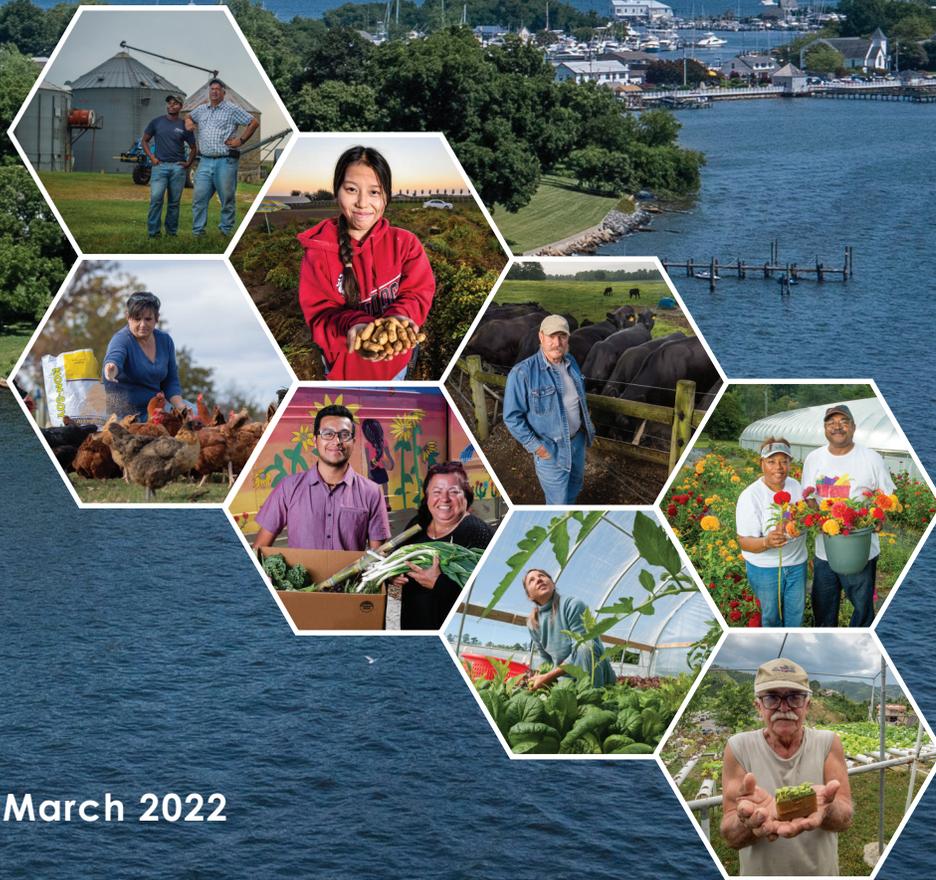




OFFICE OF INSPECTOR GENERAL  
U. S. DEPARTMENT OF AGRICULTURE

# Prior OIG Audits Relevant to RUS' Infrastructure Funding



March 2022



- **Infrastructure Funding for SUTA<sup>4</sup>**

RUS and Rural Development administer rural infrastructure programs that provide assistance to Native American governments and communities, also known as SUTAs. OIG concluded that RUS had adequate controls in place regarding its implementation of the SUTA provisions and did not identify any instances of ineligible applicants receiving benefits designated for SUTAs.

However, OIG identified areas where RUS and Rural Development could better track their efforts to meet their vital goal of providing assistance to Native American governments and communities in trust areas. Specifically, we found that RUS' application system did not track: (1) the number of loans and grants made specifically to Native American communities in SUTAs; or (2) whether SUTA provisions were applied to these loans and grants. Additionally, in two States we reviewed, Rural Development officials did not document their outreach activities to SUTAs in their designated system of record.

According to RUS, implementing SUTA provisions was critical to its broader efforts to make all programs more accessible to tribal governments and communities. Thus, we concluded that RUS and Rural Development could more easily demonstrate progress in making loans and grants to SUTAs and demonstrate that outreach was conducted in a timely and equitable manner by improving their ability to track activities in their information systems.

- **RUS' ReConnect Program<sup>5</sup>**

In 2018, Congress established the ReConnect Program to encourage the expansion of broadband services to rural areas by awarding grants and low-interest loans to eligible broadband service providers in underserved areas. The ReConnect Program offers unique federal financing and funding options in the form of loans, grants, and loan/grant combinations to facilitate broadband deployment in areas of rural America that do not currently have sufficient access. Our current audit will determine if: (1) RUS awarded ReConnect funding to eligible applicants and projects, and (2) the evaluation criteria were accurately used to score and rank applications when awarding funds. This audit will also support and inform OIG's oversight of the \$2 billion in funding from IJA for the ReConnect Program and the cost of broadband loans.

Our current audit is focused on RUS' award processes for applicant eligibility and evaluation in the ReConnect Program. This work allows us to consider how the ReConnect Program addresses any applicable concerns we raised in our prior audits of earlier broadband programs. These concerns included such matters as the adequacy of program guidance and controls, the level of service to rural areas, and the sufficiency of access to broadband services.<sup>6</sup>

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<sup>4</sup> Audit Report 09601-0002-41, *Infrastructure Funding for Substantially Underserved Trust Areas*, Jun. 2019.

<sup>5</sup> Audit 09601-0001-23, *Rural eConnectivity Pilot Program (ReConnect Program)—Award Process*. This work is currently in progress.

<sup>6</sup> We issued four prior reports related to RUS' prior broadband programs from 2005 to 2013: (1) Audit Report No. 09601-4-Te, *Broadband Grant and Loan Programs*, Sept. 2005; (2) Audit Report No. 09601-8-Te, *RUS Broadband Loan and Loan Guarantee Program*, Mar. 2009; (3) Audit Report 09703-0001-32, *American Recovery and*

This memorandum contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

cc:

USDA Infrastructure Implementation Team

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