

GAO Highlights

Highlights of [GAO-23-105265](#), a report to congressional requesters

Why GAO Did This Study

A significant gap in broadband access remains between U.S. urban and rural populations, according to the Federal Communications Commission. The importance of closing the gap was highlighted during the COVID-19 pandemic, which has required many Americans to work, learn, and socialize from home. USDA's ReConnect program, which began in 2018, provides grants and loans to broadband providers serving rural communities to help close the broadband gap.

GAO was asked to review the ReConnect program. Among other objectives, this report examines the program's (1) performance goals and (2) alignment with selected leading fraud risk management practices.

GAO analyzed ReConnect award and application data from 2018 through 2021, and compared USDA's performance documentation to leading performance assessment practices. GAO also compared USDA's fraud risk management processes to GAO's fraud risk framework and interviewed USDA officials.

What GAO Recommends

GAO is making three recommendations to USDA on ReConnect: (1) establish performance goals, (2) document the designated entity's responsibilities for overseeing fraud risk management activities, and (3) conduct and document a fraud risk assessment.

USDA agreed with these recommendations.

View [GAO-23-105265](#). For more information, contact Andrew Von Ah at (202) 512-2834 or vonaha@gao.gov

October 2022















BROADBAND

USDA Should Set Performance Goals and Improve Fraud Risk Management for Funding Program

What GAO Found

The U.S. Department of Agriculture's (USDA) ReConnect program was established by statute and awards grants and loans to provide broadband service in rural areas. In 2019 and 2020, USDA conducted two rounds of funding in which applicants were able to apply for a grant, a loan, or a combination of the two, as shown in the figure. As of October 2022, USDA was reviewing applications for a third round of awards.

Rounds One and Two of ReConnect Awards, by Award Type and Households Served

	Money awarded	Award types			Approximate households served
		Grants	Grant-loan combos	Loan	
Round 1 	 \$656 million	 41 grants	 30 grant-loan combos	 5 loans	 ~156,000 households
Round 2 	 \$852 million	 79 grants	 23 grant-loan combos	 3 loans	 ~141,000 households
 = \$220 million		 = 20,000 households			

Source: GAO analysis of USDA ReConnect data. | GAO-23-105265

USDA uses information from ReConnect and its other broadband programs to inform agency-wide performance goals, but has not set performance goals specific to ReConnect. For example, during the first two funding rounds, USDA used ReConnect data to support two department-wide performance goals—one on the number of new subscribers resulting from projects funded by ReConnect and other USDA telecommunications programs, and one on private investment resulting from certain USDA-funded projects. However, USDA did not establish performance goals that would define the specific results it expected ReConnect to achieve. Setting performance goals would help the department better determine if ReConnect is meeting expectations distinct from its other programs. Based on that information, it could then make informed decisions about the program.

USDA's oversight of ReConnect aligns with some but not all of the selected leading practices in GAO's fraud risk framework. The framework calls for: (1) designating an entity to oversee fraud risk management activities for a program, (2) documenting that entity's responsibilities, and (3) conducting and documenting a fraud risk assessment for a program, among other practices. USDA officials told GAO that its Office of the Chief Risk Officer is the designated entity to oversee fraud risk management for ReConnect. However, USDA officials have not documented this office's responsibilities specifically for fraud risk management. In addition, USDA officials have identified and considered specific fraud risks in ReConnect, but they have not conducted a fraud risk assessment for the program. Documenting the Office of the Chief Risk Officer's responsibilities for fraud risk management and conducting a fraud risk assessment would help USDA ensure that it routinely identifies and mitigates all potential fraud risks to the ReConnect program.