



Federal Communications Commission
Washington, D.C. 20554

April 17, 2006

Scott Barash
Acting Chief Executive Officer
Universal Service Administrative Company
2000 L Street, NW
Washington, DC 20036

Dear Mr. Barash:

This letter addresses the Universal Service Administrative Company's (USAC's) procedures for resolving findings and recommendations pertaining to the Universal Service Fund (USF).

USAC should follow-up on all recommendations arising from audits, investigations, and other reviews of USF beneficiaries and contributors, including recommendations to recover funds that may have been improperly disbursed to beneficiaries as identified by the Commission's Office of Inspector General (OIG), independent auditors working under the oversight of the OIG, and auditors working under contract to USAC. In performing these audit follow-up duties, USAC should apply the guidance and requirements contained in the appropriate Commission orders, including the *Schools and Library Universal Service Support Mechanism, Fifth Report and Order, 19 FCC Rcd 15808 (2004)* (*Fifth Report and Order*). USAC should start its follow-up actions as soon as possible, but in any event no later than 30 days from the date of the final report of the audit, investigation, or other review. In addition, USAC should provide a monthly report summarizing its follow-up efforts, including the number of recovery actions in progress and the amount of funds at issue. The monthly report should not, however, be used as a substitute for bringing issues to the Commission's immediate attention when discretion warrants more timely communication.

Thank you for your attention to this matter. If you have any questions or wish to discuss this issue further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony J. Dale".

Anthony J. Dale
Acting Managing Director

cc:

Brian Talbot, Chairman of the Board, USAC