



UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
OFFICE OF ACQUISITION AND GRANTS

July 12, 2012

Mr. Gary Hanson  
Deputy County Administrator  
DeKalb County Government  
200 N. Main Street, Suite 120  
Sycamore, IL 60178-1431

Subject: Broadband Technology Opportunities Program (BTOP)  
Grant Award NO. NT10BIX557030  
DeKalb County Government (DeKalb)  
Corrective Action Plan

Dear Mr. Hanson:

The National Telecommunications and Information Administration (NTIA) has informed the Grants Office of the National Oceanic and Atmospheric Administration that DeKalb has spent \$6,755.76 to install fiber at Halverson Farms, a company belonging to the family of Dan Halverson. Dan Halverson is also the sole owner of DeKalb Fiber Optic, LLC (DFO) which is a construction vendor on your BTOP project. Upon the discovery of this conflict of interest, the \$6,755.76 was credited to the County for reallocation.

The Grants Office has also learned that \$170,815.17 has been spent to install fiber in the Knolls neighborhood. The Knolls is the community in which both Dan Halverson and Herb Kuryliw reside. Mr. Kuryliw is the Chief Engineer on this BTOP project. NTIA has indicated that you have returned the money spent on the Knolls build, however, this build was also a conflict of interest.

In light of these two expenditures, both NTIA and NOAA are concerned about DeKalb's oversight of DFO's activities and the potential for additional inappropriate expenditures. Under the Department of Commerce Uniform Administrative Requirements at 15 C.F.R. § 24.12, you are hereby designated as a "high risk" recipient, due to your "history of unsatisfactory performance" and "lack of responsibility". Your organization's Department of Treasury Automated Standard Application for Payments (ASAP) account has been placed on reimbursement-only status to enable NTIA and NOAA to review requests for payment on this award. This means that you will not be permitted to draw down funds through the ASAP system

until authorized. You may submit a request for payment at most monthly, but you must submit a request at least quarterly.

Your current award will be amended to incorporate this CAP, revise your method of payment, add the agency review requirement and the high risk designation.

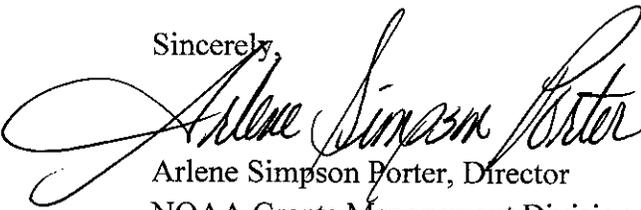
Due to the relatively short period of time remaining in the period of performance, NOAA and NTIA expect that your award will remain on reimbursement-only status until the end of the closeout period.

You must submit a formal Corrective Action Plan (CAP) outlining how you will implement policies and procedures to prevent additional inappropriate expenditures and to provide proper oversight and monitoring of DeKalb Fiber Optic, LLC

We request that you document these policies and procedures and submit them to your Program Officer, Katherine Scott with a copy to the NOAA Grants Management Division no later than **August 11, 2012**. Failure to submit a comprehensive and sufficient CAP may result in additional adverse actions being taken including, but not limited to, suspension of the award and/or award termination

Please contact Katherine Scott at (202) 482-2205 or [KScott@ntiadoc.gov](mailto:KScott@ntiadoc.gov) should you require further details about this decision.

Sincerely,



Arlene Simpson Porter, Director  
NOAA Grants Management Division

Cc: William Ball, NOAA  
Alan Conway, NOAA  
Raul Hernandez, NTIA  
Larry Jenkins, NOAA  
Douglas Kinkoph, NTIA  
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