

United States Senate
WASHINGTON, DC 20510

July 28, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable Richard W. Spinrad, Ph.D.
Administrator
National Oceanic and Atmospheric Administration

Dear Administrator Spinrad:

The Inflation Reduction Act (IRA) allocated \$3.3 billion to the National Oceanic and Atmospheric Administration (NOAA).¹ On June 6, 2023, NOAA announced a framework describing how \$2.6 billion of that \$3.3 billion will be spent to invest in “coastal resilience.”² The announced framework includes hundreds of millions in grant programs, conservation projects, a business accelerator program, and facilitation of a “climate-ready” workforce.³ These programs will give more than a billion dollars to tribes, fisheries, businesses, and individuals, with the remainder to be spent on NOAA facilities and other projects.⁴ Given the significant amount of taxpayer money at issue, the NOAA must perform exacting oversight to ensure fraud, waste, and abuse are eliminated.

In the past, the NOAA has failed to perform necessary oversight of taxpayer money. For example, the U.S. Department of Commerce (DOC) Office of Inspector General (OIG) audited the NOAA Financial Assistance Awards to the Gulf States Marine Fisheries Commission and found questioned costs totaling \$1.167 million.⁵ Additionally, the OIG stated that one subrecipient of these funds “did not provide access to financial records related to its subaward from the Commission.”⁶ This meant the OIG “could not perform work to determine whether \$5 million in costs claimed...are allowable, allocable, and reasonable.”⁷

Similarly, in another audit, the OIG found an NOAA grantee, the Washington State Recreation and Conservation Office (RCO), “claimed costs of \$2,491,000 that were not allowable, not allocable, or unsupported;” “did not follow requirements to protect federal interests when grant

¹ Inflation Reduction Act, 117th Cong. §§ 40001-40006 (2022).

² *Biden-Harris Administration announces \$2.6 billion framework through Investing in America agenda to protect coastal communities and restore marine resources*, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, (June 6, 2023), <https://www.noaa.gov/news-releases/noaa-ira-framework-2023>.

³ *Id.*

⁴ *Id.*

⁵ U.S. Dep’t of Com., Off. of Inspector Gen., OIG-19-021-A, *Audit of NOAA Financial Assistance Awards to the Gulf States Marine Fisheries Commission*, at 5, (Aug. 12, 2019), https://www.oig.doc.gov/OIGPublications/2019-08-12_NOAA_GSMFC_Final_Report_OIG-19-021-A.pdf.

⁶ *Id.* at 4.

⁷ *Id.*

funds were used to acquire or improve real property;” and did not “follow federal record retention requirements.”⁸ According to the audit, RCO used \$1,359,210 of the grant money to pay for expenses covered by another grant, which is an unallowable transfer.⁹ Further, indirect costs of \$825,000 were included as direct costs, which is an unauthorized practice.¹⁰

These examples are far from the only instances of fraud, waste, and abuse resulting from a lack of oversight and proper management.¹¹ Inadequate NOAA oversight of its programs could cost taxpayers billions of dollars. Given the significant amount of money at stake, and in order for Congress to better understand the oversight mechanisms the NOAA has put into place to prevent fraud, waste, and abuse, please provide answers to the following questions no later than August 11, 2023:

1. What steps has NOAA taken to create oversight mechanisms to ensure fraud, waste, and abuse are eliminated in these new and expanding programs?
2. How many NOAA employees will monitor and oversee the \$2.6 billion for coastal resilience investment? Provide the names, government rank, and salary of the employees.

⁸ U.S. Dep’t of Com., Off. of Inspector Gen., OIG-19-006-A, *Audit of NOAA Pacific Coastal Salmon Recovery Fund Grants to the Washington State Recreation and Conservation Office*, at 3, (Dec. 20, 2018), <https://www.oig.doc.gov/OIGPublications/OIG-19-006-A.pdf>.

⁹ *Id.* at 4.

¹⁰ *Id.* at 5.

¹¹ See U.S. Dep’t of Com., Off. of Inspector Gen., OIG-22-004-A, *WPRFMC’s Governance of Western Pacific Sustainable Fisheries Fund Awards Was Inadequate*, 3 (Nov. 10, 2021), <https://www.oig.doc.gov/OIGPublications/OIG-22-004-A.pdf> (finding \$1.238 million in questioned costs); U.S. Dep’t of Com., Off. of Inspector Gen., OIG-20-006-A, *NOAA’s Office of Marine and Aviation Operations Needs to Improve the Planning and Governing of Its Ship Fleet Recapitalization Effort*, at 4, 12, (Nov. 12, 2019), <https://www.oversight.gov/sites/default/files/oig-reports/OIG-20-006-A.pdf> (citing a 39-month delay due to NOAA’s failure to provide Congress with an updated recapitalization plan as causing new ships to cost at least \$11.9 million more, and the failure of following NOAA procedures resulting in there being no support for \$3.4 million in approved payments); U.S. Dep’t of Com., Off. of Inspector Gen., OIG-18-011-A, *Operations Does Not Fully Utilize the Shipboard Automated Maintenance Management System to Coordinate Ship Maintenance and Repairs*, at 8-9 (2018), https://www.oversight.gov/sites/default/files/oig-reports/2018-01-08_OIG-18-011-A.pdf (finding that NOAA consistently redistributing SAMMS funds to other expenses, causing potential waste upwards of \$5 million); U.S. Dep’t of Com., Off. of Inspector Gen., OIG-17-014-A, *NOAA Reviews of Unliquidated Obligations Could Be Improved with Greater Review Frequency and Additional Documentation*, 5 (Feb. 3, 2017), https://www.oversight.gov/sites/default/files/oig-reports/2017-02-03_OIG-17-014-A.pdf (finding “over \$7.8 million that should be deobligated and put to better use.”); U.S. Dep’t of Com., Off. of Inspector Gen., OIG-18-026-A, *Audit of NOAA Pacific Coastal Salmon Recovery Fund Grants to the Northwest Indian Fisheries Commission*, at 4, (Sept. 24, 2018), <https://www.oversight.gov/sites/default/files/oig-reports/OIG-18-026-A.PDF> (“questioned project costs claimed . . . totaling \$327,027.”); U.S. GOV’T ACCOUNTABILITY OFF., GAO-17-510, *HYDROGRAPHIC SURVEYING: NOAA NEEDS BETTER COST DATA AND A STRATEGY FOR EXPANDING PRIVATE SECTOR INVOLVEMENT IN DATA COLLECTION*, at 17-18, (2017), <https://www.gao.gov/assets/gao-17-510.pdf> (finding that NOAA did not include in its cost comparison reports the \$24.3 million acquisition cost of a survey vessel, \$13.7 million on vessel maintenance, and “contract administration costs for managing private sector hydrographers” contracted by NOAA).

3. What steps has NOAA taken to remedy inadequate internal controls, policies, and procedures for grant awards at both the Federal and recipient level?
4. What protocols does NOAA have in place to perform due diligence and vet grantees so that taxpayer money is sent to responsible organizations?
5. Has the NOAA implemented a system requiring invoices and source documentation for questionable expenses made by grant recipients? If not, why not? If so, provide all records.¹²
6. How does the NOAA ensure that recipients and subrecipients of federal funding do not spend money on costs that are unallowable under federal regulation? Please explain and provide all records.

Thank you for your prompt response to this important matter. If you have any questions, contact Jace Pimentel at (202) 224-0642.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Budget

¹² “Records” include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).