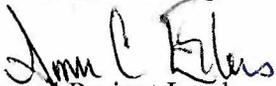




UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, D.C. 20230

June 10, 2010

MEMORANDUM FOR: Ms. Mary Glackin
Deputy Under Secretary for Oceans and Atmosphere,
National Oceanic and Atmospheric Administration

FROM: Ann C. Eilers 
Senior Advisor and Project Lead

SUBJECT: Audit of NOAA's systems and processes for tracking Gulf Coast
oil spill expenditures and revenues

As a result of the April 20, 2010, Gulf Coast oil spill, NOAA has mobilized experts from across the agency to help contain the disaster and protect the Gulf of Mexico's marine life against what is considered by many to be the worst spill in U.S. history. The true impact of the spill on the surrounding environment may take years to assess.

To date, NOAA's National Marine Fisheries Service has closed 32 percent of the fisheries in the Gulf of Mexico's exclusive economic zone and has identified a significant number of sea turtles and marine mammals that may have been affected by the oil spill. According to NOAA, other agency entities assisting in Gulf Coast efforts include:

- the Office of Marine and Aviation Operations, with four aircraft and three ships providing oil spill response support;
- the National Environmental Satellite, Data, and Information Service, providing experimental imagery for spill trajectory forecasts;
- the Office of Oceanic and Atmospheric Research, providing oceanographic and atmospheric modeling and data support;
- the National Weather Service, providing forecasting support for the operation; and
- the National Ocean Service, providing support in a number of areas, including producing nautical charts, collecting aerial imagery, and the operations and maintenance of systems to measure water levels and near-shore current meters.

Given the significance of NOAA's investment of resources in the Gulf Coast spill, the agency should be able to track its costs associated with these and other related efforts. In addition, NOAA should have a system that ensures restitution or reimbursement payments are matched to costs.

In order to provide assurance that NOAA is accurately tracking revenues and expenditures associated with NOAA's Gulf Coast oil spill activities, the Department's Office of Inspector General is preparing to conduct a survey of NOAA's financial systems and processes related to current and future actions to address the oil spill. The objectives of the survey will be to

determine whether NOAA has adequate financial systems and processes (1) for recording and tracking costs associated with NOAA's efforts to contain and assess environmental impacts related to the Gulf Coast oil spill; and (2) to collect, monitor, and disburse restitution funds associated with Gulf Coast spill cleanup activities.

Our survey will be conducted at NOAA's headquarters in Silver Spring, MD, and other locations, as needed. The survey will be the basis for follow-up reviews concerning specific objectives related to the Gulf Coast oil spill.

We will contact the audit liaison to arrange for an entrance conference. Should you have any questions regarding our audit, please contact me at 202-482-4328 or David Sheppard, Regional Inspector General for Audits, at 206-220-7970.

cc: Mack Cato, Director, Audit, Internal Control & Information Management Office, NOAA