



January 6, 2016

MEMORANDUM FOR: Dr. Kathryn D. Sullivan
Under Secretary of Commerce for Oceans and Atmosphere
and NOAA Administrator

FROM: Richard Bachman
Assistant Inspector General for Audit

SUBJECT: Audit of NOAA Hurricane Sandy Disaster Relief Funds

This memorandum addresses work conducted on our audit of the National Oceanic and Atmospheric Administration's (NOAA's) processes for awarding and monitoring Hurricane Sandy Disaster Relief funds.

In October 2012, Hurricane Sandy damaged hundreds of thousands of homes and caused billions of dollars in damage to vital infrastructure systems. Hurricane Sandy made landfall south of New Jersey's shore and caused historic devastation and substantial loss of life. In January 2013, President Obama signed the Disaster Relief Appropriations Act (Act) into law.¹

The Act appropriated \$326 million in Hurricane Sandy Relief funds to NOAA. The terms of the Act required NOAA to submit a "Spend Plan" to Congress with details of how the \$326 million would be spent. The plan listed, and this audit focused on, the \$7 million identified specifically for repair and replacement of ocean observing and coastal monitoring assets. NOAA spent \$6.3 million of the \$7 million in grants, contracts, and purchase card transactions. (See table I.)

Table I. NOAA Hurricane Sandy Costs

Funding Categories	Total Number	Costs Claimed
Grants	11	\$3,623,565
Contracts	28	\$2,614,750
Purchases	157	\$101,276
Total	196	\$6,339,591

Source: NOAA National Ocean Service

Our original audit objectives were to determine whether (1) NOAA followed federal and Departmental guidelines when awarding grants and contracts and making purchase card transactions for equipment damaged by Hurricane Sandy and (2) adequate controls were

¹ Disaster Relief Appropriations Act—Public Law 113-2, January 29, 2013, Title X, Chapter 2.

implemented to ensure Hurricane Sandy Relief funds were effectively monitored. To accomplish our objectives, we reviewed guidance issued by Office of Management and Budget, Department of Commerce regulations, and NOAA's guidelines for Hurricane Sandy funds. We interviewed NOAA officials involved in approving and awarding Hurricane Sandy funds and reviewed NOAA service contracts and purchase card transactions related to repair and replacement of equipment damaged by Hurricane Sandy.

Based on the results of our interviews and reviewing Hurricane Sandy documentation, we concluded our work under the objectives. We did not identify any issues with NOAA's implementation of the Act when awarding grants and contracts or when they purchased equipment and supplies with the purchase card. NOAA implemented adequate controls to effectively monitor Hurricane Sandy Relief funds. Our procedures were not designed to provide assurances on the overall effectiveness of NOAA's oversight of Hurricane Sandy awards and whether the program has reached its intended goals, and we do not express such assurances.

We thank your staff for courtesies shown to us during the review. Please direct any inquiries regarding this memorandum to Susan Roy, Regional Inspector General for Audit, at (404) 730-2063.

cc: Robert Ransom, Chief, Budget Execution Division, NOAA
Arlene Porter, Director, Grants Management Division, NOAA
Mack Cato, Audit Liaison, Audit and Information Management Office, NOAA