



Report in Brief

November 10, 2021

Background

The U.S. Pacific Islands of Hawaii, American Samoa, Guam, the Commonwealth of Northern Mariana Islands, and other U.S. Pacific Islands, are home to a diverse population of marine life and robust recreational and commercial fishing industries. In 2015, commercial fishing landed more than 36 million pounds of finfish and shellfish in the Pacific Islands, contributing nearly \$1 billion in sales and 10,000 jobs to the U.S. economy. The Western Pacific Regional Fishery Management Council (the Council) is one of eight regional fishery management councils established in 1976 by the Magnuson-Stevens Fishery Conservation and Management Act. The Council—a non-federal entity comprised of regional representatives and fishery stakeholders—manages fisheries and conservation within the Pacific Islands and the Pacific Islands Regional Exclusive Economic Zone (EEZ). The EEZ accounts for approximately half of the total U.S. EEZ and is comprised of more than 1.7 million square nautical miles, making it the largest managed geographical area within the National Oceanic and Atmospheric Administration (NOAA) fisheries' jurisdiction.

To support the Council's management efforts, Congress created the Western Pacific Sustainable Fisheries Fund (WPSFF). While the WPSFF's function has evolved since its inception, it currently acts as the repository for funds collected from Pacific Insular Area Fishing Agreements, foreign fishing violations, contributions received to support territorial Marine Conservation Plans and arrangements made pursuant to specified fishing agreements with Pacific Islands regional territories.

Why We Did This Review

On August 29, 2019, four members of the U.S. House of Representatives requested that our office, among other things, conduct a detailed audit of WPSFF expenditures. To address this request, our objectives were to determine whether WPRFMC (1) claimed allowable, allocable, and reasonable costs under the financial assistance awards and (2) received the goods and services paid for by the awards.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

WPRFMC'S Governance of Western Pacific Sustainable Fisheries Fund Awards Was Inadequate

OIG-22-004-A

WHAT WE FOUND

We found that the Council and its subrecipients claimed questionable costs of \$1,237,671 in awards WPSFF IV through WPSFF 2019. The Council did not retain adequate support for claimed costs, obtain required approvals from the awarding agency, or properly allocate costs to the WPSFF awards. The subrecipients did not provide adequate documentation to support certain claimed costs and did not spend all federal funds received.

We determined that the Council did not always provide documentation supporting the receipt of goods and services paid for with WPSFF awards. In addition, we identified key areas where the Council's management of WPSFF awards needs improvement.

WHAT WE RECOMMEND

We recommend that the Director of NOAA Grants Management Division do the following:

1. Make a determination on the \$1,237,671 in questioned costs recommended by OIG for recovery.
2. Require the Council to implement internal controls to ensure (a) adequate documentation is retained to support costs claimed, (b) approval from the NOAA Grants Officer, when required, (c) amounts charged to each award directly benefit the award in proportion to the relative benefits received, and (d) payments to subrecipients are based on reimbursement of actual expenses or immediate cash need.
3. Instruct the Council to implement any additional measures necessary to ensure adherence to all applicable financial assistance award requirements.
4. Instruct the Council to retain sufficient evidence to support receipt of deliverables.
5. Require the Council to implement sufficient internal controls to ensure it performs cost or price analysis on procurement contracts, obtains grants officer approval for sole-source contracts where required, and charges reasonable costs to federal awards, both in nature and amount.
6. Instruct the Council to follow all federal requirements when issuing subawards, including reporting requirements, and to avoid making payments on behalf of subrecipients.