



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

May 13, 2016

MEMORANDUM

SUBJECT: Project Notification:
Congressionally Requested Audit of Improper Funding of Advocacy Campaign for
Northwest Indian Fisheries Commission Puget Sound Protection and Restoration
Implementation Grant No. PA00J32201
Project No. OA-FY16-0178

FROM: John Trefry, Director, Forensic Audits
Office of Audit

A handwritten signature in black ink, appearing to read "John Trefry", is placed over the printed name in the "FROM:" field.

TO: Dennis McLerran, Regional Administrator
Region 10

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research on an audit of the Northwest Indian Fisheries Commission (NWIFC) Puget Sound Protection and Restoration Implementation Grant No. PA00J32201. This assignment is being initiated based on a request from the United States Senate, Committee on Environment and Public Works and Committee on Agriculture, Nutrition, and Forestry. In that request, the committees expressed concerns over what appears to be EPA improperly funding an advocacy campaign, called *What's Upstream*, in Washington state. The request stated that the campaign unfairly targets and demonizes farmers and ranchers.

Our audit will address the following questions raised by the committees:

- 1) Did the EPA follow applicable laws, regulations and policies with awarding this agreement?
- 2) Did the EPA follow applicable laws, regulations and policies in performing required oversight of the cooperative agreement?
- 3) Has NWIFC followed applicable laws, regulations and policies in performing and implementing this cooperative agreement?
- 4) Are there any unallowable cost associated with the *What's Upstream* advocacy campaign?
- 5) Has the EPA had any communication with the NWIFC and/or Strategies 360 regarding the *What's Upstream* advocacy campaign?

The OIG plans to conduct its work at Region 10 and the office of the NWIFC in Olympia, Washington. We will interview grant award and program oversight officials in Region 10, and review grant files. At NWIFC, we will conduct an audit of the costs claimed under the grant award, including compliance with grant terms and conditions. We will be issuing a separate notification letter to NWIFC advising them of the audit. Applicable generally accepted government auditing standards will be used in conducting our

work. The anticipated benefit of this audit is to ensure that all activities conducted under this grant award and the costs claimed by NWIFC comply with federal requirements.

This audit will be conducted concurrently with the *Audit of Northwest Indian Fisheries Commission Puget Sound Protection and Restoration Implement Grant Nos. PA00J32201 and PA00J91201*, Project No. OA-FY16-0176. The other audit will address whether costs claimed under the grants are reasonable, allowable and allocable in accordance with the applicable laws, regulations, and grant terms and conditions. We anticipate starting our work in mid to late May. We will contact the audit coordinator to arrange a mutually agreeable time to discuss our objectives and the purpose of the preliminary research phase of the assignment. We would also be particularly interested in any areas of concern that you may have. We will answer any questions you may have about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout the project, we will provide updates on a regular basis through monthly meetings and via email, phone or video conference.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the Administrator and include the incident in the Semiannual Report to Congress.

The project will be supervised by me, and the Project Manager will be Angela Bennett. Should you or your staff have any questions, please contact me at (202) 566-2474 or trefry.john@epa.gov, or Angela Bennett at (404) 562-9844 or bennett.angela@epa.gov.

cc: Michelle Pirzadeh, Deputy Regional Administrator, Region 10
Edward H. Chu, Assistant Regional Administrator, Region 10
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