



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

OFFICE OF
INSPECTOR GENERAL

May 27, 2016

Mr. Mike Grayum
Executive Director
Northwest Indian Fisheries Commission
6730 Martin Way E.
Olympia, WA 98516

Dear Mr. Grayum:

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research on the Northwest Indian Fisheries Commission's (NWIFC's) Puget Sound Protection and Restoration Implementation cooperative agreements PA00J32201 and PA00J91201. This project is included in our Fiscal Year 2016 Annual Plan.

Our overall objective is to determine whether the costs claimed under the agreements are reasonable, allowable and allocable in accordance with the applicable laws, regulations, and grant terms and conditions. The OIG plans to conduct our preliminary research at NWIFC's offices in Olympia, Washington, in mid to late June. Applicable generally accepted government auditing standards will be used in conducting our project.

This audit will be conducted concurrently with a congressionally requested audit of funding of an advocacy campaign for NWIFC's cooperative agreement no. PA00J32201. The United States Senate, Committee on Environment and Public Works and Committee on Agriculture, Nutrition, and Forestry, requested the audit because of concerns over what is alleged to be the EPA improperly funding an advocacy campaign called *What's Upstream*. The congressionally requested 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?

We will contact you to arrange a mutually agreeable time to discuss our objectives and the purpose of our project. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions 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 our preliminary research, we will provide updates to the staff of the NWIFC on a regular basis.

In order for us to complete our work as expeditiously as possible, we ask your cooperation in making records available to assist us. Please have the following information available when we arrive:

- Progress reports for ongoing projects.
- Accounting policies and procedures.
- Organization chart and chart of accounts.
- Any audit reports (issued within the last 3 years) pertaining to internal controls, accounting policies and procedures, and costs claimed under federal grants. Include the auditor's contact information as well.
- Payment requests/Automated Clearing House draw downs and supporting data.
- A listing of employees who worked on Cooperative Agreements PA00J32201 and PA00J91201.
- An electronic version of accounting records for the projects funded by the CA.

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 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 EPA Administrator and include the incident in the Semiannual Report to Congress.

I will supervise the preliminary research, and any information related to the project should be addressed to me at trefry.john@epa.gov or (202) 566-2474. The Project Manager, Angela Bennett, can be contacted at bennett.angela@epa.gov or (404) 562-9844.

Thank you in advance for your cooperation.

Sincerely,



John Trefry
Director, Forensic Audits

cc: Howard Corcoran, Director, Office of Grants and Debarment, Office of Administration and Resources Management
Dennis McLerran, Regional Administrator, Region 10
Michelle Pirzadeh, Deputy Regional Administrator, Region 10
Dan Opalski, Director, Office of Water and Watersheds, Region 10
Carrie Williams, Audit Follow-Up Coordinator, Region 10
Nic Grzegozewski, Agency Follow-Up Coordinator
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Carolyn Copper, Assistant Inspector General for Program Evaluation
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Jennifer Kaplan, Deputy Assistant Inspector General for Congressional and Public Affairs
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