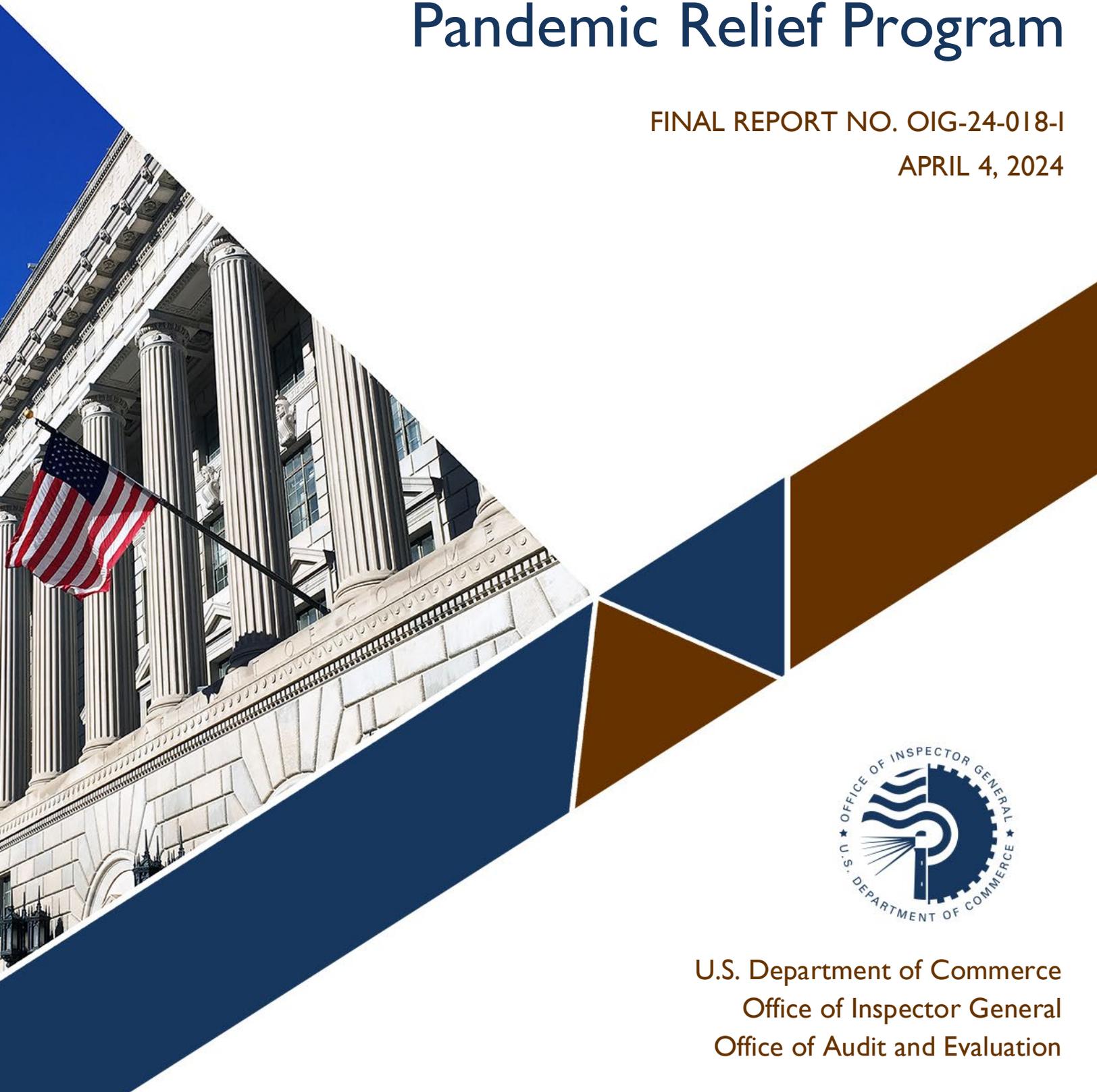


Independent Program Evaluation of National Oceanic and Atmospheric Administration (NOAA) Fisheries Pandemic Relief Program

FINAL REPORT NO. OIG-24-018-I

APRIL 4, 2024



U.S. Department of Commerce
Office of Inspector General
Office of Audit and Evaluation



April 4, 2024

MEMORANDUM FOR: Dr. Richard W. Spinrad
Under Secretary of Commerce for Oceans and Atmosphere
and NOAA Administrator
National Oceanic and Atmospheric Administration

FROM:

A handwritten signature in cursive script, appearing to read "Arthur L. Scott, Jr.".

Arthur L. Scott, Jr.
Assistant Inspector General for Audit and Evaluation

SUBJECT:

Independent Program Evaluation of National Oceanic and Atmospheric Administration (NOAA) Fisheries Pandemic Relief Program
Final Report No. OIG-24-018-1

Attached is the final report on the evaluation of the National Oceanic and Atmospheric Administration (NOAA) Fisheries Pandemic Relief Program. The evaluation objective was to determine whether NOAA Fisheries grantees and subrecipients accounted for and expended pandemic relief funds provided under the Coronavirus Aid, Relief, and Economic Security Act and subsequent funding authorizations in accordance with federal laws and regulations.

We contracted with the Institute for Defense Analyses (IDA), an independent firm, to perform this evaluation. Our office oversaw the evaluation's progress to ensure that IDA performed it in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (December 2020) and contract terms. However, IDA is solely responsible for the attached report and the conclusions expressed in it.

In its evaluation, IDA identified the following findings:

1. A dashboard helped NOAA monitor execution progress of most funding; however, NOAA had little to no oversight of CAA funding for the Tribes.
2. Some states and territories employed more rigorous processes and internal controls to identify potential incorrect payments.
3. Some states, Tribes, and territories were slower to distribute funds and less effective at targeting fishery participants with greater than 35 percent loss.

IDA made three recommendations and several suggestions for future efforts in its report.

On February 27, 2024, we received NOAA's response to IDA's draft report. In response to IDA's draft report, NOAA concurred with all the recommendations and described actions it has taken, or will take, to address them. NOAA's formal response is included within the final report as appendix C.

Pursuant to Department Administrative Order 213-5, please submit to us an action plan that addresses the recommendations in this report within 60 calendar days. This final report will be posted on the Office of Inspector General's website pursuant to the Inspector General Act of 1978, as amended (5 U.S.C. §§ 404 & 420).

We appreciate the cooperation and courtesies extended to IDA by your staff during this evaluation. If you have any questions or concerns about this report, please contact me at (202) 577-9547 or Kelley Boyle, Division Director, at (202) 253-0856.

Attachment

cc: Janet Coit, Assistant Administrator for NOAA Fisheries and Acting Assistant Secretary of Commerce for Oceans and Atmosphere and Deputy NOAA Administrator, NOAA
Benjamin Friedman, Deputy Under Secretary for Operations, NOAA
Joel Yoffee, Audit Liaison, NOAA



INSTITUTE FOR DEFENSE ANALYSES

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April 2024

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Other request for this document shall be referred to Office of Inspector General at the U.S. Department of Commerce, Washington, DC.

About This Publication

This work was conducted by the IDA Systems and Analyses Center under contract HQ0034-19-D-0001, Project EC-7-5069, “Independent Program Evaluations of the National Institute of Standards and Technology (NIST) and National Oceanic and Atmospheric Administration (NOAA) Pandemic Relief Programs,” for the Office of the Inspector General, U.S. Department of Commerce. The views, opinions, and findings should not be construed as representing the official position of either the Department of Defense or the sponsoring organization.

Acknowledgments

Thank you to Daniel L. Cuda, Robert D. Hirt, and Brian L. Zuckerman for performing a technical review of this document.

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INSTITUTE FOR DEFENSE ANALYSES

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Report in Brief

Background

The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized \$300 million to provide assistance to Tribal, subsistence, commercial, and charter fishery participants during the COVID-19 pandemic. An additional \$300 million was provided by the Consolidated Appropriations Act (CAA), 2021. The National Oceanic and Atmospheric Administration (NOAA) administered the relief used as direct payments or indirect assistance to support states, Tribes, and territories with coastal and marine fishery-related businesses who had been negatively affected by the COVID-19 pandemic. Fishery participants receiving relief were required by law to show their revenue losses were greater than 35 percent compared with their prior five-year average, or that they experienced negative impacts to subsistence, cultural, or ceremonial fisheries.

Why We Did This Review

This report is part of a series of evaluations regarding the Department of Commerce (DOC) Office of Inspector General's (OIG's) review of oversight for pandemic funds. The DOC OIG tasked the Institute for Defense Analyses (IDA)—an independent organization—to perform this particular evaluation. Our objective is to determine whether NOAA Fisheries grantees and subrecipients accounted for and expended pandemic relief funds provided under the CARES Act and subsequent funding authorizations in accordance with federal laws and regulations. Specifically, our tasking was to assess if NOAA Fisheries had sufficient oversight, fishery participants were compliant with the conditions of the awards, and whether grants were effective in achieving desired outcomes of timeliness and COVID-19 impact mitigation.

Approach

We took a multifaceted approach to complete our evaluation, reviewing relevant law, policies, and guidance. We conducted interviews with relevant stakeholders, including personnel from NOAA, each of the four interstate marine fisheries commissions, the Bureau of Indian Affairs (BIA), selected states, Tribes and territories, as well as the Government Accountability Office (GAO). We reviewed documents and information sources, including: grant award documentation; plans to distribute funds (“spend plans”); disbursement information; the universe of direct payments to fishery participants; an

interagency agreement; and a sample of applications for direct payments. Finally, we identified deficiencies and developed recommendations.

Findings

NOAA Fisheries distributed CARES and CAA funds representing more than half of its FY 2020 budget request, and did so during the difficult circumstances surrounding COVID-19. NOAA provided the states, Tribes, and territories with the flexibility to tailor relief to best assist their fishery participants. In overseeing this flexibility, NOAA reviewed and approved 119 different spend plans.

Finding I: A dashboard helped NOAA monitor execution progress of most funding; however, NOAA had little to no oversight of CAA funding for the Tribes

- NOAA used a dashboard to track documentation, funding status, and milestones for all funding except CAA funding for the Tribes.
- NOAA did not collect and review progress reports on \$24 million for Tribes and there was ambiguity between agencies on oversight.

Finding II: Some states and territories employed more rigorous processes and internal controls to identify potential incorrect payments

- Some states relied on self-certification without verification, resulting in some payments inconsistent with laws and regulations.
- Several states had no discovered calculation errors, while errors were identified in a few states.

Finding III: Some states, Tribes, and territories were slower to distribute funds and less effective at targeting fishery participants with greater than 35 percent loss

- Some relief methods may have provided long-term benefit and not provided immediate relief.
- As of April 2023, \$108 million in direct payments has not been disbursed and \$19.4 million in projects has not yet been expended.
- States and Tribes not prequalifying fishery participants required more time to disburse direct payments.
- The fishery commissions provided experience to facilitate the process; U.S. Virgin Islands executed funds more slowly without this support.

Recommendations

We make several overall recommendations and suggestions that follow from the findings to improve oversight, effectiveness of adjudication, timeliness, and ultimately mission outcomes. Some of these items can be executed in the near term, while some suggestions are intended for consideration in future efforts. We recommend and suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Recommendations

1. Continue to use, update, and monitor the dashboard.
2. Determine roles and responsibilities for oversight between NOAA and BIA. NOAA should ensure biannual progress reports for CAA funding for Tribes are collected and reviewed for compliance and take corrective action as necessary, including expediting funding that has not yet been distributed.
3. Increase attention and oversight for states, Tribes, and territories that have not completed CAA disbursements.

Suggestions for Future Efforts

1. Make dashboard information on progress executing funds publicly available for similar future efforts.
2. Clearly delineate roles and responsibilities of both agencies, including who will review progress reports provided by the Tribes, if interagency agreements (IAAs) are used in the future.
3. Clearly outline eligibility requirements and funding deadlines in contracts and agreements. Furthermore, future funds should be distributed in a way that balances the need for oversight with the administrative burden relative to the level of funding.
4. Direct adjudicators to verify applicant eligibility with supplemental information to the extent possible and consistently use internal controls to verify calculations, while balancing the tradeoff between accuracy and expediency.
5. Conduct a study to use fishery economic data to analyze the extent to which direct payments and various project types influenced the health of the fishing industry.
6. Consider the tradeoffs between direct payments and different types of projects to determine the best option for future relief to fishery participants. Direct payments or projects that are executed quickly should be used if the desire is to expedite execution of funds to provide immediate relief.

7. Direct adjudicators to leverage available data to identify applicants who would prequalify for direct payments to improve timeliness.
8. Continue to use the fishery commissions to execute similar future efforts. Further, the U.S. Virgin Islands should be provided support from the Gulf States Marine Fisheries Commission or another organization.
9. Use a more systematic approach to encourage and facilitate information sharing across states, Tribes, and territories. As needed, statutory, regulatory, or policy obstacles to greater information sharing should be reviewed for potential modification.
10. Continue to identify and disseminate lessons learned and best practices (e.g., providing a template for affidavits, a list of potential projects) to streamline process development for future relief efforts.

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1. Introduction

This report is part of a series of evaluations regarding the Department of Commerce (DOC) Office of Inspector General’s (OIG’s) review of oversight for pandemic funds. The DOC OIG tasked the Institute for Defense Analyses (IDA)—an independent firm—to perform this particular evaluation. Our objective is to determine whether NOAA Fisheries grantees and subrecipients accounted for and expended pandemic relief funds provided under the Coronavirus Aid, Relief, and Economic Security Act and subsequent funding authorizations in accordance with federal laws and regulations. Specifically, this includes determining if National Oceanic and Atmospheric Administration’s (NOAA’s) National Marine Fisheries Service (NMFS, also known as NOAA Fisheries) had sufficient oversight, fishery participants were compliant with the conditions of the awards, and whether grants were effective in achieving desired outcomes of timeliness and COVID-19 impact mitigation. This evaluation builds on a previous DOC OIG evaluation on NOAA Fisheries pandemic relief funds.¹ The findings of that earlier evaluation were:

- NOAA Fisheries took proactive steps to implement the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- NOAA Fisheries made efforts to mitigate challenges related to timely reviewing and approving spend plans.
- NOAA Fisheries has obligated all CARES Act funds to fishery partners. However, disbursements to fishery participants are slow.

A. Background

The U.S. fishing and seafood sector experienced immediate and widespread declines in 2020 as a result of the COVID-19 pandemic. NOAA estimated a decline in revenue of 45 percent by July 2020 relative to the five-year monthly average.² Contributing factors to the lost revenue included restaurant closures and social distancing protocols.

¹ DOC OIG Report OIG-21-028-I, *NOAA Fisheries Implemented the Requirements for Awarding Funds Under the CARES Act but Faces Challenges with the Pace of Funds Disbursement to Fishery Participants*, June 9, 2021.

² NOAA Fisheries National Snapshot, January–July 2020, <https://media.fisheries.noaa.gov/2021-02/Updated-COVID-19-Impact-Assessment-webready.pdf>, accessed 5/24/2023.

The CARES Act,³ signed in March 2020, authorized \$300 million to provide assistance to Tribal, subsistence, commercial, and charter fishery participants. An additional \$300 million in fisheries disaster assistance was provided by the Consolidated Appropriations Act⁴ (CAA), 2021; of these funds, \$30 million was designated for federally recognized Tribes in coastal or Great Lakes states, and \$15 million was designated for Great Lakes states that were not previously funded. The funding was for direct payments or indirect assistance to support states, Tribes, and territories with coastal and marine fishery-related businesses who had been negatively affected by the COVID-19 pandemic. The primary benefitting businesses included several sectors: commercial fishing, charter/for-hire fishing, aquaculture operations, processors, and dealers. Some marine bait and tackle, marine gear, and vessel suppliers also may have been eligible.

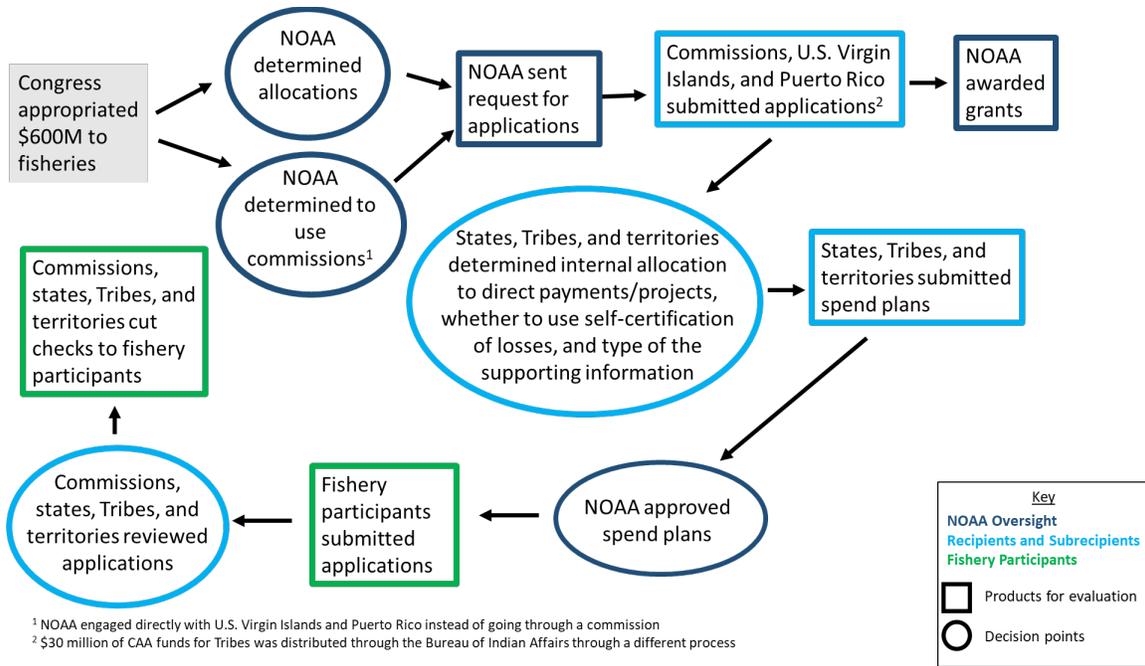
NOAA administered the \$600 million in total funds. Figure 1 shows the process of distributing the funds. NOAA used the interstate marine fisheries commissions to help distribute the funds. For CARES and CAA, the Atlantic States Marine Fisheries Commission (ASMFC), the Pacific States Marine Fisheries Commission (PSMFC), and the Gulf States Marine Fisheries Commission (GSMFC) were the grant recipients that facilitated distribution of funds to states, Tribes, and territories as subrecipients. NOAA Fisheries had existing partnerships with these commissions concerning cross-state issues related to shared fishery resources;⁵ the commissions receive part of their funding through federal grants, and they coordinated and facilitated fishery disaster relief before COVID-19. After the CAA designated funds for the Great Lakes, the Great Lakes Fisheries Commission (GLFC)—as a grant recipient—helped to distribute funds to Great Lakes states. NOAA Fisheries indicated funding was distributed directly to U.S. Virgin Islands (USVI) and Puerto Rico⁶ without going through a commission. Funding for the Tribes was distributed through PSMFC for CARES and through an interagency agreement (IAA) with the Bureau of Indian Affairs (BIA) for CAA.

³ Pub. L. No. 116-136, 134 Stat. 281; 15 U.S.C. § 9001 note.

⁴ Pub. L. No. 116-260.

⁵ NOAA Fisheries Partners, <https://www.fisheries.noaa.gov/insight/our-partners#interstate-partners>, accessed 6/10/2023.

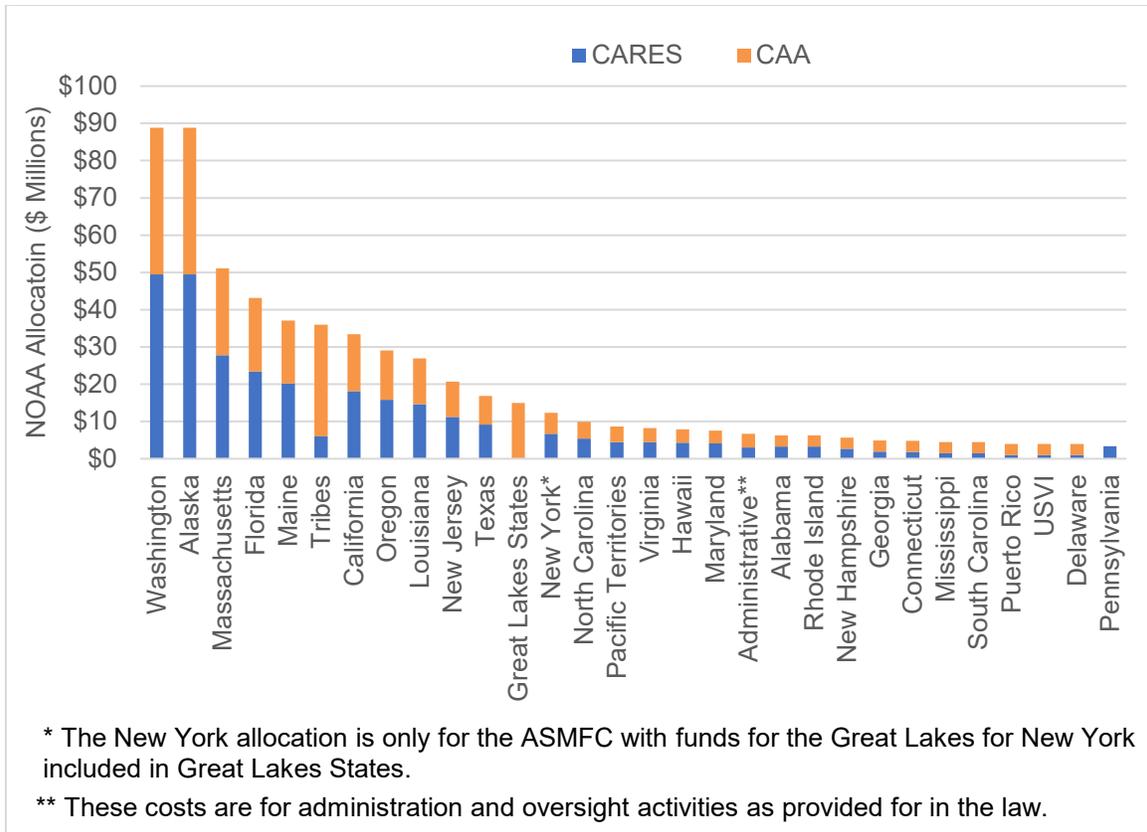
⁶ Puerto Rico was out of scope of the evaluation.



Source: IDA visualization of process developed from program documentation and interviews.

Figure 1. Process to Distribute CARES and CAA Relief to Fishery Participants

NOAA Fisheries determined the precise funding allocated across states, Tribes, and territories using readily available annual revenue information about the fisheries as well as information concerning negative impacts to subsistence, cultural, and ceremonial fisheries. This method attempted to distribute funds as quickly as possible while accounting for regional variability in the size of the sectors across the country. NOAA incorporated minimum and maximum levels of CARES Act funds for a particular state or territory. CAA specified minimum and maximum levels for the allocation amount to each state or territory. Figure 2 shows the distribution of funding across various states, Tribes, and territories for both CARES and CAA funding. For the Atlantic states, some of these funds were reallocated after some states did not use all of their funds.



Source: NOAA Data.

Figure 2. NOAA Allocation Across States, Tribes, Territories for \$600 Million of Relief

NOAA provided the states, Tribes, and territories with the flexibility to tailor relief to best assist their fishery participants. In cooperation with the commissions, each state, Tribe, and territory developed a plan, called a spend plan, to outline how they would distribute the funding.⁷ Each spend plan was to be consistent with the CARES and CAA language and NOAA guidance and approved by NOAA with final approval by the Acquisition and Grants Office/Grants Management Division. Spend plans included various funding disbursement mechanisms, including direct payments, fishery-related infrastructure projects, and fishery-related education. If direct payments were used, spend plans also included a description of the payment application processes. NOAA Fisheries expressed a preference for direct payments to expedite the funds based on its interpretation of Congress’s intent as outlined in the statute.

To be eligible for direct payments, applicants had to show that their revenue losses were greater than 35 percent as compared to the prior five-year average, or that they experienced negative impacts to subsistence, cultural, or ceremonial fisheries. Each state, Tribe, and territory was responsible for determining how it would identify and verify which

⁷ An exception is that Tribes were not required to provide spend plans for CAA funding.

fishery participants met the threshold outlined in the spend plans. As shown in Figure 1, some states used self-certification of the numbers reported for 35 percent revenue loss. Other states used other supporting information by requiring tax documentation or using commercial landings data to prequalify applicants or verify their reported revenue. The application processes included handwritten, typed, hard copy, and electronic systems. Some states, Tribes, and territories distributed funds to fishery participants directly, while several states and territories used the capabilities of the commissions to send direct payments.

In response to a GAO recommendation,⁸ NOAA developed a dashboard to track information on the distribution of funds. The dashboard shows an executive view of funds allocated and expended. The status of funds and milestones for direct payments/projects is also available at a more detailed level by each commission, state, Tribe, and territory. Furthermore, the dashboard is updated with key program documentation, including the approved spend plans and addendums to these spend plans.

Table 1 illustrates the differences across states and territories for direct payments disbursed by April 2023. The number of payments represents the count of fishery participants receiving a payment, the total payments represents all direct payments in a state, and the average is the average payment to a fishery participant in CARES or CAA. Some states and territories have yet to complete their CAA funding disbursements. The number of payments per state varies from Minnesota, with a single payment to a fishery participant for CAA, to Alaska, with over 2,500 payments for CARES. The average payments range from Maryland, with less than \$2,500 for CAA, to New Jersey, with over \$125,000 for CAA. Multiple factors contribute to the differences in average payment per recipient. States and territories differ in their outreach to fishery participants about opportunities to apply for relief, internal allocation of funds to fishery participants, the eligibility criteria, and the adjudication processes, resulting in different denial rates.

⁸ GAO Report, *COVID-19 Critical Vaccine Distribution, Supply Chain, Program Integrity, and Other Challenges Require Focused Federal Attention*, GAO-21-265, January 2021.

Table 1. Number and Amount of Payments by State and Territory

Recipient	State/ Territory	CARES			CAA		
		Number	Total (\$K)	Average (\$K)	Number	Total (\$K)	Average (\$K)
ASMFC	CT	62	1,821	29	57	2,710	48
ASMFC	DE	21	992	47	7	130	19
ASMFC	FL	1,832	25,332	14	1,352	19,140	14
ASMFC	GA	65	1,790	28	42	2,927	70
ASMFC	MA	857	27,359	32	668	23,298	35
ASMFC	MD	1,114	4,087	4	995	2,484	2
ASMFC	ME	2,421	17,409	7		N/A	
ASMFC	NC	203	5,255	26	265	4,386	17
ASMFC	NH	77	2,660	35	51	2,161	42
ASMFC	NJ	88	10,863	123	27	3,443	128
ASMFC	NY	241	7,426	31	196	5,558	28
ASMFC	RI	67	3,535	53	44	2,898	66
ASMFC	SC	316	1,483	5	135	1,727	13
ASMFC	VA	692	4,483	6	333	3,697	11
GSMFC	AL	72	3,254	45	63	2,948	47
GSMFC	LA	1,167	14,392	12	697	12,171	17
GSMFC	MS	223	1,437	6	277	2,923	11
GSMFC	TX	134	8,969	67	111	2,516	23
PSMFC	AK	2,517	46,671	19		Pending	
PSMFC	AS	21	1,699	81		Pending	
PSMFC	CA	1,568	17,932	11	424	15,246	36
PSMFC	CMNI	26	98	4		Pending	
PSMFC	GU	13	220	17		Pending	
PSMFC	HI	263	4,279	16		Pending	
PSMFC	OR	295	15,768	53		Pending	
PSMFC	WA	675	38,563	57		Pending	
USVI	USVI	7	80	11	3	18	6
GLFC	IL		N/A		16	333	21
GLFC	IN		N/A		5	43	9
GLFC	MI		N/A		59	3,735	63
GLFC	MN		N/A		1	86	86
GLFC	NY		N/A		6	733	122
GLFC	OH		N/A		29	2,593	89
GLFC	PA		N/A		3	44	15
GLFC	WI		N/A		12	773	64

Source: ASMFC, GLFC, GSMFC, PSMFC, and U.S. Virgin Islands data.

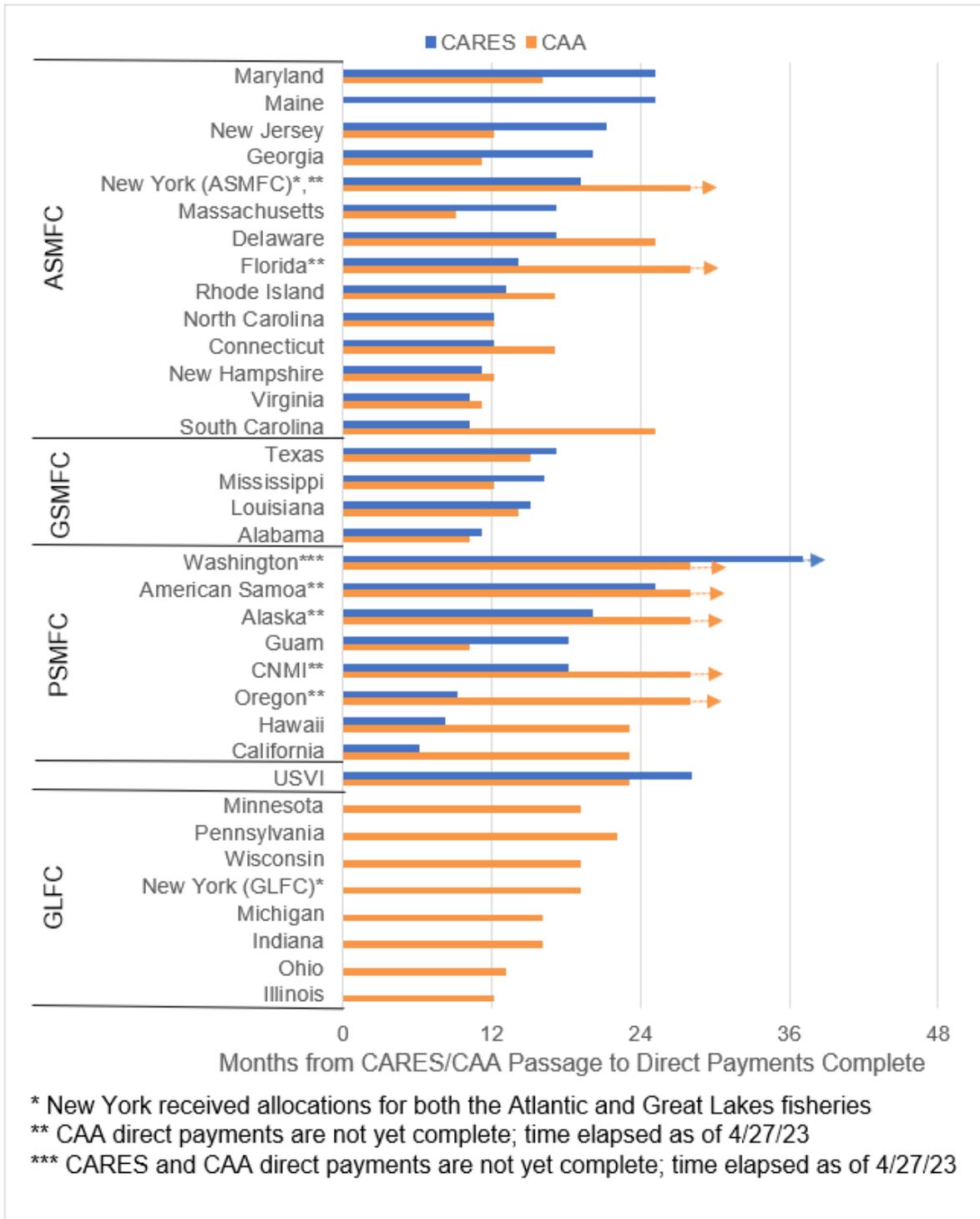
Table 2 shows the losses reported by fishery participants applying for pandemic relief for selected states and territories, along with the direct payments made from the allocations in Figure 2. These data are not available for all states since data collection is not standardized. Multiple factors beyond the size of the fisheries could affect the losses across states, Tribes, and territories. Some variation across regions exists in losses by the fisheries participants during COVID-19. Furthermore, the application and adjudication processes varied across states, Tribes, and territories. Factors potentially affecting losses reported in applications include differences in outreach to potential applicants about opportunities to apply for relief, identification of incorrect claims of revenue loss during the adjudication process, and the loss windows for applications. The average losses that were recovered by direct payments from NOAA CARES and CAA pandemic relief varied by state. Alaska's reported losses were much larger than the direct payments, while almost 60 percent of the losses reported by North Carolina fishery participants were recovered through direct payments. Some territories were made whole or close to whole through NOAA pandemic relief. Except for money allocated to the Great Lakes, Tribes, and some minimum/maximum levels, the CARES Act and CAA did not provide any specific requirements on how funding would be distributed across eligible states, Tribes, and territories. NOAA Fisheries did not have access to these data on losses when it allocated funds based on revenue. NOAA did provide flexibility for commissions to reallocate funds across states within the commission without deobligating and reobligating the funds. The Atlantic states were the only states to reallocate funding for the CARES Act.

Table 2. Data on Losses by Applicants and Payments for Selected States and Territories

State/Territory	Reported Historic Revenue (\$K)	Reported Absolute Loss (\$K)	Average Loss (%)	Total Direct Payments (\$K)	Average Portion of Loss Recovered (%)
Alaska CARES	804,871	465,164	58	46,671	10
Washington CARES	470,932	233,304	50	38,563	17
Florida CARES	173,500	95,429	55	25,332	27
California CAA	172,350	103,006	60	15,246	15
Oregon CARES	99,298	48,527	49	15,768	32
Mississippi CARES	60,232	41,100	68	1,437	3
Hawaii CARES	41,070	25,932	63	4,279	17
New Jersey CARES	26,894	12,998	48	10,863	84
North Carolina CARES	14,893	8,900	60	5,255	59
American Samoa CARES	3,529	1,738	49	1,699	98
Guam CARES	384	259	67	220	85
Commonwealth Northern Mariana Islands (CNMI) CARES	173	98	56	98	100

Source: PSMFC, Florida, North Carolina, and New Jersey data.

Figure 3 shows the time from the passing of the CARES Act or CAA until the time when direct payments were completed, for states and territories. As of April 2023, seven states and territories have not yet completed direct payments for CAA, and Washington has not yet completed CARES and CAA payments. The average time across states and territories from the passage of the legislation to completing payments will be at least 18 months.



Source: NOAA data.

Figure 3. Time to Complete Direct Payments for States and Territories

2. Objectives, Findings, and Recommendations

A. Objectives

Our objective is to determine whether NOAA Fisheries grantees and subrecipients accounted for and expended pandemic relief funds provided under the CARES Act and subsequent funding authorizations in accordance with federal laws and regulations. Specifically, this includes determining if NOAA Fisheries had sufficient oversight, fishery participants were compliant with the conditions of the awards, and whether grants were effective in achieving desired outcomes of timeliness and COVID-19 impact mitigation. The CARES Act and CAA are key laws for our evaluation. OMB guidance directs agencies to consider three core principles to distribute COVID-19 relief: mission achievement, expediency, and transparency/accountability.⁹ Our evaluation therefore examines NOAA's oversight, the transparency and accountability of commissions, states, Tribes, and territories in distributing funds to fishery participants, and whether the program achieved the core principles of mission achievement and expediency. More information on objectives of the evaluation can be found in Appendix A, which contains further detail on scope and methodology. Chapter 3 contains a summary of NOAA's response to the draft report with NOAA's formal comments included in Appendix C.

B. Findings and Recommendations

1. Finding I: A dashboard helped NOAA monitor execution progress of most funding; however, NOAA had little to no oversight of CAA funding for the Tribes

NOAA Fisheries faced a challenge to oversee the distribution of funds during difficult circumstances surrounding COVID-19. The magnitude of funding NOAA Fisheries was directed to move quickly equated to more than half of its FY 2020 budget request. Furthermore, NOAA administered these funds in a way that allowed flexibility to individual states, Tribes, and territories to address the specific needs of their fishery participants. This flexibility presented a challenge for overseeing and managing many different strategies, each with its own milestones. NOAA developed a dashboard to help

⁹ Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

with much of the oversight; however, five percent of the total funding that was designated for the Tribes in CAA had little to no oversight.

a. The dashboard helped NOAA track documentation, funding, and milestones

NOAA provided the states, Tribes, and territories with the flexibility to tailor relief to best assist fishery participants across regions. In overseeing this flexibility, NOAA reviewed and approved 119 different spend plans. Each of these spend plans had an associated budget and schedule to monitor. OMB guidance discusses the importance of agencies awarding and distributing funds in an expedient manner with transparency.¹⁰ GAO recommended that NOAA should develop a mechanism to track the progress of CARES relief distribution to fishery participants.¹¹ In response, NOAA developed a dashboard to consolidate status information into a single interface to allow NOAA to easily access and track status information and documentation. The information contained in the dashboard largely pertained to expenditures of subrecipients, who were not required to permit public access to their information. Therefore, the dashboard was an internal use system. Interviews with NOAA Fisheries staff indicated that the dashboard information was helpful. NOAA Fisheries used the dashboard to track documentation, funding, and milestones for commissions, states, and territories for both CARES and CAA. The dashboard was used for CARES funding for Tribes, but not CAA funding for Tribes. Lapses in oversight occurred where the dashboard was not used to monitor CAA funding for the Tribes.

We make the following recommendation to complete COVID-19 relief and suggestion to improve transparency for future efforts. We recommend the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Recommendation 1: *Continue to use, update, and monitor the dashboard.*

We also suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Suggestions for Future Efforts 1: *Make dashboard information on progress executing funds publicly available for similar future efforts.*

¹⁰ Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

¹¹ GAO Report, *COVID-19 Critical Vaccine Distribution, Supply Chain, Program Integrity, and Other Challenges Require Focused Federal Attention*, GAO-21-265, January 2021.

b. NOAA did not adequately execute and oversee the distribution of CAA funds to the Tribes

Prior to gaps in NOAA oversight of CAA funding to Tribes, NOAA distributed funding to federally recognized Tribes through PSMFC for CARES funding. Furthermore, Washington state distributed an additional \$11 million to its Tribes through the PSMFC. Each of the Tribes developed spend plans that were approved by NOAA for CARES funding. The Tribes also provided progress reports to the PSMFC for CARES. A similar process was used across all states, Tribes, and territories, including Tribes that received less than \$100,000. After the CARES funding distribution and prior to CAA distribution, NOAA conferred with the Tribes about their experience. The Tribes expressed a preference for funding to be administered directly through the Bureau of Indian Affairs (BIA). Consequently, for the CAA funding, NOAA did provide funding to the Tribes through BIA due to BIA's ongoing relationship with the Tribes, including existing mechanisms for distributing funds.

NOAA entered into an interagency agreement (IAA) with BIA to provide CAA funding to the Tribes. However, the IAA did not clearly delineate who was responsible for oversight (e.g., reviewing progress reports). NOAA incorrectly assumed BIA would be performing oversight; however, these responsibilities were not explicitly transferred to BIA. The BIA contracts with Tribes require biannual reports to BIA on the execution of these funds, but neither BIA nor NOAA collected or reviewed them consistently and thus had little insight into how the funding was being spent and whether it was in accordance with the CARES Act and CAA requirements. Additionally, OMB guidance discusses the importance of agencies awarding and distributing funds in an expedient manner.¹² NOAA did not monitor execution of these funds to advocate for expedient awards nor did NOAA transfer this responsibility to BIA through the IAA.

BIA disbursed funds to the Tribes through amendments to existing contracts with the Tribes. The contract amendments included an unintended reference to spend plans, which were not in fact required by NOAA for CAA funding for the Tribes. As a result, the contracts do not include eligibility requirements, although eligibility requirements were stipulated in the instructions for the initial application that Tribes submitted to NOAA requesting funds. Furthermore, the contracts did not have deadlines for the Tribes to disburse funds. Some Tribes received CARES funding, which required spend plans, while there were some Tribes that only received CAA funding, for which spend plans were not developed. As a result, some Tribes may be spending funds in a manner inconsistent with eligibility guidance. For example, funds are subject to eligibility criteria from CARES,

¹² Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, OMB M-20-21. Washington DC: OMB, <https://www.whitehouse.gov/wp-content/uploads/2020/04/Implementation-Guidance-for-Supplemental-Funding-Provided-in-Response.pdf>, accessed 5/24/2023.

CAA, and NOAA’s guidance, including “funds cannot be used to compensate state, local, or tribal governments for lost municipal or government tax revenue.” A particular Tribe’s progress report indicates that \$468 thousand of funding will be provided to the Tribe itself. It is unclear whether these funds are being used to compensate the tribal government, which would not be in accordance with NOAA’s guidance. Furthermore, some Tribes are not disbursing funds in an expedient manner. The progress reports that have been provided indicate that some Tribes have substantial funding that has not been executed yet as they were not given a deadline. The total amount of unexpended funds is unknown for Tribes since they have not all submitted progress reports. Finding III (b) addresses timeliness in general.

\$30 million was obligated for CAA to the Tribes with little to no oversight. NOAA received no progress report submissions for \$24.2 million of CAA funds disbursed to Tribes. We categorize both the \$468 thousand and \$24.2 million as unsupported costs (see Appendix B for a summary of unsupported costs and other potential monetary impacts).

We make the following recommendation for immediate action to complete funding execution. We recommend the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Recommendation 2: *Collect and review biannual progress reports for CAA funding for Tribes for compliance and take corrective action as necessary, including expediting funding that has not yet been distributed.*

We make the following suggestions about IAAs and general contracting and oversight. We suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Suggestion for Future Efforts 2: *Clearly delineate roles and responsibilities of both agencies, including who will review progress reports provided by the Tribes, if interagency agreements (IAAs) are used in the future.*

Suggestion for Future Efforts 3: *Clearly outline eligibility requirements and funding deadlines in contracts and agreements. Furthermore, future funds should be distributed in a way that balances the need for oversight with the administrative burden relative to the level of funding.*

2. Finding II: Some states and territories employed more rigorous processes and internal controls to identify potential incorrect payments

As mentioned previously, transparency/accountability is a core OMB principle for distributing COVID-19 relief.¹³ The application and adjudication processes to distribute funds to fishery participants varied across states and territories.¹⁴ These differing processes resulted in variances both in the information used for adjudication and the internal controls used to assess this information in the adjudication processes. Some questioned payments were identified along with risk areas.

a. Some states relied on self-certification without verification, resulting in some payments being inconsistent with laws and regulations

Some states have application and adjudication processes for direct payments that rely on self-certification, while other states use additional supporting information to verify revenue loss. The CARES Act requires that to be eligible for relief, fishery participants must have “(1) economic revenue losses greater than 35 percent as compared to the prior 5-year average revenue; or (2) any negative impacts to subsistence, cultural, or ceremonial fisheries.”¹⁵ OMB provides agencies guidance on “balancing the need for expediency with steps to mitigate risk of fraud, waste, abuse, and improper payments.” The states had different ways of determining and verifying applicant eligibility. Nine states relied on only self-reported data for CARES Act. The self-reported data was not verified with other sources such as landing data or tax records. For example, Mississippi relied on self-certification and only required self-reported 2020 revenue and average historical revenue for CARES. In contrast, Texas compared reported revenue against commercial landings data, and Louisiana required applicant tax records.

New Jersey, a state using self-certification, performed two audits of relief for its fishery participants and found that several applications had inaccurate self-reported revenue.^{16,17} Out of a judgmental sample of 52 applications with a sample award total of nearly \$13 million, these audits found approximately \$5 million of excess funding made

¹³ Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

¹⁴ The Tribes also had differences in application and adjudication processes, but these applications were not selected as part of the sample reviewed.

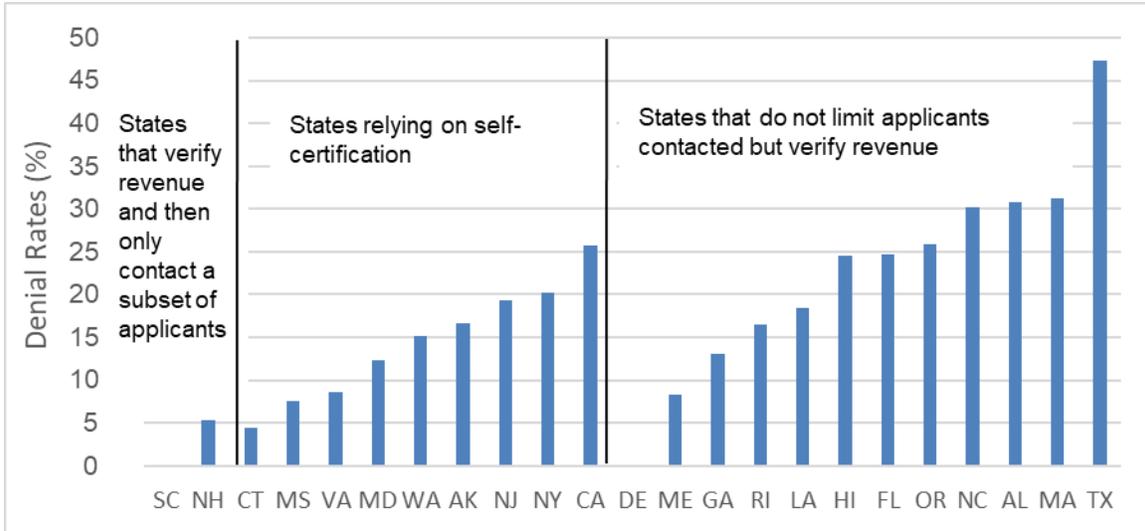
¹⁵ Pub. L. No. 116-136, 134 Stat. 281; 15 U.S.C. § 9001 note.

¹⁶ New Jersey Office of the State Comptroller, *Report on COVID-19 CARES Act Marine Fisheries Assistance Grant Program*, March 24, 2022, <https://www.nj.gov/comptroller/reports/2021/approved/20220324.shtml>, accessed 5/24/2023.

¹⁷ Vander Wee Group, *Integrity Monitor Report*, September 30, 2022, <https://gdro.nj.gov/tpbackend/documents/NJ%20DEP-VWG%20Integrity%20Monitor%20Report%20-%20Q3%202022%20FINAL%20v2.pdf>, accessed 5/24/2023.

applicants more than whole, \$1 million of funds went to ineligible applicants, and \$1 million of funds lacked supporting documentation.

Lower rates of denied applications potentially allow for payments to ineligible applicants. Denial rates to fishery participants for CARES funding varied across states, as Figure 4 demonstrates. Denial rates are defined as the rate at which an application for CARES funding is disqualified without any payment.



Source: ASMFC, GSMFC, and PSMFC data.

Figure 4. Denial Rates for CARES Applications, by State

The application and adjudication process is just one factor contributing to the variation in denial rates. Table 3 summarizes the differences among three categories of application and adjudication processes shown in Figure 4. Outreach to fishery participants about the opportunity to apply could have been another factor affecting the variation in denial rates. South Carolina and New Hampshire (left side of Figure 4) contacted only a subset of fishery participants deemed to be eligible in some sectors; these states had the lowest average denial rate. This low denial rate resulted from some ineligible fishery participants having never been contacted about applying and who would have been denied if they had applied. Nine states relied only on self-certification (center of Figure 4) and had a somewhat higher average denial rate. These states have received \$133 million in funding disbursed as direct payments to fishery participants for CARES. The remaining states (right side of Figure 4), which checked external sources against application information or required supporting information in the application, had the highest denial rate on average. Without verification by adjudicators using additional information, self-certification may have resulted in payments that did not meet the eligibility requirements. Table 3 also shows the average time to complete direct payments for each group. Although self-certification

requires less burden on the applicant and adjudicator, other factors led to these states having a longer time to complete direct payments. Requiring additional evidence and/or conducting additional verification would likely increase the time to complete direct payments.

Table 3. Average Denial Rates by Type of Application and Adjudication Process

Process	Denial Rates (%)	Average Time to Complete Direct Payments (Days)
States that verify revenue and then only contact a subset of applicants	3	325
States relying on self-certification	14	566
States that do not limit applicants contacted but verify revenue	23	457

Source: ASMFC, GSMFC, PSMFC, and NOAA data.

Among states with outreach to all fishery participants, those relying on self-certification had lower denial rates than states evaluating more supporting documentation. Based on audit information in NJ, several fishery participants having a 35 percent loss and using self-certification were overcompensated. Furthermore, ineligible fishery participants using self-certification received payments.

b. Several states had no discovered calculation errors, while errors were identified in a few states

OMB provides agencies guidance on “balancing the need for expediency with steps to mitigate risk of fraud, waste, abuse, and improper payments.”¹⁸ In particular, the CARES Act authorizes funds for fishery participants who have “(1) economic revenue losses greater than 35 percent as compared to the prior 5-year average revenue; or (2) any negative impacts to subsistence, cultural, or ceremonial fisheries.”¹⁹ Also, NOAA stipulates that fishery participants cannot be compensated with NOAA relief and other COVID-19 federal assistance to exceed their revenue loss relative to the average for the previous 5 years (i.e., cannot be made more than whole).

As discussed previously, each state, Tribe, and territory developed its own application and required varying levels of information and supporting documentation. The adjudication processes were also different across commissions and states with different

¹⁸ Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

¹⁹ Pub. L. No. 116-136, 134 Stat. 281; 15 U.S.C. § 9001 note.

levels of internal controls to verify calculations, check against outside sources, and verify that participants are not made more than whole.

The evaluation team reviewed a judgmental sample of 664 applications across 22 states and one territory:

- We reviewed all Mississippi and New Jersey CARES applications. These applications used electronic application systems with internal controls to perform calculations based on applicant input; this process resulted in no calculation errors.
- We identified 39 applications in nine states for a total of \$2,783 thousand, which corresponded to applications with calculation errors that were corrected by the adjudicator. This includes an error in an auto-calculation that did not update after an applicant's input changes. Several states had processes that did not avoid application submissions with calculation errors.
- We identified two applications in Alaska with errors that would not have changed the overall payment.
- We identified \$199 thousand of questioned payments due to calculation errors for 35 percent loss. These questioned payments corresponded to seven applications in Florida.
- We identified \$115 thousand of questioned payments where fishery participants were made more than whole, questioned information was provided, or errors were made in calculating the payment. These questioned payments corresponded to five applications in Florida and one application in Alabama.
- We identified \$438 thousand of payments for 31 applications across five states with the same historical revenue used for multiple applications and payments. Applications with the same revenue have the potential for double-counted revenue and overpayment. For example, one of the New Jersey audits found a \$149 thousand overpayment due to double-counted revenue.
- We identified \$969 thousand of payments corresponding to applications using rounded revenue (i.e., dollar figures that are rounded to the nearest thousand or higher). Any of these payments with rounded numbers could have less than 35 percent revenue loss and be ineligible for funds. Although there is no guidance

to preclude rounding, a best practice in identifying fraudulent claims is to review rounded numbers.^{20,21}

Appendix B summarizes questioned costs and other potential monetary impact.

In the future, adjudicators should implement internal controls to verify calculations. In the CARES example, this would include the calculation of revenue loss, payment amounts, and whether the applicant meets the 35 percent revenue loss threshold. Also, adjudicators should verify that payment amounts do not make fishery participants more than whole. Adjudicators should check for multiple applications that are using the same historical annual revenue. NOAA should provide guidance on rounding, and adjudicators should review rounded numbers as needed. We suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

***Suggestion for Future Efforts 4:** Direct adjudicators to verify applicant eligibility with supplemental information to the extent possible and consistently use internal controls to verify calculations, while balancing the tradeoff between accuracy and expediency.*

3. Finding III: Some states, Tribes, and territories were slower to distribute funds and less effective at targeting fishery participants with greater than 35 percent loss

States, Tribes, and territories used different approaches with different outcomes for OMB core principles of mission achievement and expediency. These differences were both in the methods of relief and the process to distribute funds, resulting in different times to disburse funds. As of April 2023, \$108 million in direct payments has not been disbursed and \$19.4 million in projects has not yet been expended.

a. Some mechanisms were less effective at targeting fishery participants with greater than 35 percent loss for immediate relief

Some mechanisms to deliver funds may not have effectively provided expedited relief to help fishery participants overcome COVID-19 income loss. Data are still emerging that would allow analysis to quantify the effect of different relief methods. OMB guidance directs agencies to consider three core principles to distribute COVID-19 relief: mission achievement, expediency, and transparency and accountability.²² The CARES Act requires

²⁰ M. J. Nigrini, “The patterns of the numbers used in occupational fraud schemes,” *Managerial Auditing Journal* 34, no. 5 (2019): 606–626, <https://doi.org/10.1108/MAJ-11-2017-1717>.

²¹ R. S. Debrecey and G. L. Gray, “Data mining journal entries for fraud detection: An exploratory study,” *International Journal of Accounting Information Systems* 11, no. 3 (2010): 157–181.

²² Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

that to be eligible for relief, fishery participants must have “(1) economic revenue losses greater than 35 percent as compared to the prior 5-year average revenue; or (2) any negative impacts to subsistence, cultural, or ceremonial fisheries.”²³

NOAA gave the states, Tribes, and territories the flexibility to disburse funds to their fishery participants in the best way for mission achievement. Some states, Tribes, and territories did not have enough eligible fishery participants applying and qualifying for relief to disburse all funds via direct payments; instead, the remaining funds were used for projects that benefited all of their fishery participants. States could have all fishery participants applying for direct payments made whole for a variety of reasons: fishery participants in some regions saw a smaller effect from COVID-19 than other areas, states differed in their outreach about relief to potential applicants, and states differed in application requirements and denial rates. Some other states and Tribes preferred to use projects instead of only direct payments even though they were not made whole. Table 4 shows the funding that states, Tribes, and territories allocated to direct payments and projects.

Table 4. Status of Funds for Direct Payments and Projects

Type of Relief	Funding Round	Funding Allocated (\$M)	Funds Executed (%)
Direct payments	CARES	287	99.6
Projects	CARES	10	75.5
Direct payments	CAA	230	53.2
Projects	CAA	37	53.7

Source: NOAA data as of April 2023.

Projects may have directly benefited fishery participants who did not experience 35 percent revenue loss. In one project, Maine waived renewal license fees for fishery participants in 2022 for those who held a license in 2021. However, because Maine’s online licensing system did not distinguish between a new or renewed license, the fees were effectively waived by having the applicants pay for their licenses and receiving a subsequent reimbursement. In general, waiving or reimbursing license fees expedites the disbursement process by eliminating the application adjudication process, but is not targeted only to fishery participants with 35 percent revenue loss. Other states did make reimbursing license fees more targeted to fishery participants with a 35 percent revenue loss by including this standard as a criterion for reimbursement as part of an application process.

²³ Pub. L. No. 116-136, 134 Stat. 281; 15 U.S.C. § 9001 note.

Several states paid for seafood marketing campaigns as projects including Maryland, New Jersey, Maine, Ohio, Texas, Illinois, and Michigan. Seafood marketing is not targeted only to fishery participants with 35 percent revenue loss. Rather, it could benefit all fishery participants in the short term. While the relief is not as immediate as direct payments, this type of project could have a short-term effect of helping fishery participants overcome COVID-19 revenue loss.

Conversely, some projects may have had long-term benefit and not short-term relief. Some states had infrastructure or restoration projects. For example, Texas is restoring the degraded public oyster reefs and Maine is restoring pier infrastructure. Michigan's automated fish tagging trailer project is directed at COVID-19 impacts on fisheries management. Projects related to restoration, infrastructure, and fisheries management do not provide immediate relief to fishery participants with 35 percent revenue loss, but they could benefit all fishery participants in the long term.

Evidence-based decisions could be made in the future with a better understanding of the effect of different types of relief. This evaluation discusses qualitative aspects of different types of relief. Data are still emerging on the recovery from COVID-19, but eventually these data could be used to examine the effects from different types of relief across different sectors within states, Tribes, and territories. Multiple government agencies maintain and analyze data relevant to understanding the effects of pandemic relief on the fisheries industry. More general than the fishing industry, Section 15011 (c)(1) of the CARES Act requires OMB, in consultation with the Council of Economic Advisors, the Department of the Treasury, and the Small Business Administration, to provide quarterly reports that detail the effect of COVID-19 relief funds on employment, estimated economic growth, and other key economic indicators, including information about negatively affected industries. These reports have general findings about the effects of pandemic relief.²⁴ More specifically, NOAA Fisheries Office of Science and Technology produces (1) Fisheries Economics of the United States²⁵ and (2) Fisheries of the United States²⁶ reports. The Bureau of Economic Analysis also has input/output data related to the fishing industry.²⁷

²⁴ Office of Management and Budget Quarterly Reports, <https://www.pandemicoversight.gov/omb-quarterly-reports/>, accessed 5/24/2023.

²⁵ NOAA Fisheries, Fisheries Economics of the United States, <https://www.fisheries.noaa.gov/national/sustainable-fisheries/fisheries-economics-united-states>, accessed 5/24/2023.

²⁶ NOAA Fisheries, Fisheries of the United States, <https://www.fisheries.noaa.gov/national/sustainable-fisheries/fisheries-united-states>, accessed 5/24/2023.

²⁷ Bureau of Economic Analysis, Interactive Data Application, <https://www.bea.gov/itable/>, accessed 5/24/2023.

Although more analysis is required to quantify the effect of different types of relief, some high-level observations can be made. As referenced in Table 4, some of the funds have not yet been disbursed as direct payments or expended as projects. The \$19.4 million of funds have not yet been spent on projects after over 2 years since the law was passed. These funds could have been better spent on direct payments or on executing projects faster to expedite relief to fishery participants. It will take additional time for fishery participants to experience relief from any remaining project funds to be spent, even for short-term projects. Although nearly half of direct payments for CAA funds have not been disbursed, they will provide immediate relief upon disbursement. The next section discusses timeliness in general. Appendix B summarizes potential monetary impacts including the \$19.4 million of funds that could be put to better use.

We make suggestions to improve future mission outcomes. We note that the CARES and CAA funds are subject to restrictions (e.g., at least 35 percent revenue loss), but we allow for flexibility to best fit a future scenario. We suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

***Suggestion for Future Efforts 5:** Conduct a study to use fishery economic data to analyze the extent to which direct payments and various project types influenced the health of the fishing industry.*

***Suggestion for Future Efforts 6:** Consider the tradeoffs between direct payments and different types of projects to determine the best option for future relief to fishery participants. Direct payments or projects that are executed quickly should be used if the desire is to expedite execution of funds to provide immediate relief.*

b. Some states, Tribes, and territories disbursed direct payments more slowly than others

OMB guidance discusses the importance of agencies awarding and distributing funds in an expedient manner.²⁸ Some states prequalified fishery participants in some sectors to decrease the time to disburse direct payments, while other states did not. Several states, Tribes, and territories have not completed their distribution of CAA funds.

States, Tribes, and territories were given flexibility in the manner of executing direct payments. Some states and Tribes used available data to identify income loss for fishery participants qualifying for direct payments. These data reduced the reporting requirements for applicants and reduced government adjudication efforts. However, these data are not uniform across states, Tribes, and territories with some challenges to use data to prequalify applicants. First, we consider the timeliness of CARES direct payments. Table 5 shows the

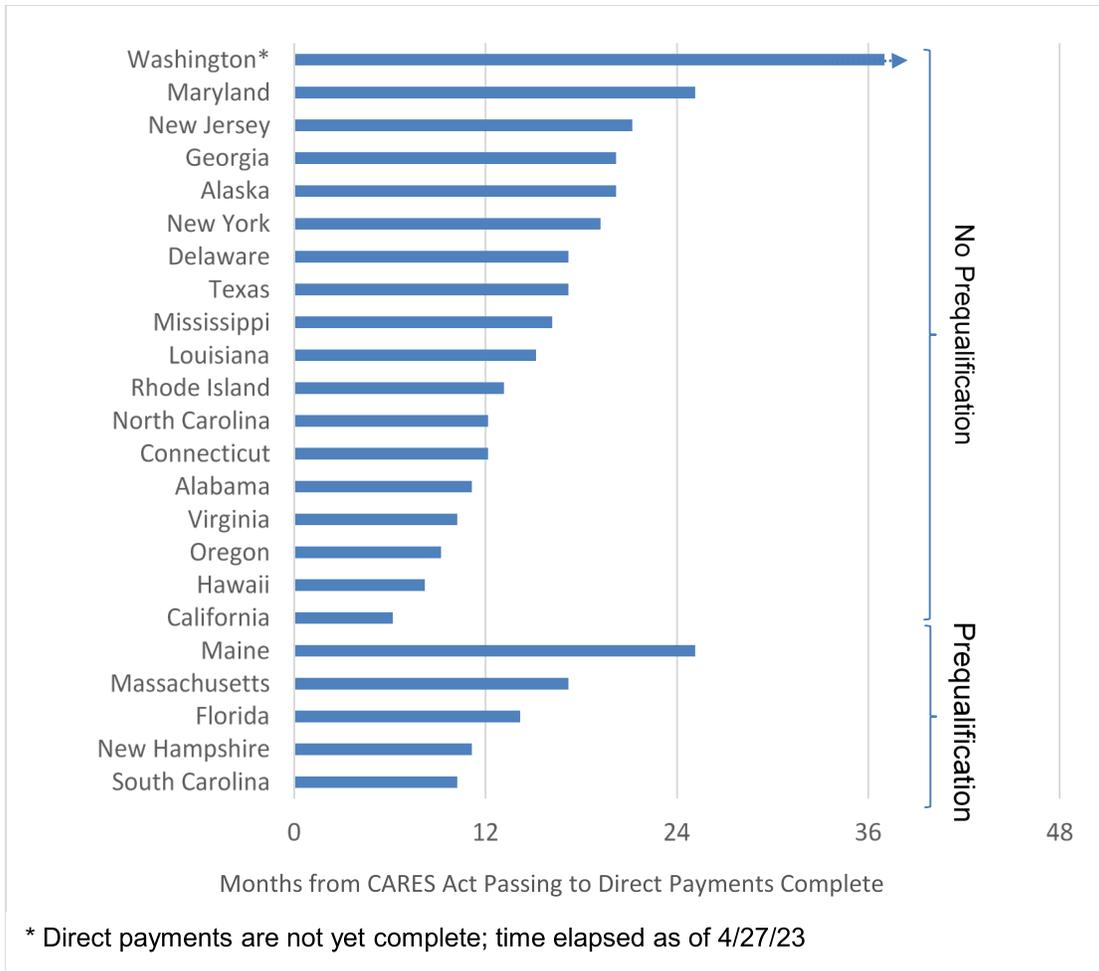
²⁸ Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

time elapsed for different stages in the process, with the application and adjudication process requiring the most time. Figure 5 shows the distribution of time from passage of the CARES Act to complete CARES direct payments for states. Similarly, Figure 6 shows the distribution of time to complete CARES direct payments for Tribes. Prequalifying potential applicants is just one of many factors contributing to the time required to complete the disbursement of direct payments. An application process that prequalifies potential applicants still requires a spend plan to be developed and approved, after which data must be analyzed, some level of application and adjudication may be required, payments are determined, and money is disbursed. Also, a state may be able to prequalify some applicants but may not have data to prequalify applicants in every sector.

Table 5. Average Time for Stages of Process to Disburse CARES Funds to States

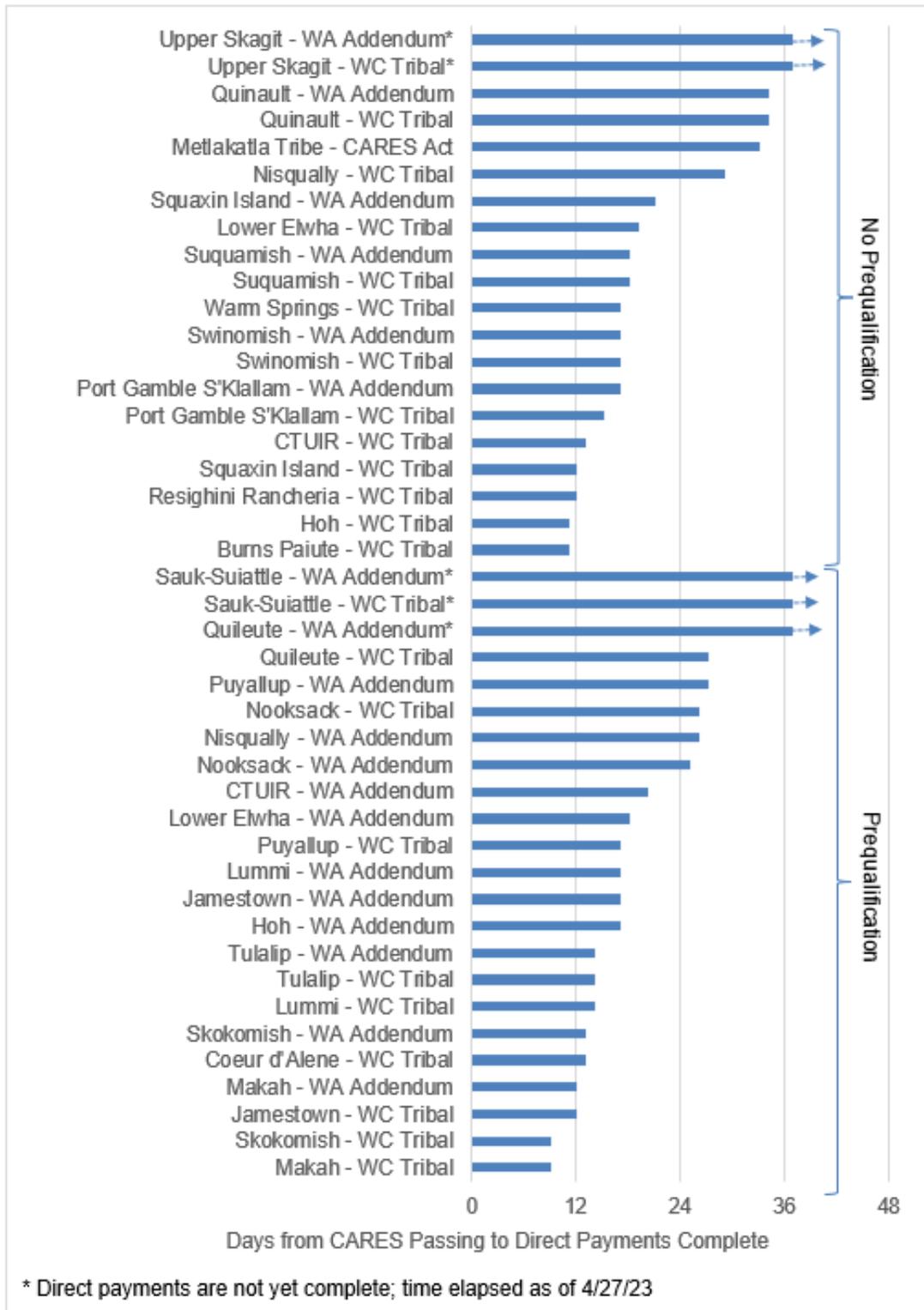
Process Stages	Organization	Average Time Elapsed (Months)
CARES Act - Request for Application	NOAA	2
Request for Application - Commission Applications	Commissions	<1
Commission Applications - NOAA Approves Grants	NOAA	1
NOAA Approves Grants - States Submit Spend Plans	States	2
States Submit Spend Plans - NOAA Approves Spend Plans	NOAA	2
NOAA Approves Spend Plans - Application Deadline	States	3
Application Deadline - State Payment Disbursement Complete	States/PSMFC	7

Source: NOAA data.



Source: NOAA data.

Figure 5. Time to Complete CARES Direct Payments for States



Source: NOAA data.

Figure 6. Time to Complete CARES Direct Payments for Tribes

Table 6 compares the summary statistics for states and Tribes that prequalify some applicants as opposed to states and territories that do not.

Table 6. Time to Complete Direct Payments for Prequalification vs. No Prequalification

Type of Relief	Prequalification (Days)	No Prequalification (Days)	Difference (Days)
State Average	474	492	18
State Median	431	477	45
Tribe Average	587	647	60
Tribe Median	523	538	15

Source: NOAA data.

NOAA accepted 13 requests for no cost extensions from the commissions and U.S. Virgin Islands as of August 2023. These extensions each averaged about 9 months. The CAA funding was passed on December 27, 2020. Over two years have elapsed since the law was passed. For CAA, five states and two territories have not yet completed distribution of direct payments. As previously noted, the status of funding for the Tribes in CAA is largely unknown to NOAA. After 28 months from the passage of CARES, only one state and one territory had not completed their direct payments; at 28 months from the passage of CAA, seven states and territories had not completed their direct payments.

We make the following recommendation about completing CAA disbursements and suggestion for process improvement. We recommend the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Recommendation 3: Increase attention and oversight for states, Tribes, and territories that have not completed CAA disbursements.

We also suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Suggestion for Future Efforts 7: Direct adjudicators to leverage available data to identify applicants who would prequalify for direct payments to improve timeliness.

c. The fishery commissions provided experience to facilitate the process; U.S. Virgin Islands executed funds more slowly without this support

NOAA administered COVID-19 relief for fishery participants. OMB guidance directs agencies to consider three core principles to distribute COVID-19 relief: mission achievement, expediency, and transparency and accountability.²⁹ NOAA decided to

²⁹ Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

leverage the capabilities of the fishery commissions to help disburse aid to fishery participants. The commissions were experienced with the process, had existing relationships, and had capabilities to distribute a large volume of checks. For CARES, the commissions submitted their grant applications within about two weeks from receiving the request for application. The commissions worked with states, Tribes, and Pacific territories to disburse relief.

NOAA worked directly with the U.S. Virgin Islands instead of going through a commission. The U.S. Virgin Islands experienced significant delays in the distribution of funds. These delays can be attributed to factors including spend plan modifications and not having the benefit of a commission.³⁰ Overall, the U.S. Virgin Islands has spent only 14 percent of CARES funds compared to 99 percent of CARES funds expended for all other states, Tribes, and territories as of April 2023.

We make the following suggestion about the commission for future efforts. We suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

***Suggestion for Future Efforts 8:** Continue to use the fishery commissions to execute similar future efforts. Further, the U.S. Virgin Islands should be provided support from the Gulf States Marine Fisheries Commission or another organization.*

d. Greater sharing of information across states and territories could have improved efficiency

States and territories could have improved efficiency if they had had a greater opportunity to coordinate and share information. OMB guidance states, “Agencies should prioritize... in their implementation... regularly communicating with and encouraging coordination among state and local governments, tribes, and nonprofit entities for financial assistance.”³¹ Interviews demonstrated that some commissions collaborated with other commissions to share knowledge about the application and adjudication processes. Interviews also indicated that greater participation in information sharing could have been beneficial to expedite the distribution of funds. We do note that statutory, regulatory, or policy obstacles to sharing some types of information might exist.

The evaluation team observed multiple examples where information sharing improved efficiency:

³⁰ After submitting the CARES grant application in August 2020, the U.S. Virgin Islands submitted a spend plan that was approved July 2021. Since fewer applications were received than expected, the U.S. Virgin Islands submitted an addendum to the spend plan that was approved August 2022.

³¹ Office of Management and Budget, April 10, 2020, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.

- The GLFC received CAA funding but did not have any previous experience with NOAA’s Grants Online or CARES funding. GLFC consulted with other commissions from the Atlantic and Gulf States prior to receiving CAA funding. GLFC indicated these discussions were extremely useful. GLFC also participated in multiple training sessions to learn how to use Grants Online.
- PSMFC transitioned to electronic applications for CAA after consulting with other commissions.
- U.S. Virgin Islands staff indicated that they did not receive guidance on public assistance program planning. U.S. Virgin Islands staff eventually used publicly posted spend plans to guide its spend plan development but could have benefited from receiving this information earlier. The U.S. Virgin Islands experienced the longest delay in developing its spend plan among states and territories.

NOAA took steps to help streamline process development for disbursing funds during the adverse conditions of COVID-19. As found in the previous DOC OIG evaluation, “NOAA Fisheries made efforts to mitigate challenges related to timely reviewing and approving spend plans.”³² NOAA Fisheries engaged extensively to resolve questions from the commissions, states, Tribes, and territories. NOAA Fisheries also provided documentation, such as lists of potential projects and a template for affidavits. NOAA Fisheries also provided feedback on spend plans that added some consistency to processes that were developed locally by states, Tribes, and territories.

We make the following suggestions for sharing information. We suggest the Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

Suggestions for Future Efforts 9: Use a more systematic approach to encourage and facilitate information sharing across states, Tribes, and territories. As needed, statutory, regulatory, or policy obstacles to greater information sharing should be reviewed for potential modification.

Suggestions for Future Efforts 10: Continue to identify and disseminate lessons learned and best practices (e.g., providing a template for affidavits, a list of potential projects) to streamline process development for future relief efforts.

³² DOC OIG Report OIG-21-028-I, *NOAA Fisheries Implemented the Requirements for Awarding Funds Under the CARES Act but Faces Challenges with the Pace of Funds Disbursement to Fishery Participants*, June 9, 2021.

3. Summary of Agency Response

NOAA provided a response to the draft report on February 27, 2024. This chapter summarizes NOAA's response with Appendix C containing NOAA's formal comments. NOAA concurred with each of the three recommendations indicating it will continue to use the dashboard, work with BIA on oversight of funding provided to the Tribes to expedite expenditures, and continue to monitor the execution of remaining funds. NOAA also provided technical comments on the report. IDA considered these comments and made changes where appropriate.

Appendix A.

Objective, Scope, and Methodology

Our objectives were to determine whether National Oceanic and Atmospheric Administration (NOAA) Fisheries recipients and subrecipients accounted for and expended pandemic relief funds provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent funding authorizations in accordance with federal laws and regulations and to determine whether NOAA had sufficient oversight and monitoring of the grant recipients. The IDA team focused on four subobjectives; we evaluated whether:

- DOC operating units had sufficient oversight and monitoring of grant recipients: NOAA officials followed laws and guidance with sufficient oversight of recipients
- Grant recipients complied with grant terms and conditions: the commissions, states, Tribes, and territories followed relevant laws and guidance
- Costs claimed were allowable, allocable, and reasonable under the grant awards: fishery participants complied with the conditions of the awards
- Grants were effective in achieving desired outcomes—namely, timeliness and COVID-19 impact mitigation

To accomplish the objective and subobjectives, we:

- Reviewed relevant law, policies, and guidance, including
 - Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, March 27, 2020
 - Consolidated Appropriations Act 2021, Public Law 116-260, December 27, 2020
 - U.S. Department of Commerce CARES Act Implementation Plan, June 2020
 - Department of Commerce Grants and Cooperative Agreements Manual, (October 24, 2016), Interim Change 1, January 25, 2018
 - OMB Memo M-20-21, Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19), April

10, 2020; and procedures and memorandums pertaining to the administration and oversight of awarding grants under the CARES Act

- Conducted interviews with NOAA Fisheries officials including the Director of the National Marine Fisheries Service (NMFS) Financial Assistance Division, Director of Office of Sustainable Fisheries, and CARES Act National Program Manager; NOAA's Acquisition and Grants Office officials. We also conducted interviews with the Atlantic States Marine Fisheries Commission's Executive Director and Director of Finance and Administration, Gulf States Marine Fisheries Commission's Executive Director and Senior Accountant, Pacific States Marine Fisheries Commission's Executive Director and Fiscal Manager, Great Lakes Fisheries Commission's Corporate Services Director, and U.S. Virgin Islands representatives to gain an understanding of how NOAA Fisheries grants are administered in regard to CARES Act & CAA funding, as well as challenges NOAA Fisheries faced during implementation and any steps taken to mitigate those challenges. At the state level, we met with Maine and Mississippi. We met with the Bureau of Indian Affairs (BIA), the Yakama Nation, and Lummi Nation on the process of distributing funds to the Tribes. We also interviewed GAO on its related work.
- Reviewed: recipient award documentation; award applications with program and budget narratives; spend plans submitted by the states, Tribes, and territories; and data containing disbursement information to evaluate progress and timelines.
- Obtained the universe of grants awarded by NOAA for CARES and CAA. NOAA awarded six grants under the CARES Act and six grants under the CAA.
- Reviewed documentation on the interagency agreement between NOAA and BIA to distribute CAA funding to the Tribes.
- Compiled a list of the universe of direct payments disbursed by March 31, 2023, consisting of 20,915 payments to fishery participants totaling \$386 million.
- Used the award data, NOAA dashboard information, and interviews to evaluate whether NOAA complied with the CARES Act, CAA, U.S. Department of Commerce CARES Act Implementation Plan, and OMB guidance.
- Compared sample application data to the relevant laws, guidance, and approved spend plans from the states, Tribes, and territories to determine whether the recipients complied with the grant terms and conditions. We reviewed progress reports submitted to NOAA to review how funds were being spent and the funding disbursement progress over time.

- Assessed the reliability of data used in this evaluation by performing electronic testing, reviewing existing information about the data and the system that produced them, interviewing agency officials and relevant personnel knowledgeable about the data, and following up on questions related to data reliability. We determined that the data were sufficiently reliable for the purposes of this report except cases where findings indicated unreliable data.
- Conducted many follow-up emails with various states, Tribes, and territories where there were clarifying questions or follow-up on any concerns about particular application information or adjudication results.
- Identified deficiencies and developed recommendations.

Our evaluation examined a judgmental sample of applications for direct payments across the various states and territories. This sample cannot be projected to all applications since the sample is a judgment sample. The selection included 664 applications across 22 states and one territory. Several factors were considered in developing our judgmental sample, including the need to sample applications from a variety of application and adjudication processes, potential indicators of incorrect payments (e.g., rounded revenue amounts, duplicate revenue amounts, and identical revenue across multiple years), and payment amount. For some states, we checked all applications (or a large sample thereof) to determine if calculations were correct. Together, this sample represented \$90 million of the \$600 million of total available funding. Additional documentation and explanations for the selected applications were requested from the commissions and some states, Tribes, and territories. During our evaluation, we assessed internal controls and compliance with laws and regulations as related to our objectives.

We conducted our fieldwork from August 2022 through June 2023 at IDA Headquarters in Alexandria, VA; the Atlantic States Marine Fisheries Commission in Arlington, VA; and the Pacific States Marine Fisheries Commission in Portland, OR.

The review was conducted in accordance with the Quality Standards for Inspection and Evaluation (December 2020) issued by the Council of the Inspectors General on Integrity and Efficiency.¹ Those standards require that the evidence supporting the evaluation's finding, conclusion, and recommendations be sufficient, competent, and relevant and should lead a reasonable person to sustain the findings and recommendations.

¹ Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*, December 2020, <https://www.ignet.gov/sites/default/files/files/QualityStandardsforInspectionandEvaluation-2020.pdf>, accessed 5/24/2023.

We judge that our work and the evidence obtained adhere to these standards. Table A-1 shows a cross-walk between the CIGIE Blue Book Standards and IDA’s Standards and Practices.

Table A-1. Alignment of CIGIE Blue Book and IDA Standards and Practices

CIGIE Blue Book Standard	IDA Independent Evaluation Standards and Practices
Independence	
1.1 Inspectors and inspection organizations must be independent, both in fact and appearance, in matters relating to inspection work.	IDA’s work is characterized by integrity and objectivity. This level of independence requires that IDA remain free from organizational conflicts of interest, and that its staff be free of personal conflicts of interest. In order to avoid these types of relationships, IDA obtains sponsor approval for all non-sponsor task work, does not accept work from commercial entities, does not compete with non-FFRDC entities for Government contracts.
1.2 Inspectors must document all known threats to independence or document that there are no known threats to their independence for each inspection they are assigned to conduct.	IDA requires employees to disclose any potential conflicts of interest and institutes a conflict of interest screening process. Assigned IDA staff also signed independence declarations prior to beginning work.
Competence	
2.1 Inspectors assigned to perform an inspection must collectively possess the professional competency to address the inspection objectives and perform the inspection.	IDA researchers – 90 percent of whom have earned advanced degrees – solve challenging scientific and technical problems. For each project, research teams with the appropriate experience and technical backgrounds are assembled from across the Institute’s divisions. IDA’s flat organization and culture of internal collaboration allow researchers to come together to staff project teams.
2.2 Inspectors must complete a minimum of 40 hours of training every 2 years. If an inspection organization has special circumstances, such as but not limited to, part-time employees or employees on extended leave, it may authorize an exemption to this requirement.	IDA has a generous annual professional development program that ensures staff remain at the forefront of their disciplines.

2.3 The inspection organization must track each inspector's completed training.	IDA tracks completion of staff training.
Planning	
3.1 Inspection organizations must have a basis or rationale for the selection of inspection topics.	The Dept. of Commerce OIG chose the topic of the evaluation. In an August 19, 2022, memo to the NOAA Administrator, the OIG announced that they were initiating the evaluation and that it would be performed by IDA as an independent evaluation.
3.2 Inspectors must coordinate proposed inspections with appropriate organizations as determined by the inspection organization.	The OIG and IDA participated in an entrance conference with NOAA conducted on October 4, 2022.
3.3 Inspectors must research the operation, program, policy, or entity to be inspected.	IDA staff fully researched all relevant operations, programs, policies, and entities to inform their evaluation work.
3.4 Inspectors must identify the criteria where applicable to the operation, program, policy, or entity being inspected, as appropriate, to meet the inspection objectives.	IDA staff fully researched all criteria relevant to this evaluation work.
3.5 Inspectors must prepare a written inspection plan for each inspection that includes the objective(s), scope, and methodology.	IDA developed a written evaluation plan as a deliverable to the DOC OIG in support of this evaluation that outlined the objectives, scope, and methodology. IDA also briefed the plan to the DOC OIG.
Evidence Collection and Analysis	
4.1 Inspectors must collect and analyze evidence consistent with inspection objectives and related to the operation, program, policy, or entity being inspected.	IDA findings and conclusions arise directly from the results of evidence-based and data-driven analyses.
4.2 Inspectors must include relevant evidence collected and analysis performed in inspection documentation.	IDA saved documentation generated during the evaluation used to support findings, conclusions, and recommendations.

<p>4.3 Evidence must sufficiently and appropriately support inspection findings and provide a reasonable basis for conclusions.</p>	<p>IDA findings and conclusions arise directly from the results of evidence-based and data-driven analyses. IDA work ensures that sufficient evidence is provided so that any reasonably informed person will concur with the findings, conclusions, and recommendations provided.</p>
<p>4.4 Inspection organizations must protect controlled unclassified information and classified information.</p>	<p>A general “need-to-know” is established in connection with IDA performance of projects. Access to classified or controlled unclassified information (CUI) documents and publications and the security clearances necessary to complete the project are obtained through the IDA Contracting Officer’s Representative, unless otherwise instructed. IDA also ensured that study team members completed all requisite DOC trainings.</p>
<p>4.5 If inspectors suspect fraud or other illegal acts, they must promptly present such information to their supervisors for review and possible referral to the appropriate investigative office.</p>	<p>IDA promptly reports any findings that may indicate the possibility of fraud or other illegal acts and abuse to the relevant investigative office.</p>
<p>Reporting</p>	
<p>5.1 Inspectors must state the following in all inspection reports: the objective(s), scope, and methodology of the inspection; the inspection results, including findings, conclusions, and recommendations, as appropriate; and the inspection was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency’s Quality Standards for Inspection and Evaluation.</p>	<p>IDA made sure that final reports included all required elements to fulfill CIGIE Blue Book standards.</p>
<p>5.2 Inspectors must base report findings, conclusions, and recommendations on the evidence collected and the analysis conducted during the inspection.</p>	<p>IDA’s findings, conclusions, and recommendations were based upon the evidence and analysis conducted during the inspection.</p>
<p>5.3 Reports must include enough information to allow a reasonable person to sustain findings, conclusions, and recommendations.</p>	<p>IDA’s final report included sufficient details such that a reasonably informed person would sustain the findings, conclusions, and recommendations.</p>

5.4 Any recommendations made in a report must be addressed to the appropriate officials who have the authority to act on them.	Final recommendations were addressed to appropriate officials.
5.5 Draft inspection reports that receive formal comments from management officials of the inspected entity on report findings, conclusions, and/or recommendations must include those comments, or a summary, in the final report.	The report will follow OIG approval protocols and provide NOAA the opportunity to comment.
5.6 Inspection reports must be distributed to the appropriate officials responsible for acting on the findings and recommendations.	The final report will be distributed appropriately by the DOC OIG.
Follow-Up	
6.1 For each recommendation, inspection organizations must solicit agreement or disagreement and planned corrective actions to the report recommendations from management officials in writing.	The DOC OIG will send the report to the NOAA for review. They will also coordinate written responses from the Bureau. The NOAA's response will be included as an appendix of the report.
6.2 An inspection organization must monitor inspected entities' progress toward implementation of recommendations.	The DOC OIG is responsible for monitoring the NOAA's progress toward implementation of recommendations.
Quality Control	
7.1 Inspection organizations must implement a system of quality control that provides the inspection organization with reasonable assurance that the organization and its personnel follow the Blue Book when conducting inspections.	IDA undergoes a stringent and rigorous peer-review process of all deliverables. This ensures that its research products are of the highest quality.
7.2 Inspection organizations must provide supervision over the inspection work performed.	DOC OIG staff exercised oversight authority over the contents of the report by reviewing indexing and report wording. Their oversight ensured that CIGIE and DOC OIG standards were fully met.
7.3 Inspection organizations that are members of CIGIE must undergo an external peer review in accordance with CIGIE requirements.	DOC OIG undergoes periodic peer review in accordance with CIGIE requirements.

<p>7.4 Inspection organizations must take action to ensure report users do not continue to rely on a distributed report that is later found to contain findings and conclusions that are not supported by sufficient and appropriate evidence or significant errors.</p>	<p>DOC OIG and IDA would take action if a distributed report was found to contain significant errors.</p>
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Appendix B.

Potential Monetary Impact

This appendix estimates the potential monetary impact of the findings from this report in terms of questioned costs, unsupported costs, and funds to be put to better use.

Questioned Costs

The questioned costs are \$314 thousand based on a review of a judgmental sample of the applications from fishery participants. These are the funds that were identified as questioned due to errors in the 35 percent calculation or payment calculation. These costs do not include errors made by the applicant that were later corrected by the adjudicator, possible double counting of revenue loss, or revenue numbers rounded off that are not excluded by guidance. Table B-1 shows the elements of the questioned costs.

Table B-1. Elements of Questioned Costs

Category	Questioned Costs (\$K)
35% loss calculations	199
Payment calculations	115
Total	314

Source: IDA evaluation of fishery participant applications.

Unsupported Costs

The unsupported costs are \$24.7 million. These costs include \$468 thousand referenced in a progress report that may be provided to the Tribe itself. Since the progress report is unclear whether these funds are being used according to NOAA's criteria, these costs are categorized as unsupported. The remaining unsupported costs correspond to CAA funding for the Tribes, that is not supported by progress reports.

Funds to Be Put to Better Use

The estimated funds to be put to better use are \$19 million. These funds correspond to project funding that has not yet been spent. These funds do not follow OMB guidance to expedite funding. These funds could have been put to better use as direct payments or for the types of projects that were executed faster.

Appendix C. Agency Response



UNITED STATES DEPARTMENT OF COMMERCE
Deputy Under Secretary for Operations
National Oceanic and Atmospheric Administration
Washington, D.C. 20230

MEMORANDUM FOR: Arthur L. Scott, Jr.
Assistant Inspector General for Audit and Evaluation

FROM: Benjamin P. Friedman  Date: 2024.02.27
Deputy Under Secretary for Operations 12:57:44 -05'00'
National Oceanic and Atmospheric Administration

SUBJECT: *NOAA Fisheries Pandemic Relief Program*
Draft Report

The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) is pleased to submit the attached response to the draft report on the NOAA Fisheries Pandemic Relief Program. We reviewed the report and concurred with the recommendations.

We appreciate the opportunity to review and respond to your draft report. If you have questions, please contact Lawrence N Burney, Jr, Acting Director, Audit and Information Management Office on (202) 643-6010.

Attachment



Department of Commerce
National Oceanic and Atmospheric Administration
Response to the OIG Draft Report Entitled
NOAA Fisheries Pandemic Relief Program
(January 2024)

General Comments

The National Oceanic and Atmospheric Administration (NOAA) appreciates the opportunity to review the Office of Inspector General's (OIG) draft report on NOAA's Fisheries Pandemic Relief Program. NOAA reviewed the draft report and concurs with the OIG's recommendations. Responses to the three recommendations as well as some recommended changes to factual/technical information and editorial comments are provided below.

NOAA Response to OIG Recommendations

Recommendation 1: Continue to use, update, and monitor the dashboard.

NOAA Response: NOAA concurs. NOAA Fisheries will continue to use the dashboard to monitor execution of the Coronavirus Aid, Relief, and Economic Security (CARES) and the Consolidated Appropriations Act (CAA) funds, and have implemented a similar tool in other program areas.

Recommendation 2: Determine roles and responsibilities for oversight between NOAA and BIA. NOAA should ensure biannual progress reports for CAA funding for Tribes are collected and reviewed for compliance and take corrective action as necessary, including expediting funding that has not yet been distributed.

NOAA Response: NOAA concurs. NOAA Fisheries has already requested Tribes submit biannual progress reports to the agency and is reviewing them as they are submitted. Further, we will work with the Bureau of Indian Affairs (BIA) to engage Tribes that have not provided reports, and work with Tribes to expedite funding expenditure, where possible.

Recommendation 3: Increase attention and oversight for states, Tribes, and territories that have not completed CAA disbursements.

NOAA Response: NOAA concurs. As of February 2024, 99.25% of CARES and 95.11% of CAA funding (excluding Tribal funds executed via BIA) has been executed. Remaining funds are being used to complete project specific tasks, which are on schedule to be completed by the end of the respective grant. NOAA Fisheries will continue monitoring execution of these funds.

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Abbreviations

ASMFC	Atlantic States Marine Fisheries Commission
BIA	Bureau of Indian Affairs
CAA	Consolidated Appropriations Act
CARES	Coronavirus Aid, Relief, and Economic Security
COVID-19	Coronavirus Disease 2019
DOC	Department of Commerce
GLFC	Great Lakes Fisheries Commission
GSMFC	Gulf States Marine Fisheries Commission
IAA	Interagency Agreement
IDA	Institute for Defense Analyses
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
OIG	Office of Inspector General
PSMFC	Pacific States Marine Fisheries Commission
USVI	United States Virgin Islands

REPORT

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