



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10**

1200 Sixth Avenue, Suite 900
Seattle, WA 98101-3140

OFFICE OF THE REGIONAL
ADMINISTRATOR

JUL 06 2017

MEMORANDUM

SUBJECT: Northwest Indian Fisheries Commission Complied With Most Federal Requirements but Claimed Some Unallowable Costs, Audit Report No. 17-P-0184

FROM: Michelle L. Pirzadeh 
Acting Regional Administrator

TO: Arthur A. Elkins, Jr
Inspector General

Thank you for the opportunity to respond to the recommendation in Audit Report No. 17-P-0184 regarding the two cooperative agreements, PA-00J32201 and PA-01J91201, which were awarded to the Northwest Indian Fisheries Commission (NWIFC). Through these cooperative agreements, NWIFC provided sub-awards to federally recognized Puget Sound tribes and authorized consortia of eligible tribes for high priority tribal projects that are in or consistent with the Puget Sound Action Agenda. NWIFC provided sub-awards to 21 sub-recipients, including the Sauk-Suiattle Indian Tribe (SSIT). The audit report states that, under the cooperative agreement, PA-00J32201, the SSIT improperly calculated its indirect costs for the period of April 2011 through March 2014.

Agency's Overall Position

Region 10 agrees with the Office of Inspector General's (OIG) finding that the SSIT improperly calculated its indirect costs and NWIFC should recover them. NWIFC's letter dated May 26, 2017, stated that its response was coordinated with SSIT. SSIT indicated that it will not contest the finding in the audit report and is "committed to reimbursing the identified questioned costs of \$87,973." In our management decision letter to NWIFC dated June 5, 2017, the U.S. Environmental Protection Agency (EPA) included its billing invoice and requested that NWIFC submit a check in the amount of \$87,963 payable to the USEPA. On June 21, 2017, NWIFC appealed EPA's billing and requested the EPA's approval to use the SSIT repayment toward other eligible activities under the award.

Dan Opalski, Acting Deputy Regional Administrator, met with Justin Parker, Executive Director of NWIFC, on June 27, 2017. As a result, NWIFC decided to forego its appeal. In lieu of NWIFC, SSIT will repay EPA directly within 30 days of June 28, 2017.

The table below summarizes the EPA's response to the OIG recommendation, corrective action and time frame for completion.

#	OIG Recommendation	Corrective Actions	Estimated Completion
1	Disallow and recover ineligible costs of \$87,963 reimbursed to NWIFC for the specified indirect costs claimed by the Sauk-Suiattle Indian Tribe.	In lieu of NWIFC, SSIT will repay the ineligible costs of \$87,963 to the EPA.	July 27, 2017

Thank you for your consideration of our response to the final audit report. If you have any questions regarding this response, please contact me at pirezadeh.michelle@epa.gov or (206)-553-1234 or Carrie Williams. Ms. Williams is Region 10's Audit Follow-up Coordinator and can be reached at williams.carrie@epa.gov or (206) 553-1194. We look forward to hearing from you soon.

cc: Mr. Daniel Opalski,
Acting Deputy Regional Administrator, R10

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