Department of Homeland Security
Office of Inspector General

U.S. Coast Guard's Marine Safety Program- Offshore Vessel Inspections

OIG-11-86

June 2011

Office of Inspector General

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Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report addresses the strengths and weaknesses of the Coast Guard's offshore vessel inspection process. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

for Anne L. Richards
Assistant Inspector General for Audits

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Abbreviations

Coast Guard	United States Coast Guard
DHS	Department of Homeland Security
FY	fiscal year
GAO	Government Accountability Office
MISLE	Marine Information for Safety and Law Enforcement
OCMI	Officer in Charge, Marine Inspection
OIG	Office of Inspector General
OMB	Office of Management and Budget

Executive Summary

The U.S. Coast Guard's Marine Safety program is intended to ensure the safety of tens of thousands of U.S. mariners, millions of passengers on ferries and other vessels, and tens of millions of recreational boaters. The Marine Safety program includes Marine Safety Inspections of most vessel types; these inspections can uncover unsafe vessels, prevent certain incidents from occurring, and ensure that vessels have sufficient lifesaving equipment onboard to respond to an incident. For this audit, we focused on the Marine Safety Inspections for offshore vessels such as floating production systems, offshore supply vessels, and mobile offshore drilling units.

We planned this audit to determine whether the U.S. Coast Guard has the capabilities and resources needed to inspect offshore vessels and ensure the safety of maritime commerce. We did not identify any instances of uninspected offshore vessels. Although we did identify a few instances of vessels being inspected by unqualified personnel, 99% of the inspections reviewed were conducted by qualified personnel. However, we determined that the U.S. Coast Guard does not have adequate information to plan and resource future Marine Safety program activity levels.

The Marine Safety program has not developed and implemented all the guidance Marine Inspectors need to conduct offshore vessel inspections and record the results of those inspections. Program officials also have not established a formal review process for Marine Safety domestic vessel inspection data. With insufficient guidance and oversight to ensure consistent and reliable data, the U.S. Coast Guard cannot determine its current or future resource requirements for this program.

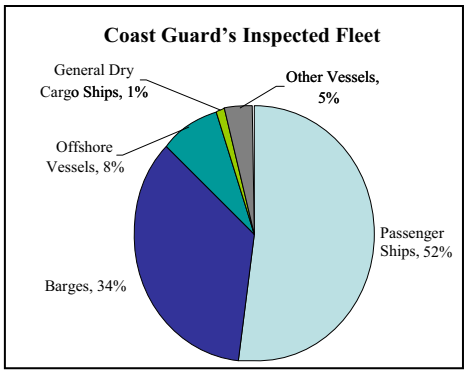
We made four recommendations to improve the U.S. Coast Guard's management of the Marine Safety program. The U.S. Coast Guard concurred with all four recommendations and is taking action to implement them.

Background

The U.S. Coast Guard (Coast Guard) administers navigation and vessel inspection laws, rules, and regulations governing marine safety. It is also tasked with inspecting the vessels to which these laws apply. The Coast Guard's Marine Safety program is intended to ensure the safety of tens of thousands of U.S. mariners, millions of passengers on ferries and other vessels, and tens of millions of recreational boaters by inspecting vessels to ensure that they operate safely and have the necessary safety equipment onboard. By preventing marine casualties, the Coast Guard also protects the marine environment from oil spills and the introduction of other harmful substances, and strengthens the economy by minimizing property loss and disruptions to maritime commerce.

Marine Safety Inspections of U.S. and foreign vessels ensure that safety and environmental protection standards are met. The inspections are comprehensive in nature, and often encompass machinery, electrical, piping, industrial, navigation, and pollution prevention systems. The Coast Guard reports that in a typical year, the Marine Safety program conducts more than 70,000 domestic vessel inspections and 10,000 Port State Control examinations of foreign vessels.

For this audit, we focused on the Marine Safety Inspections for offshore vessels such as floating production systems, offshore supply vessels, and mobile offshore drilling units. Offshore vessels comprise approximately 8% of the fleet inspected by the Coast Guard. From January 2009 to June 2010, Coast Guard's District 8 conducted approximately 88% of all offshore vessel inspections.



Source: U.S. Coast Guard, 2006–2009

Inspection Process

United States law subjects certain categories of domestic and foreign-flagged or foreign-built vessels to Coast Guard inspections and certifications. [1] In general, to obtain or renew a Certificate of Inspection for a domestic vessel, the owner or operator of the

[1] 46 U.S.C. § 3301 *et seq*. and 46 C.F.R. Chapter I.

vessel submits an application to the Coast Guard to the Officer in Charge, Marine Inspection (OCMI) of the marine inspection zone in which the inspection is to be made. The Coast Guard then schedules the inspection. Upon completion of the safety inspection, and on condition that the vessel and its equipment are approved by the inspector, the Coast Guard issues a Certificate of Inspection or a Temporary Certificate of Inspection. After receiving the first Certificate of Inspection, and in addition to Certificate renewal inspections, domestic vessels are still subject to annual or biannual inspections, depending on the category of vessel.

With certain exceptions, all domestic and foreign vessels bound for or departing from ports or places in the United States must submit a Notice of Arrival to the National Vessel Movement Center. After the information is imported into the Coast Guard's Ship Arrival Notification System for screening and viewed using the Marine Information for Safety and Law Enforcement (MISLE) database, the vessel potentially becomes subject to a safety examination.

With certain exceptions and depending on the category of vessel, foreign vessels of countries that are signatories to the 1974 International Convention for the Safety of Life at Sea are issued a Certificate of Compliance upon satisfactory completion of a compliance examination by the OCMI. Foreign vessels of non-signatory countries to that Convention may be issued a Certificate of Inspection or a Temporary Certificate of Inspection.

Aside from the regulations guiding inspections, the Coast Guard does not employ an independent method to identify vessels needing annual inspections. Further, the Coast Guard does not proactively schedule vessel inspections because vessel owners are responsible for notifying the Coast Guard of required inspections.

Inspection Data

The Coast Guard's MISLE database is the central repository for all inspection data and is the primary information source for inspection and investigation work. MISLE is one of the data sources that supports key Coast Guard management decisions, such as establishing human capital requirements, quantifying resource shortfalls, and reallocating existing resources.

In 2008, the Government Accountability Office (GAO) assessed the effectiveness of the Coast Guard's facility inspection program and to what extent the Coast Guard ensures that program compliance data collected and reported are reliable. The GAO reported that flaws in the Coast Guard's database complicate its ability to conduct program analysis or provide other information for making management decisions. The GAO recommended that the Coast Guard assess MISLE compliance data, including the completeness of the data, data entry, consistency, and data field problems, and make any changes needed to utilize MISLE data more effectively.

In a response to the GAO, on August 25, 2010, the Coast Guard described steps taken to improve consistency and data entry time. Specifically, the Coast Guard indicated that it had developed training web portals, headquarters help desks, courses, training teams, seminars, and conferences to help field personnel keep up with the changes to MISLE. These actions may result in improved data consistency and reduce the time it takes to input data into MISLE. However, as highlighted in this report, improvements are still needed to ensure the completeness and accuracy of vessel safety inspection data input into MISLE.

Marine Inspector Qualifications

The Coast Guard conducted a performance analysis in April 2005 to determine the requirements for Coast Guard Marine Inspectors. In October 2007, the Coast Guard revised its Performance Qualification Standards for Marine Inspectors as part of its effort to enhance mission execution. In an earlier DHS OIG report, *United States Coast Guard's Management of the Marine Casualty Investigations Program* (May 2008), we determined that the August 2007 revisions of the Marine Casualty Investigator Performance Qualification Standards lowered the standards by removing prequalification requirements of a Hull or Machinery and Small Vessel Inspector.

To determine if the October 2007 revisions to the Marine Inspector Performance Qualification Standards lowered the standards, we reviewed and compared selected standards for domestic and foreign vessel safety inspections with the earlier standards. Although the Coast Guard removed some qualification requirements from its October 2007 standards, it added qualification requirements to all the standards included in our

review except one. We did not find any evidence that the Coast Guard lowered the requirements in the October 2007 Marine Inspector Performance Qualification Standards that we reviewed for this audit (see Appendix A for more details).

Historical Issues

In 2007, the House Committee on Transportation and Infrastructure scrutinized the Marine Safety program's ability and preparedness to meet the demands of a dynamic global maritime environment. The committee was concerned whether the Coast Guard had the human capital and technical expertise to safeguard the maritime industry. In response to these concerns and to significant changes in the maritime industry, the Coast Guard developed its fiscal year (FY) 2009–2014 Marine Safety Performance Plan. This plan included courses of action to determine workload and set appropriate staffing levels, as well as improve the quality of training, reduce maritime casualties, facilitate commerce, improve processes and management, and improve human resource capabilities.

In January 2010, the GAO reviewed the Coast Guard's efforts to develop electronic tools to allow for more data-driven management decisions on personnel requirements and preparedness. It reported that resource constraints and problems with coordination and data reliability might challenge the Coast Guard's efforts. As of October 2010, the Coast Guard reported a shortfall of 104 Marine Inspectors in its Marine Safety program. However, this analysis was based on MISLE data that may be incomplete and inaccurate.

Program Budget

From FY 2004 to FY 2011, the budget for the Marine Safety program represented between 6% and 9% of the overall Coast Guard budget. The FY 2010 and requested FY 2011 Marine Safety budgets were approximately $650 million per year. The Marine Safety budget supports all Marine Safety program elements, including marine safety, security, and environmental protection.

Results of Audit

We identified no instances of uninspected offshore vessels and few instances of vessel inspections being conducted by unqualified personnel. Qualified personnel conducted 99% of the inspections we reviewed (see Appendix A for details). However, the Coast Guard needs to improve its guidance and oversight of offshore vessel inspections. The Coast Guard has not developed and implemented all the guidance Marine Inspectors need to conduct offshore vessel inspections and record the results of those inspections. The Coast Guard also has not established a formal review process for Marine Safety domestic vessel inspection data.

With insufficient guidance and oversight to ensure consistent and reliable data, the Coast Guard cannot determine its current or future resource requirements for this program. Gaps in guidance may affect the quality and consistency of safety inspections. Because there is no formal review process, program personnel could be using inconsistent and unreliable inspection data and cannot make key program decisions accurately.

Marine Safety Inspection Guidance for Offshore Vessels

Agency program offices are required to establish proper internal controls, which include standards for policies and procedures. According to Office of Management and Budget (OMB) Circular A-123, as revised, information should be communicated to relevant personnel at all levels within an organization. This includes providing updated guidance and management communication to operational staff. The Coast Guard has not developed and implemented all guidance Marine Safety Inspectors need to conduct all aspects of offshore vessel inspections.

The Coast Guard's vessel inspection workload includes inspecting the construction of new vessels, including offshore vessels. There is currently no Marine Inspector Performance Qualification Standard for inspecting a vessel under construction. A draft New Construction Project Inspector Performance Qualification Standard was developed in May 2008 but has not yet been made final.

Without a consistent standard or competency for inspecting vessels under construction, inspections are conducted differently from unit to unit, potentially affecting the consistency and quality of inspections. For example, Coast Guard headquarters conveyed that to oversee the new construction of a barge, a Marine Inspector would need to be a qualified barge inspector. However, one sector we visited in District 8 does not require that a Marine Inspector be qualified to inspect the new construction

of a particular type of vessel until that vessel is approximately 80% complete. Another unit in District 8 assigns only Marine Inspectors who are qualified to inspect a particular type of vessel to inspect the new construction of that type of vessel. Developing clear and consistent guidance for this type of inspection work could also assist the training and professional development of Marine Inspectors.

Recommendation

We recommend that the Assistant Commandant for Marine Safety, Security and Stewardship, U.S. Coast Guard:

Recommendation #1: Complete and disseminate to field units New Construction Project Inspector Performance Qualification Standards and update the Marine Safety Manual accordingly.

Management Comments and OIG Analysis

The Coast Guard provided written comments to this report. Following each recommendation is a summary of the Coast Guard's plans and progress in response to our recommendations and our analysis. A copy of the Coast Guard's response is included in Appendix B.

Management Comments to Recommendation #1

Concur. The Coast Guard will begin its analysis of the Marine Inspector Course in the third quarter of FY 2011 and will consider new construction and plan review as part of the analysis. These tasks will be incorporated into the Performance Qualification Standards and curriculum job aids developed for inspectors. The Coast Guard anticipates it will implement this recommendation in the third quarter of FY 2012.

OIG Analysis
We consider the proposed action to be responsive to the recommendation. However, this recommendation will remain open and resolved until we receive and review the Performance Qualification Standards and job aids developed for inspectors that include standards and guidelines for the inspection of vessels under construction, including an update to the Marine Safety Manual.

Recording Inspection Results

Internal controls associated with the recording of the Coast Guard's inspection data need to be improved. Specifically, adequate MISLE user guidance should be developed to better guide Marine Inspectors to input consistent and complete inspection data into MISLE. OMB Circular A-123, as revised, requires that internal controls be in place over information systems, including application controls, to ensure that transactions are properly authorized and processed accurately and that the data are valid and complete. The Coast Guard should establish safeguards to prevent the editing and closing of inspection cases until someone other than the originating Marine Inspector reviews the cases.

MISLE User Guidance

Although the Coast Guard has developed inspection input guidance for the examination of foreign vessels, it has not developed comprehensive guidance for recording activity data collected during domestic vessel safety inspections. The sectors and Marine Safety Units we visited in District 8 reported that their inspection results are recorded inconsistently from unit to unit. Although a vessel owner schedules one inspection, the Coast Guard could perform several types of inspection activities at that time. Some Coast Guard units record one inspection as one activity, whereas other units record one inspection, including the different activities that make up that inspection, as several different activities. The difference in the way units record inspection data can create the appearance that one unit has completed more inspections than another unit performing the same amount of work. The data input also may not accurately reflect field activity. Although some MISLE user guidance does exist, 25 of the 51 Marine Inspectors we interviewed expressed some level of concern with the MISLE database, including inadequate, incomplete, inconsistent, or missing MISLE guidance.

The Port State Control program uses MISLE data to screen foreign vessels and evaluate risk factors applicable to a vessel's compliance with international safety and environmental standards. Vessels posing the greatest risk undergo examinations. At one sector we visited, the Port State Control examiners are advised to recalculate certain data taken from MISLE because the information is inaccurate.

Personnel interviewed were concerned with the transparency of resource allocation decisions based on activity levels as represented in MISLE. Although headquarters has recognized this as an issue, it has not yet developed interim guidance to clarify and correct these inconsistencies. The inconsistencies in data input prevent decision makers from obtaining a clear picture of the work being done. In addition, these unit-to-unit disparities cause the data extracted from MISLE to be inconsistent, which creates more work for end users of the data because they have to take different data entry methods into consideration. The discrepancies also make it difficult for the Coast Guard to accurately report workloads, and can affect resource considerations.

To test the data input into the MISLE system for consistency, we compared 62 randomly selected hardcopy Certificates of Inspection against data entries in MISLE that corresponded with the same certificate activities. Of the 62 hardcopy Certificates of Inspection reviewed, 56 did not match the certificate entries made by Marine Inspectors in MISLE. In one example, the certificate indicated that eight different inspection activities had taken place, while the MISLE information indicated only two activities. In another example, the Certificate of Inspection indicated that only 3 inspection activities had taken place, while the MISLE data indicated 11 activities. In the cases where the Certificate of Inspection information did not match or include the same level of detail in MISLE, we could not determine what types of inspections were conducted.

After the prior inspection database crashed in late 2001, MISLE was quickly launched, and corresponding guidance and policy were never developed. In December 2009, a team of volunteers began developing the Domestic Vessel User Guide. Their efforts have been delayed because members have been called to assist with mission-critical activities, including Haiti relief and Deepwater Horizon support. Currently, the project is on hold pending the development and implementation of a newer version of MISLE.

Access Controls

Sufficient internal controls within MISLE to track edits or prevent Marine Inspectors from opening and closing their own inspection activity have not been established. Inspection cases can be reopened by any Marine Inspector at the originating sector or

Marine Safety Unit, but MISLE does not track the changes and shows only that the activity was edited. Cases can also be opened and closed by the same individual without being reviewed. Internal controls, including application controls, must be in place over information systems. Application controls should be designed to ensure that transactions are properly authorized and accurately processed, and that the data are valid and complete. Controls should be established at an application's interfaces to verify inputs and output, such as edit checks.

The Coast Guard uses MISLE data to conduct research on vessel history in preparation for safety inspections, to follow up on deficiencies recorded in previous inspections, and to support findings if appealed by vessel owners. Without adequate access controls for MISLE, these data may be faulty.

Marine Safety program officials said that Marine Inspectors must have the access to edit and close activities because it enables flexibility and timeliness. However, the chance for mistakes and abuse increases when any one individual is able to open, modify, and close inspection records. By establishing access controls for MISLE data, the Coast Guard would minimize inaccurate inspection data. Without such controls, potentially inaccurate inspection data may be used throughout all Coast Guard missions to report performance and to make resource and operational decisions.

Recommendations

We recommend that the Assistant Commandant for Marine Safety, Security and Stewardship, U.S. Coast Guard:

Recommendation #2: Develop and disseminate MISLE user guidance for domestic vessel safety inspections.

Recommendation #3: Augment MISLE access controls, and develop subsequent policy, so that the same person cannot open, complete, and close an inspection case.

Management Comments and OIG Analysis

Management Comments to Recommendation #2

Concur. The Coast Guard is currently developing policy for the data entry of domestic vessel safety inspections into MISLE. User

guides based on this policy for use with the next version of MISLE (5.0) are also under development. The Coast Guard anticipates completing the development of the policy and user guides from the fourth quarter of FY 2011 through the third quarter of FY 2012.

OIG Analysis
We consider the ongoing actions to be responsive to the recommendation. However, this recommendation will remain open and resolved until we receive and review the final and disseminated policy and relevant user guides.

Management Comments to Recommendation #3

Concur. The Coast Guard will recommend establishing access control levels to MISLE 5.0 developers, and provide policy to the field regarding opening, completing, and closing an inspection case. The Coast Guard anticipates implementing this recommendation in the third quarter of FY 2013.

OIG Analysis
We consider the proposed action to be responsive to the recommendation. However, this recommendation will remain open and resolved until we receive confirmation that the Coast Guard has recommended establishing access control level to MISLE 5.0 developers, and we receive and review the final policy disseminated to the field establishing internal controls for opening, completing, and closing an inspection case.

MISLE Database Quality Control

Not all MISLE entries of vessel inspections and examinations of offshore vessels are reviewed for consistency, accuracy, and completeness. Further, processes are not in place to detect overdue deficiencies of vessels, so some deficiencies have remained unaddressed for as long as 1 year. OMB Circular A-123, as revised, requires that periodic review, reconciliations, or comparisons of data be included as part of the regular assigned duties of personnel.

The Coast Guard units we visited in District 8 have some review processes in place, but they are not sufficient to ensure that inspection data are consistent, accurate, and complete. In addition, the Coast Guard does not formally conduct periodic reviews of inspection cases for domestic vessels to ensure that deficiencies have been properly closed. Without mandated

case reviews, the Coast Guard units have established inconsistent practices that could cause more work for another Coast Guard unit later. Inconsistencies may also allow vessels with overdue deficiencies to operate in another Coast Guard unit's area of responsibility undetected for up to a year or until the next reinspection.

The District 8 office reviews a sample of approximately 10% of all foreign vessel examinations each month and 100% of the towing vessel examinations, but does not review any domestic vessel inspections. Approximately once per month, District 8 staff extracts data of all inspection cases in MISLE open for more than 6 months for review. Reportedly, all units with open cases are contacted and requested to close the open cases or provide an explanation. This review looks only at cases that are still open and does not ensure that closed cases are accurate and complete. The district reported that it has neither the time nor the personnel to devote to additional domestic vessel inspection reviews, including those of offshore vessels. During our review, the District 8 Prevention Department had only 16 individuals working in support of the 726 Marine Inspection personnel in the field involved with offshore vessel safety inspections.

As of November 2010, 96 domestic offshore vessel inspection cases in District 8 remained open for longer than 6 months (see Table 1). For example, one case was open for 1,117 days. These 96 inspection cases may have associated open deficiencies; however, the Coast Guard does not know whether these cases include deficiencies because they have not been reviewed. The Coast Guard should improve its process for deficiency follow-up to prevent unsafe vessels from operating in U.S. waters. If the Coast Guard does not ensure that all deficiencies are closed, it cannot ensure the safety of maritime commerce.

Table 1. Open Inspection Cases in Excess of 6 Months*

Days Open Over 6 Months	Offshore Vessel Activities
0–100 days	64
101–500 days	14
501+ days	18

Source: U.S. Coast Guard, as of November 2010

One sector in District 8 established a local policy and process to follow up on all deficiencies issued by Marine Inspectors at the sector. Although it is a time-consuming practice, inspection cases are monitored until all related deficiencies are closed. Even when a vessel leaves that sector's area of responsibility, the Marine Inspector is required to contact the Coast

Guard unit where the vessel is operating to verify that the vessel owner has closed the deficiency. If this follow-up does not occur, deficiencies can stay open until the vessel's next annual inspection. The deficiency may not be so severe as to cause serious risk to people or the environment if left open until the next re-inspection, but the Coast Guard does not have the information to determine the severity of open deficiencies. Consistent requirements and procedures across Coast Guard units could minimize error, improve the integrity of the inspection data, and ensure greater safety of maritime commerce.

Mandated and enforced case review would ensure that cases and associated vessel deficiencies are closed in a timely manner. A case review process would also allow a third party to assess the consistency, accuracy, and completeness of the data. Regular and consistent inspection case review could also improve the accuracy, completeness, and consistency of MISLE data used to make key management decisions, resource allocations, and mission-critical decisions for vessel inspection and investigation activities.

Recommendation

We recommend that the Assistant Commandant for Marine Safety, Security and Stewardship, U.S. Coast Guard:

Recommendation #4: Develop and implement formal policy and procedures for the periodic review of MISLE inspection activities, including the review of open activities, overdue deficiencies, follow-up, and closure.

Management Comments and OIG Analysis

Management Comments to Recommendation #4

Concur. The Coast Guard will establish policy for the review of MISLE inspection activities by Coast Guard Areas and Districts, and establish timelines for MISLE case review completion. The Coast Guard anticipates implementing this recommendation in the second quarter of FY 2012.

OIG Analysis

We consider the proposed action to be responsive to the recommendation. However, this recommendation will remain open and resolved until we receive and review the final policy and

procedures requiring the periodic review of MISLE inspection activities, including the review of open activities, overdue deficiencies, follow-up, and closure of inspection records in MISLE.

Other Concerns

Additional Towing Vessel Workload

The Coast Guard Authorization Act of 2010 required the Secretary of DHS to issue a final rule regarding new inspection requirements for towing vessels. The regulation, to be issued by October 15, 2011, will transition towing vessels from an uninspected to an inspected fleet. The Coast Guard estimates that more than 5,300 towing vessels in the United States will have to be inspected. Although the Coast Guard is taking steps to prepare for inspections of towing vessels, adding more than 5,300 vessels will increase the Coast Guard's inspection workload significantly. With an increase in inspection work and data entry, consistent policies and procedures for MISLE data entry and the review of inspection cases for accuracy and completeness will become even more critical.

We conducted this audit to determine whether the Coast Guard has the capabilities and resources to conduct inspections of offshore vessels to ensure the safety of maritime commerce. We narrowed our scope to include the following offshore vessels, as categorized by the Coast Guard:

- Commercial Dive Support Vessel
- Floating Production System
- Floating Storage Offloading Vessel
- Lift Boat
- Mobile Offshore Drilling Unit
- Offshore Supply Vessel

We conducted site visits to Sector New Orleans, LA; Sector Mobile, AL; Marine Safety Unit Morgan City, LA; Marine Safety Unit Houma, LA; and District 8 in New Orleans, LA. We based our site visit selections on offshore vessel inspection data provided by the Coast Guard, which showed that approximately 88% of the inspections of offshore vessels conducted between January 1, 2009, and June 30, 2010, occurred in District 8. At these site visits, we interviewed employees and officials, made direct observations, and reviewed applicable documents. We also interviewed officials at Coast Guard's headquarters in Washington, DC.

We performed testing to verify whether qualified Marine Inspectors or Port State Control Examiners conducted each inspection, and whether the inspections conducted on a particular vessel were the inspections required and written on that vessel's Certificate of Inspection.

We reviewed a random sample of 361 MISLE inspection records. We compared those records against qualification dates within the Coast Guard's Training Management Tool database and qualification letters. We found that 357 inspections (98.9) were conducted by qualified Marine Inspectors or Port State Control Examiners, and that 4 inspections (1.1%) were not.

We requested the Certificates of Inspection for 62 offshore vessels operating in District 8. The list of activities performed during each annual Certificate of Inspection examination was recorded. We also requested the MISLE data for the same 62 offshore vessels. The information was filtered to show data from the same year as the Certificate of Inspection examinations and that the subsequent list of activities was recorded. We compared these two sets of data

to determine whether the MISLE data reflected the same activities as those listed on the Certificate of Inspection examinations. Our testing revealed that only 6 of the 62 vessels showed the same number of activities in the MISLE database as was recorded on the Certificate of Inspection.

We reviewed Coast Guard documents, including relevant ALCOAST messages and the *Marine Inspector Performance Analysis Report*, dated April 2005, conducted by the Coast Guard's Performance Systems Branch. We also compared the Coast Guard's current Marine Inspector Performance Qualification Standards for foreign and domestic vessel safety inspections dated October 2007 with corresponding versions that predate October 2007, to determine the changes over time. We reviewed the following Marine Inspector Performance Qualifications Standards:

Barge	Hull	Mobile Offshore Drilling Unit
Drydock	Machinery Steam	Control Verification Inspector/Foreign Passenger Vessel
K-Boat	Hull-tank	Foreign Freight Vessel Inspector
Liferaft	Offshore Supply Vessel	Foreign Chemical Tank Vessel
Machinery	T-Boat	Foreign Tank Vessel Inspector

We conducted this performance audit between April and December 2010 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

We appreciate the cooperation and courtesies extended to our review team by Coast Guard officials. Appendix C identifies major contributors to this report.

Appendix B
Management Comments to the Draft Report

U.S. Department of Homeland Security
United States Coast Guard

Commandant (CG-543)
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16700
April 7, 2011

MEMORANDUM

From: Eric P. Christensen, CAPT
COMDT (CG-543)

Reply to Attn of: G. L. Boone, CDR (202) 372-1215

To Anne L. Richards, Assistant Inspector General for Audits

Subj: COMMENTS TO OIG DRAFT REPORT: U.S. COAST MARINE SAFETY PROGRAM – OFFSHORE VESSEL INSPECTIONS

Ref: (a) Your memo dtd 09 Mar 2011 w/ attachment

1. Thank you for the opportunity to review and comment to your draft report. Specific comments and anticipated completion and implementation dates are enclosed. The U.S. Coast Guard has no concerns with the release of this information to the public.

2. We appreciate your staff's external review of our processes that are vital to our Maritime Safety Mission. If there is anything else my staff can do to help with this report do not hesitate to ask.

3. Questions concerning this memorandum and comments may be directed to Commander Lee Boone at (202) 372-1215 or george.l.boone@uscg.mil.

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Comments to OIG Draft Report: U.S. Coast Guard
Marine Safety Program – Offshore Vessel Inspections

The U.S. Coast Guard has no concerns with the release of this information to the public.

Recommendation #1: Complete and disseminate to field units New Construction Project Inspector Performance Qualification Standards and update the Marine Safety Manual accordingly.

Response: Concur - The analysis of the Marine Inspector Course (MIC) that will begin in the 3rd quarter of FY11 will take into account new construction and plan review as part of the analysis along with any other new/additional tasks that may be identified. These tasks will be incorporated into the PQS and curriculum job aids developed for inspectors.

Anticipated implementation: 3rd Qtr, FY12

Recommendation #2: Concur - Develop and disseminate MISLE user guidance for domestic vessel safety inspections.

Response: Concur – Policy for MISLE entries of domestic vessel safety inspections is currently being developed by CG-543. User guides for the next version of MISLE (Version 5.0), based on this policy, is also under construction.

Anticipated completion: 4th Qtr FY11 through 3rd Qtr, FY12

Recommendation #3: Augment MISLE access controls, and develop subsequent policy, so that the same person cannot open, complete, and close an inspection case.

Response: Concur – CG-543 will recommend establishing access control levels to MISLE 5.0 developers, and provide policy to the field regarding opening, completing, and closing an inspection case.

Anticipated implementation: 3rd Qtr, FY13

Recommendation #4: Develop and implement formal policy and procedures for the periodic review of MISLE inspection activities, including the review of open activities, overdue deficiencies, follow-up, and closure.

Anticipated implementation: 2nd Qtr, FY12

Response: Concur – CG-543 will establish policy for review of MISLE inspection activities for Coast Guard AREAS and Districts to follow, and establish timelines for MISLE case review completion.

Appendix C
Major Contributors to this Report

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