

**DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
DIVISION OF MARINE FISHERIES**

**PHASE I
INTERIM REPORT**

**PREPARED FOR
THE
JOINT LEGISLATIVE COMMITTEE ON
SEAFOOD AND AQUACULTURE**

MAY 1997

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AUDITOR'S TRANSMITTAL

May 5, 1997

Representative Jean Preston, Co-Chair
Senator Charles Albertson, Co-Chair
Members, Joint Legislative Commission
on Seafood and Aquaculture
Legislative Office Building
Raleigh, North Carolina 27603

Ladies and Gentlemen:

We are pleased to submit this interim report on the operations of the Division of Marine Fisheries. You requested the Office of the State Auditor to conduct a performance audit on the Division of Marine Fisheries (DMF). We agreed to do so, with the understanding that the audit would be conducted in two phases. The first phase of the audit, summarized in this interim report, addresses the specific questions you had relative to:

- the validity of the work performed by Goald Development Systems, Inc. on DMF;
- an evaluation of DMF's performance in meeting the current requirements contained in existing legislation; and
- an assessment of DMF's capacity to handle additional responsibilities as proposed in HB 375.

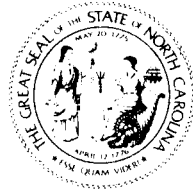
The second phase of the audit will address in detail the concerns identified in this interim report. Additionally, we will expand the audit to include specific operational procedures which we determine to be essential to DMF's mission. The final report, which will summarize the findings and recommendations from both phases of the audit, will contain specific recommendations aimed at improving the operations of DMF in terms of economy, efficiency, and effectiveness.

We wish to express our appreciation to Secretary Jonathan Howes and his staff for the courtesy, cooperation, and assistance provided us during Phase I of the audit. We anticipate a continued cooperative effort in the completion of Phase II.

Respectfully,

original copy signed by Ralph Campbell, Jr.

Ralph Campbell, Jr.
State Auditor



NORTH CAROLINA GENERAL ASSEMBLY

February 10, 1997

The Honorable Ralph Campbell, Jr.
State Auditor
Legislative Office Building
300 North Salisbury St.
Raleigh, NC 27603

Dear Mr. Campbell,

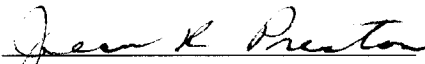
As you may know, the Joint Legislative Commission on Seafood and Aquaculture has been considering a package of comprehensive recommendations made by the Moratorium Steering Committee with respect to fisheries management. In light of a recent "Interim Organizational Assessment Report" prepared by Goald Development Systems, the Joint Legislative Commission was hesitant to propose any recommendations to increase the funding or scope of authority of the Division of Marine Fisheries until such time as an independent Performance Audit by your office has been completed.

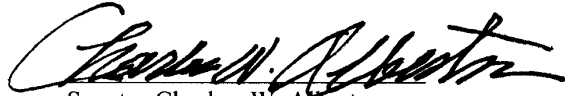
As Co-chairs of the Joint Legislative Commission, we respectfully request that a Performance Audit be initiated by your Office on the Division of Marine Fisheries as soon as possible. We request that the audit be conducted in two phases. Phase I should evaluate the work done by Goald Development Systems and encompass a preliminary assessment of the Division's ability to administer its current responsibilities and its ability to handle additional responsibilities such as those contemplated by the Joint Legislative Commission. Phase I should be completed by April 25, 1997, and result in a briefing for the Joint Legislative Commission and the Secretary of DEHNR. The Joint Legislative Commission will then consider recommendations made by the State Auditor as well as the Moratorium Steering Committee. Phase II would then be the completion of the audit addressing all issues identified by the Auditor and would result in a final report for public release.

In conducting this audit, please consider the "Interim Organizational Assessment Report" as well as the implementation plan included in the "Systematic Development" document prepared for the Division by Goald Development Systems. It is not the intention of the Joint Legislative Commission to duplicate the efforts of the Goald Development Systems assessment. The Joint Legislative Commission would like the audit to review those recommendations and to include an organization assessment, as well as an organizational development process for addressing the problems within the Division.

We look forward to receiving your report.

Sincerely,


Representative Jean Rouse Preston


Senator Charles W. Albertson

Co-Chairs
Joint Legislative Commission on Seafood and Aquaculture

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AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

The Office of the State Auditor undertook the audit of the Division of Marine Fisheries (DMF) at the request of the Joint Legislative Commission on Seafood and Aquaculture. The Commission requested the audit as part of its deliberations on the recommendations from the Fisheries Moratorium Steering Committee. Specifically, the Joint Commission asked the State Auditor to review the operations of DMF to give an assessment of the current status of operations and DMF's capacity to assume additional responsibilities. The Commission needed this information in time to make a decision on the recommendations of the Moratorium Steering Committee during the 1997 legislative session. The State Auditor realized that to fully answer questions relative to DMF's current and future capabilities would require a significant amount of time. Therefore, the Auditor agreed to undertake the audit in two phases in order to accommodate the Commission's needs and fully examine DMF's operations.

The objective of *Phase I* of the performance audit of the Division of Marine Fisheries was to answer the initial questions asked by the Joint Commission and to make an interim report to the Commission by April 25, 1997, on the preliminary findings from the audit. Therefore, the scope of Phase I included:

- an assessment of the validity of the work performed by Goald Development Systems, Inc. for the Department of Environment, Health, and Natural Resources on DMF;
- an evaluation of DMF's performance in meeting the current requirements contained in existing legislation; and
- an assessment of DMF's capacity to handle additional responsibilities as proposed by the Moratorium Steering Committee and as contained in House Bill 375 introduced in the 1997 legislative session.

In order to achieve our objectives, we employed various auditing techniques which adhere to the generally accepted auditing standards as promulgated in *Government Auditing Standards* issued by the Comptroller General of the United States. These techniques included:

- review and assessment of the Goald Development Systems, Inc. report and supporting workpapers;
- review of existing General Statutes and North Carolina Administrative Code as they relate to DMF;
- review of the recommendations of the Moratorium Steering Committee, as well as review of proposed legislation affecting DMF;
- survey of all current employees as identified by DMF management;
- on-site, in-depth interviews with 118 members of staff;
- accompaniment of selected staff during the performance of their daily duties;
- identification and review of internal control procedures for DMF sections;
- review of existing planning documents, organizational charts, policies and procedures, contractual arrangements, and financial data;
- review of various other studies and reports on DMF operations; and
- limited sampling of data contained in DMF databases to test validity and identify potential areas for further study.

AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

The result of the audit work performed during Phase I is the information contained in this interim report. This information will be used to develop the detailed audit program for Phase II of the audit.

In *Phase II*, we will examine in greater detail the areas of potential concerns noted in Phase I, and we will expand the audit to include specific operational procedures which we determine to be key to DMF's mission. We will develop specific recommendations aimed at improving the operations of DMF in terms of economy, efficiency, and effectiveness. At the completion of Phase II, the Office of the State Auditor will prepare a complete report summarizing the findings and recommendations from both phases of the audit. The report, which will be a public document, will also contain a written response from DMF management to the specifics contained therein.

PHASE I

FINDINGS AND CONCLUSIONS

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ASSESSMENT OF GOALD DEVELOPMENT SYSTEMS' REPORT

A. Methodology employed

- Review and assessment of report and supporting workpapers
- Comparison of issues included in report with information gathered from interviews, surveys, and preliminary testing of procedures

B. Problems identified in Goald Report and confirmed by State Auditor

- Lack of strategic plan
- No internal policies and procedures manual
- Lack of communication
- Divisiveness within the division
 - Turf battles
 - Self protection
- Lack of specific performance standards

C. State Auditor's concerns relative to Goald Report

- No documentation to support claim of 25% reduction in staffing
 - There is a potential for reorganization
 - Some areas are understaffed; some areas are overstaffed

CONCLUSION: Based upon the work performed in Phase I, we have confirmed a number of issues identified in the Goald report as problems. As necessary, these issues will be explored further in Phase II. The consultant is currently assisting DMF personnel in developing a strategic planning process. As noted above, the lack of a strategic plan is an area where we noted weaknesses in the management of DMF. Our assessment of the work being done by the consultant is that it is necessary and the procedures being used by Goald Development Systems are adequate to assist staff in learning how to develop a strategic plan.

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EVALUATION OF DMF'S FULFILLMENT OF CURRENT RESPONSIBILITIES

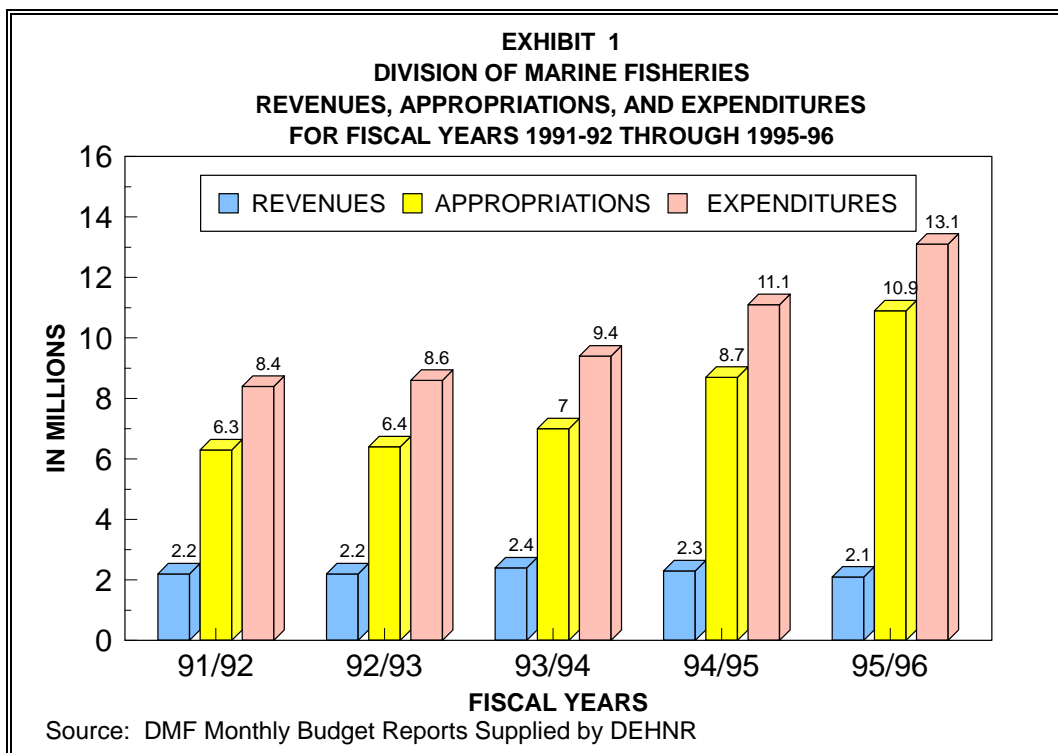
REVIEW OF FINANCIAL DATA

A. Methodology employed

- Identification of existing policies and procedures
- Limited review of internal control procedures
- Staff interviews

B. Total Revenues, Expenditures, and Appropriations for FY 91/92 through FY 95/96 are shown in Exhibit 1

- Revenues have remained fairly steady
- Appropriations and expenditures have continued to increase over the past 5 fiscal years
 - 73% increase in appropriations
 - 56% increase in expenditures



C. Concerns noted

- Questionable internal control procedures
- Significant increase in expenditures

REVIEW OF CURRENT ORGANIZATIONAL STRUCTURE

A. Methodology employed

- Reviewed organizational chart
- Identified location of field offices
- Visited all field locations
- Interviewed staff and accompanied staff while performing duties
- Limited examination of workload indicators and use of temporary personnel

B. Current organizational chart is shown in Exhibit 2

- Chart notes sections and major functions
- Exhibits 3, 4, and 5 show the different districts used by DMF

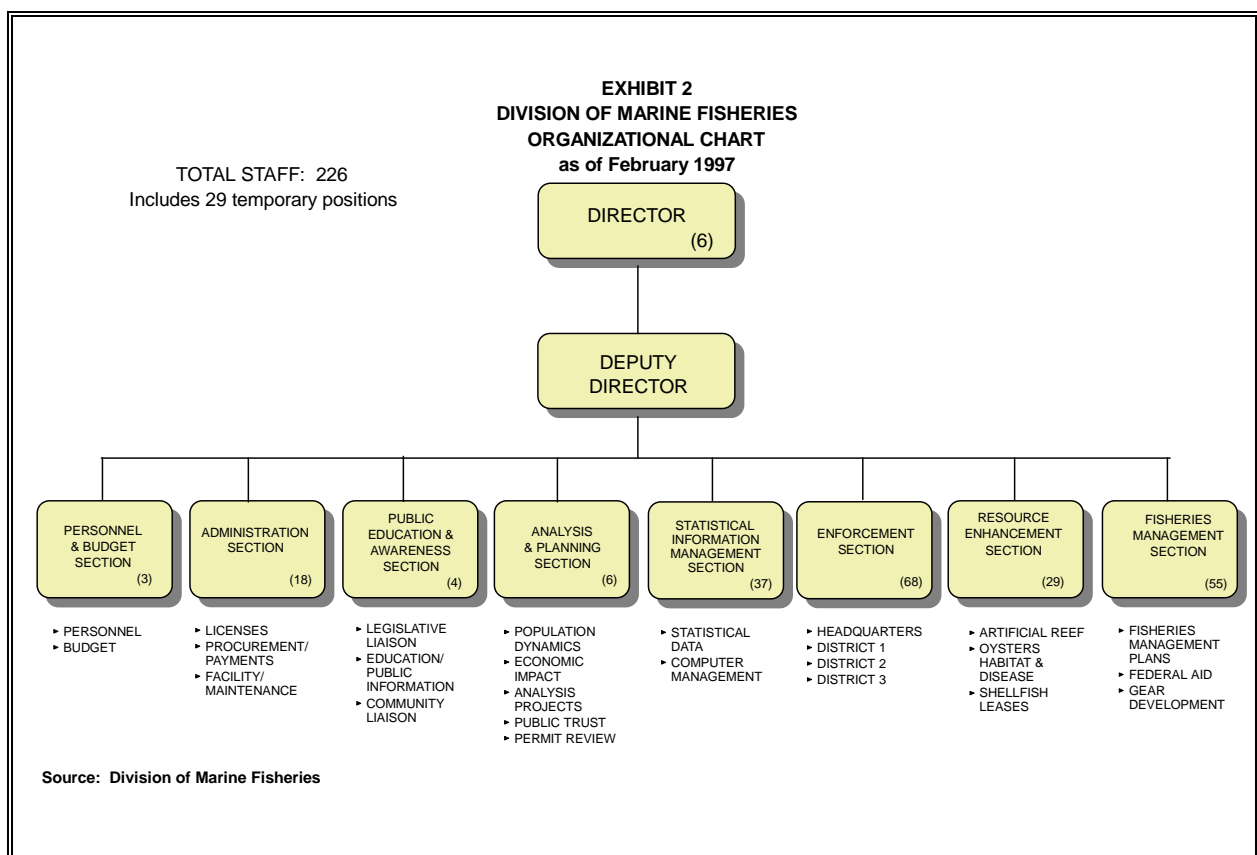
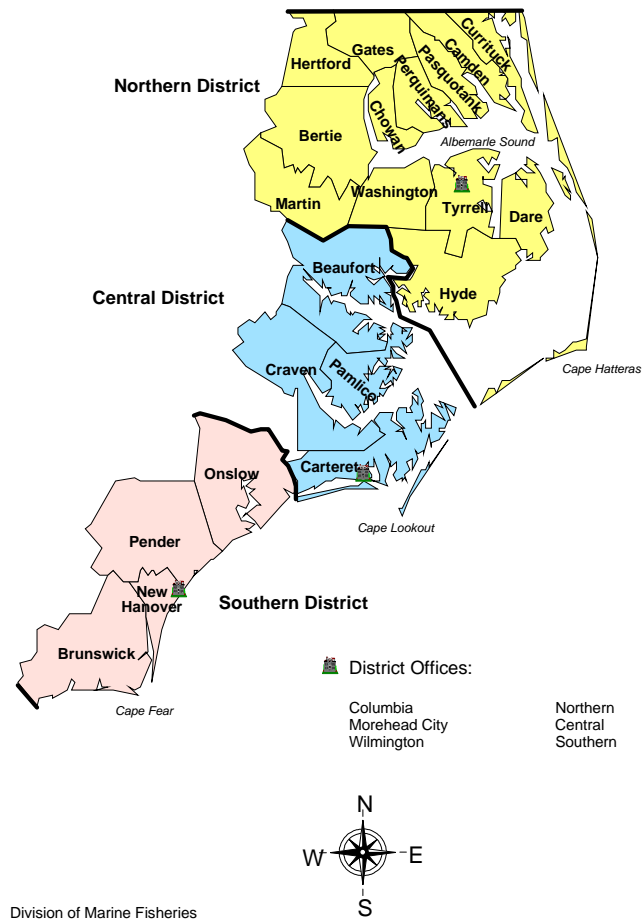
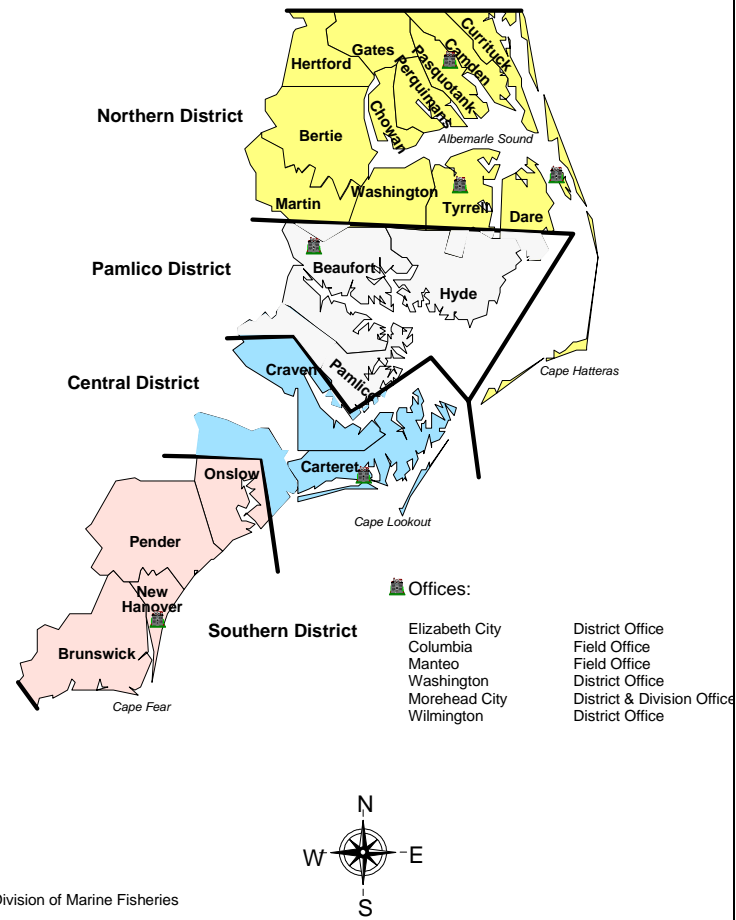


EXHIBIT 3
 Division of Marine Fisheries
 Coastal Law Enforcement Districts/
 Office Locations



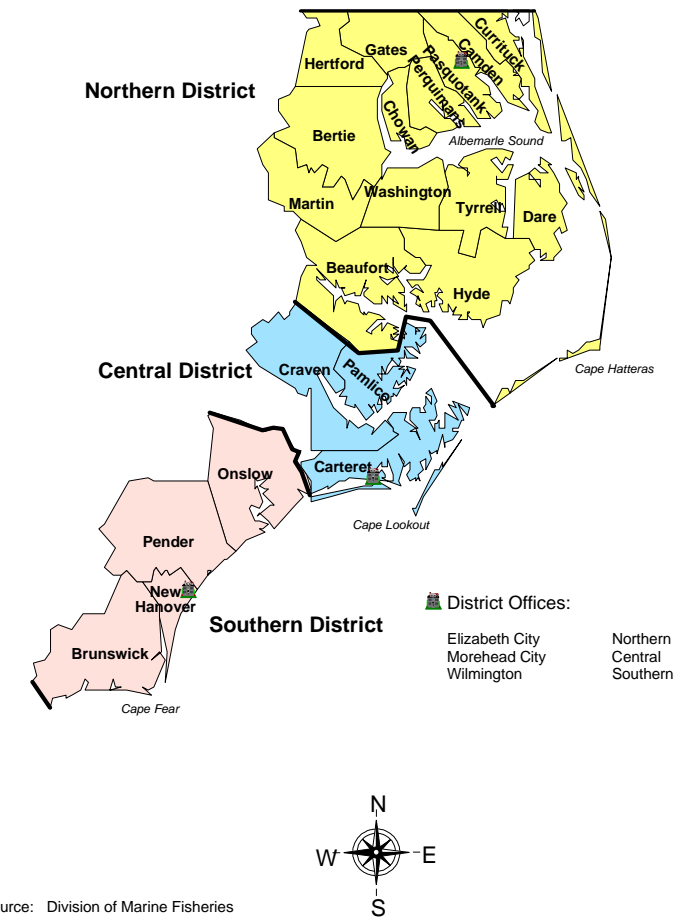
Source: Division of Marine Fisheries

EXHIBIT 4
 Division of Marine Fisheries
 Fisheries Management Districts/
 Office Locations



Source: Division of Marine Fisheries

EXHIBIT 5
 Division of Marine Fisheries
 Commerical Statistics Districts/
 Office Locations

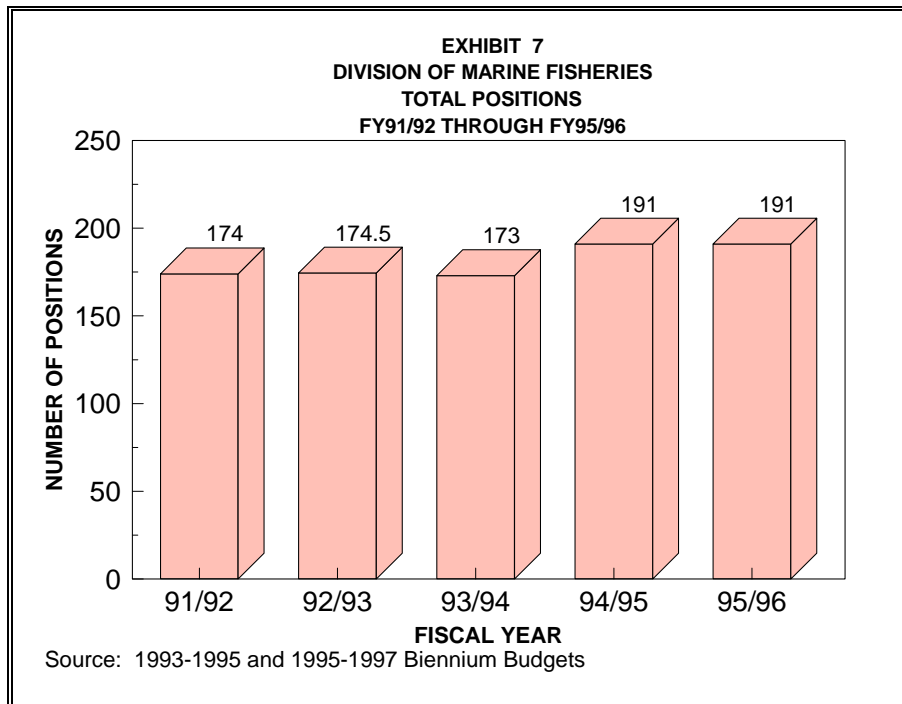


Source: Division of Marine Fisheries

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C. Identification of major sections and responsibilities with G. S. references, Exhibit 6, pages 14-19

- Summarized strengths and weaknesses for each section
- Information based on observations, limited testing, survey results and interviews
- Staffing levels have changed little for past 5 years, Exhibit 7



D. Concerns noted

- Current staffing levels may not be appropriate
- Interviews indicated vacancies not filled in timely manner
- Extensive use of both temporary state employees and employees from a temporary employment agency
- Issue of different districts for each major program; location and number of field offices
- Poor record keeping by DMF on staffing issues
- Limited workload indicators

EXHIBIT 6
SUMMARY OF DMF SECTION RESPONSIBILITIES, STATUTORY AUTHORITY, AND STRENGTHS AND WEAKNESSES
(Information based on observations, limited testing, survey results and interviews)

DIRECTOR			
<p>MAJOR RESPONSIBILITIES</p> <ul style="list-style-type: none"> • supervises, directs, and coordinates activities between the Fisheries Management, Planning & Analysis, Budget & Personnel, SIMS, Enforcement and Administration Sections • coordinator of activities involving the Artificial Reef, Shellfish Rehabilitation, Shellfish Lease, Submerged Lands, and Research Coordination Programs • ensures that functional sections follow established guidelines, policies, and procedures, and are consistent and uniform in fisheries objectives, goals, and interpretation and implementation of laws and regulations 	<p>G. S. REFERENCE</p> <p>--N/A</p>	<p>STRENGTHS</p> <ul style="list-style-type: none"> ◇ developing long range plans ◇ interim Director (Deputy Director) is doing good job 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ◆ position currently vacant ◆ some field offices have not been visited by Director ◆ insufficient support of operational procedures recommended by sections
DEPUTY DIRECTOR			
<ul style="list-style-type: none"> • (Administrative Management-60%); responsible for the day-to-day administration of the division to include developing the division's administrative goals and objectives; overseeing administration of the division budget; setting priorities for budget development; developing the division's standard operating procedures • develops administrative rules in response to new legislation or other initiatives; reviews proposed legislation and rule changes for impact on operations and budget • (Supervision-25%); supervision of section chiefs to include developing work plans; reviewing performance and adjusting assignments; setting goals and priorities; and establishing deadlines • (Policy Development-15%); responsible for revising the division's policies, procedures, and guidelines in accordance with departmental rules and procedures 	<p>--N/A</p>	<ul style="list-style-type: none"> ◇ developing long range plans ◇ serving as interim Director ◇ has developed work plans 	<ul style="list-style-type: none"> ◆ management does not support recommendations made by staff ◆ Deputy Director has not visited all field offices

Items highlighted in blue are ones we believe need immediate attention.

EXHIBIT 6 (continued)
(Information based on observations, limited testing, survey results and interviews)

PERSONNEL AND BUDGET SECTION

MAJOR RESPONSIBILITIES	G. S. REFERENCE	STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ensure managers have sufficient funds to accomplish their goals by identifying funding needs, requesting funds from the General Assembly, and looking for other funding sources responsible for recruitment to ensure that programs have adequate staff ensure that employees are treated equitably; are knowledgeable about state and departmental personnel policies; and are adequately trained 	<ul style="list-style-type: none"> --State Budget Manual --State Personnel Manual 	<p>(BUDGET & PERSONNEL)</p> <ul style="list-style-type: none"> ◇ adequate equipment/supplies ◇ section employees believe they receive the assistance needed from their supervisors ◇ section employees believe they are effectively performing functions 	<p>(PERSONNEL)</p> <ul style="list-style-type: none"> ◆ does not provide access to policies & procedures ◆ inadequate job descriptions and pay grades ◆ vacancies not filled timely ◆ inadequate response time to requests from field ◆ inadequate organizational structure (too many temporary secretaries) <p>(BUDGET)</p> <ul style="list-style-type: none"> ◆ does not provide budget information ◆ some sections do not receive budgets, yet incur significant expenditures ◆ inadequate response time to requests from field ◆ unreasonable time delay in submission of Certified Budget to DEHNR, resulting in a similar time delay in sections receiving line item budgets ◆ account titles are not validated at beginning of fiscal year

ADMINISTRATION SECTION

<ul style="list-style-type: none"> management of funds received by providing the best services and accountability according to State and Departmental guidelines acquire supplies and equipment from vendors and ensure timely payment of bills educate the public on all license requirements, respond to Commissions and Committees, sell licenses, and address public concerns on all license issues pay travel expenses and reimbursements timely in accordance with GAAP provide efficient and economical service to extend the longevity of division's resources/materials 	<ul style="list-style-type: none"> --Article 14.; 113-151.1 through 113-167. (Commercial and Sports Fisheries Licenses and Taxes) --State Budget Manual --State Purchasing Manual --Daily Deposit Act 	<ul style="list-style-type: none"> ◇ adequate supplies, equipment, and facilities for section ◇ proposals to change to a computerized license system with data entry at point of sale ◇ developed procedures manual for license agents 	<ul style="list-style-type: none"> ◆ invoices not paid timely ◆ inadequate internal control over purchasing of state supplies on account by employees ◆ personnel have not received needed training on NCAS or LAN ◆ separate data bases for each license type (11) ◆ manual preparation of licenses with data entered into system at a later date ◆ licenses sold by contracted agents not entered timely due to monthly submission ◆ inadequate management and enforcement of license process ◆ does not provide access to policies & procedures ◆ fixed asset inventory responsibilities shifted from fixed asset officer to sections/field offices ◆ inadequate segregation of duties within the purchasing function ◆ division mechanics' salaries are not properly allocated to section where work is performed ◆ data entry falls months behind at beginning of fiscal year; all renewals due in July ◆ job descriptions do not reflect all duties performed ◆ inadequate time-keeping procedures ◆ inefficient communication with public regarding license information ◆ inadequate license issuance procedures and documentation
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Items highlighted in blue are ones we believe need immediate attention.

EXHIBIT 6 (continued)
(Information based on observations, limited testing, survey results and interviews)

PUBLIC EDUCATION AND AWARENESS SECTION

MAJOR RESPONSIBILITIES	G. S. REFERENCE	STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • manages the division's media, public relations, educational outreach program, and legislative affairs program • directs and manages the division's educational outreach program, serves as legislative liaison, and works with the general public and elected officials in providing information ◆ develops and conducts the division's educational programs; provides computer graphic support and manages the division's web site 	--N/A	<ul style="list-style-type: none"> ◇ section employees believe they are effectively performing functions ◇ section employees believe they receive the assistance needed from supervisors ◇ began internal newsletter ◇ working on improving communications with commercial fishermen 	<ul style="list-style-type: none"> ◆ inadequate public relations regarding division's functions

ANALYSIS AND PLANNING SECTION

<ul style="list-style-type: none"> • protection of coastal fisheries habitat, water quality, and public trust interests • management of the division's process for commenting on habitat alteration permit applications • resolution of submerged lands claims under specific legislative acts • short-term and long-term economic studies and population dynamics research • preparation of economic analysis for division fisheries management plans and participation in departmental planning activities 	<p>--G.S. 113-204 (Propagation of shellfish)</p> <p>--G.S. 113-205 (Registration of grants in navigable waters; exercise of private fishery rights)</p> <p>--G.S. 113-206 (Chart of grants, leases and fishery rights; overlapping leases and rights; contest or condemnation of claims; damages for taking of property)</p> <p>--G.S. 146-20.1 (Conveyance of certain marshlands validated; public trust rights reserved)</p> <p>--G.S. 113-131 (Resources belong to public; stewardship of conservation agencies; grant and delegation of powers; injunctive relief)</p> <p>--G.S. 76-40 (Navigable waters; certain practices regulated)</p>	<ul style="list-style-type: none"> ◇ have won all lawsuits re: submerged lands claims ◇ staff feels appeals process working 	<ul style="list-style-type: none"> ◆ no cooperation between sections ◆ no budget for submerged land or habitat alteration permit review ◆ no long range plan; decisions driven by crises ◆ inadequate facilities ◆ inadequate staff levels in specialty areas ◆ inadequate organizational structure
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Items highlighted in blue are ones we believe need immediate attention.

EXHIBIT 6 (continued)
(Information based on observations, limited testing, survey results and interviews)

STATISTICAL INFORMATION MANAGEMENT SECTION

MAJOR RESPONSIBILITIES	G. S. REFERENCE	STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> collect, process, and disseminate recreational and commercial fisheries statistics and provide information management and technology support for the division management of biological (research and monitoring), and other administrative data purchase and maintenance of division's computer & information systems to include the Geographic Information System and LAN 	<p>--G.S. 113-154 (Shellfish and crab license) --G.S. 113-156 (Licenses for fish dealers) --G.S. 113-154.1 (Endorsement to sell fish) --G.S. 113-163 (Record-keeping requirements; confidentiality)</p>	<ul style="list-style-type: none"> adequate facilities and equipment trip ticket program recognized as best data collection system data printouts reviewed for accuracy by person who initially collected data section employees believe they receive the assistance needed from their supervisors data entry clerks are cross-trained biological database is backed up daily trip ticket program is edited, updated and reviewed statistical samples are done on the information placed in the biological database 	<ul style="list-style-type: none"> inadequate organizational structure regarding the computer support section; inadequate staffing non-compliance with state travel policy (employee commutes with state vehicle) multiple databases that are not integrated (27) lack of information sharing between data clerks and port techs due to separation in supervision not informed of regulation changes, season openings and closings, proclamations inefficient use of personnel inefficient work location for some employees (office instead of home) inconsistent handling of overtime lack of access to policies & procedures no information security on databases or procedures for backing-up information need to perform a cost-benefit analysis on use of contractor for data keying function need uniform quality control procedures over databases inadequate training on equipment and computer software resulting in repeated errors too many supervisors & inadequate training of supervisors and other key personnel

RESOURCE ENHANCEMENT SECTION

<ul style="list-style-type: none"> responsible for creating productive marine and estuarine habitats; providing increased opportunities for shellfish harvesting, mariculture, recreational fishing and diving provide shellfish habitat and population data necessary for better management of the State's coastal resources administration of the shellfish lease program; (shellfish mapping, oyster disease, oyster rehabilitation, and shellfish lease investigations; and artificial reef which is composed of both state and federally funded employees conducting construction, access and evaluation programs) responsible for supervising and sustaining vessels and crews assigned to the section that work on oyster rehabilitation and artificial reef projects. 	<p>--Art. 63, Chp. 106 (Aquaculture Development Act) --G.S. 113-202.1 & 113-202.2 (Water Column Leases for Aquaculture) --G.S. 113-202 (Shellfish Cultivation Leases) --G.S. 113-203 (Transplanting of Shellfish) --G.S. 113-204 (Propagation of Shellfish) --G.S. 113-205 (Registration of Grants in Navigable Waters) --G.S. 113-206 (Chart of Grants, Leases and Fishery Rights) --G.S. 113-208 (Protection of Private Shellfish Rights) --G.S. 76-40 (Navigable Waters)</p>	<ul style="list-style-type: none"> adequate facilities at Morehead City section employees believe section is performing effectively and supervisors providing adequate assistance completing projects timely, working autonomously, and cooperation within sections organizational format is logical and biologists are trained in their specific area staff believes they can perform requirements of HB 375 	<ul style="list-style-type: none"> vessel crews do not have adequate staff, vessels, or training to perform their functions supervisors are placed in charge of sections without the proper training and experience failed OSHA inspection (fined) vessels are not sea-worthy, resulting in critical inspections of buoys not being performed; crew in limbo no scheduled preventive or routine maintenance program for vessels lease and franchise contracts do not adequately charge for costs incurred inadequate documentation to ensure compliance with lease/franchise contracts; inadequate enforcement for violators inconsistent treatment of overtime not investigating oyster diseases supervisors supervising people/functions they know nothing about excessive postage on postal meter (\$25,000 balance)
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Items highlighted in blue are ones we believe need immediate attention.

EXHIBIT 6 (continued)
(Information based on observations, limited testing, survey results and interviews)

ENFORCEMENT SECTION

MAJOR RESPONSIBILITIES	G. S. REFERENCE	STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> enforcement of NC General Statutes, Marine Fisheries rules and proclamations protection of NC marine and estuarine resources responsible for the overall law enforcement efforts of the division in the 2.7 million acres of ocean and coastal waters and 4,000 miles of shoreline in 21 eastern counties in NC ensure proper interpretation of laws and fisheries rules for coastal waters recommend rule changes that enable division to meet its enforcement missions and resource management objectives work closely with the Attorney General's office to develop policies and enforcement guidelines to be followed by district enforcement officers to assure that investigations, searches and seizures are made in accordance with applicable statutes 	<p>--G.S. 113-135 (General penalties for violating Subchapter; increased penalty for prior convictions)</p> <p>--G.S. 113-136 (Enforcement authority of inspectors and protectors)</p> <p>--G.S. 113-137 (Search on arrest; seizure, confiscation, disposition of property)</p> <p>--G.S. 113-140 (Warning tickets)</p> <p>--G.S. 113-182 (Regulation of fisheries)</p> <p>--G.S. 113-183 (Unlawful possession, transportation, and sale of fish)</p> <p>--G.S. 113-184 (Possession of prohibited oyster equipment)</p> <p>--G.S. 113-185 (Fishing near ocean piers; trash or scrap fishing)</p> <p>--G.S. 113-187 (Penalties for violations)</p> <p>--G.S. 113-203 (Transplanting oysters/clams)</p> <p>--G.S. 113-207 (Clamming on posted oyster rocks forbidden; penalty)</p> <p>--G.S. 113-208 (Protection of private shellfish rights)</p> <p>--G.S. 113-209 (Penalty for taking polluted shellfish)</p> <p>--G.S. 113-265 (Obstructing or polluting flow of water into hatchery; throwing fish offal into waters)</p> <p>--G.S. 113-268 (Robbing or injuring nets, seines, buoys, pots, etc.)</p> <p>--G.S. 113-269 (Robbing or injuring hatcheries and other aquaculture operations)</p>	<ul style="list-style-type: none"> adequate facilities and equipment section employees believe they receive the assistance needed from their supervisors captains from different districts interact regularly HB 375 will allow for more positions and equipment 	<ul style="list-style-type: none"> will be difficult to enforce compliance with recreational licenses required by HB 375 not provided with needed equipment, supplies, and gear to perform duties; need safety equipment officers do not receive shift premium pay some employees are told by management to allow grace periods before enforcing proclamations division has not adequately allocated its patrol officers among districts inventory changes and discrepancies don't always get updated by division officers are hired without prior experience in operating a boat no secured compounds at field offices to safeguard equipment employees do not have access to division's internal policies & procedures manual not filling vacancies soon enough inadequate supervisory training and cross-training for all employees no maintenance schedules for boats, planes, and other equipment unnecessary layer of supervision in field

Items highlighted in blue are ones we believe need immediate attention.

EXHIBIT 6 (continued)
(Information based on observations, limited testing, survey results and interviews)

FISHERIES MANAGEMENT SECTION

MAJOR RESPONSIBILITIES	G. S. REFERENCE	STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> responsible for recommending to the Director the appropriate policies for management of NC marine and estuarine fisheries resources recommendations based on data collected and analyzed by staff, presented through fisheries management plans and through direct recommendations to the Director responsible for the following research and monitoring programs and activities that support management policies: gear development program to reduce bycatch, review of environmental permits, regular assessment of NC fisheries, preparation of fisheries management plans, staff support for the Marine Fisheries Commission, coordination of proclamations for the division, federal aid coordination, the saltwater fishing citation program, and the NC Governor's Cup Billfish Conservation Program. 	<ul style="list-style-type: none"> --G.S. 113-131 (Staff comments on permit applications) --G.S. 113-229 (Staff comments on permit applications) --G.S. 113-252 (Staff serves on many Atlantic States MFC committees) --G.S. 113-261 (Scientific collecting permits) --G.S. 113-201 (Authority of MFC) --G.S. 113-221 (Rules, proclamations; emergency commission meetings) --G.S. 143B-289.3 (MFC-creation; purpose and transfer of function) --G.S. 143B-289.4 (MFC powers and duties) --G.S. 143B-289.5 (MFC-members; selection; removal; compensation; quorum; services) --G.S. 143B-289.6 (MFC-organization; officer selection; Rules of Order) --G.S. 143B-289.7 (Marine Fisheries Commission-meetings) --G.S. 143B-289.8 (Marine Fisheries Endowment Fund) --G.S. 143B-289.9 (Conservation Fund; Commission may accept gifts) 	<ul style="list-style-type: none"> ◇ section employees believe they are effectively performing functions ◇ supervisors providing adequate assistance ◇ adequate equipment, supplies, and work facilities at Morehead ◇ complete projects timely, work autonomously ◇ can obtain outside funding for projects 	<ul style="list-style-type: none"> ◆ cannot perform additional requirements of HB 375 with current workload ◆ do not communicate to public in advance of proclamations being issued ◆ duplication of efforts (biologists & technicians) ◆ inefficient sampling procedures result in 1 year delay in data reporting ◆ political influences prevent enactment of recommendations from biologists ◆ have not completed FMPs ◆ employees do not have access to the division's internal policies & procedures manual ◆ performance management system is not standardized ◆ division underwent a salary upgrade but certain employees were not included ◆ reassignment of function to more appropriate section (monitoring of oyster beds) ◆ too many supervisory positions ◆ lack of supervisory training ◆ applicants recommended for hiring not offered positions ◆ fisheries management plans are not coordinated ◆ some data collected is not used

Note: All G.S. that refer to the MFC indirectly apply to Fisheries Management because section chief serves as liaison to the MFC.

Items highlighted in blue are ones we believe need immediate attention.

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LIMITED TESTING OF DMF RECORDS (DATABASES)

A. Examined DMF databases to identify what data available

- Identified 27 separate databases, Exhibit 8
- Obtained preliminary identification of users and reports generated

EXHIBIT 8 DIVISION OF MARINE FISHERIES LIST OF CURRENT DATABASES		
Item #	Name of Database	Period Covered
1.	Division of Marine Fisheries(DMF) Biological database	1964-present
2.	DMF Marine Recreational Fisheries Survey(MRFSS)	1987-present
3.	DMF Head Boat(HB) database	1992-present
4.	DMF Albemarle Sound Creel Survey(ASCS)	1991-present
5.	DMF Pound Net database	1985-present
6.	DMF License database	1974-1993
7.	DMF Shellfish License database	1985-1993
8.	DMF Personal Computer(PC) Mechanical Oyster database	1985-1987
9.	DMF PC Shellfish Bottom License	1994-present
10.	DMF PC Commercial Marine Vessel License	1994-present
11.	DMF PC Vessel Crab License	1995-present
12.	DMF PC Shellfish and Crab License	1994-present
13.	DMF PC Shellfish License	1985-1993
14.	DMF PC Endorsement to Sell License	1994-present
15.	DMF PC Library	1971-present
16.	DMF PC Proclamations	unknown
17.	DMF PC Landings Bulletin	1989-present
18.	DMF PC Governor's Cup	1991-present
19.	DMF PC License Agent	1996-present
20.	DMF PC Criminal Records Information System(CRIS)	1994-present
21.	DMF PC License to Land Flounder	1996-present
22.	DMF Spotter Plane License	1989-present
23.	DMF database (main frame)	1964-present
24.	Geographical Information System(GIS) database	1995-present
25.	Trip Ticket Program	1994-present
26.	Seafood Dealer Tracking System database	1994-present
27.	DMF/Center for Geographic Information Analysis	June 1992

Source: Division of Marine Fisheries

B. Concerns noted

- Databases are not integrated
- Some staff members do not have access to database information that is applicable to their jobs
- There are concerns regarding the validity of some data, such as number of licenses for FY 95/96 (see below)

	<u>Number</u>
Reported to Secretary of State	44,717
Reported on DMF database	32,314
Reported in DMF presentation to DEHNR	34,000

- Issue of some databases containing only current year's detail data

LIMITED TESTING OF DMF RECORDS (WARNINGS/CITATIONS)

A. Reviewed a sample of warnings/citations issued

- Sampled 100 warning/citations issued for each calendar year 1995 and 1996
- Number of warnings/citations issued by Marine Patrol officers

<u>1995</u>	<u>1996</u>
2,868	2,082

B. Samples included seized catches of seafood

- Written procedures are included in the Marine Patrol Manual for the seizure and disposition of seafood
 - return to coastal waters
 - seize and sale
 - donation to non-profit, charitable organization
 - destruction of fish (landfill disposal)
- If estimated value over \$300, officer must get three bids before selling and take highest bid
 - Procedures require the check for the sale of seafood be made payable to the Clerk of Superior Court in the appropriate county
 - Judge determines disposition of funds
 - Funds returned to the defendant or
 - Clerk of Superior Court remits funds to the Local Education Agencies (not DMF's responsibility)

C. Concerns noted during review of samples included:

- Inconsistent issuing of citation vs. warning
- Duplicate entries for same citation
- Incorrect coding as to warning or citation
- No documentation of seizure or disposal for illegal fish on warnings
- Lack of receipts for fish donated to charity

QUESTION: Is DMF adequately performing its current responsibilities?

CONCLUSION: Based upon the work performed in Phase I, it appears DMF is not adequately performing some of its current responsibilities. We have noted concerns in the operations of some of the sections, such as the License Unit, Personnel and Budget Section, Statistical Information Management System, and Enforcement. In Phase II of the audit, we will look at these concerns in greater detail to make specific recommendations. It is our opinion that DMF needs a period of time and certain resources, especially in the area of technology, to focus efforts on establishing and maintaining effective operating procedures in order to fulfill its current responsibilities. We believe that DMF could assume limited additional responsibilities as improvements are achieved in current operating procedures.

ASSESSMENT OF DMF'S ABILITY TO HANDLE ADDITIONAL RESPONSIBILITIES AS CONTAINED IN HB 375

A. Methodology employed

- Summarized additional responsibilities proposed for DMF, Exhibit 9 (details contained in Exhibit 10, pages 25-31)

EXHIBIT 9 DIVISION OF MARINE FISHERIES SUMMARY OF HOUSE BILL 375's IMPACT	
DMF SECTION	# OF COMPONENTS IMPACTING SECTION
Personnel & Budget	7
Administration	21
Public Education & Awareness	24
Analysis & Planning	7
Systems Information Management	9
Enforcement	20
Resource Enhancement	7
Fisheries Management	14
AUDITOR'S NOTE: Above information is based on the auditor's preliminary review of House Bill 375 along with inquiry of division personnel. Accordingly, the information may not be all inclusive.	

- HB 375 and Moratorium Steering Committee recommendations are essentially the same
- Used HB 375 to summarize additional responsibilities
- Interviews with staff to assess perceived effect

B. The effect additional responsibilities would have on the division include:

- Workloads in some sections would increase while workloads in other sections would decrease
- Projected increases from recreational license implementation are estimated at 498,000 new licenses under the proposed three-tiered license system
- Unable to determine specific effects on current staffing levels
 - May have to stagger district office hours and personnel and/or increase number of contracted license agents
 - Identify other state agencies that could sell licenses
 - Possibly purchase machines to issue weekly recreational licenses (cost of machine is unknown)
 - Transition to automated license system may reduce additional staff necessary to handle increased licenses
 - Increased number of licenses would have direct affect on 75 DMF staff (see below)

<u>Section</u>	<u>No. Staff</u>
License Unit	7
Marine Patrol	59
SIMS	5
Public Education	2
Appeals	2
TOTAL	<u><u>75</u></u>

- Current ratios of staff to number of licenses (32,314 per DMF database) is:
 - All staff: 226, Ratio = 1:143
 - Directly Affected: 75, Ratio = 1: 431

QUESTION: Is DMF capable of handling additional responsibilities outlined in HB 375?

CONCLUSION: Given the concerns we have noted relative to current operations, changes in the organizational structure, staffing levels, deployment of personnel, and acquisition of necessary equipment must take place to allow DMF to meet its current responsibilities. Therefore, DMF is not at a point to assume additional responsibilities of the magnitude proposed in HB 375, especially as they relate to the recreational licenses.

**EXHIBIT 10
DETAILED ANALYSIS OF HB 375'S IMPACT ON DMF**

SECTION AFFECTED	COMPONENTS OF HOUSE BILL 375
⇒ FISHERIES MANAGEMENT	FISHERY MANAGEMENT PLAN: 1. Direct Division/Marine Fisheries Commission to adopt fishery management plans on a priority basis. 2. Direct Marine Fisheries to develop one or more model Fishery Management Plans and should appoint "FMP Advisory Council" for each FMP. 3. Direct Marine Fisheries Commission to develop commercial and recreational harvest limits and gear limitations, as appropriate, as components of FMP's. 4. Fiscal Impact of FMP's: Fund 2-4 positions with possibility using some funds to contract some of the work.
⇒ ENFORCEMENT	
⇒ SIMS	
⇒ ANALYSIS & PLANNING	
⇒ RESOURCE ENHANCEMENT	
⇒ PUBLIC EDUCATION & AWARENESS	
⇒ ENFORCEMENT	STANDARD COMMERCIAL FISHING LICENSE("SCFL"): Individual license required to harvest marine or estuarine resources for commercial purposes. 1. Fees: Residents-\$250.00; Nonresidents-amount charged to NC residents in nonresident's State or \$250.00 plus additional charge for processing, whichever is greater. 2. Assignment: Licensee may assign the license to any individual qualified to hold a SCFL. Establishes notification procedures. 3. Duration/Renewal -valid for one year(based on fiscal year); renewable by mail or through Regional Offices of DMF(eliminates license agents for commercial license; but allows for renewal via mail). 4. Eligibility/Temporary Caps: Establishes temporary cap on number of licenses based on any person with valid Endorsements to Sell Fish as of the effective date. 5. Appeals Panel: Establishes permanent Appeals Panel and directs MFC to establish a process for persons to apply for SCFL's available from license pool, including eligibility criteria. 6. Sale: License authorizes person to sell. Individuals must sell to fish dealer licensed in NC (eliminates separate endorsement to sell). 7. Transferability: Allows transferability of licenses in following situations: (member of immediate family, by state to surviving family member, by surviving family member to third party, from license holder retiring or terminating business.) 8. Recreational Fishing Endorsement: A person holding a Standard or Retired Commercial Fishing License may recreationally fish upon obtaining a recreational endorsement at no additional charge. 9. Reporting Requirements: Moves mandatory trip ticket reporting from G.S. 113-154.1 to Standard Commercial License(and repeals 113-154.1) with following additions: trip tickets are required for all fish landed in NC; trip tickets must be completed at time and location where harvested fish are sold. 10. Retired Fisherman Commercial Fishing License: License is available to fisherman eligible for the Standard Commercial Fishing License who are 65 or older. Unlike the SCFL, this license is not assignable. 11. Non-Resident Menhaden License: (required for non-residents only; residents have the SCFL with resident menhaden endorsement.) License entitles nonresident holder only to harvest/sell menhaden taken by purse seine in NC waters.
⇒ ADMINISTRATION	
⇒ SIMS	
⇒ PUBLIC EDUCATION & AWARENESS	
⇒ ANALYSIS & PLANNING	
⇒ FISHERIES MANAGEMENT	
⇒ ENFORCEMENT	LICENSE ENDORSEMENTS FOR STANDARD OR RETIRED COMMERCIAL FISHING LICENSE: 1. Vessel Endorsement: Required for each vessel that will harvest or sell under the SCFL. Endorsement fees are based on size of vessel. 2. Shellfish Endorsement: Required to harvest and sell shellfish in NC; available to residents only. 3. Menhaden Endorsement for NC Residents: License required for mother ship to harvest, land or sell menhaden in NC taken by purse seine. 4. Crab License: This proposal repeals the current crab license and allows anyone with a SCFL to crab.
⇒ ADMINISTRATION	
⇒ FISHERIES MANAGEMENT	
⇒ PUBLIC EDUCATION & AWARENESS	
⇒ SIMS	
⇒ ANALYSIS & PLANNING	

EXHIBIT 10 (continued)

SECTION AFFECTED	COMPONENTS OF HOUSE BILL 375
⇒ ENFORCEMENT	EXPORTATION AND IMPORTATION OF FISH AND EQUIPMENT:
⇒ ADMINISTRATION	The Commission may make reasonable rules governing the importation and exportation of fish, and equipment that may be used in taking or processing fish, as necessary to enhance the conservation of marine and estuarine resources of NC. Such rules may regulate, license, prohibit, or restrict importation/exportation of any species of fish which are native to coastal fishing waters.
⇒ FISHERIES MANAGEMENT	
⇒ PUBLIC EDUCATION & AWARENESS	NONRESIDENTS RECIPROCAL AGREEMENTS:
⇒ ENFORCEMENT	Persons who are not residents of NC are not entitled to obtain licenses under the provisions except for residents of jurisdictions which sell commercial fishing licenses to NC residents are entitled to NC commercial fishing licenses under G.S. 113-168.2. Licenses may be restricted similarly to the restrictions placed on NC residents in other jurisdictions.
⇒ ADMINISTRATION	
⇒ PUBLIC EDUCATION & AWARENESS	FRAUD OR DECEPTION AS TO LICENSES, PERMITS, OR RECORDS:
⇒ ENFORCEMENT	1. It is unlawful for any person to give any false information or willfully to omit giving required information to the Division or any license agent when the information is material to the securing of any license or permit under this Article.
⇒ ADMINISTRATION	2. A violation of this section is punishable by a fine of not less than \$100 nor more than \$500.
⇒ PUBLIC EDUCATION & AWARENESS	RECORD-KEEPING REQUIREMENTS:
⇒ ENFORCEMENT	1. The Commission may require all licensees under this Article to keep and to exhibit upon the request of an authorized agent of the Department such records and accounts as may be necessary to the equitable and efficient administration and enforcement of this Article.
⇒ ADMINISTRATION	2. It is unlawful for any licensee to refuse or to neglect without justifiable excuse to keep such records and accounts as may be reasonably required.
⇒ FISHERIES MANAGEMENT	3. The following records collected and compiled by the Department shall not be considered public records within the meaning of Chapter 132 of the G.S.: data on assets, liabilities, inventories, revenues, profits, and other proprietary information.
⇒ SIMS	RULES AS TO POSSESSION, TRANSPORTATION, AND DISPOSITION OF FISHERIES RESOURCES:
⇒ PUBLIC EDUCATION & AWARENESS	The Commission may make reasonable rules governing possession, transportation, and disposition of fisheries resources by all persons, including those not subject to fish dealer licensing requirements, in order that inspectors may adequately distinguish regulated coastal fisheries resources from those not so regulated and enforce the provisions of this Article efficiently.
⇒ ENFORCEMENT	
⇒ ADMINISTRATION	VIOLATIONS WITH RESPECT TO COASTAL FISHERIES RESOURCES:
⇒ FISHERIES MANAGEMENT	It is unlawful to take, possess, transport, process, sell, buy, or in any way deal in coastal fisheries resources without conforming with this Article.
⇒ SIMS	SUSPENSION, REVOCATION, AND REISSUANCE OF LICENSES:
⇒ PUBLIC EDUCATION & AWARENESS	Upon receipt of reliable notice that a person licensed under this Article has been convicted of a criminal offense, all issued licenses must be suspended or revoked.
⇒ ENFORCEMENT	USE OF SPOTTER PLANES IN COMMERCIAL FISHING OPERATIONS REGULATED:
⇒ ADMINISTRATION	Before an aircraft is used as a spotter plane in a commercial fishing operation, the owner of the aircraft must obtain a license for the aircraft from the MFC.
⇒ PUBLIC EDUCATION & AWARENESS	

EXHIBIT 10 (continued)

SECTION AFFECTED	COMPONENTS OF HOUSE BILL 375
<ul style="list-style-type: none"> ⇒ ENFORCEMENT ⇒ ADMINISTRATION ⇒ FISHERIES MANAGEMENT ⇒ SIMS ⇒ PUBLIC EDUCATION & AWARENESS 	<p>RECREATIONAL COMMERCIAL GEAR LICENSE: (license for recreational fishermen using commercial gear, not selling catch)</p> <ol style="list-style-type: none"> 1. Fee: \$25 residents; \$250 nonresidents. 2. Duration/Renewal: Valid for one year from date of purchase. May be purchased from license agent or renewable by mail. 3. Eligibility: Any recreational fisherman is eligible to purchase license, but MFC should be authorized to create future cap. 4. Gear Restrictions: Authorizes MFC to establish specific gear limits as follows: (Standing Advisory Committees assist in developing gear limits; limits may vary by coastal geographic regions; re-examination of limits by MFC on recurring basis; regional gear be identified by colored tags, etc.). 5. Recreational Fishing License: Must purchase Coastal Recreational License plus Recreational Commercial Gear License. 6. Reporting Requirements: Condition of license is to comply with MFC and DMF biological data sampling and survey programs and efforts. 7. Sale: Prohibited from selling fish. 8. Transferability: Recreational Commercial Gear License is non-transferable. 9. Vessel Endorsement: Required. <p>COASTAL RECREATIONAL FISHING LICENSE:</p> <ol style="list-style-type: none"> 1. Duration/Renewal/Fees (types: annual license, one week license, charter/head/dive boat owner blanket license, commercial pier owner blanket license, lifetime licenses, & legally blind). 2. Eligibility: Any recreational fisherman is eligible to purchase license. 3. Gear: Restricted to recreational gears only. 4. Reporting Requirements: Condition of license is to comply with MFC and DMF biological data sampling and survey programs and efforts. 5. Sale: Prohibited from selling fish. 6. Transferability: Recreational license is not transferable. 7. Vessel Endorsement: Not required for individual fisherman. 8. Availability: Licenses shall be available by: "(800)" telephone number, in places where fishing tackle and supplies are sold, and convenience stores.
<ul style="list-style-type: none"> ⇒ ENFORCEMENT ⇒ ADMINISTRATION ⇒ SIMS ⇒ PUBLIC EDUCATION & AWARENESS 	<p>LICENSE AGENTS FOR COASTAL RECREATIONAL FISHING LICENSE:</p> <ol style="list-style-type: none"> 1. The Secretary may designate license agents for the Department; provided, that at least one license agent shall be appointed in each county that contains or borders on coastal fishing waters. 2. License agents shall remit the entire license fee paid on a weekly basis to the Department. The Department shall reimburse license agents 6% per license per individual. 3. The Secretary of the Department may authorize license agents to sell both recreational and wildlife licenses.
<ul style="list-style-type: none"> ⇒ ENFORCEMENT ⇒ ADMINISTRATION ⇒ PUBLIC EDUCATION & AWARENESS 	<p>MARINE AND ESTUARINE RESOURCES FUND:</p> <ol style="list-style-type: none"> 1. Fund Establishment: Establishes separate dedicated funds for commercial and recreational license fees to be used to conserve, enhance and manage coastal fisheries. 2. Expenditures: Expenditures from both funds made by Secretary of DEHNR, with advice and consent of separate Board of Trustees. 3. Fund Distribution: resource and habitat enhancement-not < 25%; law enforcement-not<20%, not > 25%; marine fisheries research-not < 25%; grants/coastal fishing programs-not > 10%; administration-not > 10%; public education-not <5%, not > 10%. 4. Expiration of Legislation: MSC recommends that Legislation creating Recreational License will automatically expire if General Assembly diverts proceeds or causes trust fund to cease to be a dedicated fund.
<ul style="list-style-type: none"> ⇒ PERSONNEL & BUDGET ⇒ ADMINISTRATION ⇒ RESOURCE ENHANCEMENT ⇒ ENFORCEMENT ⇒ PUBLIC EDUCATION & AWARENESS ⇒ FISHERIES MANAGEMENT 	

EXHIBIT 10 (continued)

SECTION AFFECTED	COMPONENTS OF HOUSE BILL 375
⇒ PERSONNEL & BUDGET	MARINE FISHERIES ENDOWMENT FUND: For the purpose of providing the opportunity for citizens and residents of the State to invest in the future of its marine and estuarine resources.
⇒ ADMINISTRATION	
⇒ RESOURCE ENHANCEMENT	CONSERVATION FUND:
⇒ PUBLIC EDUCATION & AWARENESS	
⇒ PERSONNEL & BUDGET	1. The Marine Fisheries Commission is hereby authorized and empowered to accept gifts, donations, or contributions from any sources, which funds shall be held in a separate account and used solely for marine and estuarine conservation and management.
⇒ ADMINISTRATION	2. The Marine Fisheries Commission is hereby authorized to issue and sell appropriate emblems by which to identify recipients thereof as contributors to a special marine and estuarine resources Conservation Fund.
⇒ RESOURCE ENHANCEMENT	ARTICLE SUBJECT TO CHAPTER 113: Nothing in this Article shall be construed to affect the jurisdictional division between the NC Marine Fisheries Commission and the NC Wildlife Resources Commission contained in Subchapter IV of Chapter 113.
⇒ FISHERIES MANAGEMENT	
⇒ PUBLIC EDUCATION & AWARENESS	JURISDICTIONAL QUESTIONS: In the event of any questions arising between the NC Wildlife Resources Commission and the NC Marine Fisheries Commission as to any duty or responsibility or authority imposed upon either, the matter shall be resolved by the Governor.
⇒ FISHERIES MANAGEMENT	
⇒ ENFORCEMENT	OTHER LICENSES:
⇒ ANALYSIS & PLANNING	
⇒ PUBLIC EDUCATION & AWARENESS	1. Shellfish License for NC Residents: This option allows NC residents who only shellfish to purchase a shellfish license with a vessel endorsement (rather than a SCFL for \$250).
⇒ FISHERIES MANAGEMENT	2. Tournaments and "Special Fisheries Sale" Permit: Tournaments may continue to sell only if held non-vessel endorsement to sell on 1/1/96 with Special Fisheries Sale Permit \$100. By 2001, tournament sale would be phased out.
⇒ RESOURCE ENHANCEMENT	3. Coastal Mariculture License: License consolidates activities relating to mariculture operations and eliminates need for separate commercial fishing license with endorsement, or shellfish license for activities conducted on or directly related to mariculture lease or franchise. Fees-\$250
⇒ ENFORCEMENT	<ul style="list-style-type: none"> • Eligibility for new lease or renewal (possession of valid NC Mariculture License) • Training (Mariculture training requirements) • Vessel Endorsement (required by any vessel involved in mariculture operation) • Crab Shedding (exempt from license)
⇒ ADMINISTRATION	4. Crew License: Authorize MFC to require a Crew License for persons working on vessels for reasonable fee if limited entry into state fisheries or other reasons make the license necessary.
⇒ PUBLIC EDUCATION & AWARENESS	5. Commercial Fishing Pier License: Current requirements in G.S. 113-156.1 remain with one exception. Fish Dealer License privileges currently extended to pier owners will be repealed.
⇒ FISHERIES MANAGEMENT	6. Fish Dealer Licenses: Current requirements in 113-156 are generally retained with the following changes:
⇒ SIMS	<ul style="list-style-type: none"> • only issued to NC residents • commercial fisherman selling directly to public not holding Fish Dealer Licenses, must possess the appropriate Fish Dealer license. • bait operations shall be licensed under finfish or shrimp license categories.
⇒ ANALYSIS & PLANNING	

EXHIBIT 10 (continued)

SECTION AFFECTED	COMPONENTS OF HOUSE BILL 375
⇒ continued	<ul style="list-style-type: none"> • categories/fees a) oysters-\$100 b) clams-\$100 c) scallops-\$100 d) shrimp, include bait-\$100 e) finfish, include bait-\$100 f) crabs, include peelers & soft crabs-\$100 g) crab shedding-\$100 h) consolidated license (all categories) \$600 i) new fisher dealer application fee-\$50 7. Land or Sell License: License for nonresident vessels that harvest fish outside of state waters but land catch in NC retained in current form. Fee-\$25.
⇒ FISHERIES MANAGEMENT	<p>MARINE FISHERIES COMMISSION:</p> <ol style="list-style-type: none"> 1. Size of Commission: Reduce size of Marine Fisheries Commission(MFC) from 17 to 9 members and change the at-large seat so that it could be filled by anyone (delete < 10% income requirement). 2. Terms of MFC Members <ul style="list-style-type: none"> • 3 members appointed by the Governor; 3 by President Pro-Tempore of Senate; 3 by Speaker of House for 3-year staggered terms. • unlimited re-appointments. • members continue to serve until successors have been appointed. 3. Qualifications: <ul style="list-style-type: none"> • 2 persons in commercial fishing. • 1 person as a licensed fish dealer. • 2 persons who are active sport fishermen. • 1 person actively engaged in industry by selling goods. • 1 person at-large. • 1 fisheries scientist. • 1 social scientist. 4. Financial Interest: Amend G.S. 143B-289.5 to include the following statement: "the MFC shall never have a membership where a majority of its members has a financial interest in the regulated resources. 'Financial interest' shall be defined as 10% or more of earned annual income from fishing activities." 5. Residential Qualifications: Each member of the MFC shall be a resident of NC and selected as follows: <ul style="list-style-type: none"> • one from each of 3 coastal regions representing commercial fishing. (3 seats) • one from 1 of the 3 coastal regions representing recreational fishing. (3 seats) • one from 1 of the 3 coastal regions not representing either above. 6. Ethical Standards: <ul style="list-style-type: none"> • Financial disclosure-amend statutes requiring that persons under consideration for appointment to the MFC provide a financial disclosure statement and a potential bias disclosure statement to the Governor. • Oath of Office-Oath for faithful performance of duties required. • Voting/Conflict of Interest-Amend G.S. 143B-289 as follows: "Commission members must excuse themselves from voting on Commission decisions that would have a 'significant and predictable effect' on their financial interests".
⇒ PERSONNEL & BUDGET	
⇒ ADMINISTRATION	
⇒ PUBLIC EDUCATION & AWARENESS	

EXHIBIT 10 (continued)

SECTION AFFECTED	COMPONENTS OF HOUSE BILL 375
⇒ continued	<ul style="list-style-type: none"> • Failure to Comply With Ethical Standards: Amend statutes to provide that the enforcement vehicle concerning voting on any coastal fisheries issue shall be by majority vote of the Commission members, and that the Governor, as the appointing authority for the Commission, shall be required to cause the State to investigate any report of a Commission member who refuses to abide by a Commission vote, and if the allegations prove true, to dismiss the non-complying Commissioner. • Attendance Requirements: Retains current law that allows removal by Governor for misconduct, incompetence, or neglect of duty. Regular attendance at Commission meetings is a duty of each member. G.S. 143B-289.5(d) 7. Advisory Committees: Establish 3 standing Advisory Committees with coastal geographic balance in membership and provide a system for operation. (3 year staggered terms) <ul style="list-style-type: none"> • Habitat/Water Quality Committee • Fisheries Assessment Committee • Fisheries Resources/Users Committees • Ad hoc Regional Committee 8. MFC Jurisdiction: The MFC should immediately assume full responsibility for current statutory authority to protect vital coastal fisheries habitats. In addition, the MFC should work with the Coastal Resources Commission on water quality. 9. Commission Structure and Function: <ul style="list-style-type: none"> • fund two new state government positions for persons to serve as MFC Staff. • Governor appoints Chair of MFC from membership and Chair serves at pleasure of Governor. Vice Chair shall be elected annually by MFC. • Vote by Proxy shall not be allowed. • A quorum of members shall be present to conduct business. (simple majority) 10. Effective Date for MFC: Current MFC would be abolished effective 7/31/97 and the new Commission would take over on 8/1/97.
⇒ RESOURCE ENHANCEMENT	<p>HABITAT:</p> <ol style="list-style-type: none"> 1. Establish Coastal Habitat Protection Plan requiring the Division of Marine Fisheries, Coastal Resources Division, and the Division of Water Quality to work cooperatively on the Plan. 2. Study state program to acquire, preserve, and restore habitats critical to marine and/or estuarine fisheries with dedicated source of revenues as well as the "Environmental Bond Authority". 3. Increase tax credits for property donations. 4. Fund 2 positions to be used to review permit applications, and to participate in the development of the Coastal Habitat Protection Plan and in Fishery Management Plans.
⇒ FISHERIES MANAGEMENT	
⇒ PERSONNEL & BUDGET	
⇒ ADMINISTRATION	
⇒ PUBLIC EDUCATION & AWARENESS	<p>LAW ENFORCEMENT:</p> <ol style="list-style-type: none"> 1. Public Education and Publication of Rules: The MFC and the DMF should establish procedures to ensure that enforceability of each proposed new rule is adequately considered in the rule-making process. 2. Criminal Penalties: Amend statutes to increase the penalty to a minimum fine of \$5000 for a first offense to be assessed against the seller and purchaser for unlawful sale or purchase of seafood.
⇒ PUBLIC EDUCATION & AWARENESS	
⇒ PERSONNEL & BUDGET	
⇒ ADMINISTRATION	
⇒ ENFORCEMENT	

EXHIBIT 10 (continued)

SECTION AFFECTED	COMPONENTS OF HOUSE BILL 375
⇒ continued	<p>3. Marine Patrol Officer Authority and Jurisdiction: Amend G.S. 113-137 to set out the entire process of criminal seizures, including the process for notice, public auction of seized vessels and gear, and the ability to buy back the seized items prior to auction.</p> <ul style="list-style-type: none">• Amend G.S. 113-136(d)(1) to provide expanded jurisdictional authority for Marine Patrol officers equivalent to that of Wildlife Resources Commission enforcement officers, and DMF should develop and implement policies and procedures regulating the appropriate use of those additional authorities by individual Marine Fisheries Inspectors. <p>4. Other Criminal Enforcement Provisions: DEHNR should contract with the North Carolina Attorney General's Office to fund a "police attorney" position, dedicated to</p> <ul style="list-style-type: none">• advise Departmental law enforcement agencies• assist in training of officers• act as liaison between above agencies and state judicial system• assist in the prosecution of environmental and criminal enforcement cases <p>5. DMF should immediately construct, and adequately equip and maintain, an ocean-going patrol vessel in order to provide an ongoing, visible State conservation presence in offshore waters and to act as a further deterrent to the violation of fisheries laws.</p> <p>6. Violation Points System:</p> <ul style="list-style-type: none">• amend G.S. 113-166 to authorize, and require the MFC to develop and implement, a "Violation Points System".• Secretary of DEHNR is granted authority to assess monetary, civil penalties for fisheries violations; the MFC may be granted quasi-judicial powers similar to the Environmental Management Commission. <p>7. Enforcement Volunteers Program: Authorize and fund a highly structured law enforcement assistance program as a pilot program to use carefully selected and fully trained citizen volunteers, not to exceed 10, with the goal of improving the scope and effectiveness of Marine Patrol field activities.</p>
⇒ PERSONNEL & BUDGET ⇒ ADMINISTRATION ⇒ PUBLIC EDUCATION & AWARENESS ⇒ ANALYSIS & PLANNING ⇒ SIMS ⇒ ENFORCEMENT ⇒ RESOURCE ENHANCEMENT ⇒ FISHERIES MANAGEMENT	<p>ISSUES TO BE MONITORED BY STATE AUDITOR/INDEPENDENT AUDIT: This proposal requires the State Auditor to: 1) monitor implementation of recommendations made by the Moratorium Steering Committee that do not require legislative action; 2) examine progress made on timetable created by the Division of Marine Fisheries and the MFC.</p>

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PHASE II

ISSUES FOR FURTHER STUDY

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ISSUES FOR DETAILED AUDIT WORK IN PHASE II

A. Organizational issues

- Determine role of Department; identify interaction with DMF
- Sample personnel files for compliance; identify specific training needs
- Determine alternative organizational structure

B. Operational issues

- Examine specific programs/functions in detail (use sampling techniques)
 - Marine Patrol
 - Licensing
 - Statistics and Information
 - Technology and Equipment
 - Lease Program
 - Grant Funds

C. Marine Fisheries Commission

- Interview current members to determine current role, potential problem areas
- Develop alternative recommendations on composition, role

D. Other states' related programs

- Determine how DMF and oversight commission organized
- Determine operational differences
- Identify types of licenses used, costs

E. Financial

- Examine receipts and expenditures for DMF over 5 year period
- Determine how funds actually spent

F. Other issues identified during the audit process

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TOTAL MAILED: 182; TOTAL RETURNED: 115; PERCENT RETURNED: 63.2% (RESPONSES IN BLUE)

OFFICE OF THE STATE AUDITOR
Division Of Marine Fisheries--Employee Questionnaire

PURPOSE: The Office of the State Auditor is currently conducting a performance audit of the Division of Marine Fisheries. This questionnaire will help the auditors identify the strengths and weaknesses of the Division's operations. It will also give you the opportunity to offer your opinions as well as suggestions for improvements. **Individuals responses will remain strictly confidential.** Only summary data will be included in the final report. Please complete and return in the enclosed envelope by **Tuesday, March 25, 1997.**

INSTRUCTIONS: Please check your responses. If you need more space for your response to any question, please attach additional sheets. Be sure to cross reference the question number on any additional sheets. For questions which ask you to indicate your opinion on a scale from 1 (poor) to 10 (excellent), please circle the number that most closely reflects your opinion.

GENERAL DATA:

1. In which section do you work? (If your section is not listed, please check "Other" and write in the name.) **115 RESPONSES**

<input type="checkbox"/> a) Administration	17	14.8%	<input type="checkbox"/> e) Marine Patrol	32	27.8%
<input type="checkbox"/> b) Statistics and Analysis	13	11.3%	<input type="checkbox"/> f) Public Education/Awareness	3	2.6%
<input type="checkbox"/> c) Fisheries Management	32	27.8%	<input type="checkbox"/> g) Other (Please list)	3	2.6%
<input type="checkbox"/> d) Resource Enhancement	15	13.0%			

2. Indicate the type of job you have: **117 RESPONSES (some employees listed more than 1 type job)**

<input type="checkbox"/> a) Senior Management	6	5.1%	<input type="checkbox"/> d) Technical	32	27.4%
<input type="checkbox"/> b) Director/Supervisor	15	12.8%	<input type="checkbox"/> e) Clerical/Support	12	10.3%
<input type="checkbox"/> c) Professional/Specialist	30	25.6%	<input type="checkbox"/> f) Other (Please list)	22	18.8%

3. How long have you been in your **current** position? **112 RESPONSES**

<input type="checkbox"/> a) Less than 1 year	14	12.5%	<input type="checkbox"/> d) 11 to 15 years	13	11.6%
<input type="checkbox"/> b) 1 to 5 years	51	45.5%	<input type="checkbox"/> e) 16 to 20 years	5	4.5%
<input type="checkbox"/> c) 6 to 10 years	26	23.2%	<input type="checkbox"/> f) More than 20 years	3	2.7%

4. How long have you been employed with the Division of Marine Fisheries? **113 RESPONSES**

<input type="checkbox"/> a) Less than 1 year	12	10.6%	<input type="checkbox"/> d) 11 to 15 years	15	13.3%
<input type="checkbox"/> b) 1 to 5 years	35	31.0%	<input type="checkbox"/> e) 16 to 20 years	11	9.7%
<input type="checkbox"/> c) 6 to 10 years	26	23.0%	<input type="checkbox"/> f) More than 20 years	14	12.4%

COMMUNICATIONS: (For questions which use a scale of 1 to 10, please circle the number that most closely reflects your opinion.)

5. Under the current organizational structure, communications **among** staff members are: **112 RESPONSES**

1	2	3	4	5	6	7	8	9	10
Poor		Fair		Average			Good		Excellent
4.009 AVERAGE									

6. Under the current organizational structure, communications with the public and other governmental agencies are:

114 RESPONSES

1	2	3	4	5	6	7	8	9	10
Poor		Fair		Average			Good		Excellent
3.825 AVERAGE									

7. Do you understand the missions and operations of the Division of Marine Fisheries and how you fit in?

115 RESPONSES

<input type="checkbox"/> a) Yes	98	85.2%	<input type="checkbox"/> b) No	17	14.8%
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8. How would you characterize staff motivation? **114 RESPONSES**

1	2	3	4	5	6	7	8	9	10
Poor		Fair		Average			Good		Excellent
4.013 AVERAGE									

9. How would you characterize staff morale? **115 RESPONSES**

1	2	3	4	5	6	7	8	9	10
Poor		Fair		Average			Good		Excellent
2.900 AVERAGE									

SKILLS AND TRAINING:

10. Utilization of your skills by management is: **112 RESPONSES**

1	2	3	4	5	6	7	8	9	10
Poor		Fair		Average			Good		Excellent
5.616 AVERAGE									

11. Has any specific technical training been provided to you in relation to your duties? **113 RESPONSES**

- a) Yes **85 75.2%** b) No **28 24.8%**

12. Training provided has been: **108 RESPONSES**

1	2	3	4	5	6	7	8	9	10
Poor		Fair		Average			Good		Excellent
5.444 AVERAGE									

13. What type of training do you believe would enhance your job performance? (please list)

- COMPUTER SUPERVISORY SKILLS COMMUNICATION NCAS HEAVY EQUIPMENT STOCK ASSESSMENT TECHNIQUES GPS TECHNICAL WRITING**

14. Do you have an internal policies and procedures manual available to you? If no, what areas need to have policies and procedures developed? **116 RESPONSES (some employees listed more than one response)**

- a) Yes **85 73.3%** b) No **13 11.2%** c) Don't Know **18 15.5%**

15. Please indicate the State policies and procedures manuals to which management has provided you access. **115 RESPONSES (some employees listed more than one response)**

- | | | | |
|---|-----------------|--|-----------------|
| <input type="checkbox"/> a) Budget Manual | 9 7.8% | <input type="checkbox"/> d) Cash Management Manual | 0 0.0% |
| <input type="checkbox"/> b) Personnel Manual | 84 73.0% | <input type="checkbox"/> e) Fixed Assets Manual | 8 7.0% |
| <input type="checkbox"/> c) Purchasing Manual | 39 33.9% | <input type="checkbox"/> f) Other (Please list) | 19 16.5% |

RESOURCE MANAGEMENT:

16. Space and facilities for the Office are: **110 RESPONSES**

1	2	3	4	5	6	7	8	9	10
Poor		Fair		Average			Good		Excellent
3.805 AVERAGE									

17. Support equipment for the staff is: **108 RESPONSES**

- a) Adequate **70 64.8%** b) Inadequate (Please list needs) **38 35.2%**
- UNIFORMS SURVIVAL SUITS**
COMPUTERS SAFETY EQUIPMENT
TECHNOLOGY UPGRADES COPIERS

18. Are you normally able to complete your duties within the 40 hour work week? **112 RESPONSES**

- a) Yes **51 45.5%** b) No **61 54.5%**
- Skip to question #20

19. How are hours worked in excess of 40 per week handled? **85 RESPONSES**

- a) Paid overtime **16 18.8%** b) Receive compensatory time **63 74.1%** c) Other (Please explain) **6 7.1%**

20. Is the Office effectively managing its available resources (facilities, personnel, funding, etc.)? If no, please explain. **116 RESPONSES (some employees listed more than one response)**

- a) Yes **34 29.3%** b) No **52 44.8%** c) Don't Know **30 25.9%**
- **ELIMINATE PURCHASING ON STATE CONTRACT--POOR QUALITY**
 - **UNNECESSARY DUPLICATION--UNCLEAR GUIDELINES, PERSONAL AGENDAS**
 - **PROJECT MANAGEMENT LACKING; UNEQUAL WORKLOADS; SECTION CHIEFS CAN'T MAKE DECISIONS**
 - **TEMPORARY EMPLOYEES HIRED BECAUSE PERMANENT EMPLOYEES CAN'T DO JOB**

ORGANIZATIONAL STRUCTURE:

21. Are there other jobs that overlap or duplicate your job? If yes, please describe. **116 RESPONSES**
 (some employees listed more than one response)
 a) Yes **18 15.5%** b) No **93 80.2%** c) Don't Know **5 4.3%**
BIOLOGISTS & TECHNICIANS--BOTH COLLECT DATA; ONLY DIFFERENCE IS IN ANALYSIS OF DATA

22. Are you aware of any work delays or impediments to your job performance? If yes, please describe and offer your solutions.
111 RESPONSES
 a) Yes **59 53.2%** b) No **43 38.7%** c) Don't Know **9 8.1%**
 • **FISHERIES MANAGEMENT LAST MINUTE DECISIONS ADVERSELY AFFECT ENFORCEMENT**
 • **PROBLEMS COMMUNICATING WITH EHNH STAFF IN RALEIGH--OUT OF SIGHT, OUT OF MIND**
 • **MANAGEMENT DELAYS MAKING DECISIONS UNTIL FORCED**
 • **HIRING UNQUALIFIED PERSONNEL**
 • **LACK OF COOPERATION BETWEEN SECTIONS**

23. Do you believe the current organizational structure is meeting the needs of the public? If no, please explain.
112 RESPONSES
 a) Yes **29 25.9%** b) No **62 55.4%** c) Don't Know **21 18.8%**
 • **CAN'T FIND ANYONE TO ANSWER GENERAL QUESTIONS**
 • **MFC HAS TOO MANY MEMBERS TO BE EFFECTIVE**
 • **NEED COMMERCIAL FISHERMAN AS LIAISON TO WORK WITH COMMERCIAL FISHERMEN**
 • **FISHERIES MANAGEMENT NEEDS TO BE CENTRALIZED**

24. What organizational changes would you make to your work unit? Why?
 • **NEED ADDITIONAL STAFF IN SOME SECTIONS**
 • **ESTABLISH A BETTER SYSTEM FOR ISSUANCE OF LICENSES**
 • **CENTRALIZE COMPUTER RELATED RESOURCES**
 • **HOLD SECTION STAFF MEETINGS WHERE EACH EMPLOYEE IS INCLUDED**
 • **ESTABLISH AND COMMUNICATE GOALS AND OBJECTIVES FOR EACH SECTION**
 • **REDUCE INTERNAL AND EXTERNAL POLITICS**

25. What are the greatest strengths of the Division? (Give examples, details)
 • **TRYING TO PROTECT OUR NATURAL RESOURCES**
 • **HARD WORKING EMPLOYEES WHO HAVE THE BEST INTEREST OF THE CITIZENS AT HEART**
 • **LONG-TERM BROAD-BASED DATA COLLECTION PROGRAM**

26. What areas continue to need the most improvement? (Give examples, details)
 • **MANAGEMENT--TOO MANY CHIEFS, NOT ENOUGH INDIANS**
 • **LACK OF LEADERSHIP**
 • **COMMUNICATION BETWEEN SECTIONS AND WITH PUBLIC POOR**
 • **IMPROVE DIVISION'S IMAGE THROUGH BETTER/MORE USE OF PUBLIC EDUCATION SECTION**
 • **STAFF MORALE IS VERY LOW**
 • **LEASE SAFE, DEPENDABLE, MAINTAINED EQUIPMENT**
 • **NEED DIRECTOR WHO IS WILLING TO MEET WITH COMMERCIAL AND RECREATIONAL FISHERMEN**
 • **OUTSIDE INFLUENCES (POLITICS) NEED TO BE ELIMINATED AND LET PEOPLE DO THEIR JOBS**

If you would like to talk to the auditors on any issue, please provide your name, the telephone number where you would like us to contact you, and the best time to reach you. This questionnaire and any other communications we have with you will be kept STRICTLY CONFIDENTIAL.

Name: _____ **Telephone #:** _____ **Best Time to Call:** _____
 (Please Print)

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May 5, 1997

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