



Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

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Office of Audits

April 2016

# Improvements Needed To Strengthen Vehicle-Fueling Controls and Operations and Maintenance Contract at Embassy Kabul, Afghanistan

## MIDDLE EAST REGION OPERATIONS

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Middle East Region Operations

Improvements Needed To Strengthen Vehicle-Fueling Controls and Operations and Maintenance Contract at Embassy Kabul, Afghanistan



# OIG HIGHLIGHTS

AUD-MERO-16-35

## What OIG Audited

In December 2010, OIG reported that an Afghan fuel vendor, National Fuels, Inc., billed Embassy Kabul for \$346,682 in fuel that it had not received.\* OIG conducted this audit to determine whether U.S. Embassy Kabul had implemented adequate controls to safeguard and account for purchased fuel and whether PAE Government Services, Inc. (PAE), the embassy's operations and maintenance contractor, performed its fuel-monitoring duties in accordance with the statement of work.

## What OIG Recommends

OIG made 10 recommendations to Embassy Kabul to improve fuel operations at the embassy and Camp Sullivan including increasing oversight of PAE, updating the Department's vehicle-fueling system to prevent unauthorized access to fuel and promote accountability, reviewing \$1.21 million in unsupported costs, and relocating the fueling station office on the embassy compound to a location that offers sufficient egress capacity in the event of an emergency.

Embassy Kabul agreed with five of the recommendations offered, partially agreed with four, and disagreed with one. Embassy Kabul responses to the recommendations and OIG replies are presented after each recommendation in the Audit Results section of this report. Embassy Kabul comments are reprinted in Appendix C.

\* *PAE Operations and Maintenance Support at Embassy Kabul, Afghanistan* (MERO-I-11-05, December 2010).

## What OIG Found

The effectiveness of controls to safeguard and account for fuel throughout the receipt and distribution process at Embassy Kabul varied. For example, for a time, the embassy was using flow meters that were not calibrated. This led the embassy to use calculations provided by the fuel vendor to reconcile the invoices it received. OIG determined that this practice may have led to the embassy being overbilled by at least \$160,000 between January 2013 and March 2014. OIG also found that four of eight controls in place at the embassy's vehicle-fueling station were ineffective and allowed for unauthorized access to fuel. Other controls to safeguard fuel, such as having updated software and hardware at the fueling station and regular analysis of fuel consumption, need improvement.

Further, the embassy paid \$1.21 million in fuel invoices without proper supporting documentation. The embassy only provided OIG with the invoices for \$1.21 million of fuel purchased, and did not provide any documentation supporting the invoice approval and payment during the audit. Although embassy officials could not locate the required documentation, the embassy's Facility Management Services; Post Support Unit in Charleston, South Carolina; or PAE personnel may have such documentation.

OIG also found that PAE staff performed an inherently governmental function by accepting the generator fuel deliveries on behalf of the embassy—in effect authorizing payment to National Fuels, Inc. The *Foreign Affairs Manual* states that a contract employee is not authorized to sign the receiving report *accepting* the property on behalf of the U.S. Government. While PAE is authorized to inspect and verify the fuel received, a U.S. Government employee must officially *accept* the fuel.

Lastly, although the embassy moved the office used at the fueling station to comply with egress standards, PAE staff must enter the old office building throughout the day to access the vehicle-fueling system computer and retrieve spare parts. As such, the egress hazard has not fully been addressed.

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## OBJECTIVE

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The Office of Audits within the Office of Inspector General (OIG) for the Department of State (Department) and the Broadcasting Board of Governors conducted this audit to determine whether U.S. Embassy Kabul had implemented adequate controls to safeguard and account for purchased fuel and whether PAE Government Services, Inc. (PAE), the operations and maintenance contractor, performed its fuel-monitoring duties in accordance with the statement of work. See Appendix A for the purpose, scope, and methodology for this audit.

## BACKGROUND

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### Prior Findings Related to Embassy Kabul Fuel Operations

In December 2010, OIG reported that the Afghan fuel vendor, National Fuels, Inc. (National Fuels), had billed Embassy Kabul \$346,682 for fuel that the embassy had not received.<sup>1</sup> To address the deficiency, OIG recommended that the embassy seek reimbursement for the overpayment from National Fuels. In November 2012, Embassy Kabul explained that it approached National Fuels for reimbursement but could not challenge the bills from National Fuels because the embassy's fuel-level sensing devices used at that time were unreliable.<sup>2</sup> Since Embassy Kabul attempted to seek reimbursement, OIG closed the recommendation. The embassy also stated it had ordered six portable fuel metering stations with special temperature compensating totalizers (flow meters) to achieve revenue grade measures that can stand up to legal scrutiny.

### Fuel Is Essential To Operate Electrical Generators and Vehicles

Because of the unreliability of the city of Kabul's electricity service provider, Embassy Kabul and Camp Sullivan generate power using fuel-burning electrical generators. The embassy also maintains its own vehicle-fueling station on the embassy compound, which is used by staff located at both Embassy Kabul and Camp Sullivan.<sup>3</sup> Embassy Kabul has built 29 generator- and vehicle-fuel storage sites around the embassy with the capacity to hold more than 1.2 million liters of fuel. In 2014, the embassy purchased approximately \$6.8 million in bulk fuel for its 24 electrical generators and more than 500 vehicles.<sup>4</sup>

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<sup>1</sup> *PAE Operations and Maintenance Support at Embassy Kabul, Afghanistan* (MERO-I-11-05, December 2010).

<sup>2</sup> Fuel-level sensing devices are incorporated into each fuel storage tank at the embassy. These sensing devices help to track the total amount of fuel being stored in the tank at any point in time.

<sup>3</sup> Camp Sullivan is a diplomatic facility near Kabul International Airport used for Bureau of Diplomatic Security contract personnel. This 20.9-acre facility houses Kabul Embassy Security Force staff and serves as the security contractor's administrative headquarters. This audit does not address the vehicle-fueling station at Camp Sullivan.

<sup>4</sup> The official inventory maintained by the Integrated Logistics Management System recorded 518 vehicles as of June 2015, and the unofficial inventory maintained in the Fleet Management Information System recorded 516 vehicles as of September 2015. This total does not include all Chief of Mission vehicles authorized to receive fuel.

Embassy Kabul purchases diesel and unleaded gasoline from National Fuels through a contract executed by the Defense Logistics Agency. In April 2014, the Defense Logistics Agency awarded contract number SP0600-14-D-9501 to National Fuels to provide both diesel and unleaded gasoline. The total value of the contract is \$36,790,862.

## **Role and Responsibilities in Fuel Monitoring**

### ***PAE Responsibilities***

PAE is responsible for storing and distributing fuel at Embassy Kabul and Camp Sullivan. The Department awarded two separate task orders to PAE to receive fuel and perform fuel-meter calibration. On April 11, 2014, the Department awarded a task order, valued at \$152,879, for receiving fuel (along with fire protection services and hygiene inspection services). Under this task order, PAE is responsible for managing the receipt, storage, and distribution of the fuel procured from National Fuels. These responsibilities include offloading the fuel from the delivery trucks, filtering the fuel as necessary, and storing the fuel in holding tanks on the embassy compound. On June 11, 2014, the Department awarded another task order, valued at \$124,641, to provide testing and calibration services for fuel meters. Under this second task order, PAE is responsible for calibrating the Department's flow meters every 6 months. The combined value for the two task orders is \$277,520.

### ***Facilities Management Services Responsibilities***

Facilities Management Services (FMS) provides and oversees all operations and maintenance activities at the embassy. The Contracting Officer's Representative (COR) for the operations and maintenance contract awarded to PAE works for FMS and also serves as the Deputy Facility Manager. The COR, along with the designated Government Technical Monitor, oversees PAE's performance and works with General Services Office, Procurement Office to acquire any government-furnished equipment for the operations and maintenance contract, such as fuel flow meters or a vehicle-fueling system.

## **AUDIT RESULTS**

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### **Finding A: Effectiveness of Controls To Safeguard and Account for Fuel at Embassy Kabul Varied**

The effectiveness of controls to safeguard and account for fuel throughout the receipt and distribution process at Embassy Kabul varied. Of particular concern were: (1) a lack of calibrated flow meters to accurately measure quantities of fuel delivered, which likely resulted in the embassy being overcharged for fuel deliveries; (2) ineffective controls (resulting, in part, from outdated hardware and software) at the embassy's vehicle-fueling station, which allowed for unauthorized fueling of vehicles; and (3) inadequate review of data on vehicle fuel consumption, which allowed irregularities in fuel transactions to go undetected.

### *The Embassy Used Flow Meters That Were Not Calibrated*

In 2010, OIG reported that National Fuels was charging the embassy for fuel the vendor did not provide, and OIG recommended that the embassy seek reimbursement for overpayment of \$346,682. In its November 2012 response to the recommendation, the embassy stated that it was unable to recover any money because the fuel-level sensing devices used at the time were unreliable and, therefore, could not withstand legal scrutiny. The embassy also stated that it purchased six flow meters in September 2012 to correct the problem. A flow meter is an instrument that measures the flow rate of a liquid moving through a pipe and can be used to accurately determine the quantity of fuel being delivered to the embassy.

The embassy subsequently purchased eight flow meters between October 2012 and January 2015.<sup>5</sup> When OIG asked why embassy officials purchased the eight flow meters over a 2-year period rather than all at one time, the facility managers responded that they did not know the reason because they were not at post during that time. See Appendix B for a timeline outlining the purchase of flow meters by the embassy and the calibration of those meters by PAE.

To ensure reliable readings, flow meters require regular calibration by a qualified service provider.<sup>6</sup> Chapter 14 of the *Foreign Affairs Handbook* (FAH), 14 FAH-1 Section H-815.4, "Pumps and Tanks," states that "[because] pumps become less accurate with frequent use, age, and exposure to environmental factors, the pump meter should be calibrated at least every 6 months by a qualified service person."<sup>7</sup> PAE assumed responsibility for calibrating the meters when it was awarded the task order to do so in June 2014. The task order requires PAE to calibrate the flow meters every 6 months. However, PAE officials stated that, because the embassy had not purchased enough flow meters, they could not to take them offline for calibration.<sup>8</sup> During the course of our analysis from May to August 2015, OIG found that one flow meter had not been calibrated since it was received in October 2012.<sup>9</sup> Once the embassy had purchased all eight flow meters by January 2015, PAE began sending out flow meters for calibration. At the time of our audit, all flow meters were properly calibrated.

Because the embassy lacked calibrated flow meters, it used the fuel calculations provided by National Fuels to verify the invoiced amount for the fuel received. OIG determined that between January 2013 and March 2014, the embassy may have been charged approximately \$160,000 for

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<sup>5</sup> OIG obtained the purchase orders for five of the eight fuel flow meters procured by the embassy. The average cost of each fuel flow meter was \$29,541, with a total cost to the embassy of \$147,703 for five flow meters. The embassy requires six total flow meters for all of the fuel receiving points at the embassy and Camp Sullivan. An additional two flow meters were required as back-ups to allow the flow meters to be sent to Dubai, UAE for calibration.

<sup>6</sup> Calibration is a process used to standardize a measuring instrument by determining the deviation from the standard and applying the proper correction factors. The purpose of calibration is to increase the confidence in the reading obtained from the flow meter in service.

<sup>7</sup> 14 FAH-1, Section H-815.4(b), "Pumps and Tanks."

<sup>8</sup> When calibrating the meters, PAE sends them to a facility located in Dubai, UAE.

<sup>9</sup> Generally, the manufacturers calibrate the flow meters prior to delivery; therefore, each new flow meter had an initial calibration that was good for the first 6 months of use.

fuel it did not receive. To arrive at this amount, OIG examined 453 fuel delivery reports that PAE prepared between January 2013 and March 2014.<sup>10</sup> OIG's analysis of the reports showed that the embassy received an average of 10,600 liters per month less than the amount billed by National Fuels (Appendix A provides more information on OIG's methodology).<sup>11</sup> When OIG asked embassy officials why they did not conduct closer reviews of the National Fuels invoices, facility managers responded that officials overseeing PAE's contract at the time had left post and moved on to other assignments.<sup>12</sup>

The embassy no longer uses calculations from National Fuels to verify the invoiced amount for the fuel received. In the 2014 contract awarded to National Fuels, the Defense Logistics Agency, on behalf of the embassy, made it a requirement that the readings from the embassy flow meters, rather than from National Fuels, would be used to verify the fuel invoices. This new requirement eliminated the overbilling issues OIG identified because National Fuels is paid for the total amount of fuel calculated by the embassy flow meters rather than National Fuels' calculation. The fuel delivery analysis completed by OIG also showed that the National Fuels' total fuel calculation became more aligned with the total fuel calculated by the embassy flow meters once the new contract began. Figure 1 shows the fuel receipt and calculation process used at Embassy Kabul with portable fuel flow meters.

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<sup>10</sup> PAE prepares multiple fuel level calculations throughout the day as a preventative maintenance function—including before and after each fuel delivery. PAE then uses the fuel-level calculations to develop monthly delivery reports, required by the task order statement of work.

<sup>11</sup> The fuel tanks at the embassy contain fuel level sensing devices that record fuel levels before and after delivery. PAE can determine the accuracy of the invoiced amount by using readings from these sensing devices. For example, assume that the fuel sensing device shows 13,000 liters of fuel are in the tank before the fuel delivery. After the fueling delivery, the fuel level sensing device shows that 30,000 liters of fuel are in the tank. Using the "after fueling" tank level of 30,000 liters, and the "before fueling" tank level of 13,000 liters, PAE can determine that 17,000 liters of fuel were delivered. PAE or embassy staff can then compare 17,000 liters to the total number of liters invoiced by National Fuels.

<sup>12</sup> OIG is not making a recommendation to the Department to recover the estimated \$160,000 because embassy officials had already determined that the fuel level sensing devices were unreliable and, therefore, the results from those devices could not withstand legal scrutiny. They have accepted the total amount that National Fuels invoiced.



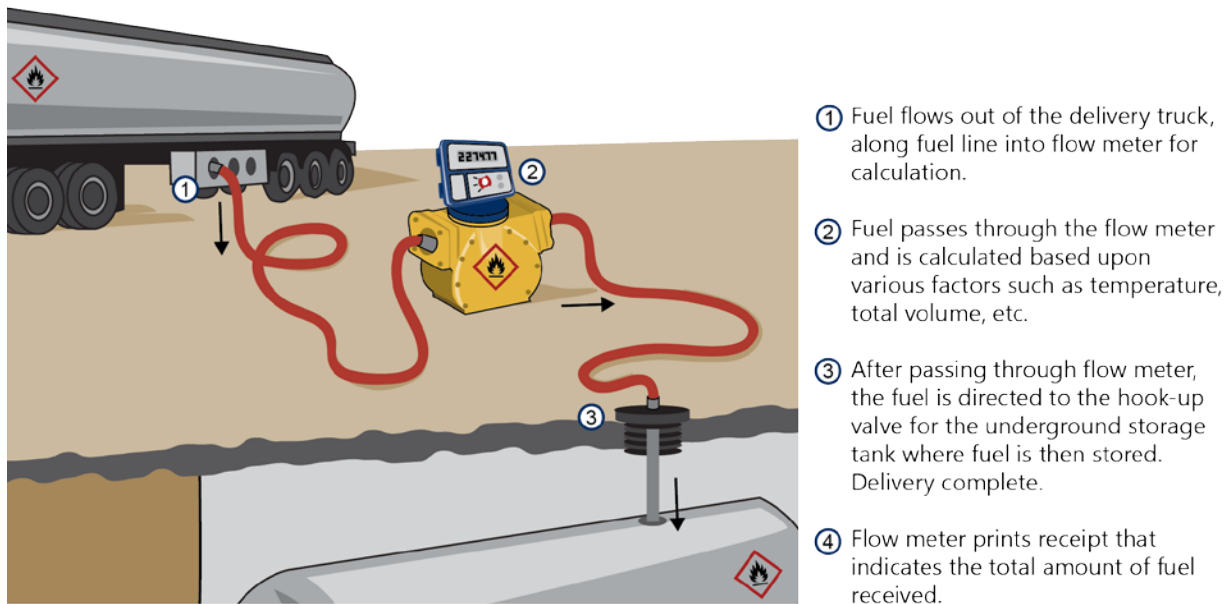


Figure 1: Fuel Receipt Process at Embassy Kabul with Portable Fuel Flow Meters

Source: OIG Presentation of Fuel Delivery and Receipt Process

### ***PAE Provided Effective Oversight of Generator Fuel Usage***

OIG found that PAE had effective controls to monitor generator fuel usage once Embassy Kabul received the fuel. To help monitor the fuel usage, PAE takes a daily reading of the generator fuel tank levels at 8:00 a.m. and manually inspects the fuel level sensors in the tanks each hour using gauging sticks and strapping charts to identify mechanical problems.<sup>13</sup>

### ***Ineffective Controls for Vehicle-Fueling System at Embassy Kabul***

The *Foreign Affairs Handbook* states that “only authorized employees should have access to the fuel pump,” and that safeguarding the pump is necessary to control pilferage.<sup>14</sup> To prevent theft, 14 FAH-1, H-815, “Fuel for Official Vehicles,”<sup>15</sup> requires that strict control be maintained over pumps used in a bulk-fuel operation. OIG reviewed eight controls intended to prevent unauthorized vehicle fueling at the embassy.

Five of these controls require the user to enter data at the pump. Specifically, to obtain fuel at the embassy, the embassy requires the user to input the vehicle identification number (VIN), agency personal identification number (PIN), current mileage on the odometer, employee badge number, and type of fuel required (diesel or unleaded gasoline) before the pump will begin

<sup>13</sup> Gauging sticks and strapping charts are used to take a fuel-level calculation from the fuel storage tanks. This is a manual calculation based upon a reading taken from the gauging stick. The reading from the gauging stick is then compared to the strapping chart specific to the fuel storage tank, and the fuel level can be calculated. These manual readings can be used to verify that the fuel-level sensing devices provide accurate readings.

<sup>14</sup> 14 FAH-1, H-815.4, “Pumps and Tanks.”

<sup>15</sup> 14 FAH-1, H-815.1, “Bulk Fuel Management.”



dispensing fuel. Figure 2 shows photographs of the fueling station on the embassy compound and the directions for accessing the fuel pump—the directions are provided in both English and Dari.



Figure 2: Kabul Embassy's Fueling Station and directions for using the fuel system.




**Source:** OIG photo taken at Embassy Kabul on June 9, 2015.




Of the three other controls that OIG examined, one is meant to prevent a vehicle from receiving more fuel than allowed by the fuel tank capacity associated with the VIN that the user entered, another is intended to lock the fueling system if the transaction is not completed in a timely manner, and the last is designed to limit the number of times that different types of vehicles can obtain fuel during any one day.



OIG found that, out of the eight controls reviewed, four were ineffective to prevent unauthorized access to vehicle fuel. For example, the first control is entering a valid vehicle identification number (VIN number) that matches the VIN listed in the vehicle inventory maintained by either the Department's Integrated Logistics Management System or the embassy's Fleet Management Information System. OIG reviewed the fuel transaction records and found that 97 (or 37 percent) of the 261 vehicles that received fuel in April 2015 did not have VINs listed in either the Department's Integrated Logistics Management System or the embassy's Fleet Management Information System. This occurred because the VINs maintained by PAE in the vehicle-fueling system did not match the VINs (and consequently the vehicle inventory) that the embassy motor pool manager maintained. Specifically, the embassy's vehicle inventory includes only vehicles registered to the Department, the U.S. Agency for International Development, and "other agency" or "other funding"; it does not include vehicles that fall under Chief of Mission authority at the embassy compound. PAE's list may include these other vehicles. The cost associated with fueling these vehicles not on the embassy's list totaled \$6,212, or 22 percent of total fuel costs (\$28,307) for the month.

Table 1 lists the eight controls OIG assessed, along with OIG's determination of their effectiveness.

**Table 1: OIG Assessment of Access Controls for Embassy Kabul Vehicle-Fueling System**

<b>Control</b>	<b>Effectiveness of Control</b>	<b>Control Description and Assessment</b>
<b>1. Vehicle Identification Number</b>	Ineffective 	<p><b>Control Description:</b> A VIN registered with the fueling system must be entered to begin the fueling process. PAE maintains the list of VINs in the fueling system and receives direction from the embassy's Fleet Manager to add or remove a VIN from the fueling system.</p> <p><b>Control Assessment:</b> Although OIG confirmed that a VIN registered with the fueling system was required to initiate the fueling process, according to the Motor Pool Manager, more than 300 VINs are included in the vehicle-fueling system that do not exist in the embassy vehicle inventory. The embassy's vehicle inventory is maintained in the Department's Integrated Logistics Management System and the embassy's Fleet Management Information System. Vehicles obtaining fuel from the embassy's fueling system should be identified in these inventory systems in order to receive fuel. This is important so that fuel can be accounted for in association with a specific vehicle. Because at least 300 vehicles registered with the fueling system did not match the vehicle inventory, OIG concludes that this control is ineffective.</p>
<b>2. Office/ Agency PIN</b>	Ineffective 	<p><b>Control Description:</b> A specific four-digit PIN associated with a particular office or agency located at the embassy must be entered after the VIN to continue the fueling process.</p> <p><b>Control Assessment:</b> Similar to the VIN control, the agency PIN control is intended to associate the use of fuel to a specific agency. During the testing, OIG confirmed that a PIN registered with the fueling system must be entered to continue the fueling process; however, OIG found instances in April 2015 where the agency PIN used did not correspond with the VIN. For example, a Facility Management Services PIN was used to fuel a Diplomatic Security Regional Security Office vehicle. In another instance, a Facility Management Services PIN was used to fuel a vehicle registered with the U.S. Agency for International Development. While the software associated with the vehicle computer system can be programmed to connect the VIN and the agency PIN, the data revealed weaknesses in the programming. Because agency PINs did not align with VINs associated with agency vehicles that received fuel, OIG concludes that this control is ineffective.</p>
<b>3. Odometer Reading (Mileage)</b>	Ineffective 	<p><b>Control Description:</b> The current mileage listed on the vehicle odometer is to be entered into the system. This control is intended to collect information that can be used to assess vehicle fuel consumption and determine reasonableness.</p> <p><b>Control Assessment:</b> OIG reviewed vehicle fuel transactions in April 2015 and discovered the mileage entered into the fueling system did not always sequentially follow the previous mileage reading. For</p>

Control	Effectiveness of Control	Control Description and Assessment
		example, on April 6, 2015, mileage for a vehicle was entered as 373 and 7 days later, on April 13, 2015, the mileage for the same vehicle was entered as 193. In addition, OIG found the number zero had been entered on 18 occasions in the same month. OIG also found that the system used by Embassy Kabul cannot be programmed to ensure that the mileage entered for fuel receipt is larger than the previous transaction. Because fuel was dispensed regardless of the total mileage value entered, OIG concludes that this control is ineffective.
<b>4. Personal Badge Number</b>	Ineffective 	<p><b>Control Description:</b> A six-digit personal badge number must be input into the system. This control is intended to associate the use of fuel to a specific individual.</p> <p><b>Control Assessment:</b> OIG found that an invalid six-digit number can be used to access the fueling system. For example, OIG entered invalid badge numbers and was nonetheless able to obtain fuel. According to a PAE official, this occurred because the fueling system had not been programmed so that the personal badge number corresponds with the VIN. Given the current fueling software, PAE can associate only one badge number with each vehicle (or VIN). However, Embassy Kabul requires the flexibility for more than one driver to obtain fuel for a specific vehicle (or VIN), and, therefore, the badge number control is not programmed. Because of these programming limitations and because an invalid number could be used to access fuel, OIG concludes this control is ineffective.</p>
<b>5. Type of Fuel</b>	Effective 	<p><b>Control Description:</b> The correct fuel type (diesel or unleaded gasoline) associated with the type of vehicle (determined by the VIN entered during the first step) must be selected to ensure the wrong fuel is not dispensed, an error that can cause damage to the vehicle.</p> <p><b>Control Assessment:</b> OIG tested this control and found that the correct type of fuel must be entered to authorize fueling. Because the correct type of fuel must be entered, OIG concludes this is an effective control.</p>
<b>6. Fuel Tank Capacity</b>	Effective 	<p><b>Control Description:</b> The fueling system will not allow a vehicle to receive more fuel than allowed by the fuel tank capacity, which is programmed based upon the VIN entered. For example, a Toyota Land Cruiser has a fuel tank capacity of 25 gallons, and the fueling system is programmed to shut off at 25 gallons for any VINs associated with a Toyota Land Cruiser.</p> <p><b>Control Assessment:</b> OIG reviewed the April 2015 fuel transactions and found that none of the vehicles receiving fuel received more fuel than the identified fuel tank capacity for that vehicle. OIG therefore concludes this control is effective.</p>
<b>7. Inactivity Time</b>	Effective	<p><b>Control Description:</b> The fueling system has been programmed to detect two types of inactivity: (1) once the VIN is entered, the driver</p>

Control	Effectiveness of Control	Control Description and Assessment
		<p>has 10 seconds to enter the office PIN before the system times out because of inactivity; and (2) once fueling has been approved, the driver has 4.5 minutes to pump the fuel before the system is locked due to inactivity.</p> <p><b>Control Assessment:</b> OIG tested this inactivity control and found the fueling system reset to the beginning of the fueling process when the driver took more than 10 seconds to enter required information, and a maximum of 4.5 minutes was allowed to complete fueling. OIG therefore concludes this control is effective.</p>
<b>8. Number of Fuelings Per Day</b>	Effective 	<p><b>Control Description:</b> The fueling system is programmed to allow a limited number of fuelings per day based upon the vehicle type (associated with the VIN). For example, a Gator—a small golf-cart-type vehicle—has a daily limit of five fuelings, and a Land Cruiser has a daily limit of two fuelings.</p> <p><b>Control Assessment:</b> OIG tested this control by attempting to access fuel for the Gator more than the permitted five times a day. On the sixth fueling, the system denied access, and OIG concludes this control is effective. In addition, OIG's review of the April 2015 daily fuel transactions did not reveal any instances where a vehicle obtained fuel above its daily allotment. OIG concludes that this control is effective.</p>

**Source:** OIG prepared based on daily vehicle fuel system transactions at Embassy Kabul in April 2015 and control testing performed by OIG on June 9, 2015, and October 19, 2015.

In addition to the ineffective controls at the vehicle-fueling station, OIG also found that the hardware and the Petro Vend<sup>16</sup> software for the vehicle-fueling station itself are outdated, increasing the risk that the fueling station will malfunction. PAE officials stated that the software was developed in 2001 and that the vendor (OPW Fuel Management Systems) had stopped making replacement parts for the hardware. They further explained that when the fueling system malfunctions or requires repairs, they find the part on the open market or devise with an alternate solution to fix the system. Hours-long temporary shutdowns to the vehicle-fueling system have occurred. During these shutdowns, vehicles at the embassy can obtain fuel from other embassy-maintained camps such as Camp Sullivan. However, obtaining fuel from Camp Sullivan, or other locations, can be difficult because of restricted movements resulting from sometimes daily changes to the security situation. Using an outdated vehicle-fueling system increases the risk that the system will break, causing the embassy to go without fuel for an indeterminate period of time. This, in turn, negatively affects the embassy's operations and security.

<sup>16</sup> Petro Vend is a fuel control system designed by OPW Fuel Management Systems that seeks to prevent unauthorized access by restricting the fuel type and quantities dispensed. Currently, the embassy uses the Petro Vend Fuel Island Terminal and Fuel Site Controller, Model K800, and the K800 Phoenix software, version 1.6.8, copyright 2001.

**Recommendation 1:** OIG recommends that Embassy Kabul (a) update the embassy's vehicle inventory systems (Integrated Logistics Management System and Fleet Management Information System) to fully account for all vehicles authorized to access the embassy's vehicle-fueling system; and (b) establish procedures to periodically review and update the inventory systems.

**Embassy Kabul Response:** Embassy Kabul partially agreed with the recommendation, stating that the Integrated Logistics Management System is only designed for Department of State vehicles, and while the Fleet Management Information System tracks Department of State vehicles and other agency motor vehicles, it does not include provisions to record all-terrain vehicles maintenance and fuel transactions. These all-terrain vehicles cannot be tracked until the Bureau of Administration, Office of Logistics Management updates the software. In addition, the embassy stated that Kabul General Services Office (GSO) Motor Pool will periodically audit the list of vehicles programmed in the vehicle-fueling system.

**OIG Reply:** OIG considers this recommendation unresolved. Although the embassy partially agreed with the recommendation, the response was not satisfactory to resolve the recommendation because the embassy's corrective action plan does not fully address the deficiencies OIG identified. The Integrated Logistics Management System and the Fleet Management Information System are the only two vehicle inventories maintained by Embassy Kabul. If neither system can track all vehicles authorized to be on compound and receive fuel, a new inventory system should be developed. In this report, OIG identified 261 transactions across 97 vehicles not listed in either the Integrated Logistics Management System or the Fleet Management Information System in April 2015. These vehicles received 1,485 gallons of fuel. In addition, the embassy currently does not have a mechanism to track for more than 300 vehicles that have the ability to receive fuel—all-terrain vehicles or otherwise. Until Kabul GSO Motor Pool accounts for all authorized vehicles on compound, it will not have a complete inventory of vehicles authorized to receive fuel.

The recommendation will be considered resolved when OIG receives and accepts Embassy Kabul's concurrence and a corrective action plan, including milestones, for implementation. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the embassy has a complete inventory of Chief of Mission vehicles authorized to receive fuel and has established procedures to periodically review and update the inventory systems.

**Recommendation 2:** OIG recommends that once Embassy Kabul updates its vehicle inventory, including all vehicles that fall under Chief of Mission authority, the embassy (a) direct PAE Government Services, Inc., to update the listing of authorized vehicle identification numbers in the vehicle-fueling system; and (b) verify that PAE Government Services, Inc. updated the vehicle-fueling system by periodically testing the system.

**Embassy Kabul Response:** Embassy Kabul partially agreed with the recommendation, stating that it will work with PAE to update the vehicle list authorized to draw fuel from the vehicle-fueling station. In addition, Kabul GSO Motor Pool will periodically audit the list of vehicles authorized to access the vehicle-fueling system.

**OIG Reply:** OIG considers this recommendation unresolved. The identified corrective actions to be taken by Kabul GSO Motor Pool address this recommendation. However, until Recommendation 1 has been resolved and steps are identified to develop a comprehensive inventory for all vehicles authorized to receive fuel at Embassy Kabul, PAE staff will not be able to accurately update the fueling system inventory. Without a comprehensive, updated inventory list of all vehicles that fall under Chief of Mission authority, Embassy Kabul does not have proper assurance that the inventory in the vehicle-fueling system is correct. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the embassy has (a) directed PAE to update the listing of authorized vehicle identification numbers in the vehicle-fueling system; and (b) established procedures to verify periodically that PAE updated the vehicle-fueling system.

**Recommendation 3:** OIG recommends that Embassy Kabul (a) direct PAE Government Services, Inc., to reprogram the agency personal identification number to connect the personal identification number to a specific vehicle identification number in the fueling system; and (b) verify that PAE Government Services, Inc., updated the vehicle-fueling system by periodically testing the system.

**Embassy Kabul Response:** Embassy Kabul agreed with this recommendation, stating that Embassy Kabul will direct PAE to reprogram the agency personal identification number to a specific individual (personal badge number) and a specific vehicle identification number in the fueling system.

**OIG Reply:** Based on Embassy Kabul's concurrence and planned corrective actions, OIG considers this recommendation resolved. This recommendation will be closed when OIG receives and accepts documentation demonstrating that the reprogrammed agency personal identification number control works as intended. Such documentation could include an analysis of the fuel transactions for a period of 90 days, starting from when the system is reprogrammed. This analysis should show that the agency or office that uses the vehicle aligns with the agency personal identification number entered for all fuel transactions during that time period.

**Recommendation 4:** OIG recommends that Embassy Kabul update its control related to the odometer reading entered into the vehicle-fueling system so that (1) zero cannot be entered as a valid mileage amount and (2) the driver cannot enter an odometer reading that is lower than one previously entered for that vehicle.

**Embassy Kabul Response:** Embassy Kabul partially agreed with the recommendation, stating that the vehicle-fueling system already requires an odometer reading when



drawing fuel. The Department stated that problems come primarily from all-terrain vehicles, which do not have an odometer. Instead, vehicle operators enter a random series of numbers or zero to satisfy the data input requirement. Kabul GSO Motor Pool will implement procedures to ensure that vehicle operators using the fuel point are entering the correct odometer or engine hours reading into the vehicle-fueling system. Compliance will be monitored by inputting fuel data into each vehicle's Fleet Management Information System profile. If subsequent entries are lower than a previous entry, the vehicle operator will be counseled and provided remedial training on the use of the vehicle-fueling system.

**OIG Reply:** OIG considers this recommendation unresolved. Although the embassy partially agreed with the recommendation, the response was not satisfactory to resolve the recommendation because the embassy's corrective action plan does not fully address the deficiencies OIG identified. OIG does not dispute that the vehicle fueling requires an odometer reading when drawing fuel. Our report found that the odometer reading control does not serve as a proper control because any number can be entered into the system. Because the all-terrain vehicles do not have odometers, OIG agrees that having another measure of usage (including, potentially, engine hours) would make more sense for those vehicles. For example, Bearcats—giant armored vehicles—sit stationary throughout the compound and at various entry points as a quick response security measure. These vehicles burn fuel as they sit stationary so that the security staff on duty have air conditioning or heat inside the vehicle, but the vehicles do not log a reasonable amount of mileage compared to the fuel burned. Regardless of the measure of usage, the current control is ineffective. If Kabul GSO Motor Pool develops a different control to track fuel usage, Embassy Kabul should provide OIG documentation that the control has been implemented and demonstrate how the new control tracks fuel usage of all vehicles receiving fuel on the compound. In addition, Kabul GSO Motor Pool previously indicated that the Fleet Management Information System does not include all vehicles in the inventory, and is not programmed to include the all-terrain vehicles. If Kabul GSO Motor Pool plans to use the Fleet Management Information System to conduct fuel usage analysis, it should collaborate with the Bureau of Administration, Office of Logistics Management to update the system capabilities to track all vehicles provided fuel on the compound.

The recommendation can be considered resolved when OIG receives and accepts Embassy Kabul's concurrence and a corrective action plan, including milestones, for implementation. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the embassy has updated its vehicle-fueling system control related to the odometer reading entered so that (1) zero cannot be entered as a valid mileage amount and (2) the driver cannot enter an odometer reading that is lower than one previously entered for that vehicle; or when the OIG receives and accepts documentation showing that the embassy identified and updated a control related to vehicle usage.



**Recommendation 5:** OIG recommends that Embassy Kabul update its control specific to the personal badge number entered into the vehicle-fueling system so that only embassy staff with a mission requirement to access fuel are programmed into the fueling system.

**Embassy Kabul Response:** Embassy Kabul agreed with this recommendation, stating that Kabul GSO Motor Pool will direct PAE to reprogram the agency personal identification number to connect the personal identification number to a specific individual (personal badge number) and a specific vehicle identification number in the fueling system.

**OIG Reply:** Based on Embassy Kabul's concurrence and planned corrective actions, OIG considers this recommendation resolved. This recommendation will be closed when OIG receives and accepts documentation demonstrating that the reprogrammed personal badge number control works as intended. This should be demonstrated by testing the system randomly for a period of 90 days, beginning when the system is reprogrammed. This test should include entering personal badge numbers for embassy staff who do not have a mission requirement to access fuel thereby demonstrating that the system does not allow unauthorized access.

**Recommendation 6:** OIG recommends that Embassy Kabul procure a new vehicle-fueling system (hardware and software) to replace the current outdated system.

**Embassy Kabul Response:** Embassy Kabul agreed with this recommendation, stating that the embassy plans to purchase an identical vehicle-fueling system (hardware and software) to replace the outdated system when the new vehicle maintenance facility and vehicle-fueling station comes online in the next few months.

**OIG Reply:** OIG considers this recommendation unresolved. Although the embassy agreed with the recommendation, the response was not satisfactory to resolve the recommendation because the embassy's corrective action plan does not fully address the deficiencies OIG identified. During our internal controls testing, we identified that the current fueling system software did not have the capabilities to program the controls needed for the vehicle-fueling system. If identical hardware and software are purchased, OIG is concerned that the same system control limitations may continue to exist. When procuring the new vehicle-fueling system, Embassy Kabul should identify all controls needed to ensure unauthorized users cannot access the fuel and purchase a system that has the required access control capabilities. The recommendation can be considered resolved when OIG receives and accepts Embassy Kabul's corrective action plan, including milestones that fully address the intent of the recommendation. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the embassy has procured an appropriate vehicle-fueling system that has the required access control capabilities.

### ***Fuel Consumption Analysis Not Performed***

The *Foreign Affairs Handbook* states that the motor pool manager should review the fuel consumption reports and the mileage driven by all the vehicles in the embassy's inventory. This review is necessary because "any significant changes in fuel or oil use might indicate mechanical or operating problems, unrecorded issues, theft/misappropriation of fuel or misuse of gasoline... [T]he motor pool manager will investigate any problems."<sup>17</sup> While the motor pool manager stated that he reviews the monthly fuel usage reports to track usage and submit purchase orders for additional fuel, other work demands do not allow for constant oversight of the vehicle fuel at post. During our audit, OIG found irregularities in the fuel transaction data that, per the FAH, should have warranted further review by the motor pool manager. For example, OIG found that one driver accessed the fueling system to fuel two separate vehicles not listed in the embassy's inventory on four different days in April 2015. On April 18, 2015, this driver filled one vehicle with diesel at 4:52 p.m. and another vehicle with unleaded gasoline at 4:56 p.m. Then on April 25, 2015, the same driver filled a vehicle with diesel at 4:38 p.m. and another vehicle with unleaded gasoline at 4:40 p.m.

In addition, the daily fuel transaction data lists all transactions in numerical order—that is, 1-10 if there were 10 transactions. However, OIG found that some transactions were missing in the daily fuel transactions provided by PAE. Before sending the list to the motor pool manager, PAE removed transactions where fueling was authorized but no fuel was actually pumped. These transactions should not be removed: even if no fuel is received, a full data set would allow the motor pool manager to complete a more comprehensive analysis. In both instances with frequent vehicle fueling and missing fuel transaction data, the motor pool manager was unaware of the discrepancies until these issues were raised by OIG. If the motor pool manager, or other motor pool staff, completed a review of the daily fuel transactions and the daily usage reports, irregularities such as these could be identified and investigated to ensure that those transactions were allowable.

In addition, the motor pool manager stated that developing an accurate inventory is the first step to tracking improper fuel transactions. Once the embassy obtains an accurate inventory of all vehicles allowed on the compound under Chief of Mission authority, the motor pool manager can review and reconcile the fuel transactions and identify irregularities.

**Recommendation 7:** OIG recommends that the Embassy Kabul motor pool manager review and reconcile the vehicle fuel transactions and the vehicle usage reports on a monthly basis to determine if any theft or improper use of fuel has occurred, in accordance with the *Foreign Affairs Handbook*, 14 FAH-1, H-814.2-2, "Motor Pool Manager Review."

**Embassy Kabul Response:** Embassy Kabul partially agreed with the recommendation, stating that Kabul GSO motor pool already has a program in place to review daily fuel

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<sup>17</sup> 14 FAH-1, H-814.2-2, *Motor Pool Manager Review*.

reports provided by PAE. The Kabul GSO motor pool manager monitors the fuel draw for each vehicle to prevent double fueling of the same vehicle, or drawing more fuel than a vehicle is capable of holding. The embassy stated that Kabul GSO motor pool will establish a program to input vehicle fuel transactions and vehicle usage reports into the Fleet Management Information System, but because the all-terrain vehicles are not tracked in the Fleet Management Information System, not all fuel consumption can be captured. Further, given the irregular usage of vehicles on compound, it is difficult to determine if any theft or improper use has occurred, in accordance with the *Foreign Affairs Handbook*. For example, many vehicles are used at static guard posts where the engine burns fuel to run the heat or the air conditioning for the comfort of the guards, and it is therefore impossible to calculate improper use based upon the Fleet Management Information System data.

**OIG Reply:** OIG considers this recommendation unresolved. Although the embassy partially agreed with the recommendation, the response was not satisfactory to resolve the recommendation because the embassy's corrective action plan does not fully address the deficiencies OIG identified. The current fueling system allows for double fueling of the same vehicle within the same day, and OIG found instances of double fueling during our analysis. While these double fuelings are allowed, they should be reviewed and assessed against the vehicle usage. When we spoke with the previous Kabul GSO motor pool manager, he was unaware of some of the double fuelings and agreed that they warranted further review. Embassy Kabul notes that it would be difficult to determine if fuel theft occurred due to the irregular usage of vehicles on compound. However, if the usage control worked, regular usage patterns could be established. For example, for the vehicles used at static guard posts, analysis of the usage—total fuel used along with total vehicle hours running—would identify an average fuel burn rate that could provide a baseline of "normal" use. In addition, the Fleet Management Information System (or another inventory system) should be updated with the capability to track all vehicles that can access the vehicle-fueling system and their usage.

The recommendation can be considered resolved when OIG receives and accepts Embassy Kabul's concurrence and a corrective action plan, including milestones, for implementation. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the embassy has developed and implemented procedures for the motor pool manager to review and reconcile the vehicle fuel transactions and the vehicle usage reports, including run time/burn rate, on a monthly basis to determine if any theft or improper use of fuel has occurred, in accordance with the *Foreign Affairs Handbook*, 14 FAH-1, H 814.2 2, "Motor Pool Manager Review."

## Finding B: Embassy Kabul Paid \$1.21 Million in Invoices Without Proper Supporting Documentation

OIG found that, from March 2013 to May 2015, the embassy Financial Management Office paid at least \$1.21 million in fuel invoices that did not have any supporting documentation. OIG notes that it has identified Department-wide deficiencies in this area and, in March 2014, OIG issued a Management Alert<sup>18</sup> on Contract File Management Deficiencies because our work had identified significant vulnerabilities that could expose the Department to substantial financial losses. Failure to maintain adequate contract files, including invoice documentation and support, creates significant financial risk and demonstrates a lack of internal control over the Department's contract actions. Based on documentation that the embassy's Financial Management Office provided, the office approved \$12.2 million on 211 fuel invoices for its generators and vehicles fuel at Embassy Kabul, Camp Sullivan, and Consulate Herat during this period.

OIG reviewed a judgmental sample of 87 fuel invoices, valued at \$11.6 million (or 95 percent of the \$12.2 million in fuel bills) that National Fuels submitted. During our review of the \$11.6 million in fuel invoices sampled, OIG found that the embassy's Financial Management Office could not provide any documentation supporting \$1.21 million (or 11 percent of the sample). Internal control standards require that transactions and other significant events be clearly documented and that the documentation be readily available for examination.<sup>19</sup> The Financial Management Office staff told OIG that the supporting documentation for more than half of the \$1.21 million in fuel costs was for Consulate Herat and that the supporting documentation—such as a receiving report—was lost or misplaced during the decommissioning of the consulate.<sup>20</sup> In addition, Financial Management Office staff also stated that, given the high staff turnover and heavy workloads, they do not perform in-depth financial management or analysis of the fuel consumption or pricing.

While the Financial Management Office could not provide documentation supporting the invoices, the embassy's Facility Management Services; Post Support Unit in Charleston, South Carolina; or PAE personnel may have supporting documentation for the fuel invoices. In addition, embassy staff may maintain various supporting documents on their individual network drives. Given the staff turnover at the embassy,<sup>21</sup> it is possible that supporting documentation exists in files maintained by their predecessors—either in paper copy or on their individual network drive.<sup>22</sup> Without supporting documentation, OIG does not have assurance that \$1.21 million in fuel charges was reasonable or allowable.

<sup>18</sup> OIG, *Management Alert (Contract File Management Deficiencies)*. (MA-A-0002, March 20, 2014).

<sup>19</sup> GAO-14-704G, "Standards for Internal Control in the Federal Government."

<sup>20</sup> Consulate Herat was officially decommissioned on October 23, 2014. Both fuel task orders were modified at the beginning of March 2015 to remove Consulate Herat from the statement of work due to the decommissioning.

<sup>21</sup> Generally, staff are assigned to Embassy Kabul for 1-year assignments.

<sup>22</sup> In an effort to find the missing invoices, OIG inquired whether information was stored on the embassy's Portfolio Continuity system—an application designed to maintain historical records at post. On October 21, 2015, the deputy

**Recommendation 8:** OIG recommends that Embassy Kabul (a) reconstruct the contract file by completing a thorough search of records to find any additional supporting documentation corresponding to the \$1.21 million in unsupported fuel costs; (b) determine if all charges were reasonable, supported, and allowable; and (c) with respect to any amounts not supported or determined to be unreasonable or unallowable, coordinate with the Procurement Executive and take appropriate action.

**Embassy Kabul Response:** Embassy Kabul disagreed with OIG's finding that the "Financial Management Office paid at least \$1.21 million in fuel invoices that did not have any supporting documentation." Embassy Kabul also stated that it received all missing support documentation by March 10 and that the Financial Management Office would conduct the analysis for items 8a and 8b and "provide the missing support documentation " to OIG. Embassy Kabul further asserted that OIG's findings heavily relied on comments made from a locally-employed, temporary duty staff member who may not have had a full understanding of where documentation is stored and archived between the Kabul Financial Management Office and its off-shoring partner, Post Support Unit.

On March 21, 2016, and in response to a draft of this report, Embassy Kabul subsequently provided the missing documentation for some of the invoices in question, adding that all charges were determined to be reasonable, supported, and allowable.

**OIG Reply:** OIG considers this recommendation unresolved. OIG completed a review of the invoice files the Kabul Financial Management Office provided in March 2016 and determined that the documentation did not support all of the invoices in question. Specifically, while the Kabul Financial Management Office provided supporting documentation for six of eight invoices, it did not provide support for \$172,670 in funds paid on two remaining invoices to National Fuels, Inc. As a result, the recommendation remains open and unresolved. The recommendation can be considered resolved when OIG receives and accepts Embassy Kabul's determination (dollar value allowed and/or disallowed) on the allowability of the remaining \$172,670 in unsupported costs. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the embassy has sufficient support for the remaining \$172,670 in invoices identified by OIG or has taken appropriate action (i.e., established an account receivable or received repayment) to recover all costs deemed unallowable.

In addition to the specific response to this recommendation, the Department stated more generally that a "lack of communication has led the report to have some misleading flaws." This comment apparently referred to the Department's further

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management counselor informed OIG that a SharePoint directory was located that contained some Herat invoices. Because substantial fieldwork for this audit was completed in August 2015, OIG did not examine these invoices. OIG believes that it is the role of the Financial Management Office and other staff involved in the invoice payment process to maintain proper documentation in the contract file.

assertion that OIG did not properly brief all parties and that, in particular, the Financial Officer was not included. As recommendation 8 is the only item as to which the Department contends that OIG lacked necessary information, OIG presumes that these comments apply to this recommendation. In fact, , OIG requested the fuel invoices through the COR for the operations and maintenance contract performed by PAE. The COR asked OIG to work with the Kabul Financial Management Office. The Kabul Financial Management Office subsequently provided OIG with a list of all of the invoices, corresponding voucher numbers, and available supporting documentation. When OIG asked for information about specific invoices, the Kabul Financial Management Office stated that several of the files from Consulate Herat were lost. OIG completed the analysis of the files provided and identified issues with the quality of the supporting documentation. Those exceptions, and a list of the missing files, were then shared with the Senior Financial Management Officer and the Kabul Financial Management Office on July 6, 2015. At that time, both the Senior Financial Management Officer and the Kabul Financial Management Office had the opportunity to respond to the issues identified and provide the additional supporting documentation.

Lastly, Embassy Kabul states that OIG relied upon information from a locally employed, temporary duty staff member who "may not have a full understanding of where documentation is stored." Again, the COR told OIG to work with this locally-employed, temporary duty staff—who was actually a foreign service national temporarily assigned to Kabul—to obtain the information needed to conduct the audit. Regardless, the Senior Financial Management Officer and the Kabul Financial Management Office were provided ample opportunities to provide OIG the documentation requested during the course of the audit.

### **Finding C: Contractor Performed Inherently Governmental Functions During Fuel Receipt Process**

OIG found that the embassy allowed PAE staff to perform an inherently governmental function by accepting the generator fuel deliveries on behalf of the embassy, in effect authorizing payment to National Fuels in violation of the Federal Acquisition Regulation (FAR) and the *Foreign Affairs Manual* (FAM). FAR Subpart 2.101 defines an inherently governmental as a function that is so intimately related to the public interest as to mandate performance by Government employees. An inherently governmental function includes activities that require either the exercise of discretion in applying Government authority or the making of value judgments in making decisions for the Government. The FAM states that a contract employee is not authorized to sign a receiving report accepting property on behalf of the U.S. Government.<sup>23</sup> While PAE is authorized to inspect and verify the fuel received, a U.S. Government employee—designated as the receiving clerk—must officially accept the fuel on behalf of the Government.

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<sup>23</sup> 14 FAM 413.3(b), "Receiving Responsibility."



As stated in both the FAM and the FAR, acceptance is an inherently governmental function and must be performed by a U.S. Government employee.<sup>24</sup>

The embassy's Property Management Officer signed a letter on February 3, 2014, delegating PAE staff to act as the single point of receipt for fuel deliveries at Embassy Kabul, Camp Sullivan, and Consulate Herat. While the delegation does not fully specify what it means to be a "single point of receipt," the Property Management Officer and PAE interpreted the delegation as authorization to accept the fuel on behalf of the embassy. The *Foreign Affairs Manual*, 14 FAM 413.1, "Property Receipt – General," requires the Property Management Officer to designate, in writing, an employee to serve as receiving clerk. The receiving clerk must inspect promptly all property delivered to post as to quantity, quality, and condition, and ensure that the property is in accordance with the terms and specifications of the contract.<sup>25</sup> If receiving at post is performed by a contract employee, the employee may perform the inspection and receiving functions, but is not authorized to sign the receiving report *accepting* the property on behalf of the U.S. Government.<sup>26</sup>

Facility Management Services staff told OIG that they assumed that because the letter had been signed by the Property Management Officer—and therefore signed off on by the front office—PAE was allowed to accept the fuel. However, the Property Management Officer improperly allowed the contractor to perform an inherently governmental function by authorizing the contractor, PAE, to sign the receiving report, thereby making a decision for the U.S. Government to accept the fuel deliveries. In addition, the task order only authorized PAE to receive and dispense fuel at the embassy, Camp Sullivan, and Consulate Herat, not to accept fuel.

OIG recognizes that Embassy Kabul often relies on contractors to help carry out the mission because of staffing constraints and frequent staff turnover due to the 1-year assignment rotations at post. However, given this reliance upon contractors to support operations, it is imperative that the embassy's Government employees provide adequate supervision to ensure contractors do not perform inherently governmental functions, and that authority is not inappropriately delegated to a contractor.

**Recommendation 9:** OIG recommends that Embassy Kabul designate a U.S. Government officer or employee as the receiving clerk to accept the fuel on behalf of the embassy, in accordance with the *Foreign Affairs Manual*, 14 FAM 413.3(b), "Receiving Responsibility."

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<sup>24</sup> FAR Subpart 7.5, "Inherently Governmental Functions," states that "administering contracts (including order changes in contract performance or contract quantities, taking action based on evaluations of contractor performance and accepting or rejecting contractor products or services)" is a procurement activity that is considered to be an inherently governmental function.

<sup>25</sup> 14 FAM 413.1, "Property Receipt – General."

<sup>26</sup> 14 FAM413.3 b, "Receiving Responsibility."



**Embassy Kabul Response:** Embassy Kabul agreed with this recommendation, stating that Kabul GSO Property will designate a U.S. Government employee as the receiving clerk to accept fuel on behalf of the embassy.

**OIG Reply:** Based on Embassy Kabul's concurrence and planned corrective actions, OIG considers this recommendation resolved. This recommendation will be closed when OIG receives and accepts documentation that shows a U.S. Government employee has been designated as the receiving clerk.

## OTHER MATTERS

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### Fuel Storage Tanks at the Embassy Kabul Vehicle-Fueling Station Block Egress From Office Building

During audit fieldwork, OIG determined that the location of the office building used for the fueling station at Embassy Kabul did not comply with egress standards established by the Department's Bureau of Overseas Buildings Operations. The *Fire Protection Guide* states that "no storage or handling of flammable or combustible liquids or flammable gases shall be permitted in any location where it would jeopardize egress from a structure."<sup>27</sup> The office building has one path of egress, which runs directly above the bulk fuel storage for the fueling station. Given the hazardous nature of fuel<sup>28</sup>—especially unleaded gasoline—if a fire occurred at the fueling station, anyone working in the office building would be at risk due to the blocked egress from the building. Figure 3 shows a photograph of the fueling station office located on the east compound near Compound Access Control #5.

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<sup>27</sup> *Fire Protection Guide*, Section F-7, "Flammable & Combustible Liquids, Storage and Handling."

<sup>28</sup> Fuel is considered a hazardous property. Hazardous property is material consisting of explosives, flammables, corrosives, combustibles, oxidizers, poisons, toxins, sources of ionizing radiation or radiant energy, biological, radiological, or magnetic substances, or compressed gases, which, because of their nature are dangerous to store or handle and present real or potential hazards to life and/or property. 14 FAM 411.4, "Personal Property Management for Posts Abroad - Definitions."



Figure 3: Fueling Station Office at Embassy Kabul.

**Source:** OIG photo taken at Embassy Kabul on September 9, 2015.

OIG notified Embassy Kabul's Facility Management Services about the blocked egress in September 2015. In response, the embassy moved the fueling station office to a new location where the egress is not blocked. However, PAE staff must continue to enter the old fueling station office building at various times throughout the day to access the vehicle-fueling system computer and retrieve spare parts. Therefore, PAE staff remain vulnerable to a blocked egress in the event of an emergency at or near the old vehicle-fueling station office building.

**Recommendation 10:** OIG recommends that Embassy Kabul relocate the fueling system computer and spare parts storage to a location that meets egress standards outlined in the *Fire Protection Guide*, Section F-7, "Flammable and Combustible Liquids."

**Embassy Kabul Response:** Embassy Kabul agreed with this recommendation, stating that an emergency stop switch is being added inside of the storage room door along with operating instructions. It is also adding two chemical fire extinguishers at the fueling station to meet the intent of the Fire Protection Guide until the new fueling station becomes operational in late July or August.

**OIG Reply:** Based on Embassy Kabul's concurrence and planned corrective actions, OIG considers this recommendation resolved. This recommendation will be closed when OIG receives and accepts documentation showing that the additional fire safety measures have been added.

## CONCLUSION

OIG identified that PAE had sufficient controls to account for the use of generator fuel at Embassy Kabul. However, the embassy did not purchase enough flow meters to allow for consistent calibration until January 2015. As a result, OIG estimated that National Fuels, Inc. overbilled the embassy between January 2013 and March 2014 by approximately \$160,000.

We also determined that only half of the internal controls associated with the vehicle-fueling system were effective, and as a result, the embassy could not effectively prevent pilferage or track all vehicle fuel transactions, as required under Department guidance. Further, OIG identified \$1.2 million in fuel expenses that did not have any supporting documentation, even though OIG issued a management alert to the Department related to contract file deficiencies in March 2014. Finally, OIG identified that the Property Management Officer improperly allowed PAE to perform an inherently governmental function by authorizing them to accept fuel on behalf of the Government.

## RECOMMENDATIONS

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**Recommendation 1:** OIG recommends that Embassy Kabul (a) update the embassy's vehicle inventory systems (Integrated Logistics Management System and Fleet Management Information System) to fully account for all vehicles authorized to access the embassy's vehicle-fueling system; and (b) establish procedures to periodically review and update the inventory systems.

**Recommendation 2:** OIG recommends that once Embassy Kabul updates its vehicle inventory, including all vehicles that fall under Chief of Mission authority, the embassy (a) direct PAE Government Services, Inc., to update the listing of authorized vehicle identification numbers in the vehicle-fueling system; and (b) verify that PAE Government Services, Inc. updated the vehicle-fueling system by periodically testing the system.

**Recommendation 3:** OIG recommends that Embassy Kabul (a) direct PAE Government Services, Inc., to reprogram the agency personal identification number to connect the personal identification number to a specific vehicle identification number in the fueling system; and (b) verify that PAE Government Services, Inc., updated the vehicle-fueling system by periodically testing the system.

**Recommendation 4:** OIG recommends that Embassy Kabul update its control related to the odometer reading entered into the vehicle-fueling system so that (1) zero cannot be entered as a valid mileage amount and (2) the driver cannot enter an odometer reading that is lower than one previously entered for that vehicle.

**Recommendation 5:** OIG recommends that Embassy Kabul update its control specific to the personal badge number entered into the vehicle-fueling system so that only embassy staff with a mission requirement to access fuel are programmed into the fueling system.

**Recommendation 6:** OIG recommends that Embassy Kabul procure a new vehicle-fueling system (hardware and software) to replace the current outdated system.

**Recommendation 7:** OIG recommends that the Embassy Kabul motor pool manager review and reconcile the vehicle fuel transactions and the vehicle usage reports on a monthly basis to determine if any theft or improper use of fuel has occurred, in accordance with the *Foreign Affairs Handbook*, 14 FAH-1, H-814.2-2, "Motor Pool Manager Review."

**Recommendation 8:** OIG recommends that Embassy Kabul (a) reconstruct the contract file by completing a thorough search of records to find any additional supporting documentation corresponding to the \$1.21 million in unsupported fuel costs; (b) determine if all charges were reasonable, supported, and allowable; and (c) with respect to any amounts not supported or determined to be unreasonable or unallowable, coordinate with the Procurement Executive and take appropriate action.

**Recommendation 9:** OIG recommends that Embassy Kabul designate a U.S. Government officer or employee as the receiving clerk to accept the fuel on behalf of the embassy, in accordance with the *Foreign Affairs Manual*, 14 FAM 413.3(b), "Receiving Responsibility."

**Recommendation 10:** OIG recommends that Embassy Kabul relocate the fueling system computer and spare parts storage to a location that meets egress standards outlined in the *Fire Protection Guide*, Section F-7, "Flammable and Combustible Liquids."

## APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

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The Office of Audits within the Office of Inspector General (OIG) for the Department of State (Department) and the Broadcasting Board of Governors conducted this audit to determine whether Embassy Kabul had implemented adequate controls to safeguard and account for purchased fuel and whether PAE Government Services, Inc. (PAE), the operations and maintenance contractor, is performing its fuel-monitoring duties in accordance with the statement of work. Specifically, OIG conducted this audit to determine:

1. Are the processes Embassy Kabul uses to measure and account for the fuel dispensed by PAE through its operations and maintenance contract accurate and effective?
2. To what extent are invoice review and approval procedures in place and implemented to ensure the accuracy of fuel-related expenditures?
3. To what extent is PAE operating in accordance with its contract terms and conditions for fuel storage and distribution?
4. Are the processes PAE uses to measure and account for the fuel it receives from National Fuels, Inc., accurate and effective?

The Office of Audits conducted this audit from May to October 2015. All audit work was performed at U.S. Embassy Kabul and Camp Sullivan, Afghanistan. OIG conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

### Prior Reports and Regulations

To obtain background information, OIG researched and reviewed Department regulations relating to acquisitions, contract administration, and fuel operations, such as the *Foreign Affairs Manual* and the *Foreign Affairs Handbook*. The audit team reviewed prior OIG audits (for example, the *Management Assistance Report: Fuel Storage at Embassy Kabul and Camp Sullivan, Afghanistan* (AUD-MERO-16-04) issued on October 2, 2015), evaluations, and inspection reports to identify information previously reported related to embassy fuel operations. For example, OIG conducted an evaluation in 2010 and found that the Afghan fuel vendor billed the embassy for more fuel than it was delivering for generators and vehicles, and that the embassy procurement officers were neither reviewing nor reconciling fuel-delivery reports before signing fuel invoices. OIG reviewed audit reports from other organizations that involved fuel operations in Afghanistan and other contingency environments. The audit team met with key personnel, including embassy officials from the General Services Office, Facility Management Services, and Regional Security Office; PAE contractors; and others involved with the fuel operations.

## Work Related to Internal Controls

OIG performed steps to assess the adequacy of internal controls related to the embassy's fuel operation. For example, OIG gained an understanding of the fuel-receiving process and how the embassy employs flow meters to measure the fuel received. OIG tested the internal controls over the vehicle-fueling system and assessed the adequacy of locks and physical access to fuel storage. With respect to physical access to fuel storage, OIG issued *Management Assistance Report: Fuel Storage at Embassy Kabul and Camp Sullivan, Afghanistan* (AUD-MERO-16-04), which addresses the deficiencies identified. OIG also gained an understanding of contractor-prepared fuel-usage reports and how generator fuel consumption is monitored.

## Detailed Sampling Methodology

The audit team used judgment sampling rather than statistical sampling, which allowed the team to select and review invoices with the largest dollar values. Unlike statistical sampling, which chooses the sample by means of random numbers, a judgment sampling method uses discretionary criteria to select the sample chosen for review. Between March 2013 and May 2015, the embassy approved 211 invoices for payment, totaling \$12.2 million in fuel expenditures. This represents fuel for the embassy operations at the embassy compound, Camp Sullivan, Camp Seitz, and Consulate Herat, which was closed on October 23, 2014. Of the 211 fuel invoices, 87 (or 41 percent) were for amounts over \$30,000. OIG determined that by judgmentally selecting these 87 invoices, it could test 95 percent (\$11.6 million) of the \$12.2 million in fuel expenditure.

## Use of Computer-Processed Data

OIG used computer-processed data from the Department's Regional Financial Management System. OIG assessed the reliability of this data by (1) performing electronic testing of the data elements used in this report, (2) reviewing existing information about the data, and (3) interviewing senior staff in the Financial Management Office at the embassy knowledgeable about the data. To evaluate the accuracy of the data, OIG traced a judgment sample of 87 fuel invoices paid between March 2013 and May 2015. OIG also reviewed supporting documentation provided by the embassy's Financial Management Office. Although the embassy was unable to provide support for 11 percent of the dollar value (\$1.21 million) of the 87 invoices, OIG determined that computer-processed data provided was sufficient to support the findings and recommendations in this report.

## Review of Contractor Prepared Fuel-Receiving Data

OIG reviewed fuel-delivery records prepared by PAE and analyzed 835 deliveries (from the 87 invoices sampled) for embassy generator fuel between January 2013 and May 2015. PAE records in these delivery reports three distinct calculations during fuel delivery: total from the pneumercator (or fuel-level sensing device), total from the embassy's flow meter, and the total on the vendor's invoice.



Prior to April 2014, when the embassy began using embassy-owned flow meters as the basis for invoicing, the embassy relied on the calculations provided by the fuel vendor, National Fuels, Inc. For that period, OIG compared 453 fuel calculations from the embassy's fuel-sensing devices to National Fuel's fuel calculations between January 2013 and March 2014. This comparison revealed that the embassy's fuel-sensing devices consistently measured less fuel than the National Fuels fuel calculations, which was the amount the fuel vendor invoiced to Embassy Kabul. The average difference between the embassy calculation from the fuel-level sensing devices and the invoiced amount during that time was 10,600 liters per month.

For the period April 2014 to May 2015, when the embassy was using calculations from its own flow meters, OIG compared 382 fuel calculations from the embassy flow meters to the National Fuels, Inc. meters. Review of these calculations revealed that, on average, the embassy calculations and the National Fuels delivery amount became more aligned—showing that the embassy received the fuel it paid for rather than National Fuels, Inc., providing the embassy with less fuel than indicated.

Finally, using historical fuel-price data from the Defense Logistics Agency, OIG calculated the dollar value of the difference for the 453 fuel deliveries made between January 2013 and March 2014 for generators used at Embassy Kabul. Based on the analysis, OIG concluded that Embassy Kabul was likely overcharged \$160,000. The analysis performed pertained solely to generator fuel deliveries at Embassy Kabul and did not include other fuel deliveries at Camp Sullivan or motor vehicle fuel deliveries at either location.

## APPENDIX B: FUEL RECEIPT, METERING, AND CALIBRATION

The following graphic shows the timeline from when OIG found that the embassy had been overbilled for fuel to the time that the embassy finally received enough flow meters to allow for consistent metering and calibration—a process that took more than 4 years to complete.\*

**Figure B.1: Fuel Receipt, Metering, and Calibration at Embassy Kabul**

<b>December 2010</b>	OIG found that National Fuels overbilled the embassy for \$346,682, and recommended that the embassy seek reimbursement for the overpayment.
<b>September 2012</b>	Embassy stated that it purchased six flow meters to be used to receive fuel and address any future overbilling.
<b>October 2012</b>	Embassy received two calibrated flow meters.
<b>November 2012</b>	Embassy notified OIG that it could not seek reimbursement for the overbilling due to unreliable fuel level sensing devices not intended for fuel metering.
<b>August 2013</b>	Embassy ordered three fuel flow meters.
<b>February 2014</b>	The Property Management Officer improperly designated PAE as a receiving clerk and allowed it to perform an inherently governmental function by authorizing it to sign receiving reports.
<b>April 2014</b>	(1) DLA awarded a new contract to National Fuels on behalf of the embassy that required National Fuels billing based upon the fuel calculation from the embassy flow meters. (2) Department awarded task order to PAE to receive, store, and distribute fuel procured from National Fuels.
<b>June 2014</b>	Department awarded task order to PAE to provide testing and calibration for embassy purchased fuel flow meters.
<b>January 2015</b>	(1) Embassy Kabul received final two flow meters, and had eight total flow meters to allow for consistent flow meter calibration. (2) PAE began shipping two flow meters to Dubai, UAE but was delayed by customs issues.
<b>April 2015</b>	PAE received first two calibrated meters back from Dubai, UAE, and proceeded to send two flow meters at a time to Dubai, UAE for calibration.

\* OIG was only able to find the purchase order or receipt for flow meters for seven of the eight flow meters. We know that the remaining flow meter was received between October 2012 and January 2015, but neither PAE nor GSO Procurement could provide us with the receipt.

## APPENDIX C: EMBASSY KABUL RESPONSE TO DRAFT REPORT



Embassy of the United States of America  
Kabul, Afghanistan

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March 14, 2016

TO: Office of the Inspector General (MERO)  
Norman P. Brown, Assistant Inspector General for Audits

FROM: Acting Management Counselor, Karen K. Davidson *CKD*

SUBJECT: Comments on Draft Report *Improvements Needed To Strengthen Vehicle-Fueling Controls and Operations and Maintenance Contract at Embassy Kabul.*

REF: MERO Draft Report Number AUD-MERO-16-XX

Embassy Kabul appreciates the opportunity to comment on MERO's draft report *Improvements Needed To Strengthen Vehicle-Fueling Controls and Operations and Maintenance Contract at Embassy Kabul.* Though a number of recommendations are substantially correct it is our view that a lack of communication has led the report to have some misleading flaws. Both the in and out-brief were not attended by the full Management Team. The Inspectors briefed only a few members of the Facilities section and did not include other members from the Management section (i.e. Counselor, General Services or Financial Officer). Some deficiencies could have been cleared up if the Management Officers had been properly in and out briefed.

Please find Post's response to each individual OIG recommendation below:

**Recommendation 1:** OIG recommends that Embassy Kabul (a) update the embassy's vehicle inventory systems (Integrated Logistics Management System and Fleet Management Information System) to fully account for all vehicles authorized to access the embassy's vehicle-fueling system; and (b) establish procedures to periodically review and update the inventory systems.

**Recommendation 2:** OIG recommends that once Embassy Kabul updates its vehicle inventory, including all vehicles that fall under Chief of Mission authority, the embassy (a) direct PAE Government Services, Inc., to update the listing of authorized vehicle identification numbers in the vehicle fueling system; and (b) verify that PAE Government Services, Inc., updated the vehicle-fueling system by periodically testing the system.

Embassy Kabul partially agrees with recommendation 1 & 2. Kabul GSO Motor Pool maintains a very accurate on hand motor vehicle inventory within the Integrated Logistics Management System (ILMS). ILMS is only designed to capture Department of State motor vehicle assets, and does not include other agencies motor vehicles and All-Terrain Vehicles (ATVs) that draw fuel from the embassy vehicle-fueling system. The Fleet Management Information System (FMIS) is used to track motor vehicle maintenance and fuel records for Department of State motor vehicles and other agency motor vehicles; however, it does not include provisions to record ATV maintenance and fuel transactions. There cannot be a full



accounting of fuel drawn within the FMIS system until the software module is updated by A/LM to include ATVs, which are a significant portion of our vehicle-fueling system users. Embassy Kabul will also work with PAE Government Services, Inc., to update the vehicle list authorized to draw fuel from the fuel point. Our plan is to repair by replacement. In the next few months a new Vehicle Maintenance Facility (VMF) and fuel point will come online. We plan to purchase an identical fuel system to mirror the new VMF fuel point in order to replace the existing vehicle-fueling system, and upload only properly inventoried vehicles into both systems. We will also direct PAE Government Services, Inc., to update the listing of authorized vehicle identification numbers in the vehicle fueling system. Lastly, GSO Motor Pool will periodically audit the list of vehicles authorized to access the vehicle-fueling system.

**Recommendation 3:** OIG recommends that Embassy Kabul (a) direct PAE Government Services, Inc., to reprogram the agency personal identification number to connect the personal identification number to specific vehicle identification number in the fueling system; and (b) verify that PAE Government Services, Inc., updated the vehicle-fueling system by periodically testing the system.

Embassy Kabul agrees with recommendation 3. Kabul GSO Motor Pool will direct PAE Government Services, Inc., to reprogram the agency personal identification number to connect the personal identification number to a specific individual (personal badge number) and a specific vehicle identification number in the fueling system.

**Recommendation 4:** OIG recommends that Embassy Kabul update its control related to the odometer reading entered into the vehicle-fueling system so that (1) zero cannot be entered as a valid mileage amount and (2) the driver cannot enter an odometer reading that is lower than one previously entered for that vehicle.

Embassy Kabul partially agrees with recommendation 4. The embassy vehicle-fuel system already requires that all vehicles enter an odometer reading when drawing fuel. The problem lies primarily with our ATV fleet. Most ATVs do not include an odometer, so vehicle operators are often confused by this required data input into the vehicle-fuel system. Vehicle operators will subsequently enter a series of random numbers or zero to satisfy this vehicle-fuel system data input requirement. Kabul GSO Motor Pool will implement procedures to ensure that vehicle operators using the fuel point are entering the correct odometer or engine hours reading into the vehicle-fueling system. We plan to monitor compliance by inputting vehicle fuel data into each vehicle's FMIS profile. If we discover that a subsequent odometer or engine hours input into the vehicle-fuel system is lower than a previous entry, the vehicle operator who fueled the vehicle can then be counseled and provided remedial training on use of the vehicle-fueling system.

**Recommendation 5:** OIG recommends that Embassy Kabul update its control specific to the personal badge number entered into the vehicle fueling system so that only embassy staff with a mission requirement to access fuel is programmed into the fueling system.

Embassy Kabul agrees with recommendation 5. Kabul GSO Motor Pool will direct PAE Government Services, Inc., to reprogram the agency personal identification number to connect the personal identification number to a specific individual (personal badge number) and a specific vehicle identification number in the fueling system.

**Recommendation 6:** OIG recommends that Embassy Kabul procure a new vehicle-fueling system (hardware and software) to replace the current outdated system.

Embassy Kabul agrees with recommendation 6. In the next few months a new Vehicle Maintenance Facility (VMF) and vehicle-fueling system will come online. We plan to purchase an identical vehicle-fueling system (hardware and software) to mirror new fuel point; this will replace the current outdated system at the existing fuel point.

**Recommendation 7:** OIG recommends that the Embassy Kabul motor pool manager review and reconcile the vehicle fuel transactions and the vehicle usage reports on a monthly basis to determine if any theft or improper use of fuel has occurred, in accordance with the Foreign Affairs Handbook, 14 FAH-1, H-814.2-2, "Motor Pool Manager Review."

Embassy Kabul partially agrees with recommendation 7. Kabul GSO Motor Pool already has a program in place to review daily fuel reports provided by PAE Government Services, Inc. These fuel reports allow the Kabul GSO Motor Pool Manager to monitor fuel draw for each vehicle to prevent double fueling of the same vehicle, or drawing more fuel than a vehicle is capable of holding. Kabul GSO Motor Pool already inputs FMIS vehicle fuel and mileage data for GSO vehicles. We will establish a program to input vehicle fuel transactions and vehicle usage reports into the FMIS system for most other Chief of Mission vehicles; this however still will not provide a complete picture of fuel consumption as many ATVs that draw fuel are not captured in the FMIS system. Furthermore, it is difficult for the GSO Motor Pool Manager to determine if any theft or improper use of fuel has occurred, in accordance with the Foreign Affairs Handbook, 14 FAH-1, H-814.2-2, because vehicle usage in Kabul does not follow a typical vehicle usage pattern. Many of our vehicles are used as static guard posts where the engine only burns fuel to run the heat or A/C for the comfort of the guards, and it is therefore impossible to calculate improper uses based on FMIS data.

**Recommendation 8:** OIG recommends that Embassy Kabul (a) reconstruct the contract file by completing a thorough search of records to find any additional supporting documentation corresponding to the \$1.21 million in unsupported fuel costs; (b) determine if all charges were reasonable, supported, and allowable; and (c) with respect to any amounts not supported or determined to be unreasonable or unallowable, coordinate with the Procurement Executive and take appropriate action.

Post will provide the requested missing documentation corresponding to \$1.21 million in unsupported fuel costs. Post does not concur with the statement on page 11 that "...the embassy



Financial Management Office paid at least \$1.21 million in fuel invoices that did not have any supporting documentation”.

On March 8, 2016, the OIG provided FMO with a list of 9 vouchers that had missing supporting documentation. Two of those vouchers were processed at post and the remaining 7 were processed by the Post Support Unit (PSU). Between post and PSU archives, all missing support documentation has been received and accounted for by March 10. FMO will conduct the analysis for action items 8a and 8b and provide the missing support documentation to the OIG for their review.

Post believes OIG’s finding in this section of the report heavily relied on comments made from LES TDY staff that may not have a full understanding of where documentation is stored and archived between post FMO and its off-shoring partner, PSU.

**Recommendation 9:** OIG recommends that Embassy Kabul designate a U.S. Government officer or employee as the receiving clerk to accept the fuel on behalf of the embassy, in accordance with the Foreign Affairs Manual, 14 FAM 413.3(b), “Receiving Responsibility.”

Embassy Kabul agrees with recommendation 9. Kabul GSO Property will designate a U.S. Government employee as the receiving clerk to accept the fuel on behalf of the embassy, in accordance with the Foreign Affairs Manual, 14 FAM 413.3(b), “Receiving Responsibility.”

**Recommendation 10:** OIG recommends that Embassy Kabul relocate the fueling system computer and spare parts storage to a location that meets egress standards outlined in the Fire Protection Guide, Section F-7, “Flammable and Combustible Liquids.”

Embassy Kabul agrees with recommendation 10. Kabul Facilities Maintenance immediately took action to relocate the office and fueling system computer well away from the actual fuel point that meets egress standards as soon as this deficiency was noted by the OIG inspection team. By direction of OBO/OPS/FIR, we are adding an emergency stop switch to the inside of the storage room door with standard operating instruction in case of a fire emergency, and also adding two 10lb ABC dry chemical fire extinguishers just outside of the storage room. These mitigation factors will meet the intent of the Fire Protection Guide until the new fueling station becomes operational in late July or August.

Approved: A/MGT - Karen K. Davidson 

Drafted: A/GSO – Matthew L. Anderson

Cleared: D/GSO – Bruce Akard  
S/FMS – Paul Schaefer  
D/FMS – Philip B Hayes  
S/FMO – James G. Martin

## ABBREVIATIONS

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COR	Contracting Officer's Representative
Department	Department of State
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
FAR	Federal Acquisition Regulation
FMS	Facilities Management Services
GSO	General Services Office
National Fuels	National Fuels, Inc.
OIG	Office of Inspector General
PAE	PAE Government Services, Inc.
PIN	personal identification number
VIN	vehicle identification number



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