



OFFICE OF THE INSPECTOR GENERAL

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DOJ OIG Releases Report on Two FBI Fuel Procurement Contracts with Petroleum Traders Corporation

The Department of Justice (DOJ) Office of the Inspector General (OIG) announced today the release of a report on two contracts between the Federal Bureau of Investigation (FBI) and Petroleum Traders Corporation (PTC), a wholesale supplier of gasoline and fuel products headquartered in Fort Wayne, Indiana, to purchase bulk automotive fuel for fleet vehicle use. One of the contracts was for the FBI Miami Field Office (FBI Miami) and the other was for the FBI Northern Virginia Resident Agency (FBI NVRA). The DOJ OIG audited these contracts for fiscal year 2015, during which the total amount expended by the FBI was \$460,084.

The OIG's report identified several deficiencies with the FBI's contract award and administration processes that prevented the FBI from ensuring that it received the best fuel prices, received the proper amount of fuel at the agreed upon prices, and used the fuel in the most efficient manner. Specifically:

- The FBI did not award the FBI Miami contract in accordance with the Federal Acquisition Regulation (FAR) that identifies the mandatory source to use for bulk fuel contracts.
- FBI Miami purchased premium fuel, but the FBI could not support the need for this more costly fuel. We found that the FBI spent approximately \$57,000 more on the premium fuel than it would have spent on regular fuel.
- FBI contracting officers did not comply with the FAR in that they did not adequately review invoices or ensure the timely payment of invoices, and they did not maintain complete contract files and ensure the accuracy of information entered into the Federal Procurement Data System.
- FBI contracting officers did not adequately verify the amount of fuel received as required by FBI policy.

While the deficiencies we identified were limited to the PTC contracts that we audited, we believe some of the issues could also exist with respect to other contracts through which the FBI purchases fuel in bulk.

In addition, we identified concerns about the location and security of the FBI Miami fuel pump. The fuel pump, located in Pembroke Pines, is a 12-mile roundtrip from the field office, which we found takes about 30 minutes. Moreover, the fuel pump and above-ground tank were not adequately secured, and FBI Miami had placed a sign on the fuel pump identifying it as an FBI pump.

Today's report makes 10 recommendations to the FBI that address the deficiencies we identified. The FBI agreed with all of the recommendations, and it has already taken corrective actions that were sufficient for the OIG to close three recommendations.

Today's report can be found on the OIG's website at the following link: <https://oig.justice.gov/reports/2016/a1625.pdf>.