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CITY IMPROVES MOST OF ITS FUEL RECEIVING CONTROLS

The New Orleans Office of Inspector General (OIG) today released "[Fuel Receiving Controls: Follow-up Report](#)."

The OIG conducted a follow-up to its July 2013 "[Inspection of City of New Orleans Fuel Receiving Controls](#)" which found that the City did not have effective controls in place to ensure that it received all of the fuel it purchased. Evaluators examined all fuel delivered to the City in 2015, compensation received since 2013 for past overbilling, and changes made by the City to fuel receiving processes since the original inspection.

The City spent approximately \$3.2 million on fuel in 2015. In the follow-up, evaluators found that the City made significant improvements to its fuel receiving controls by implementing most of the OIG's 2013 recommendations. The City developed a process to monitor and verify fuel deliveries to facilities with electronic monitoring devices before issuing payments to vendors. The City also instituted regular fuel inventory reconciliation for those sites. In addition, the Fuel Services Administrator improved the invoice review process to identify billing errors and independently verify pricing information.

Evaluators found one area of fuel receiving remained susceptible to waste and abuse: the City did not improve ineffective fuel receiving controls at non-automated fueling facilities. The City rejected the OIG's 2013 recommendation to install electronic monitoring devices, citing cost estimates of \$80,000 to \$100,000. In its follow-up report, the OIG identified lower-cost options ranging from \$14,000 to \$16,500.

"We're pleased to see that the City implemented most of our recommendations to improve oversight of fuel purchases," stated Inspector General Ed Quatrevaux. "We continue to recommend that the City automate all its fuel facilities or at the very least, establish a policy requiring all employees to measure fuel deliveries according to best practices."

In addition to today's report, the OIG released a [brief](#) with highlights. All OIG reports are posted on the website nolaig.gov.

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