



Office of Inspector General

April 20, 2011

MEMORANDUM

TO: USAID/Afghanistan Director, Earl W. Gast

FROM: OIG/Afghanistan Director, Tim Cox [REDACTED] /s/

SUBJECT: Food for the Afghan Civilian Assistance Program (ACAP) Is Stored in Unsanitary Conditions

Our review of the ACAP program is still underway, but we want to advise USAID/Afghanistan of an urgent need to correct unsanitary food storage conditions at the IOM Kabul warehouse.

On April 10, 2011 [REDACTED] of my staff and [REDACTED], ACAP AOTR, inspected an IOM food warehouse in Kabul. Because of the grossly unsanitary conditions they observed, they returned to the warehouse on April 13, 2010 with [REDACTED], FFP Program Management Assistant. During this visit, they made the following observations:

- The warehouse is badly infested with rats. There is an overpowering smell of rats throughout the warehouse, and there are numerous rat droppings on the floor. Based on a cursory inspection, more than a dozen bags of food have been gnawed open. There are no signs of rat traps or any other measures to control the infestation.
- Basic standards of sanitation and cleanliness are not met. For example, food that has spilled onto the floor from gnawed/ripped bags has not been swept up, spider webs and excessive dust are present throughout the warehouse, and ventilation is inadequate. Expired food is not segregated from food that has not reached its expiration date.
- Record keeping is grossly inadequate. There are no inventory control cards, receiving reports, or dispatch reports available at the warehouse.

More details are provided in [REDACTED] report (Attachment A).

Based on these observations, [REDACTED], Agreement Officer, notified IOM on April 14, 2011 of the urgent need to arrange for an inspection by the MOPH and MAIL prior to distribution of any food currently stored at the warehouse (Attachment B).

U.S. Agency for International Development
Office of Inspector General
Country Office Afghanistan
U.S. Embassy
Kabul, Afghanistan
www.usaid.gov/oig

On April 20, 2011 [REDACTED], IOM Program Officer for ACAP, sent an email highlighting a plan of action to deal with the expired and contaminate food items at the warehouse (Attachment C). However, the plan of action does not address the underlying management weaknesses that led to the problems at the warehouse.

We do not disagree with any of the actions taken to date, but we would like to go further to recommend that USAID/Afghanistan formally instruct IOM to (1) suspend operations at the warehouse, (2) appropriately dispose of the food in the warehouse after it has been inspected and tested to see if it is fit for human consumption, (3) clean and sanitize the warehouse, (4) reopen the warehouse for use under the ACAP program only after USAID has verified that the warehouse has been placed under an appropriate management regime including staffing and supervision by qualified staff, adequate sanitation and storage practices, and adequate recordkeeping and (5) reimburse USAID for the cost of the food at the warehouse that is no longer fit for human consumption. We plan to include these recommendations in our report at the conclusion of our review, but we are communicating them to you now because of the immediate threat that the unsanitary conditions at the warehouse pose to the health and safety of ACAP beneficiaries.

If you have any questions or would like any additional information, we are available to brief you at your convenience.

cc: ACAP AOTR, [REDACTED]
FFP Program Management Assistant, [REDACTED]
ACAP Agreement Officer, [REDACTED]
USAID/Afghanistan Controller, [REDACTED]

Attachments: 2/s

A field Visit to IOM Warehouse In Kabul

Visited: [REDACTED] OAG
[REDACTED] AOTR of the Project and
[REDACTED]

Date: April 13, 2011

Following, please are the majors findings from the field visit of IOM warehouse in Kabul:

Major Findings:

1. Inventory:

- A warehouse inventory accounting system DID NOT EXIST
- A warehouse (or stock) ledgers and stack cards detailing receipts, dispatches / issues, and balances of inventory DID NOT EXIST.
- There were no dispatch reports available to all receiving points

Waybills: As the 'Waybill is the document for the receipt and dispatch of goods into and out of warehouse, but IOM doesn't have any Waybills to track the receipt and dispatch of goods.

2. Safety, Security and Maintenance of the Warehouse:

IOM rented a big hall in one of the big building in Kabul. The warehouse fence by mirrors around and there is no air ventilation system existed. The mirrors generating heating that reduce the shelf life of commodities and creating the condition to insects and pest infestation. IOM has stored a bunch of commodities of (Milk Powder, Rice, Wheat flour, beans and Oil) since November 2010 in a very bad place which is not fit for commodity storage. Physical condition of the mentioned commodities doesn't look good.



- a) **Fire Prevention** – There wasn't adequate firefighting equipment in proper working order – The guard room is inside of the warehouse and they are cooking food inside. There should be a policy of no smoking or cooking in or around the warehouse is in place.



- b) **Cleaning** – Warehouse and compound should be kept clean to reduce the potential for pest infestation and loss resulting from insects, rats, and other pests. **BUT** IOM doesn't have any cleaning plan in place for the warehouse cleaning (such as; clean spillage, sweep the floor daily, sweep the sides walls weekly, sweep roof beams on monthly).

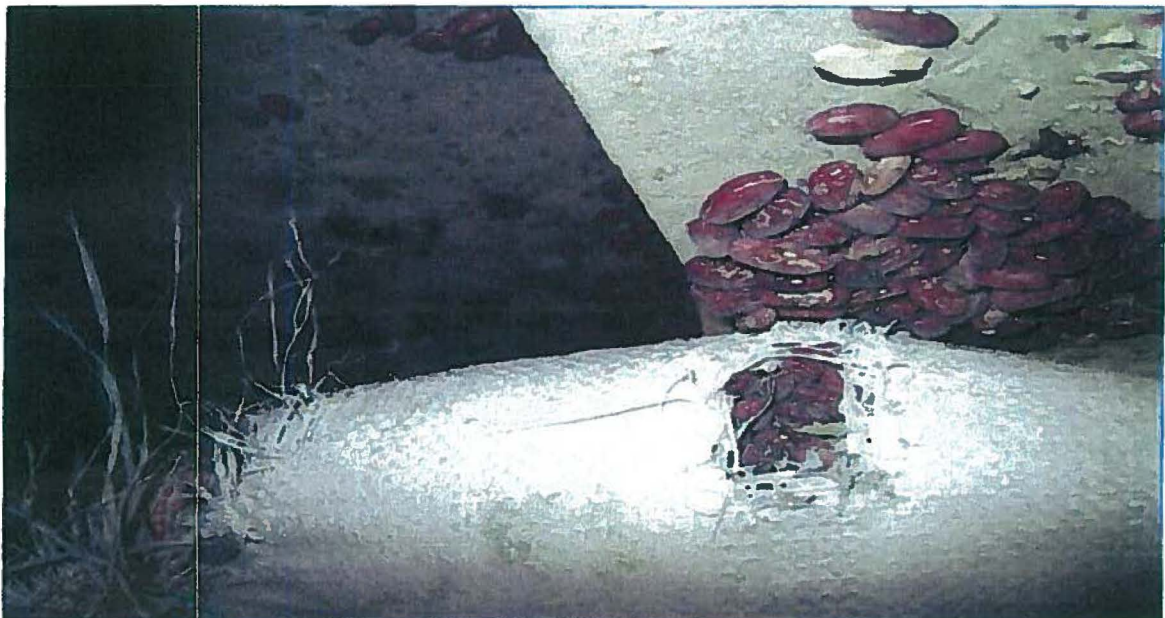
- There were webs everywhere in the warehouse.
- There were rats and rodents in the warehouse and damaged the food bags – Need to take samples from each lot of affected commodity and submit for laboratory test with close coordination Ministry of Public Health (MoPH) and Food Safety Uniy of Ministry of Agriculture, Irrigation and Livestock (MAIL).
- Physically the food bags were looking discolored and there were sign of insects of damage food bags.



- All food commodities were NOT stacked on pallets, placed on UNCLEAN floor, since November 2010.
- There was loose commodity on warehouse floor (EVERYWHERE) around the Warehouse.



- There were webs or cocoons between bags and side walls, windows – the food were stored mixed and close to the other equipments (such as, wheel barrows, agriculture emergency kits etc...)
- The food bags had small holes and excessive dust
- Irregular holes in the beans were also noticed.



There is urgent need of joint inspection of MoPH, MAIL's Food Safety Department and Mission Environmental Officer to take samples from each lot of affected commodity and submit for laboratory testing – disclose commodity that declared unfit for human and animal consumption should be disposed according to the Reg. 11 procedures and comply with the Environmental Procedures as instructed by the MEO.

- **There were expired commodities found in the warehouse – It also need to be disposal according to the standard Environmental Procedures.**



- **IOM has stored Powder Milk + Washing Soap together in one box from last 3 months. The heat generating or mirrored warehouse + the washing soap and powder milk in one box for 3 months will certainly reduce the shelf life of milk. The laboratory test is required for the milk to declared that its fit: for human consumption or not.**





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FROM THE AMERICAN PEOPLE

Office of Acquisition & Assistance
April 14, 2011

[REDACTED]
Deputy Chief of Mission
International Organization for Migration
Afghanistan

Subject: Management Follow up Actions on Commodities Stored in
IOM\ACAP Warehouse under Cooperative Agreement No.
306-A-00-07-00516-00

Dear [REDACTED]:

Following up on the subject matter, it was reported by the Agreement Officer's Technical Representative (AOTR) during the visit to the ACAP warehouse in Kabul on April 13, 2011 by USAID representatives, they were disturbed that there seemed to be no acceptable warehouse management system in place. The USAID team saw signs of infestation, safety concerns, and improper storage. They also did not find any warehouse records nor evidence that reporting requirements for tracking the inventory were being implemented.

Most importantly, there is the possibility that the commodities are unfit for authorized use. If USAID-funds are supporting this warehouse, it is urgent that an immediate inspection by the Ministry of Public Health and Ministry of Agriculture, Irrigation and Livestock be conducted before any further distribution of existing commodities from the Kabul and regional warehouse occurs. IOM will directly arrange for the inspection with these Ministries.

It is essential that IOM have an operational plan in place before any distribution and procurement for commodities begin with the new vendor.

I would ask that you please provide me with a brief summary no later than COB Thursday, April 21, 2011 of the actions you will undertake.

Sincerely,

[REDACTED]
Agreement Officer
USAID/Afghanistan

From: [REDACTED]
To: [REDACTED] (Kabul/PRD); [REDACTED] (Kabul/DAA)
Cc: [REDACTED]; [REDACTED]; [REDACTED] (Afghanistan/OIG)
Subject: Damaged grocery kit: explanation and request for disposal.
Date: Tuesday, April 19, 2011 11:32:25 PM
Attachments: [GroceryCalculation.xlsx](#)

Dear [REDACTED] and [REDACTED],

I am writing to request your approval for the proper disposal, as we discussed, of the old grocery kits in ACAP warehouses. As this matter is also quite rightly of concern to [REDACTED], I have copied him in this email so that he has a documentation of the explanations I provided to him in our joint meeting with [REDACTED], [REDACTED] and myself. I regret that the explanation is as long as it is, but I would like to fully address your concerns.

As I explained to you in our meeting, these grocery kits were pre-positioned in our warehouses in an attempt to speedily and address anticipated demand by beneficiaries to their greatest satisfaction. As I was not there during the time of the decision, I am not aware of any more details than this.

I understand that there were long delays in verifying the eligibility and identity of beneficiaries, and in establishing contact with them for the distribution of kits. It seems that some of the main causes of these delays were difficulties in obtaining independent confirmation of information for verifying incidents, beneficiary identities, and eligibility; difficulties in investigating the beneficiaries and incidents due to their remote locations and the serious security risks in some of these locations; and difficulties in contacting approved beneficiaries due to beneficiary mobility and problems in mobile phone coverage.

The result was not only that more Grocery Kits were stocked than were needed in the time period, but also unintended lengthy storage periods in locations not suitable for stocking these goods for more than a short period. The delays also resulted in many items expiring in our warehouses. Had our staff been experienced in food goods storage, they may have been able to limit this damage, but it is doubtful given the climactic conditions and the nature of the warehouses. This consequent damage to the goods, while it can be reasonably explained and not mainly the fault of ACAP staff, is nevertheless highly regrettable and saddens me personally.

I understand that [REDACTED] was disturbed by what he saw as the dirty state of the floors of the Central Warehouse, which he rightly saw as inappropriate for storing food items that were to be distributed. I would like to point out that many of our warehouses are in a state that he would approve of, as he will see in his upcoming visits. I trust that he now understands that we had no intention of distributing the food items that he saw: after I gave this explanation in our joint meeting, he said that he was reassured even though he was still rightly bothered by the damage to the goods.

I take this opportunity to confirm to you that ACAP has learned its lessons from this unfortunate experience, and has taken measures in the preparation and execution of the ACAP New Strategy to ensure that only small quantities of grocery kits are delivered to warehouses that are better suited.

This will ensure minimal storage time, avoid waste, and promote the receipt by beneficiaries of goods in good condition. Beyond the first small initial deliveries to warehouses, this new practice relies on sending multiple smaller deliveries of Grocery Kits to warehouses in response to confirmed demand. Management of I hope that this practice restores your confidence in our abilities to deliver our assistance satisfactorily and prevent damage to these goods in the future.

Having explained the reasons for the damage of the Grocery kits, here is ACAP's proposal for disposing of the goods in a manner that meets your requirements, which will be executed within seven calendar days of your approval:

- 1- Un-expired and un-damaged goods for human consumption will be donated to a suitable entity, such as the Afghan Red Crescent, NGOs for assisting widows and orphans, or similar non-profit entities that promote the welfare of the Afghan people. ACAP's International Field Officers or Distribution Officers will rapidly and appropriately identify these entities locally (and in coordination with FPOs, should they be able to respond within the necessary timeframe) and will submit in writing their alternatives to ACAP management for approval, and obtain receipts from the recipient of the donation listing all items and their quantities. ACAP management will present the documentation of this process to the AOTR, [REDACTED]. It is our clear understanding from IFOs that there are few items in a fit condition for human consumption.**
- 2- Expired and Damaged goods will be donated to a suitable not-for-profit entity who will be able to use the damaged items as livestock feed. The selection criteria, documentation and approval of the entities will be the same as for the un-expired and un-damaged goods.**
- 3- Destructions of items unsuitable for livestock feed items that are not suitable will be discreetly destroyed under the direct supervision of the IFO or DO, who will provide written confirmation of their supervision of the destruction of all expired and damaged items, complete with a list of the items and their quantities.**
- 4- Determination of whether items should be donated or destroyed Unless the IFO or DO personally determines and certifies that each item is clearly and undeniably in impeccable condition and in undamaged packaging, unexpired, and uncontaminated in any way (heat, humidity, rodents, mold, insects, decomposition, etc...), the items will be inspected by local representatives of the Ministry of Agriculture and Animal Husbandry to determine whether they are fit and suitable for livestock feed. The representative will sign a letter provided by the IFO or DO listing all such items that may be donated for livestock feed. All other items will be destroyed as described above in point 2.**

If this meets with your approval, I will distribute these instructions to all IFOs and DOs tomorrow. I have tried to make the disposal process as forthright as possible, providing all proper accountability while avoiding any extraneous elements. This proposal had been developed before our conversation in collaboration with key DOs and IFOs to ensure its practicality, and I have incorporated the suggestions you made in our meeting on April 14, 2011. I will, of course, incorporate any further requests you may have. Please do not hesitate to contact me at any time.

Please find attached a full and accurate list of all Grocery Kit Items for disposal, including their location and their value.

Thank you for your help in addressing this pressing matter. I hope to issue instructions to the IFOs and DOs tomorrow, or Sunday at latest.

Best regards,

[REDACTED]

[REDACTED]

**Programme Officer, Afghan Civilian Assistance Programme
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