



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MANAGEMENT ADVISORY

**DATE:** December 18, 2024

**TO:** Sonali Korde  
Assistant to the Administrator  
USAID/Bureau for Humanitarian Assistance

Jami J. Rogers  
Director  
USAID/Bureau for Management/Office of Acquisition and Assistance

**FROM:** Paul K. Martin *PKM*  
Inspector General

**SUBJECT:** Compliance With Safety Standards at the Bureau for Humanitarian Assistance Warehouse in the United Arab Emirates (8-000-25-001-A)

The USAID Office of Inspector General (OIG) is writing to alert you of safety concerns at the Bureau for Humanitarian Assistance's (BHA) warehouse in Dubai, the United Arab Emirates (UAE), referred to as "the Dubai warehouse." As part of our ongoing audit of BHA's management of this warehouse, we conducted a site visit to the location from May 13–17, 2024. During the visit, we observed subcontractor personnel failing to follow established safety standards and practices regarding the use of personal protective equipment. These deficiencies could lead to preventable injuries and damage to the Agency's reputation. In finalizing this advisory, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix A.

BHA plays an important role during global humanitarian crises by ensuring rapid responses using eight strategically located warehouses around the world.<sup>1</sup> The Dubai warehouse has provided humanitarian aid to vulnerable populations by enabling the quick delivery of prepositioned food commodities and nonfood items. It is the largest of the BHA warehouses with nonfood items. Between October 2022 and May 2024, BHA used supplies valued at approximately \$8.1 million from the Dubai warehouse to respond to 16 crises through 46 shipments. For example, in April 2024 BHA shipped 171 metric tons of high-energy biscuits

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<sup>1</sup> BHA maintains a relationship with the United Nations Humanitarian Response Depot to utilize any of its warehouses under a global technical agreement. The United Nations Humanitarian Response Depot owns two of the eight warehouses.

valued at \$273,600 to Gaza through the maritime corridor as part of its response to the ongoing humanitarian crisis in the region.<sup>2</sup>

USAID's Bureau for Management's Office of Acquisition and Assistance (M/OAA) provides contracting services that support BHA's warehouse activities. In December 2023, USAID relocated its humanitarian assistance warehouse within Dubai and at that time contracted with APL CEVA Government Logistics to provide warehousing and logistics services for its humanitarian assistance prepositioning operations. According to the contract, these services include personnel handling items manually and with the use of equipment, such as forklifts, reach trucks, pallet jacks, and trailers. In turn, APL CEVA Government Logistics subcontracted with CEVA Logistics FZCO (CEVA Logistics) to provide these services at the Dubai warehouse.

Roles and responsibilities for enforcing the terms and conditions of the Dubai warehouse contract are outlined in several documents. According to Federal Acquisition Regulation and USAID Automated Directives System guidance, the contracting officer (CO) and the contracting officer's representative (COR) for the warehouse contract are responsible for ensuring that APL CEVA Government Logistics complies with the contract's terms and conditions, including its safety provisions. USAID's contract with APL CEVA Government Logistics, along with the COR designation letter, also outlines the oversight responsibilities for enforcing the contract's terms and conditions. Specifically, the "Warehouse Security" and "Key Personnel Requirements" sections of the contract state that the contractor is responsible for "ensuring that safety procedures are followed," providing "proper personal protective equipment for staff," and "ensuring all contract employees adhere to safe work practices in accordance with applicable U.S. government and/or other applicable safety guidelines." As such, the contractor is responsible for ensuring that its employees and the subcontractor's employees at the warehouse adhere to the procedures they establish, while USAID is responsible for ensuring that the contractor complies with the safety provisions in the contract.

In addition, safety standards are outlined in a USAID-funded warehouse staff safety guide and CEVA Logistics' internal guidance. The warehouse staff safety guide states that personnel should have access to and use personal protective equipment, such as helmets, gloves, respirators, back support belts, and other items when working in the warehouse.<sup>3</sup> Additionally, according to CEVA Logistics' health and safety rules, employees should wear helmets while working in areas with a risk of falling materials, gloves while lifting and handling cargo and in areas where there is a risk of injury from cuts, and safety goggles when there is a risk of eye injury from flying particles.<sup>4</sup>

To reinforce these requirements, CEVA Logistics conducts safety trainings and displays posters throughout the warehouse to remind employees, contractors, and visitors to wear personal

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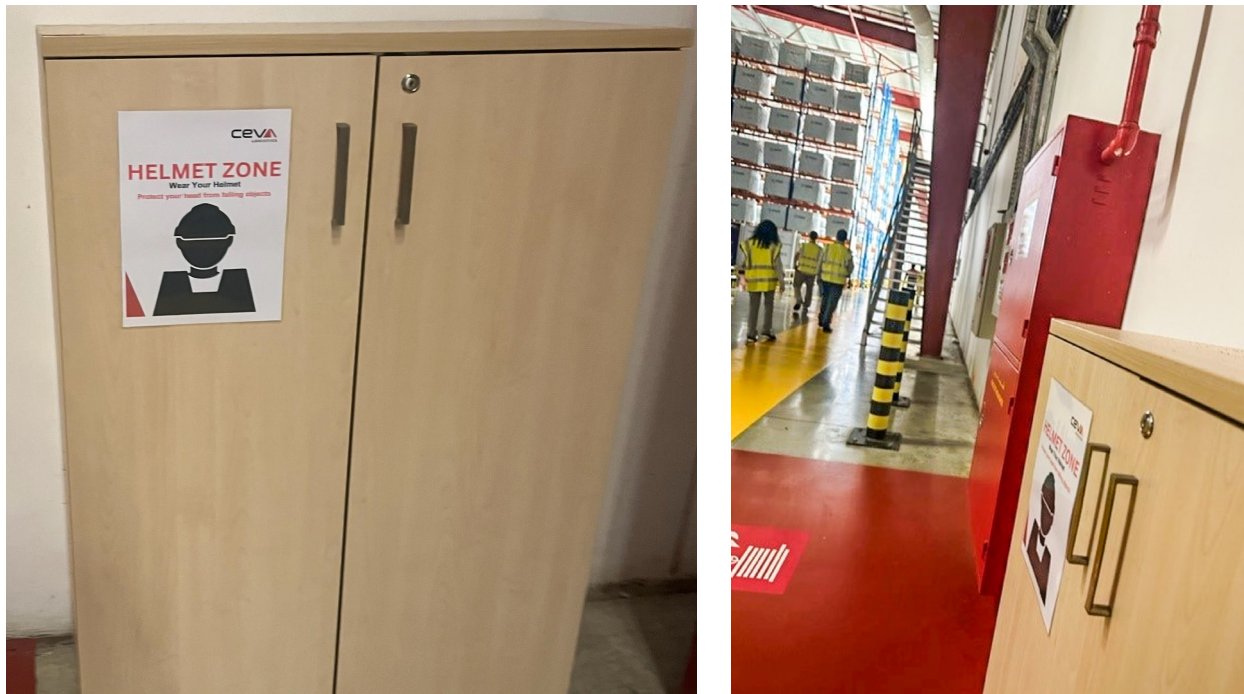
<sup>2</sup> OIG evaluated USAID's provision of humanitarian assistance to Gaza through the maritime corridor and issued the final report [USAID's Gaza Response: External Factors Impaired Distribution of Humanitarian Assistance Through the JLOTS Maritime Corridor](#) (E-000-24-004-M) in August 2024.

<sup>3</sup> Project Concern International, *Warehouse Staff Safety Guide, Standards to Promote a Safe Work Environment*, November 2014.

<sup>4</sup> CEVA Logistics' safety rules are included in its *Health, Safety, and Environment (HSE) Management System* and its *HSE & Security Induction/Briefing For Contractors and Temporary Labors* documents, effective April 2024.

protective equipment (see Figures 1 and 2 below). Moreover, CEVA Logistics' and its subcontractor's general safety rules for employees and visitors require them to attest via a written statement that they will adhere to the safety standards.

### Figures 1 and 2. Helmet Zone at the BHA Warehouse in Dubai



Left: A CEVA Logistics poster advises employees and visitors on the use of helmets at the BHA warehouse in Dubai, UAE. Right: Visitors at the warehouse are not wearing helmets while in the helmet zone. Photo credit: OIG (May 15, 2024)

Further, although U.S. Federal labor regulations applicable to warehouse operations do not apply to contracted operations in foreign countries, they offer occupational safety and health standards as best practices for USAID and its implementing partners. These regulations require that personal protective equipment for eyes, head, and hand protection are provided and used in areas where there is a potential for injuries. This includes areas with potential falling objects or objects that could be dropped, around sources of harmful dust, and where personnel use sharp objects that could cut their hands.<sup>5</sup>

However, during our site visit, we observed that warehouse personnel did not consistently adhere to established safety standards. Specifically, while all of the employees working in USAID-designated areas wore safety shoes and reflective vests, none of them used gloves, goggles, or helmets, as communicated through warehouse safety trainings and posters (see Figures 3 and 4 below). This lack of adherence to safety standards increases the risk of injuries.

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<sup>5</sup> Title 29 of the Code of Federal Regulations, Part 1910 (1974), Subpart I. Specifically, Subpart 1910.133 provides standards for eye and face protection; 1910.135 provides standards for head protection; 1910.138 provides standards for hand protection; and Appendix B to Subpart I of Part 1910, "Nonmandatory Compliance Guidelines for Hazard Assessment and Personal Protective Equipment Selection," provides guidance on the selection of personal protective equipment.

### Figures 3 and 4. Examples of CEVA Logistics Employees Engaging in High-Risk Activities at the BHA Warehouse in Dubai



Left: A warehouse employee wearing an orange safety vest operates a forklift without a helmet in an aisle with USAID commodities stored on a six-shelf pallet rack<sup>6</sup> in the presence of an inspector wearing a helmet (see blue arrow).

Right: A warehouse employee uses a box cutter without gloves. Photo credit: OIG (May 15, 2024)

CEVA Logistics staff informed BHA and us that warehouse personnel are adhering to local safety regulations and the subcontractor’s own safety requirements that only mandate safety shoes and reflective vests. The Dubai warehouse site manager said other personal protective equipment is optional but becomes mandatory for individuals engaged in high-risk or hazardous activities, as noted in CEVA Logistics’ Health, Safety, and Environment Management System policy. For example, helmets are required for crane operations and other tasks with a risk of falling objects.

Based on our review of the CEVA Logistics policy and firsthand observations of the operating conditions at the warehouse, we determined that personnel are engaging in high-risk activities under the warehouse contract with USAID. Personal protective equipment for eyes, head, and hands should therefore be mandatory, not optional, according to the Federal and established safety guidelines and best practices noted above.

Furthermore, the COR characterized the absence of helmet usage in designated areas, like the one shown in Figure 3, as a “violation” and acknowledged it was not the right way to operate. The Dubai warehouse employees’ lack of adherence to CEVA Logistics’ own safety requirements indicates that neither it nor APL CEVA Government Logistics are enforcing those

<sup>6</sup> According to the APL CEVA Government Logistics’ award proposal, CEVA Logistics uses ground level plus five pallets high racking. Each level can hold up to 2.4 tons or 800 kg per standard pallet. Oversized pallets are stored at ground level.



requirements. As a result, APL CEVA Government Logistics is not complying with the safety provisions of its contract with USAID.

Moreover, we found that the CO and COR did not verify that APL CEVA Government Logistics was complying with the warehouse contract's safety provisions. We reviewed a trip report from the COR's site visit to the warehouse between February and March 2024 and determined that the report did not include any information regarding safety practices. Specifically, the report did not include information on whether the contractor was ensuring that safety procedures were followed, employees had proper personal protective equipment, or employees were adhering to safe work practices in accordance with U.S. government and other applicable safety guidelines, such as CEVA Logistics' internal guidance.

Instead of verifying firsthand whether APL CEVA Government Logistics was complying with the contract's safety provisions, the CO and COR relied on the contractor to meet these requirements. Specifically, the CO and COR told us that they relied on APL CEVA Government Logistics' expertise to follow local laws, regulations, and safety guidelines. The CO stated that USAID uses the same approach to safety at BHA's other warehouses. Moreover, the CO stated that warehouse contractors and subcontractors, like CEVA Logistics, already have their own safety systems in place. However, as we found during our site visit, CEVA Logistics employees were not adhering to the subcontractor's safety requirements, indicating that neither the subcontractor nor APL CEVA Government Logistics was enforcing those requirements.

CEVA Logistics' lack of personal protective equipment usage and USAID's lack of oversight over safety measures increase the risk of injuries at the Dubai warehouse. When asked about our observations, CEVA Logistics' site manager stated that it is prepared to implement additional safety measures for USAID operations at the Dubai site if required. Therefore, USAID should clarify and enforce the safety provisions required by the warehouse contract and take corrective actions to protect warehouse personnel from preventable injuries. To ensure compliance, the Agency could use its third-party monitoring contractor to assist the CO and COR with verifying adherence to the required safety provisions.

To address safety issues at the Dubai warehouse, enforce compliance with applicable safety provisions in the contract, and safeguard the Agency's reputation, we recommend that USAID:<sup>7</sup>

**Recommendation 1.** Communicate with APL CEVA Government Logistics and establish a mechanism to reemphasize and clarify the safety provisions in its contract that it must adhere to for Bureau for Humanitarian Assistance operations at the Dubai warehouse, including the use of personal protective equipment for eye, head, and hand protection.

**Recommendation 2.** Establish a monitoring plan to verify that APL CEVA Government Logistics adheres to applicable safety provisions at the Bureau for Humanitarian Assistance warehouse in Dubai and takes corrective actions to address any instance of noncompliance.

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<sup>7</sup> USAID OIG encourages USAID to review staff safety practices at its other prepositioned warehouses for humanitarian assistance supplies worldwide to protect personnel from preventable injuries and ensure compliance with safety requirements.

We provided our draft management advisory to USAID on October 10, 2024, and received the Agency's response, which is included as Appendix A, on November 19, 2024.

The advisory included two recommendations, and we acknowledge management decisions for both. We consider Recommendation 1 resolved but open pending completion of planned action and Recommendation 2 closed.

USAID did not agree with Recommendation 1 and stated that local regulations for commercial warehouse operations in Dubai do not mandate the use of hard hats and gloves. However, as we noted in the advisory, CEVA Logistics' own internal occupational warehouse health and safety policy calls for employees to use helmets and gloves when performing duties or working in areas where they are at risk of injuries. Nonetheless, USAID provided us with copies of APL CEVA Government Logistics' International Organization for Standardization 45001 certificates, which indicate its adherence to international standards and best practices. Furthermore, the Agency plans to modify the warehouse contract by December 31, 2024, to clarify and re-emphasize safety protocols. We believe these actions meet the intent of the recommendation. Therefore, we consider Recommendation 1 resolved but open pending the completion of the planned action.

For Recommendation 2, USAID agreed to work closely with APL CEVA Government Logistics to ensure consistency in the implementation of required safety protocols. After submitting official comments on our draft advisory, the Agency provided additional documentation that outlined a monitoring plan and regularly scheduled meetings with the warehouse contractor. We reviewed the additional documentation and determined that the actions described meet the intent of Recommendation 2. Therefore, we consider this recommendation closed.

Please provide evidence of final action for Recommendation 1 to the Audit Performance and Compliance Division.

We prepared this advisory in accordance with generally accepted government auditing standards based on work completed from April through June 2024. Those standards require that we plan and perform our work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We conducted a site visit to the BHA warehouse May 13–17, 2024. During the visit, we (1) interviewed USAID and subcontractor personnel with CEVA Logistics who manage or monitor warehouse operations and (2) observed warehouse operations, including safety procedures and practices. Prior to and after the visit, we interviewed USAID personnel from M/OAA and BHA, including the USAID CO and COR for the contract, and personnel from APL CEVA Government Logistics and CEVA Logistics. We also reviewed the warehouse contract and subsequent modifications to identify any safety standards to which APL CEVA Government Logistics and CEVA Logistics are required to adhere. In addition, we reviewed USAID's staff safety guide for warehouse operations, BHA's standard operating procedures for managing and inspecting prepositioned items, and CEVA Logistics' internal safety guidance for the warehouse in Dubai. We also examined U.S. Federal labor regulations applicable to warehouse operations to identify best practices for similar operations in foreign countries.

We appreciate the assistance provided to our staff during our ongoing audit.

cc: Prince Boateng, Contracting Officer, USAID/Bureau for Management/Office of Acquisition and Assistance  
Umer Khan, Contracting Officer's Representative, USAID/Bureau for Humanitarian Assistance

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## Appendix A. Agency Comments



**USAID**  
FROM THE AMERICAN PEOPLE

November 01, 2024

### RESPONSE TO MANAGEMENT ADVISORY

**TO:** Toayoa D. Aldridge  
Assistant Inspector General for Audits, Inspections, and Evaluations  
USAID/OIG/Middle East and Eastern Europe Regional Office

**FROM:** Sonali Korde  
Assistant to the Administrator  
Bureau for Humanitarian Assistance/USAID /s/

**SUBJECT:** Response to Management Advisory  
**RE: Compliance With Safety Standards at the Bureau for  
Humanitarian Assistance Warehouse in the United Arab Emirates**

The USAID Bureau for Humanitarian Assistance (BHA) would like to acknowledge and thank the Office of Inspector General (OIG) Middle East and Eastern Europe Regional Office for their diligent work in evaluating standard operating procedures and assessing safety standards at the APL CEVA warehouse used by BHA for commodity prepositioning in Dubai. As part of this effort, *OIG issued an advisory to address safety issues at the Dubai warehouse, enforce compliance with applicable safety provisions in the contract, and safeguard the Agency's reputation and made the following recommendations:*

- **Recommendation 1:** *Communicate with APL CEVA Government Logistics and establish a mechanism to reemphasize and clarify the safety provisions in its contract that it must adhere*



*to for Bureau for Humanitarian Assistance operations at the Dubai warehouse, including the use of personal protective equipment for eye, head, and hand protection.*

- **Recommendation 2:** *Establish a monitoring plan to verify that APL CEVA Government Logistics adheres to applicable safety provisions at the Bureau for Humanitarian Assistance warehouse in Dubai and takes corrective actions to address any instance of noncompliance.*

In response to the OIG’s management advisory issued on October 10, 2024, BHA and the Office of Acquisition and Assistance/Transport (OAA/T) would like to share the following information:

- The current contract (7200AA24C00006) is a commercial contract between USAID and APL CEVA Government Logistics, issued under FAR part 13. There are no applicable FAR clauses that relate to safety measures in relation to the Dubai Warehouse contract.
  - There are several FAR clauses that include safety measures (FAR 15.3, FAR 52.236-13, and FAR 652.236-70).
  - However, FAR 15 does not apply to this contract since it was solicited under FAR 13.
  - Additionally, the other clauses (FAR 52 and FAR 652) do not apply since the subject contract is not a construction contract, not related to hazardous work, nor in a government facility.
  - The APL CEVA-managed warehouse is not a government facility. It is a commercial facility where the government contracts for warehousing space.
- The current contract (7200AA24C00006) for the Dubai warehouse includes the following language in Section C.4.E. Warehouse Security:
  - “The contractor shall be responsible for securing all government-owned commodities and equipment... as well as ensuring that safety procedures are followed (fire alarm and suppression system, staff safety and security plan, first aid and fire extinguishers, and proper protective equipment for staff).”
  - The contract does not specify which protective equipment is required as long as the contractor is in alignment with local country laws and regulations.
- In compliance with the Section C.4.E. Warehouse Security requirement above, the APL CEVA Dubai warehouse is ISO 45001-certified and conducts occupational safety risk assessments as a part of their standard operating procedures. Please find attached the ISO certificate which covered the period of the audit in May 2024. Also attached is the renewed certificate which is valid through 2027.
  - ISO 45001 is an internationally recognized standard for ensuring the health and safety of employees.
- Furthermore, the APL CEVA Dubai warehouse team confirmed that the warehouse operates under the jurisdiction of Trakhees regulations of the Jebel Ali Free Zone Area (JAFZA).
  - In compliance with JAFZA regulations, APL CEVA Dubai warehouse personnel have established warehouse requirements mandating safety shoes and reflective vests for all users accessing the warehouse.

- While other personal protective equipment (PPE) is generally optional, it becomes mandatory for users involved in high-risk or hazardous activities that could potentially cause injury, harm, or adverse health effects to people or the environment.
- In alignment with JAFZA regulations, both APL CEVA and the BHA warehouse management team do not consider normal, day-to-day warehouse operations to be high-risk or hazardous. APL CEVA has conducted safety risk assessments and determined that standard work activities, such as operating a forklift or manually stacking sealed cartons of non-food items (that are not hazmat), are neither high-risk nor hazardous.

Given the foregoing, the OIG's recommendation to wear hard hats, goggles, and gloves at all times in the warehouse exceeds JAFZA regulations and APL CEVA's internal safety requirements and is neither reasonable nor enforceable.

- In response to the recommendations issued by the OIG, BHA and OAA/T will modify the current Dubai warehouse contract, and include in future warehouse contracts, the following language:
  - “The warehouse must comply with all local requirements including safety, phytosanitary, health, fire and inspection regulations.”
  - While the above language will ensure local compliance, it will not lead to requirements for hard hats and gloves, if they are not required by local regulations for commercial warehouse operations.
  - In addition, the BHA SCM team will work closely with the APL CEVA Dubai Warehouse team to ensure consistency in implementation of required safety and security protocols.

BHA and OAA/T remain available to the OIG to provide any additional information or address any additional concerns, as needed.

#### Attachments

Tab 1 – [CEVA Logistics AG ISO 45001:2018 certificate](#)

Tab 2 – [CEVA Logistics AG ISO 45001:2013 certificate](#)