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Office of Inspector General
United States Department of State

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May 2025

Audit of the Department of State's Administration of the Shipment and Storage of Personal Effects During Post Assignment Travel

FINANCIAL MANAGEMENT DIVISION

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
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What OIG Audited

The Department of State (Department) administers the post assignment travel (PAT) program and manages the costs related to travel for employees and their families to move from one official duty station to another. In FY 2023, the Department spent more than \$283 million for the PAT program. Of that \$283 million, more than \$212 million (75 percent) was used for the shipment and storage of personal effects.

The Office of Inspector General (OIG) conducted this audit to determine whether the Department administered PAT services for shipping and storing personal effects in accordance with federal and Department requirements. To perform the audit, OIG tested applicable FY 2023 travel services transactions for U.S. Embassies Berlin, Germany; Cairo, Egypt; and Bogota, Colombia.

What OIG Recommends

OIG made four recommendations to improve the administration of PAT services for shipping and storing personal effects. On the basis of the Bureau of Administration's response to a draft of this report, OIG considers the four recommendations resolved, pending further action. A synopsis of management's response to the recommendation offered and OIG's reply follow each recommendation in the Audit Results section of this report. The Bureau of Administration's response is reprinted in its entirety in Appendix B.

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OFFICE OF AUDITS

FINANCIAL MANAGEMENT DIVISION

Audit of the Department of State's Administration of the Shipment and Storage of Personal Effects During Post Assignment Travel

What OIG Found

The Department did not always administer PAT services for shipping and storing personal effects in accordance with requirements. Specifically, selected posts reviewed for this audit did not always establish direct procurement service agreements and select and manage transportation service providers in accordance with requirements. For example, OIG found that the Department did not always include the required terms and conditions in tenders. In addition, Department personnel executing the PAT program did not use consistent decision factors to select the appropriate method for shipping personal effects and could not always demonstrate that they had selected the appropriate shipping method. For example, OIG found the Department's despatch agencies could not justify selecting a direct procurement method for 32 (10 percent) of 306 shipments tested.

The deficiencies occurred, in part, because the Department did not have sufficient internal controls to ensure that key personnel consistently administered shipping and storage services as required. For example, the Department did not have sufficient policies outlining requirements or management expectations for certain aspects of PAT administration. Similarly, the Department did not have sufficient procedures to ensure that personnel had the information needed to properly and consistently implement policy requirements. In addition, the Department did not have standardized, formal training for personnel responsible for evaluating shipments of personal effects and selecting the appropriate shipment method.

Until internal controls are improved, the Department will have limited assurance that shipment methods are selected in accordance with requirements and to achieve the best value for the Department. In addition, without sufficient guidance and employee training for those executing the PAT program, the Department cannot ensure that it consistently and efficiently administers PAT services in accordance with federal regulations and Department policies and objectives.

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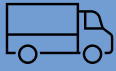




OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) administered post assignment travel (PAT) services for shipping and storing personal effects in accordance with federal and Department requirements.

BACKGROUND

Permanent change-of-station (PCS) is official travel and transportation that the Department authorizes for employees and their families to move from one official duty station to another,¹ generally for 1 year or more. The Department’s PAT program manages travel expenses associated with PCS. Figure 1 provides information on the types of expenses that are covered by the PAT program.

Figure 1: Types of Expenses Covered by the PAT Program

				
Shipment and Storage of Personal Effects ^a	Transportation of Personnel	Foreign Transfer and Home Transfer Allowances ^b	Temporary Housing	Per Diem
Packing, unpacking, and transporting personal effects to posts of duty and/or to and from a place of storage. ^c	Air travel booking and ticketing services. ^d	Can be used to cover the cost of deposits or fees incurred to disconnect and connect utilities and internet that are not offset by an eventual refund or credit. ^e	Used when an employee is required to travel for training purposes.	A maximum amount for lodging and a fixed allowance for meals and incidental expenses. ^f

^a According to 4 Foreign Affairs Manual (FAM) 053.2(a), “Travel Abroad,” personal effects include unaccompanied baggage, household effects, and privately owned vehicles.

^b According to the Department of State Standardized Regulations 241.1(a), “Definitions,” and 251.1(a), “Definitions,” the foreign transfer and home service transfer allowances cover extraordinary, necessary, and reasonable expenses incurred to establish an employee at any post of assignment in a foreign area or the United States.

^c 14 FAM 611.2(1), “Authorities.”

^d 14 FAM 541(a) and (c), “Travel Management Centers.”

^e Department of State Standardized Regulations 241.2(a)(1), (4), (14), “Scope,” and 251.2(a)(1), (4), (13), “Scope.”

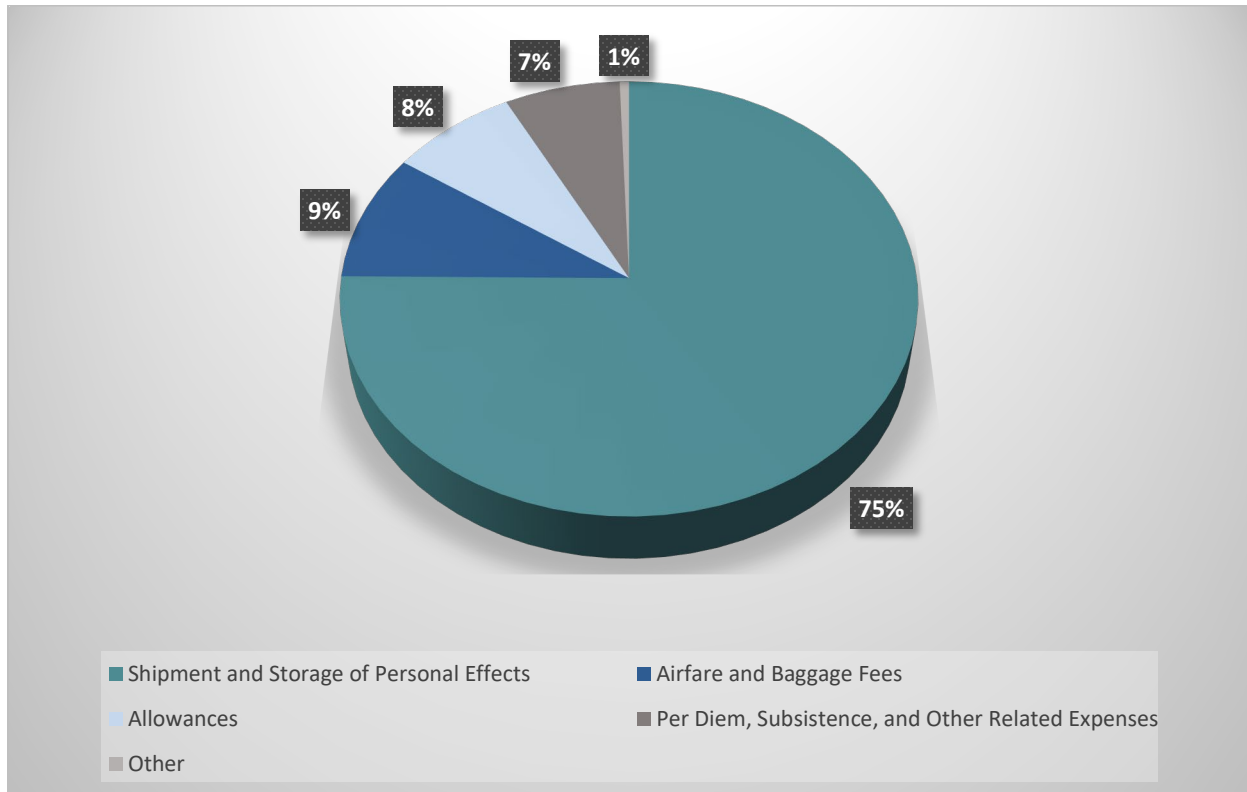
^f 14 FAM 572.2, “Maximum Rates.”

Source: Prepared by OIG based on its review of pertinent sections of the FAM and the Department of State Standardized Regulations.

¹ 14 FAM 531.3, “Relocation Travel,” and 14 FAM 531.1(a), “Appointment Travel.”

In FY 2023, the Department spent more than \$283 million for the PAT program. Of that \$283 million, more than \$212 million (75 percent) was used for the shipment and storage of personal effects, as shown in Figure 2.

Figure 2: Total PAT Expenses for FY 2023



Source: Generated by OIG using PAT expense data from the Department’s accounting system, the Global Financial Management System.

Methods for Acquiring Shipping and Storage Services

The Department’s Foreign Affairs Manual (FAM) states that appropriate personnel may obtain services for packing, crating, and shipping personal effects through:

- The International Through Government Bill of Lading (ITGBL) program.²
- Small purchase and other simplified purchase procedures³ under the authority of Federal Acquisition Regulation Part 13, “Simplified Acquisition Procedures.”

² According to officials in the Bureau of Administration’s Office of Global Operations (GO), the ITGBL program is part of the General Services Administration’s Centralized Household Goods Traffic Management Program, which is a tender procurement method that offers worldwide household goods moving services with a consistent pricing structure. According to 14 FAM 614.5-5(A)b, “Nature of Service,” the ITGBL program provides shipping services for personal property during an employee’s transfer that are based on a negotiated price and delivery date.

³ According to 48 Code of Federal Regulations (C.F.R.) § 2.101, “Definitions,” and § 13.003(a), “Policy,” simplified purchase procedures are methods for making purchases of supplies or services that do not exceed the simplified acquisition threshold of \$250,000.

- Sealed bidding⁴ under the authority of Federal Acquisition Regulation Part 14, “Sealed Bidding.”
- Negotiation under the authority of Federal Acquisition Regulation Part 15, “Contracting by Negotiation.”
- Negotiation of a rate tender under the authority of a federal transportation procurement statute, 49 United States Code § 10721 or § 13712,⁵ and the Federal Management Regulation (FMR) Part 102-117, “Transportation Management.”

According to officials in the Office of Global Operations (GO), within the Bureau of Administration, the Department prefers to use the ITGBL program for shipping personal effects. However, when using the ITGBL program is not feasible, one of the direct procurement (DP) methods⁶ must be used. When using DP, Department personnel can choose any of the four non-ITGBL options. GO⁷ officials encourage the use of rate tenders when using a DP method to acquire these services. A rate tender is the offer that a transportation service provider (TSP) sends to an agency detailing service rates and charges.⁸ If the Department accepts a rate tender, it uses a tender document to provide terms and conditions to the TSP for transportation and all related services.

From FY 2021 through FY 2023, the Department paid most of the expenses for transporting personal effects using the ITGBL program, as shown in Figure 3.

⁴ According to 48 C.F.R. § 14.101, “Elements of sealed bidding,” sealed bidding is a method of contracting that employs competitive bids, public opening of bids, and awards.

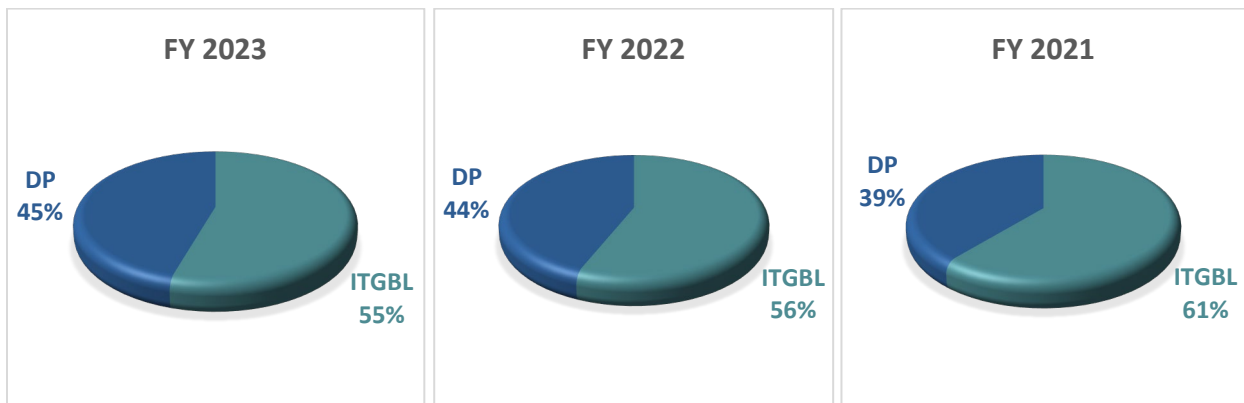
⁵ 14 FAM 614.5-1, “Shipment Originating Abroad.”

⁶ In general, using a DP method would entail multiple service agreements, rates, and payments for the different services required to execute a shipment, such as packing, freight, transport, and delivery. In comparison, ITGBL entails a single rate and a single payment for all services between packing and delivery, which are arranged by a single service provider.

⁷ During the audit, the Bureau of Administration implemented a reorganization that resulted in the bureau changing the name of the Office of Logistics Management to the Office of Global Operations. This change became effective on October 20, 2024. OIG is using the updated name of the office in this report.

⁸ 41 C.F.R. § 102-117.25, “What definitions apply to this part?”

Figure 3: Percentage of PAT Shipping and Storage Services Paid Using ITGBL Program and DP Methods for FY 2023, FY 2022, and FY 2021



Source: Generated by OIG using expense data provided by GO officials.

Roles and Responsibilities

Bureau of Administration

GO, within the Bureau of Administration, directs and coordinates the Department’s worldwide supply chain activities. These include transportation, travel management, travel claims, and personal property management.⁹ GO is responsible for issuing work orders for all shipments of personal effects that are booked using the ITGBL method. GO’s Office of Transportation Management drafts, reviews, and administers transportation policies and provides direction and assistance on the Department’s transportation practices and policies.¹⁰ GO’s Office of Regional Logistics Centers provides overall direction to the Department’s regional logistics operations at despatch agencies (DA).¹¹

DAs support posts by booking, monitoring, and receiving shipments of personal effects.¹² DAs also support posts by procuring transportation services using tenders.¹³ The Department has six DAs that provide these services to posts within specific geographic regions. The DAs are located in Brownsville, TX; Hagerstown, MD; Miami, FL; Seattle, WA; Washington, DC; and Antwerp, Belgium.

The Bureau of Administration’s Office of Global Acquisition is responsible for liaising with other agencies, Congress, and industry on all aspects of acquisition for the Department. The office also provides acquisition support (e.g., management, business solutions, and process

⁹ 1 FAM 216(a), “Deputy Assistant Secretary for Global Operations (A/GO).”

¹⁰ 1 FAM 216.1-2(a), “Office of Transportation Management (A/GO/OPS/TM).”

¹¹ 1 FAM 216.1-3,(1), “Office of Regional Logistics Centers (A/GO/OPS/RLC).”

¹² 14 FAM 614.2-1(a), “Surface Shipments,” and 14 FAM 614.5-5(D)(c), “Mechanics of the Through Bill-of-Lading Program.”

¹³ 14 FAM 614.5-1(b), “Shipment Originating Abroad.”

improvement) in alignment with the Department's mission.¹⁴ Within the Office of Global Acquisition,¹⁵ the Office of Acquisition Policy is responsible for the Department's global acquisition policy, oversight, and acquisition career development programs.¹⁶

Overseas Posts

At diplomatic and consular posts, General Services Officers (GSO) manage physical resources and logistical functions including contracting, property, travel, and transportation. Generally, the GSO is the post's approving official for procurements.¹⁷ GSOs are also responsible for establishing service agreements and managing the TSPs that provide services under locally established service agreements.

Shipping and Customs Offices at overseas posts, which report to GSOs, process and manage inbound and outbound shipments of personal effects when transportation services are procured using a locally established service agreement. Multiple work orders may be issued for a PAT shipment. For example, the originating post might issue a work order to a local TSP for packing services, and the destination post might issue a work order to a local TSP for delivery services.

Bureau of Global Talent Management

The Bureau of Global Talent Management's Executive Office manages the PAT financial account.¹⁸ According to the FAM, within the Bureau of Global Talent Management's Executive Office, the Resource Management Division authorizes and approves funds for travel and transportation of effects associated with the assignment or transfer of employees and their dependents.¹⁹ Additionally, within the Bureau of Global Talent Management's Executive Office, the International/Domestic Support Division issues PCS travel authorizations to employees and their eligible family members.²⁰

Process for Initiating Shipping and Storage Services

Once an employee has an approved travel authorization for a PCS move, the employee submits a travel request in the Department's PCS Portal.²¹ When the employee inputs the required information and documents into the PCS Portal (e.g., travel authorization and passport data),

¹⁴ 1 FAM 213(a),(b), "Deputy Assistant Secretary for Global Acquisition (A/GA)."

¹⁵ During the audit, the Bureau of Administration implemented a reorganization that resulted in the bureau changing the name of the Office of the Procurement Executive to the Office of Global Acquisition. This change became effective on October 20, 2024. OIG is using the updated name of the office in this report.

¹⁶ 1 FAM 213.2(a), "Managing Director for Acquisition Policy (A/GA/AP)."

¹⁷ 4 FAM 061.3, "Procurement Approving Official."

¹⁸ 6 Foreign Affairs Handbook-5 H-423.1-2(a), "ICASS Post Assignment Travel (PAT) Costs."

¹⁹ 1 FAM 233.4(c)(1).

²⁰ 1 FAM 233.4(c)(2).

²¹ The PCS Portal is an application on the Department's internal "myServices" site that allows users to create and monitor pack-out requests and the status of shipments associated with their PCS move.

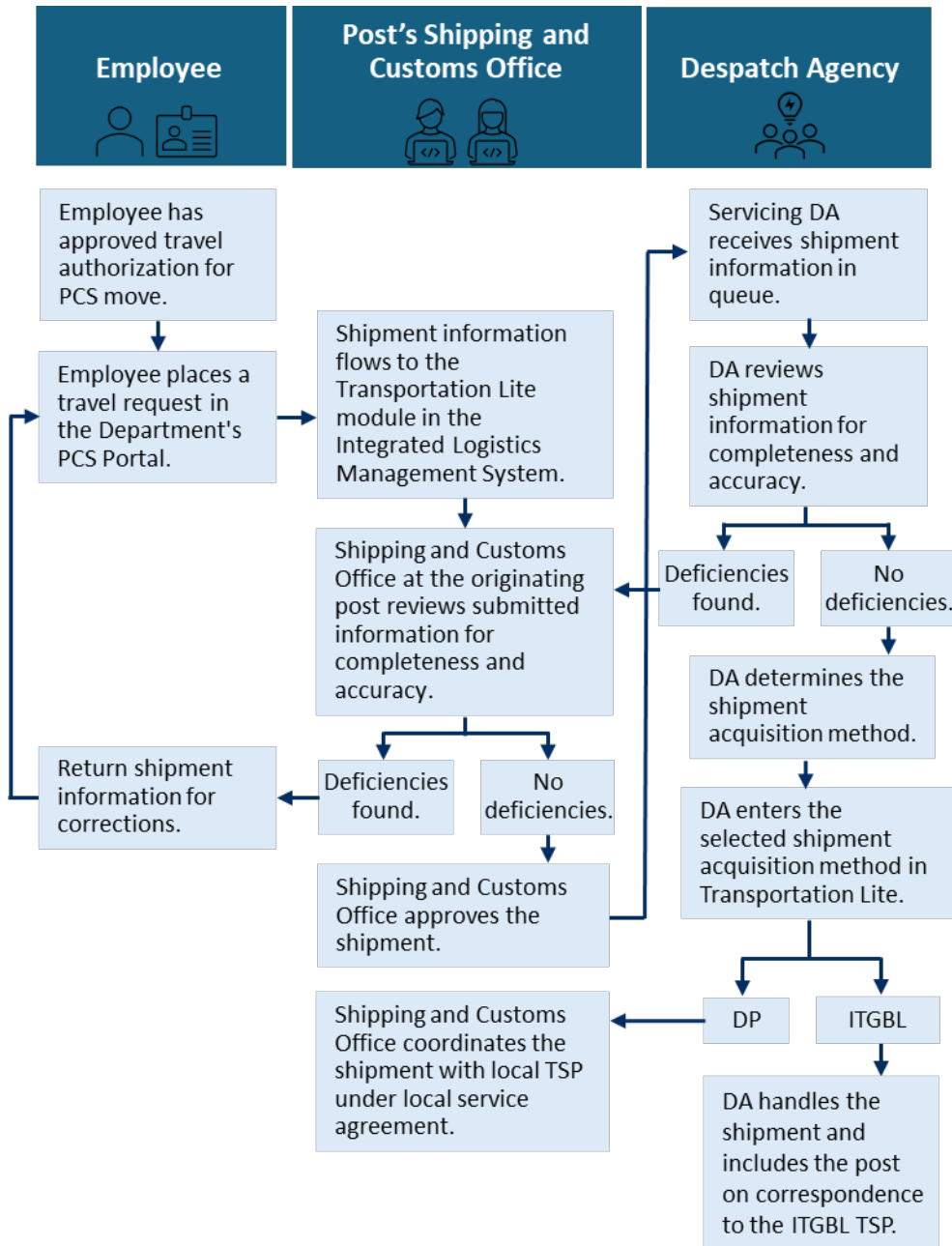
the shipment information is automatically uploaded to the “Transportation Lite” module within the Department’s Integrated Logistics Management System²² and routes to the originating post’s Shipping and Customs Office for review. Shipping and Customs Office personnel review the submitted information and documentation for accuracy and completeness. If no deficiencies are identified, the Shipping and Customs Office approves the shipment of personal effects.

After post approval, the responsible DA reviews the information and documentation. The DA ensures the shipment information is complete and accurate and determines the best shipping method. The DA identifies the selected shipment acquisition method in the Transportation Lite module. The system automatically notifies the post when the Transportation Lite module is updated. If the DA selects ITGBL, then the DA handles the shipment and includes the post on correspondence with the ITGBL TSP. If the DA selects a DP method, the Shipping and Customs Office coordinates the shipment using a local service agreement.²³ Figure 4 illustrates this process.

²² The Integrated Logistics Management System is the Department’s platform for managing logistics functions, including procurement, warehousing, transportation, property management, and personal effects.

²³ A “service agreement” is a comprehensive term that OIG uses to refer to any type of binding agreement that Department personnel enter into with TSPs that perform shipping and storage services on behalf of the Department. Such service agreements include tenders, blanket purchase agreements, and contracts.

Figure 4: Initiating Shipments of Personal Effects



Source: OIG-generated based on information obtained from officials in the Bureau of Global Talent Management and personnel at selected posts and DAs.

AUDIT RESULTS

Finding A: The Department Did Not Always Administer PAT Services for the Shipment and Storage of Personal Effects in Accordance With Requirements

OIG found that the Department did not always administer PAT services for the shipment and storage of personal effects in accordance with federal and Department requirements.

Specifically, OIG found that selected posts²⁴ reviewed for this audit, as well as GO, did not always establish DP service agreements and select and manage TSPs in accordance with requirements. For example, OIG found that the Department did not always include the required terms and conditions in tenders selected for review. In addition, DAs²⁵ did not use consistent decision factors to select the appropriate method for shipping personal effects and could not always demonstrate that they selected the appropriate shipment method. For example, OIG found that DAs inappropriately selected a DP method for 5 (2 percent) of 306 DP shipments and could not provide verifiable documentation to justify selecting a DP method for 32 (10 percent) of 306 shipments.

The deficiencies occurred, in part, because the Department did not have sufficient internal controls in place to ensure that key personnel consistently administered shipping and storage services in accordance with requirements. For example, the Department did not have sufficient policies outlining requirements or management expectations for certain aspects of PAT administration. The Department also did not have sufficient procedures ensuring that personnel had the information needed to consistently and efficiently implement policy requirements. In addition, the Department did not have standardized, formal training for personnel responsible for evaluating shipments of personal effects and selecting the appropriate shipment method.

Until the Department improves internal controls, it will have limited assurance that appropriate shipment methods are selected in accordance with requirements and to achieve the best value for the Department. In addition, without sufficient guidance and employee training for those executing the PAT program, the Department cannot ensure that it consistently administers PAT services in accordance with federal regulations and Department policies and objectives.

Managing Agreements and TSPs for Shipping and Storage Services

OIG found that selected posts reviewed for this audit, as well as GO, did not always establish DP service agreements and select and manage TSPs in accordance with federal regulations or Department policy. OIG reviewed all of the selected posts' DP active service agreements for shipping and storage services and three of GO's six active DP tenders for shipping and storage services. OIG found that the Department did not always include the required terms and conditions in tenders. In addition, two posts were unsure how to promote competition or negotiate rates for TSPs. One post did not ensure that TSPs complied with post-specific tender terms and conditions. Finally, two posts did not properly manage their lists of preferred TSPs for ITGBL participation.

²⁴ To perform the audit, OIG tested applicable FY 2023 travel services transactions for U.S. Embassies Berlin, Germany; Cairo, Egypt; and Bogota, Colombia. See Appendix A for details about how OIG selected the three posts for this audit.

²⁵ OIG selected and performed detailed testing of shipment method selections for three DAs. See Appendix A for details about how OIG selected the three DAs to review for this audit.

Transportation Services Tender Terms and Conditions

The FMR specifies terms and conditions that are required for all tenders for transportation services. These include:

- Interest on overcharges shall accrue from the voucher payment date and shall be paid at the rate in effect on that date published by the Secretary of the Treasury according to the Debt Collection Act of 1982.
- Identification of the government as either the consignor or the consignee.
- The statement “Transportation is for the (agency name) and the total charges paid to the transportation service provider by the consignor or the consignee are for the benefit of the [g]overnment.”²⁶

In addition, the FMR states that international shipments by air are subject to the Fly America Act,²⁷ which requires (with some exceptions) the use of a U.S. flag carrier for shipments funded by the U.S. government.²⁸ The FMR also states that international shipments by water are subject to the Cargo Preference Act of 1954,²⁹ which requires the use of a U.S. flag carrier for at least 50 percent of the tonnage shipped by each department or agency when service is available.³⁰

As detailed in Table 1, OIG found that GO and the two selected posts that used tenders to acquire shipping and storage services did not include or clearly articulate all of the required terms and conditions in active tenders.

²⁶ 41 C.F.R. § 102-117.65, “What terms and conditions must all rate tenders or contracts include?”

²⁷ 49 United States Code § 40118, “Government-financed air transportation.”

²⁸ 41 C.F.R. § 102-117.135(a), “What are the international transportation restrictions?”

²⁹ 46 United States Code § 55305, “Cargoes procured, furnished, or financed by the United States Government.”

³⁰ 41 C.F.R. § 102-117.135(b).

Table 1: Summary of Missing FMR-Mandated Terms and Conditions

FMR-Mandated Term or Condition	GO Tenders	Selected Posts' Tenders
Interest on overcharges shall accrue from the voucher payment date and shall be paid at the rate in effect on that date.	Yes	No
Identification of the government as either the consignor or the consignee.	Yes	No
“Transportation is for the (agency name) and the total charges paid to the transportation service provider by the consignor or the consignee are for the benefit of the [g]overnment.”	No	No
International shipments by air are subject to the Fly America Act, which requires the use of a U.S. flag carrier for shipments funded by the U.S. government (with some exceptions).	Yes	No
International shipments by water are subject to the Cargo Preference Act of 1954, which requires the use of a U.S. flag carrier for at least 50 percent of the tonnage shipped by each department or agency when service is available.	Yes	No

Source: OIG-generated based on testing information provided for selected GO and posts' tenders.

The FMR states that the “terms and conditions are important to protect the [g]overnment’s interest and establish the performance and standards expected of the TSP.”³¹ Therefore, it is important that Department personnel ensure tenders contain the required terms and conditions and TSPs meet all terms and conditions prior to participating under tenders to mitigate financial and operational risk to the Department.

TSP Selection and Management

According to the FMR, when acquiring transportation or related services, the agency must use the mode or individual TSP that provides the overall best value.³² However, OIG found that personnel at two selected posts stated that they were not clear on Department expectations or the appropriate steps for promoting and expanding competition and negotiating rates for tenders. This could result in the procurement of shipping and storage services that do not provide the best value to the Department. Additionally, GO officials stated that they do not perform negotiations with TSPs to set rates. If the Department does not have an expectation for personnel to negotiate rates submitted by TSPs bidding on a tender, then officials should make this clear to post personnel to alleviate confusion.

OIG also found that one of two selected posts that used tenders did not always ensure that TSPs complied with post-specific tender terms and conditions. Specifically, the post’s tender required TSPs to provide a list of their 10 largest clients over the most recent 3-year period (to

³¹ 41 C.F.R. § 102-117.60, “What is the importance of terms and conditions in a rate tender or other transportation document?”

³² 41 C.F.R. § 102-117.100(a), “What business rules must I consider before acquiring transportation or related services?”

demonstrate past performance). The post's tender also required TSPs to have an online method to track shipments. However, OIG found that the post did not require TSPs to provide information on past clients or to have an online shipment tracking tool as required by post-specific tender terms and conditions. Post personnel stated that they did not think the lack of this information posed a significant risk because the post had worked with the TSPs in the past. However, the online tracking tool would enhance the post's ability to maintain oversight of shipments to efficiently identify and address issues and provide effective customer support.

Additionally, the FAM states that posts must submit a minimum of three preferred local TSPs that can provide packing and unpacking services on behalf of a forwarder³³ under the ITGBL program.³⁴ Posts are responsible for oversight of the quality of services provided by those local TSPs. Posts can coordinate with GO's Transportation Management Division to have a local TSP removed from the pool of ITGBL TSPs if a TSP provides poor service.³⁵

OIG found that two selected posts did not properly manage their lists of preferred TSPs for ITGBL participation. Specifically, one post submitted a request to remove a poorly performing TSP from its list to the post's servicing DA instead of submitting the request to the Transportation Management Division. This created confusion and delayed action. Another post did not submit a request to remove a poorly performing TSP from the pool. According to post personnel, they were not aware that they could or should request revisions to the list of local TSPs. Personnel explained that the list of TSPs was submitted by predecessors, and they were not aware that they could provide feedback to the GO's Transportation Management Division on the TSPs.

As a result of personnel not knowing the proper steps to update their post's list of preferred TSPs for ITGBL participation, both posts continued to work with TSPs for ITGBL shipments that did not meet performance expectations. However, both posts discontinued business with the TSPs for DP shipments. One post continued to experience issues related to communications and responsiveness, and the other post continued to experience issues related to legal and customs matters with the poorly performing TSPs that continued work on ITGBL shipments.

Selecting the Appropriate Shipment Method

The FAM states that the DA servicing a post will compare ITGBL and DP rates to determine best value to the U.S. government.³⁶ The FAM also states that the ITGBL program is the preferred personal property shipment method except for unique circumstances, such as nonavailability of ITGBL rates, ITGBL rates that are not cost effective, or reduced or restricted shipping

³³ A freight forwarder is a company that serves as an intermediary between transportation companies that ship goods and the entities that need them. Although these companies do not move the goods themselves, they establish relationships with companies that do, and they can plan each step of every shipment on a client's behalf.

³⁴ 14 FAM 614.5-5(C)(d), "Advantages of Through Bill of Lading."

³⁵ 14 FAM 614.5-5(C)(e).

³⁶ 14 FAM 614.5-5(C)(c).

allowances.³⁷ In circumstances when one of the ITGBL exceptions apply, Department personnel may ship personal effects using one of the DP methods.

The three DAs developed their own separate, internal standard operating procedures for selecting the appropriate shipment method. Each standard operating procedure included decision factors for selecting the shipment method in accordance with FAM requirements. These factors included the following:

- The ITGBL method is not generally appropriate for shipments with originating and destination locations that are not residences because ITGBL is an all-inclusive, door-to-door service. Therefore, the DA generally booked shipments that originated or ended at a storage facility using a DP method.
- The ITGBL method requires advance notice to book, which varies by region. If the time between the shipment request date and the shipment pack-out date was less than the time needed to book using ITGBL, then the DA used a DP method.
- The DA generally used the same shipment method for all shipments associated with a given travel authorization to avoid the possibility of having multiple TSPs—one through ITGBL and one through DP—at an employee’s residence at the same time. This helped avoid confusion and frustration for employees who would have to follow separate processes and communicate with different TSPs. Therefore, if it was determined that one shipment must be booked using a DP method, then DA personnel booked the other shipments for that employee using a DP method.

OIG found that the DAs used different sets of decision factors to select the appropriate shipment method, as detailed in Table 2.

Table 2: Comparison of DP Shipment Selection Criteria Between the Three Selected DAs

DP Shipment Selection Criteria	DA 1	DA 2	DA 3
The origin or destination post is on the ITGBL-declined list.	X	X	X
The shipment does not meet minimum weight requirements for ITGBL.	X	X	X
ITGBL is 35 percent or more expensive than DP.	X	X	
A shipment must go to storage for more than 90 days.	X	X	
There are fewer than the requisite number of days between the shipment request and shipment pack-out dates for ITGBL.	X	X	
A TSP at the origin post had already been assigned to the shipment.	X		
One or more shipments for the same employee is booked using DP.	X		

Source: OIG-generated based on information provided by the selected DAs.

In addition, OIG found that DAs did not always select the appropriate method for shipping personal effects. OIG determined that DAs selected a DP method for 306 (81 percent) of the

³⁷ 14 FAM 614.5-5(A)(a), “Nature of Service.”

shipments associated with the 105 travel authorizations selected for review.³⁸ OIG found that DAs inappropriately selected a DP method for 5 (2 percent) of the 306 DP shipments and could not provide verifiable documentation to justify the selection of a DP method for 32 (10 percent) of the 306 shipments.

DA personnel stated that some of the inappropriate DP selections were caused by human error (e.g., personnel incorrectly performed a cost comparison between ITGBL and DP). DA personnel were unable to determine why other exceptions occurred. Regarding the DP shipments that did not have verifiable documentation, DAs had not notated in the Integrated Logistics Management System or retained documentation elsewhere that justified selecting a DP shipment method.

Furthermore, OIG found that two DAs stated reasons for selecting DP methods that were not identified as decision factors in their internal guidance. Specifically, one DA stated one or more previous shipments for the same employee that had been booked using DP as a reason for selecting a DP method for 24 (37 percent) DP shipments that it processed. However, the DA had not documented previous DP shipments as a decision factor in its internal guidance.³⁹ Another DA stated five decision factors it had not documented in its guidance for selecting a DP method for 25 (33 percent) of the shipments that it processed.⁴⁰

The lack of consistency in the criteria used suggests that the DAs may not be considering a complete set of decision factors to evaluate shipments and determine the most appropriate method to ship personal effects. The Department cannot ensure that DAs consistently make informed decisions on the shipment method that provides the best value. OIG recognizes that unique circumstances within the different regional areas that the DAs serve may warrant some variance in shipment selection criteria. However, a formalized and standardized approach to identifying and documenting the key decision factors reduces the risk that shipment methods will be inappropriately and/or inconsistently selected by personnel at the different DAs.

In addition, ITGBL generally provides the best value to the Department when compared to the DP method. Therefore, the inappropriate selection of a DP shipment method over the ITGBL method may result in the Department losing money or value for a shipment of personal effects. Furthermore, the lack of consistent documentation on justified exceptions hinders the Department's ability to monitor DA performance, detect issues, identify the cause of errors, and take appropriate corrective action.

³⁸ Appendix A provides details of the sample selected for testing.

³⁹ Although DA personnel stated that it was a common practice to select a DP method for a shipment when one or more other shipments for the same employee were booked using DP, this DA had not documented this decision factor in its internal standard operating procedures. Therefore, OIG did not consider these 24 DP shipments to be exceptions.

⁴⁰ OIG concluded that 21 of these 25 DP shipments were exceptions because the DA did not provide verifiable documentation to justify the selection of a DP method.

The Department Did Not Implement Sufficient Internal Controls

The Government Accountability Office (GAO) states that “management should design control activities to achieve objectives and respond to risks.” Control activities are the policies, procedures, techniques, and mechanisms that enforce management’s directives to achieve objectives and address related risks.⁴¹ GAO also states that management is responsible for designing a process to identify the information requirements needed to achieve objectives and address the related risks.⁴² OIG found that the Department’s control activities and identification of information requirements for administering the PAT program were insufficient to ensure that personnel properly established and managed shipping and storage service agreements. In addition, controls were insufficient to ensure that personnel consistently evaluated shipments of personal effects and selected the appropriate shipment method.

Policies and Procedures

According to GAO, management is responsible for designing control activities (e.g., policies and procedures, training, and appropriate documentation) to achieve an effective internal control system.⁴³ In addition, management should consider the expectations of users and define the identified information requirements in a way that is relevant and specific enough for appropriate personnel.⁴⁴ However, one reason for the deficiencies identified was insufficient policy. The Department had not formalized policy related to promoting and expanding competition for tenders, negotiating rates for tenders, and retaining documentation on justified exceptions to using the preferred shipment method of ITGBL. Specifically:

- The FAM does not specify solicitation requirements for non-Federal Acquisition Regulation acquisitions, such as tenders. The FMR is also silent on requirements or recommendations for promoting and expanding competition for tenders. Personnel at one of the selected posts stated that the lack of guidance on competitive solicitations hindered the post from successfully soliciting interest from additional qualified TSPs to more sufficiently meet the post’s shipping and storage needs for personal effects.
- The FAM and FMR do not specify requirements or expectations for negotiating rates for tenders. This creates a void of clear guidance on what, if anything, personnel must do to obtain competitive rates. Personnel at one selected post explained that guidance in this area would be helpful because the GSOs who establish tenders at posts are generally not procurement professionals and/or shipping experts with the knowledge to negotiate rates for tenders.
- The Department has not established a policy for maintaining documentation on justified exceptions to using the ITGBL method, hindering the Department’s ability to assess the

⁴¹ GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014), pages 44–45.

⁴² *Ibid.*, page 59.

⁴³ *Ibid.*, pages 44–46, 48.

⁴⁴ *Ibid.*, page 59.

accuracy and appropriateness of shipment evaluations and DP shipment method selections.

Another reason for the deficiencies identified was the lack of implementation guidance. According to GAO, operational success is possible only when personnel are provided the right tools and have the required knowledge.⁴⁵ Although the FAM included policies on transporting and storing personal effects and referenced applicable federal regulations, such as the FMR, the guidance was not sufficient to ensure the Department achieved PAT program objectives for shipping and storing personal effects. This was because current guidance did not equip personnel with the required knowledge and information to properly and consistently implement policy requirements. Specifically, the Department did not have standard, comprehensive guidance available to ensure that personnel across different posts and offices were aware of applicable federal and Department requirements and how to meet those requirements. For example:

- Although the FMR identifies required terms and conditions for tenders, the Department had not developed standard operating procedures that identified all such terms and conditions for personnel who were not familiar with the FMR. In addition, the tender agreement template that GO made available to post personnel did not contain all FMR-mandated terms and conditions, which increased the likelihood that tenders would omit the required provisions. Furthermore, the Department had not developed standard operating procedures that explained how personnel must evaluate bids submitted by TSPs to ensure TSPs met all terms and conditions outlined in tenders, including those that were not mandated by the FMR.
- The Department had not clearly communicated or developed standard operating procedures that explained the grounds on which post personnel could make changes to a post's list of preferred TSPs for ITGBL participation (e.g., for poor performance). In addition, the Department had not clearly identified the proper steps and channels that post personnel must use to request to add or remove an ITGBL TSP or how those requests would be evaluated. OIG reviewed the ITGBL letter that GO's Transportation Management Division sends to posts semiannually. OIG found that, although the letter requests posts to review the list of local ITGBL TSPs for accuracy and provide updates (as needed), it does not clearly state that posts can add or remove TSPs from the list for performance related purposes.
- The Department did not have standard operating procedures that identified a complete list of key decision factors that all DA personnel must use to evaluate shipment requests and select the appropriate shipment method.

GO maintained internal standard operating procedures related to:

- Preparing for, developing, and documenting tender solicitations.

⁴⁵ GAO-14-704G, September 2014, page 46.

- Reviewing, evaluating, and documenting TSPs' bid packages and rate offerings.
- Selecting TSPs.
- Conducting quality control measures.

However, these standard operating procedures were not shared with overseas posts because they were only applicable to specific tenders maintained by GO. In addition, GO's standard operating procedures did not contain guidance on including FMR-required terms and conditions for tenders or managing ITGBL TSPs. GO's standard operating procedures also did not include other information that would be helpful to overseas posts if shared, such as guidelines or expectations for expanding competition for tenders or negotiating rates.

Recommendation 1: OIG recommends that the Bureau of Administration develop and implement policies and procedures for aspects of the tender agreement process that do not have established requirements, such as promoting and expanding competition and negotiating rates, adding the required terms and conditions to tenders, evaluating whether bidding transportation service providers (TSP) have met all terms and conditions, and requesting to add or remove a TSP to or from a post's list of preferred TSPs for participation in the International Through Government Bill of Lading program.

Management Response: The Bureau of Administration concurred with the recommendation, stating that management will address this recommendation as it takes actions in response to a previous OIG recommendation for the Department to establish a transportation officer warrant program.⁴⁶

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration developed and implemented policies and procedures for aspects of the tender agreement process that do not have established requirements, such as promoting and expanding competition and negotiating rates, adding the required terms and conditions to tenders, evaluating whether bidding TSPs have met all terms and conditions, and requesting to add or remove a TSP to or from a post's list of preferred TSPs for participation in the ITGBL program.

Recommendation 2: OIG recommends that the Bureau of Administration develop and implement policies and procedures for documenting justified exceptions to booking shipments using the preferred shipment method of International Through Government Bill of Lading, identifying key decision factors to select the appropriate shipment method, and evaluating shipments in line with those factors.

⁴⁶ OIG, *Management Assistance Report: Warrant and Training Programs Needed for Personnel Responsible for Transportation-Related Acquisitions* (AUD-FM-24-30, September 2024).

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will establish and implement guidelines no later than June 29, 2025.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration developed and implemented policies and procedures for documenting justified exceptions to booking shipments using the preferred shipment method of ITGBL, identifying key decision factors to select the appropriate shipment method, and evaluating shipments in line with those factors.

Recommendation 3: OIG recommends that the Bureau of Administration update the tender of service template for shipping and storage services with all terms and conditions required by the Federal Management Regulation and disseminate the updated template to post personnel.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will establish and implement guidelines no later than June 29, 2025.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration updated the tender of service template for shipping and storage services with all terms and conditions required by the FMR and disseminated the updated template to post personnel.

Despatch Agent Training

Another reason for some of the deficiencies identified was insufficient training for DA personnel. According to GAO, management should provide the right training, aimed at developing and retaining employee knowledge, skills, and abilities. This training is essential to achieving results and meeting organizational goals.⁴⁷ However, the Department had not provided formal training to DA personnel responsible for evaluating shipments of personal effects and selecting the appropriate shipment method. Although DA personnel stated that the Department provided informal, on-the-job training to new DA staff, the training was not standardized, and decision factors and documentation practices differed among different DAs.

⁴⁷ GAO-14-704G, September 2014, page 46.

In a previous, related report,⁴⁸ OIG recommended⁴⁹ that the Department develop and implement a training program for personnel responsible for executing transportation-related acquisitions, such as shipping and storage services, using tenders. The FMR recommends that agencies establish training requirements⁵⁰ to help ensure that personnel are qualified to acquire these services using a tender.⁵¹ OIG maintains that the development of standard, comprehensive implementation guidance that explains how personnel must meet requirements for establishing service agreements for shipping and storage services will set the groundwork for development of the training program. Not only would this implementation guidance serve as the foundation for content covered within the recommended training program, but it would also serve as a widely available resource with specific guidance that personnel could follow until formal training is developed. OIG, therefore, encourages the Department to promptly implement the two recommendations from our previous management assistance report. In addition, OIG is offering the following recommendations to further improve the PAT program and address specific conditions and causes identified in this report.

Recommendation 4: OIG recommends that the Bureau of Administration develop and implement standardized training—for new and existing despatch agency personnel—that covers key decision factors and evaluation guidelines for determining the appropriate shipment method for personal effects.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will establish and implement guidelines no later than June 29, 2025.

OIG Reply: On the basis of the Bureau of Administration’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration developed and implemented standardized training—for new and existing despatch agency personnel—that covers key decision factors and evaluation guidelines for determining the appropriate shipment method for personal effects.

⁴⁸ OIG, AUD-FM-24-30.

⁴⁹ As of March 2025, the two recommendations offered remained open and are considered resolved, pending further action.

⁵⁰ 41 C.F.R. § 102-117.390, “What are the recommended Transportation Officer training and/or experience levels?,” and 41 C.F.R. § 102-117.395, “Should I continue my training to maintain my warrant?”

⁵¹ 41 C.F.R., Part 102-117 – Transportation Management, Subpart M – Recommendations for Authorization and Qualifications to Acquire Transportation Using a Rate Tender.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of Administration develop and implement policies and procedures for aspects of the tender agreement process that do not have established requirements, such as promoting and expanding competition and negotiating rates, adding the required terms and conditions to tenders, evaluating whether bidding transportation service providers (TSP) have met all terms and conditions, and requesting to add or remove a TSP to or from a post's list of preferred TSPs for participation in the International Through Government Bill of Lading program.

Recommendation 2: OIG recommends that the Bureau of Administration develop and implement policies and procedures for documenting justified exceptions to booking shipments using the preferred shipment method of International Through Government Bill of Lading, identifying key decision factors to select the appropriate shipment method, and evaluating shipments in line with those factors.

Recommendation 3: OIG recommends that the Bureau of Administration update the tender of service template for shipping and storage services with all terms and conditions required by the Federal Management Regulation and disseminate the updated template to post personnel.

Recommendation 4: OIG recommends that the Bureau of Administration develop and implement standardized training—for new and existing despatch agency personnel—that covers key decision factors and evaluation guidelines for determining the appropriate shipment method for personal effects.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) administered post assignment travel (PAT) services for shipping and storing personal effects in accordance with federal and Department requirements.

OIG conducted this audit from August 2023 to December 2024 in the Washington, DC, area and at U.S. Embassy Berlin, Germany; U.S. Embassy Cairo, Egypt; U.S. Embassy Bogota, Colombia; the European Logistical Support Office in Antwerp, Belgium; the Despatch Agency (DA) in Miami, FL; and the DA in the District of Columbia. The scope of this audit was FY 2023 travel authorizations for permanent change-of-station (PCS) moves to and from selected posts and service agreements active during 2024. 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 based on the audit objective.

To obtain background information, OIG analyzed FY 2023 PAT expense data and reviewed federal regulations and Department policies related to the transport and storage of personal effects, including the Federal Acquisition Regulation, Federal Management Regulation, and Foreign Affairs Manual. To gain an understanding of the audit topic, OIG conducted interviews with key officials and subject-matter experts within the Bureau of Administration's Office of Global Operations (GO),¹ the Bureau of Global Talent Management's Executive Office, the Bureau of Administration's Office of the Procurement Executive, DAs, and shipping offices at selected overseas posts. To assess the Department's administration of shipping and storage services, OIG conducted testing that included evaluating the sufficiency of service agreements established by GO and selected posts and the appropriateness of shipment methods selected by the DAs that processed shipments of personal effects to and from selected posts and the U.S.

Additionally, OIG reviewed supporting documentation for service agreements. Specifically, OIG reviewed:

- Rate quote sheets.
- Trading partner agreements and letters of intent.
- Certificates of liability insurance.
- FY 2019 National Defense Authorization Act Section 889 certification forms.
- Standard carrier alpha code renewal certificates.

¹ During the audit, the Bureau of Administration implemented a reorganization that resulted in the bureau changing the name of the Office of Logistics Management to the Office of Global Operations. This change became effective on October 20, 2024. OIG is using the updated name of the office in this report.

- Packer certification statements.
- Transportation service provider (TSP) information sheets and company profiles.
- TSP licenses and memberships.
- TSP financial statements.
- TSP client references.
- TSP customer feedback forms.
- Solicitation documents and emails.
- Bid submission emails.
- Award notification emails.

Data Reliability

OIG used computer-processed data to support the finding and conclusions presented in this report. Specifically, OIG used PAT expense data from the Department's Global Financial Management System, PCS travel authorization data obtained from the Bureau of Global Talent Management's internal Knowledge Center system,² and service agreement-related data obtained from GO. To assess the accuracy and completeness of these data, OIG:

- Recalculated totals for key fields.
- Checked for unexpected blanks in key fields.
- Checked for dates outside of valid time frames.
- Determined whether values in key fields were within designated ranges.

OIG also reviewed documentation on key manual and IT controls over the Department's processes and systems for travel- and transportation-related expenses. OIG concluded that the data were sufficiently reliable to fulfill the objective of this audit.

Work Related to Internal Control

During the audit, OIG considered a number of factors, including the subject matter of the project, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*³ to identify internal controls that were significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors to determine whether underlying internal control deficiencies exist.

² The Bureau of Global Talent Management's Knowledge Center system identifies PAT-related financial data for travel information, enabling personnel to pull post-specific reports.

³ Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

For this audit, OIG concluded that two of five internal control components from the *Standards for Internal Control in the Federal Government*—Control Activities and Information and Communication—were significant to the audit objective. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity’s information system. The Information and Communication component relates to the quality information that management and personnel communicate and use to support the internal control system. OIG also concluded that two of the principles related to the selected components were significant to the audit objective, as described in Table A.1.

Table A.1: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Activities	Principle 10: Management should design control activities to achieve objectives and respond to risks.
Information and Communication	Principle 13: Management should use quality information to achieve the entity’s objectives.

Source: Generated by OIG from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG then interviewed Department personnel, reviewed applicable criteria, and performed walkthroughs of processes for establishing service agreements and selecting shipment methods for the transportation of personal effects to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG assessed the design of key internal controls.

To determine whether the Department designed control activities to achieve objectives and respond to risks related to establishing service agreements and selecting shipment methods, OIG did the following:

- Identified whether the Department codified policies, procedures, or other internal guidance that outlined key requirements and expectations for establishing service agreements and selecting shipment methods.
- Evaluated whether procedures for establishing agreements and selecting shipment methods were consistent with federal regulations, Department policy, and other internal guidance.
- Analyzed a sample of service agreements and shipments, including associated supporting documentation, to assess whether the agreements and shipment methods used complied with requirements.
- Assessed whether Department personnel maintained appropriate documentation to justify and support exceptions to using the Department’s preferred shipment method.

To determine whether the Department used quality information to achieve its objectives for administering shipping and storage services, OIG did the following:

- Assessed the sufficiency of the Department’s codified policies, procedures, and other internal guidance.
- Evaluated whether procedures for establishing agreements and selecting shipment methods were consistent with federal regulations, Department policy, and other internal guidance and were complete.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

Sampling Methodology

OIG’s sampling objectives were to (1) select posts for detailed audit work, (2) select a sample of service agreements for testing, (3) select a sample of transportation service providers (TSP) for testing, and (4) select a sample of shipments of personal effects for testing.

Selection of Posts

To select posts for detailed testing during this audit, OIG obtained FY 2023 PAT expense data from the Department’s Global Financial Management System. OIG removed transactions that did not originate at overseas posts and summarized expenses by overseas posts. OIG identified a project universe of 174 overseas posts with PAT expenditures totaling about \$66.2 million. From the project universe of 174 overseas posts, OIG used a risk-based approach to develop a target universe of overseas posts with PAT expenses that specifically related to shipping and storing personal effects. OIG determined that overseas posts with the most transactions related to shipping and storing personal effects could cause the greatest financial impact to the Department if post personnel did not establish service agreements for those PAT services in accordance with requirements. OIG excluded posts from the universe that met certain criteria:

- Did not participate in the International Through Government Bill of Lading (ITGBL) program.
- Had extended wait times to acquire a visa for travel.
- Posed travel concerns related to safety and security.

OIG ranked the remaining overseas posts within the target universe by the total number of transactions related to shipping and storing personal effects. OIG selected the three overseas posts with the highest number of applicable transactions. Table A.2 provides details on the selected posts.

Table A.2: Posts Selected for Testing

Post	Number of FY 2023 Transactions for Shipping and Storing Personal Effects	Dollar Value of FY 2023 Transactions for Shipping and Storing Personal Effects
Embassy Berlin, Germany	690	\$1,045,300
Embassy Cairo, Egypt	501	\$518,284
Embassy Bogota, Colombia	456	\$776,110
Total	1,647	\$2,339,694

Source: Generated by OIG from data provided by the Bureau of Global Talent Management.

Selection of Service Agreements

Because of the limited number of direct procurement (DP) service agreements maintained by overseas posts for shipping and storage services, OIG reviewed all applicable agreements that were active at selected posts. Additionally, OIG selected a sample of active DP tender of service agreements established by GO for review. OIG focused its review on DP service agreements because they are established and managed by Department personnel. Conversely, ITGBL service agreements are established and managed by the General Services Administration.

OIG obtained GO's domestic contract and tender portfolio for PAT-related packaging, shipping, and storage services. OIG identified a project universe of 32 contracts and tenders with total estimated annual expenditures of \$255,533,860. From the project universe, OIG used a risk-based approach to develop a target universe of tenders related to shipping and storing personal effects. OIG determined that it would focus its testing on tenders because:

- GO's tenders represented about 67 percent of the portfolio's estimated value.
- GO encourages the use of tenders to acquire those services when the ITGBL program is not feasible.
- The Department had not established a transportation officer warrant program or training program as recommended by the Federal Management Regulation,⁴ which means that tenders are higher risk than other types of procurement.

OIG concluded that the highest value applicable tenders could cause the greatest financial impact to the Department if GO personnel did not establish service agreements for those PAT services in accordance with requirements. OIG ranked the tenders within the target universe by the total amount spent and selected the top three for testing. Table A.3 provides details on the selected GO tenders.

⁴ This issue was reported in OIG's *Management Assistance Report: Warrant and Training Programs Needed for Personnel Responsible for Transportation-Related Acquisitions* (AUD-FM-24-30, September 2024).

Table A.3: GO Tenders Selected for Testing

Tender Number	Description	2023 Expenditures*
DOS 1	Packing and delivery services outside of Washington, DC, area.	\$3,830,431
DOS 5	International unaccompanied baggage originating in Washington, DC, area.	\$3,164,453
DOS 7	International unaccompanied baggage originating outside of Washington, DC, area.	\$1,785,679
Total		\$8,780,563

* As of August 16, 2023.

Source: Generated by OIG based on data provided by GO.

Selection of TSPs

Because of the limited number of TSPs participating under DP service agreements maintained by overseas posts, OIG reviewed key documentation for all participating TSPs at selected posts. However, after selecting the sample of GO tenders, OIG selected a sample of TSPs that worked under each of the sampled tenders to review bid package documentation and assess whether GO properly established tenders with those TSPs. OIG obtained a list of TSPs participating under the selected GO tenders and the amounts that the Department paid to each (as of October 25, 2024). OIG selected the three TSPs with the highest 2024 expenditures for each selected tender. A TSP was only selected for testing for one tender. Therefore, if a TSP had already been selected for testing, OIG selected the next highest TSP until three unique TSPs were selected for each selected tender. Table A.4 provides details on the selected TSPs for sampled tenders.

Table A.4: GO TSPs Selected for Testing

TSP	Associated GO Tender	2024 Expenditures*
Company A	DOS 1	\$772,801
Company B	DOS 1	\$688,890
Company C	DOS 1	\$371,106
Company D	DOS 5	\$390,559
Company E	DOS 5	\$334,997
Company F	DOS 5	\$315,954
Company G	DOS 7	\$337,694
Company H	DOS 7	\$239,200
Company I	DOS 7	\$189,611
Total		\$3,640,812

* As of October 25, 2024.

Source: Generated by OIG based on data provided by GO.

Selection of Shipments

To select shipments of personal effects for testing, OIG obtained data from the Bureau of Global Talent Management on FY 2023 PCS-related travel authorizations to and from each of the three selected posts. OIG identified a project universe of 498 travel authorizations, totaling

\$7.3 million spent on shipping. To select a statistical sample of travel authorizations for each selected post, OIG used a 95 percent confidence level,⁵ a 15 percent precision,⁶ and a simple random sampling design.⁷

OIG determined that a sample size of 35 travel authorizations was statistically representative of all relevant travel authorizations for each selected post. OIG focused on travel authorizations with DP shipments to assess whether Department personnel appropriately determined that the DP shipment method provided better value rather than the ITGBL shipment method. Using a randomly ordered list of travel authorizations for each selected post, OIG used the Integrated Logistics Management System to determine whether a travel authorization had DP shipments associated with it. OIG omitted travel authorizations without DP shipments. OIG selected 35 travel authorizations with DP shipments for each of the three selected posts, which totaled 105 travel authorizations. OIG reviewed the 306 DP shipments associated with the 105 travel authorizations selected. Table A.5 provides comparative details on the sampling frame and the sample selected.

Table A.5: Sampling Frames and Samples Selected for Selected Posts’ FY 2023 PCS-Related Travel Authorization Data

Selected Post	Number of Travel Authorizations (Sampling Frame)	Dollar Value of Shipping Expenses (Sampling Frame)	Number of Travel Authorizations (Sample)	Dollar Value of Shipping Expenses (Sample)
U.S. Embassy Berlin	108	\$1.45 million	35	\$502,932
U.S. Embassy Cairo	183	\$2.18 million	35	\$430,690
U.S. Embassy Bogota	207	\$3.71 million	35	\$554,781
Total	498	\$7.34 million	105	\$1.49 million

Source: Generated by OIG from data provided by the Bureau of Global Talent Management.

OIG did not project a dollar value based on sample results because of the limitation of using a simple random sampling design. Specifically, project sample results can only be projected to the sampling frame for the number of units in error. Results cannot be projected to a numeric amount (e.g., dollars) in the sampling frame.

⁵ The confidence level conveys the certainty of the accuracy of the results.

⁶ Precision represents the allowance of sampling error and quantifies how closely the sample represents the sampling frame.

⁷ A simple random sampling design is a statistical sampling method in which all units within a universe have an equal probability of being selected. The sample is selected using a random number generator.

Prior Office of Inspector General Reports

In September 2024, OIG reported⁸ that the Department had not established a transportation officer warrant program for General Services Officers who acquire shipping and storage services using tenders, as recommended by the Federal Management Regulation. OIG also reported that the Department had not established a training program for personnel responsible for making transportation-related acquisitions, which is also recommended by the Federal Management Regulation. Without established warrant and training programs, the Department cannot ensure that personnel responsible for acquiring services using tenders have the requisite qualifications and knowledge to execute those acquisitions effectively and efficiently. Because the Department encourages the use of tenders to acquire shipping and storage services within the Department, it is essential that key personnel have the necessary training and tools to establish and manage these agreements in accordance with federal and Department requirements, Department objectives, and global transportation industry standards. OIG made two recommendations to address the deficiencies identified in the report. As of March 2025, the two recommendations offered remained open and were considered resolved, pending further action.

⁸ OIG, AUD-FM-24-30.

APPENDIX B: BUREAU OF ADMINISTRATION RESPONSE

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United States Department of State

Washington, D.C. 20520

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May 23, 2025

TO: OIG/AUD – Amy Conigliaro

FROM: A/GO – Jessica Osterberger (Acting DAS)

SUBJECT: *Draft Report - Audit of the Department of State's Administration of the Shipment and Storage of Personal Effects During Post Assignment Travel*

Bureau of Administration, Global Operations reviewed the draft OIG report and provides the following response.

Recommendation 1: OIG recommends that the Bureau of Administration develop and implement policies and procedures for aspects of the tender agreement process that do not have established requirements, such as promoting and expanding competition and negotiating rates; adding the required terms and conditions to tenders; evaluating whether bidding transportation service providers (TSP) have met all terms and conditions; and requesting to add or remove a TSP to or from a post's list of preferred TSPs for participation in the International Through Government Bill of Lading program.

Management Response: The Bureau of Administration concurs with this recommendation. This will also be addressed in the management response to AUD-FM-24-30 recommendation for the Department to establish a Transportation Warrant program.

Recommendation 2: OIG recommends that the Bureau of Administration develop and implement policies and procedures for documenting justified exceptions to booking shipments using the preferred shipment method of International Through Government Bill of Lading, identifying key decision factors to select the

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appropriate shipment method, and evaluating shipments in line with those factors.

Management Response: The Bureau of Administration concurs with this recommendation and will ensure that the guidelines are established and in place no later than June 29, 2025.

Recommendation 3: OIG recommends that the Bureau of Administration update the tender of service template for shipping and storage services with all terms and conditions required by the Federal Management Regulation and disseminate the updated template to post personnel.

Management Response: The Bureau of Administration concurs with this recommendation and will ensure that the guidelines are established and in place no later than June 29, 2025.

Recommendation 4: OIG recommends that the Bureau of Administration develop and implement standardized training—for new and existing despatch agency personnel—that covers key decision factors and evaluation guidelines for determining the appropriate shipment method for personal effects.

Management Response: The Bureau of Administration concurs with this recommendation and will ensure that the guidelines are established and in place no later than June 29, 2025.

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Approved: A/GO – Jessica Osterberger, Deputy Assistant Secretary - Acting (ok)

Drafted: A/GO/OPS – Scott Tiedt

Cleared:

A/GO/OPS: Scott Tiedt (ok)

A/GO/FO: Josh Russell (ok)

A/FO: Dimitry Medvedev (ok)

M/SS: Linsey Armstrong (ok)

M: Catherine Roden (ok)

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
DA	despatch agency
DP	direct procurement
FAM	Foreign Affairs Manual
FMR	Federal Management Regulation
GAO	Government Accountability Office
GO	Office of Global Operations
GSO	General Services Officer
ITGBL	International Through Government Bill of Lading
OIG	Office of Inspector General
PAT	post assignment travel
PCS	permanent change-of-station
TSP	transportation service provider

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