

FINAL CONTRACT AUDIT REPORT

TRIPOLI POWER PLANT PROJECT

(Activities of H. K. Ferguson Company International, Inc., in Tripoli, Libya)

Contract No. ICAc-1238

REPORT NO. 62-1

UNITED STATES

AID MISSION TO LIBYA

JUNE 21, 1962

UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO LIBYA

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CONTRACT AUDIT REPORT

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AUDIT REPORT
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Audit Branch
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TABLE OF CONTENTS

	<u>Page</u>
Purpose of the Audit	1
Scope of the Audit	1
Conduct of the Audit	3
Background Information	8
Summary of Findings and Recommendations	14
Detailed Findings and Recommendations	16
Comments	28
Exit Interview	30

EXHIBITS

Statement of Authorizations and Transfers of Funds Under PIO's	1
Memorandum of Understanding between the Ministry of Finance and USAID/Libya on the Repartition of the Electricity Project Expenditures between Loans and Grant-in-Aid Funds	2
Arabic Translation of an Article Appearing in the January 15, 1959, Issue of "The Knowledge," a Magazine Published in Arabic by the United States Information Service, Tripoli, Libya	3
Analysis of Libyan Pound Expenditures and Recorded Liabilities for Local Ledgers of H. K. Ferguson Company, International, Inc.	4
Breakdown of Local Dollar Ledgers of H. K. Ferguson Company, International, Inc.	5
Libyan Pound Expenditures for Commercial Transportation of Field Staff Personnel Determined from Local Records	6
Locally Assigned Field Staff Employees Considered as being Financed from Loan Funds in Accordance with the Memorandum of Understanding between the Ministry of Finance and USAID/Libya	7
Expenditures for Shipments of Personal Automobiles from Libya at Project Cost per Records Available Locally	8
Shipments of Personal and Household Effects from Libya at Libyan Pound Costs (Other than Privately Owned Automobiles)	9
Disallowable Libyan Pound Expenditures for Cables and Telegrams	10
Miscellaneous Disallowable Amounts Included in Local Libyan Pound Ledgers	11
Recorded Issues of Household Furnishings to Other than Employees of H. K. Ferguson Company International, Inc.	12
Certain Questionable Payments from Dollar Funds for Travel Expense	13
Billings Located for Immunizations (Inoculations) of Field Staff Personnel and Dependents	14
Inauguration of Tripoli Power Plant (TOAID A-187)	15

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

MISSION TO LIBYA

Office of the Controller

Final

Contract Audit Report of

Tripoli Power Plant Project

(Activities of H. K. Ferguson Company, International, Inc., in Tripoli, Libya)

from June 24, 1959 to c.o.b. March 14, 1962

Contract No. ICAC-1238

Purpose of the Audit

The purpose of the audit was to ascertain whether project progress, procurement practices and procedures, arrival and distribution of commodities, utilization of commodities and services, and reporting were as provided for under pertinent agreements; and to determine the status, propriety of expenditures, and proper allocations of loan and grant-in-aid funds expended under agreements with the H. K. Ferguson Company International, Inc.

Scope of the Audit

The scope of the audit included the examination of local dollar and Libyan pound ledgers, vouchers, payrolls, and supporting documents of all

types. In addition, periodic reports prepared by H. K. Ferguson Company International, Inc., in Tripoli, as of March 14, 1962, were verified as being based on local ledger entries.

Time, attendance, and leave records were examined, and records pertaining to transportation of staff personnel, travel allowances, shipments of personal effects and personal automobiles, and housing allowances in Tripoli were analyzed. Charges reflected for passport and visa fees, physical examinations and inoculations were examined.

Practices and procedures in making all types of purchases including such items as freight, insurance, and local cartage were considered, and utilization of commodities and maintenance of inventories were sampled.

Entries and documents pertaining to support of others were given careful consideration. Job progress charts and reports were studied, and observations were made of the use of local and other personnel. In addition, records of the Ministry of Finance pertaining to the activities of the H. K. Ferguson Company International, Inc., were compared with those of the company to ascertain what differences, if any, might exist.

It was realized that it would be impossible in this audit to compute the exact amounts that should be funded from loans and those that should be funded from grant-in-aid funds because of possible valid differences of opinions among authorities as to the proper funding categories of some of the items. Nevertheless, a computation was made of amounts considered by the auditors at the time of preparation of this report as payable from loans and from grant-in-aid funds for the primary purpose of giving some indication of funding requirements.

Conduct of the Audit:

From one to a total of three auditors concurrently devoted time to this audit. The work program was so devised that the auditors each concentrated on a particular phase of the activities of the project and their accomplishments were consolidated into this overall report. Detailed notes, schedules and tabulations prepared during the audit are being retained in the working papers rather than encumber the report by including them. Preliminary audit work was performed at USAID/Libya and the remainder of the work was performed at project offices and sites and in the project office of the Ministry of Finance, Government of Libya. The various phases of the audit work were performed in substantially the order in which they are set forth below.

A study was made of the letter of intent and resulting contract between the Ministry of Finance and the E. K. Ferguson Company International, Inc., to become familiar with the terms and conditions under which the company was operating. This was followed by studies of the background correspondence and other documents on file at USAID/Libya, including the documents under which Mutual Security Assistance (MSA) and Development Loan Fund (DLF) loans were granted and under which grant-in-aid was to be furnished for the project, pertinent PIOs, and the agreements between, ICA, USAID/Libya, and the Ministry of Finance under which certain costs were to be paid from loan funds and others from grant-in-aid funds. At the same time, studies were made of pertinent sections of Regulation No. 1, Standard Government Travel Regulations, the Libyan Labor Code, etc., and a schedule was prepared which shows the total allocations of funds to each PIO and transfers of funds between PIOs. (See Exhibit 1.)

After the above studies and schedule were completed, trial balances were prepared from the dollar and Libyan pound ledgers maintained in Tripoli by the H. K. Ferguson Company International, Inc., locally prepared statements were verified as being based on entries in the ledgers, and vouchers and supporting documents were examined for propriety and accuracy. An estimated 10 percent sampling of vouchers was checked against ledger entries and lists were made of questionable and disallowable items appearing in the vouchers and supporting documents.

Dollar and Libyan pound payrolls, and time, leave, and attendance records were then examined to determine whether reflected balances were correct, and payments and leave balances were within the scope of the contract. At irregular intervals, the use of personnel was observed to ascertain, if possible, whether the individuals on the payrolls were then required for the project and efficiently employed.

Examinations were made of vouchers and supporting documents showing costs of transportation of personnel, personal effects, and privately-owned automobiles, and charges for subsistence, physical examinations, inoculations, passport and visa fees, local housing allowances, and other direct charges incident to travel of employees and their authorized dependents. These records were considered in conjunction with the Letter of intent and contract between the Ministry of Finance and the H. K. Ferguson Company International Inc., and the individual employment contracts between the company and employees to determine whether the recorded costs were within the scopes of the documents.

An analysis was made of costs shown to be in support of others, documented collections, receivables and non-reimbursable expenditures, and disbursements to local contractors primarily to aid in ascertaining net costs under the

contract. In addition, a visit was made to the scrap and salvage yard to observe the type, amount and condition of material therein with the view to ascertaining to some extent whether there was waste and mishandling of commodities.

Studies were made of procedures followed and records maintained in connection with off-shore and local purchases, requests for commodities to be supplied by others under the contract, and the receipt, storage, issue, and accountability for property including POL products. This included the random selection of 66 line items in various property classes which were followed through records from time of purchase and observed to be on site, in warehouse stocks, or accounted for otherwise. It also included the observation of a periodic warehouse inventory.

Records of all items loaned by USAID/Libya to the Ministry of Finance for use in connection with the project were checked with USAID/Libya records in an endeavor to ascertain whether each item was included in the accountability records of the company. Observations were made of all these items with the exception of household furnishings shown by company records to be located in households. No private homes were entered to observe furnishings supplied through the company as it was believed the same result could be accomplished at the time of completion of the contract and after the furnishings had been removed from residential premises.

Spot checks were made of Ministry of Finance records to determine whether they were in agreement with those of the H. K. Ferguson Company International, Inc. Differences were reconciled when possible and desirable. In a few instances, an unwarranted amount of time would have been required to make reconciliations, but errors in Ministry of Finance records were noted. In such cases, the amounts reflected in company records were used

as they could be traced to basic documents.

Many instances were noted in the local records of the company where expenditures for similar transactions were charged to different account codes or miscoded. It was first thought that such entries should be listed and proper adjustments recommended. However, it was soon found that to segregate and list all such entries would require the minute examination of every supporting document from the beginning of the project. Consequently, the audit was conducted on the basis of informally recoding only those entries noted which affected proper funding if not so recoded.

Libyan taxes and stamp duties paid by the contractor from project funds were often not segregated in the accounts. The amounts paid for road tax on motor vehicles (license fees) were segregated by the auditors and samplings were made of taxes on utilities, telephone service and cables to ascertain whether large amounts were involved and the amount of work that would be required to segregate all such expenditures. It was found that the amounts involved were relatively small, were usually on transactions to be financed from loan funds or included in amounts spent that were in excess of the maximum permitted as a reimbursable cost, and the man-hours that would be necessary to determine the exact total amount thereof was not warranted.

The Memorandum of Understanding between the Ministry of Finance and USAID/Libya provides that "any excess of the cost of first class air fares non-authorized by the Ministry over the cost of tourist class air fares" shall be chargeable to grant-in-aid funds. (See page 6 of Exhibit 2.). There are two rates for tourist (economy) class air fares; one for travel on propeller-driven aircraft and another for travel on jet aircraft. Since there were practically no propeller-driven aircraft on scheduled flights over the Atlantic Ocean on March 25, 1961, the date the Memorandum of Understanding

was signed, computations of the portions of fares that might be interpreted to be payable from grant-in-aid funds were made on the basis of air fares applicable to jet service. For information as to lack of clarity as to what was intended to be chargeable to grant-in-aid funds, see Finding No. 2 of this report.

It was the practice not to record in inventory specialized construction equipment that had been fabricated locally by the contractor regardless of the size or value of an item. It was reported that necessary parts for the equipment, such as wheels and pneumatic tires, heavy cable pulleys, etc., were sometimes obtained by partially cannibalizing other equipment loaned by the Libyan Government for use on the project and that these parts were to be reinstalled on the original equipment at the time of completion of the contract. The extent of removal of parts from the loaned equipment and restoration of the parts could not be determined for lack of pertinent records, nor could it be definitely determined that all fabricated equipment less cannibalized parts that were returned to original equipment was on hand at the completion of the project.

No control records were located from which household furnishings purchased from project funds could be identified or otherwise accounted for by specific item from the time of purchase. Numbered metal tags had been permanently affixed to the more valuable items to aid in identification, but the tag system was adopted subsequent to the time many of the items were received. In addition, the tags were neither affixed in numerical sequence nor by type of furnishing and no record was maintained of the tags used. The matter was further complicated by the fact that new furniture stock record cards were prepared about June 1961 and only items in warehouse

inventory or then outstanding in households were reflected. It was orally reported that the previous furniture stock record cards were destroyed at the time the new cards were prepared. The Auditor General's Department of the Libyan Government devoted considerable time to inventories of all types near the close of the project and seemingly was satisfied that household furnishings were sufficiently accounted for.

The local records of the H. K. Ferguson Company International, Inc., were closed as of c.o.b. March 14, 1962, the last date covered by this audit report. At that time, outstanding commitments for payments of Libyan pounds were turned over to the Ministry of Finance for processing and payment when billings are presented.

Background Information

Prior to February 1, 1956, the electric power systems in Tripoli, Homs and Misurata, Libya, were wholly owned by the Societa Elettrica Commerciale Industriale, a subsidiary of the Societa Nazionale Sviluppo of Milan, Italy. On that date, the Libyan Government purchased 69.375 percent of the fixed assets of the three power systems at a cost equivalent to approximately \$3,150,000. These funds were obtained by the Ministry of Finance on behalf of the Libyan Government through a grant for the purpose made by the Libyan American Reconstruction Commission (LARC).

At the time of the purchase, the Tripoli power system consisted of a large coal-operated steam plant that had been maintained on a minimum care basis subsequent to World War II; an auxiliary diesel plant and other diesel units that reportedly were in fairly good condition; distribution lines that needed overhauling; etc. The system produced marginal requirements for Tripoli and the adjacent agricultural area. It was realized that additional

capacity and major equipment were necessary to permit the long over-due retirement of some of the existing facilities and meet expanding needs.

About the time the 69.375 percent of the assets of the three power systems was obtained by the Libyan Government, two short-term loans totaling the reported equivalent of approximately \$928,000 were obtained by the Ministry of Finance from IARC to meet operating capital requirements and purchase stores. Apparently, the loans were used primarily for capital additions.

In February 1957, a contract was entered into between the Ministry of Finance and the Westinghouse Electric Company for the purchase of two 10,000 KW generators with steam turbines, other electrical equipment and certain services at a cost equivalent to approximately \$3,812,700. Initial payments under this contract were made from funds earmarked for the purpose by IARC and the remainder was to be paid in installments over the years. No funds obtained from the United States Government by loan or grant-in-aid were to be used for installment payments under the contract.

On April 30, 1957, a Project Agreement (No. 70-22-005) was entered into by ICA and IARC for the rehabilitation and expansion of the Tripoli power system. On the same date, the Libyan Government obtained an MSA loan in an amount not to exceed \$2,500,000 to assist in the undertaking. On June 28, 1957, the loan was increased to an amount not to exceed \$3,500,000. (See Exhibit 1 for schedule showing how the amount was allocated to PTOs).

On August 8, 1957, a letter of agreement was entered into between IARC and William H. Byrne, P.E., under which the Byrne organization was to provide detailed designs, construction drawings and certain stated services in connection with the rehabilitation and extension work to be performed on

the power system. The letter of agreement and subsequent extensions of the document were placed in contract form on February 3, 1958.

On June 24, 1959, a letter of intent providing for construction services to erect a new power generating plant and distribution network in Tripoli and extend certain power transmission facilities was signed by the Ministry of Finance and the H. K. Ferguson Company International, Inc. The document specified that the services were to be furnished on a cost plus a fixed fee basis, with fee established at \$200,000 including overhead.

On the following day, June 25, 1959, the Libyan Government signed a loan agreement with DLF under which an amount not to exceed \$5,000,000 was made available to provide additional funds for the rehabilitation and expansion of the power system. (See Exhibit 1 for schedule showing how the amount was allocated to FIOs.) The maximum total amount of the loans obtained from United States Government sources thus was \$8,500,000.

The letter of intent of June 24, 1959, was superseded by a formal two-party contract signed on August 15, 1960, by the parties to the letter of intent. This contract, which is identified for USAID purposes as No. ICAC-1238, states in the opening sentence that it was "entered into as of the 24th day of June 1959." It does not permit the contractor to incur some of the reimbursable costs that were permitted by the letter of intent, but provides in Section 32.0 that "All costs, obligations and commitments properly incurred under the Letter of Intent and its subsequent extensions up to the actual date of signing this contract whether or not heretofore paid.....shall be a proper charge hereunder."

Revision No. 3 of the basic Project Agreement was entered into on August 15, 1960. Among other things, it provided that certain costs relative

to the rehabilitation and expansion of the power system were to be provided from loan funds and others were to be provided from grant-in-aid funds.

Under date of March 25, 1961, a "Memorandum of Understanding between the Ministry of Finance and the USOM of Libya on the repartition of the Electricity Project Expenditures between Loans and Grant-in-Aid Funds provided under the H. K. Ferguson Contract and I.C.A. Special Agreement dated August 15, 1960" was signed by the Acting Director, USOM/Libya, and the Electricity Project Director, Ministry of Finance. (See Exhibit 2.) The I.C.A. Special Agreement referred to is Revision No. 3 of the basic Project Agreement.

According to the Cultural Affairs Officer, United States Information Service, the local Libyan radio station and a local Arabic newspaper each carried stories from time to time on the Tripoli Power Plant Project. He explained that the first of these stories appeared soon after the MSA loan agreement was entered into; that the stories were printed or broadcast in Arabic; but that there were few, if any, direct references to the MSA and DAF loans. Instead, the stories usually stated briefly that the power plant was being built with United States technical and financial aid. A story mentioning the loans and the amounts obtained through them was printed in the January 15, 1960, issue of the magazine called "The Knowledge." (See Exhibit 3 for English translation.) This magazine is published twice monthly in Arabic by the United States Information Service. It reportedly has about 12,500 subscribers and has the largest Libyan circulation of any magazine distributed in Libya.

In an article appearing in the July 30, 1961, issue of the "Sunday Ghibli," a weekly newspaper printed in Tripoli in the English language, it was stated in part that:

"The Federal Government /of Libya/ bought the last private shares in the Tripoli Power Station on Tuesday and then handed over the station to Tripolitania Administration.

" * * *

"In a speech, Ess. Hassairi /Minister of Finance/ recalled that the government had bought 70 per cent of the shares in the SECI (Societa Elettrica Commerciale Italiana) company a few years ago.

"Now that the government had constructed new electricity generating plant with double capacity, he said, it had been decided to purchase the remaining 30 per cent of the shares."

In an article appearing in the October 25, 1961, issue of the "Tripoli Mirror," another weekly newspaper printed in Tripoli in the English language, it was stated in part that:

"The plant with 20,000 kilowatt capacity will be dedicated on December 24, /1961/ the tenth anniversary of Libyan Independence.

"The United States has provided valuable guidance and assistance through its engineers and has made more than 9 million Dollars available to the Libyan Government for the project."

In an article appearing on page 1 of the December 31, 1961, issue of the "Tripoli Mirror," it was stated in part that:

"The greatest 16 1/2 million and 300,000 Power Plant in Tripolitania was officially inaugurated by King Idris I on Wednesday afternoon /December 27, 1961/."

The article included a brief description of the capacity of the plant and the inauguration ceremonies, but made no reference to the manner in which it was financed. However, in a page 1 article appearing in the December 31, 1961, issue of the "Sunday Ghibli," titled "King Idris Opens New Power Station," it was stated that:

"The /Libyan/ Premier said that the government had been well pleased with the results of the act of nationalizing the power project. It had also been happy to transfer -- as a free grant -- the entire enterprise to Tripolitania Administration.

"Co-operation

"The government, in giving this £7,000,000 enterprise to the provincial administration, had kept 'only the responsibility of paying back the financial burden of the loans contracted by it for the power development.'

"He appreciated the 'high spirit of mutual friendship and cooperation' between the governments of Libya and the U.S. The new plant had cost £4,300,000, the equivalent of \$12,100,000 -- out of which \$8,500,000 had been 'presented to us by the friendly government of the U.S. in the form of long-term loans at a low rate of interest, part of which will be converted into a grant-in-aid to the benefit of the project.'

In another article appearing in the December 31, 1961, issue of the "Sunday Ghibli," it was stated that:

"The new plant, which was built in 26 months, cost about £4,300,000. Of this amount, about £1,350,000 was provided by the Ministry of Finance and the remainder came in loans from the U.S. (about £1,800,000 from the Development Loan Fund and over \$1,200,000 from the U.S. Mutual Security Administration.)

"Grants-in-aid

"Nearly \$100,000 of these loans are expected to be converted into grants-in-aid for the benefit of the electricity undertaking."

The inauguration of the Tripoli Power Plant was reported to AID/Washington in more detail on January 13, 1962, by TOAID A-187. (See Exhibit 15 for copy of this Aigram.)

An article titled "Inauguration Reception on the Occasion of the First Electric Power Station Opening which was Attended by H.M. the King, the Prime Minister, and Other Top Libyan Government and Other Government Officials," was printed in the January 26, 1962, issue of "The Knowledge." The English translation of two paragraphs pertaining to cost and financing is as follows:

"The financial expenses that was estimated by the advisory engineer /William H. Byrne, P.E./ was four million three hundred thousand Libyan pounds which is the equivalent of 12 million one hundred thousand U.S. dollars. This project has been completed satisfactorily within the amount of funds estimated during the twenty-six months /since November 1959/.

"The Ministry of Finance has contributed in financing this project, one million three hundred thousand Libyan pounds (approximately) that is equivalent to 3,600,000 U.S. dollars,

from the Libyan Treasury. The rest of the cost of 8,500,000 U.S. dollars had been obtained by the Ministry of Finance in a form of loans from the American Government. This latter amount consists of 5,000,000 U.S. dollars from the Development Loan Fund Agency and 3,500,000 dollars from the Agency of the American Mutual Security Agency. From the latter loan, the American Government has decided to transfer an amount not fewer than one million dollars as a grant contribution from the American Government to the cost of the project."

In a letter from the H. K. Ferguson Company International, Inc., to Essayed Abdalla Sikta, Under Secretary of State and Project Director, dated February 3, 1962, it was stated that:

"Inasmuch as all items of construction work presently included in our contract for the Tripoli Power Project have been completed and handed over, a Certificate of Acceptance is requested in accordance with Article 4.01 of the contract between the Ministry of Finance and H. K. Ferguson Company International, Inc."

No copy of a Certificate of Acceptance, if issued, has been located. However, the local office of the Ferguson organization was closed on March 14, 1962, and the last field staff employee of the company departed from Libya on March 17, 1962. It is understood the departure was with permission of the Ministry of Finance.

Summary of Findings and Recommendations

Some supporting documents applicable to invoices for expenditures from both dollar and Libyan pound funds were not available locally. In addition, the dollar accounts were not, in some instances, so maintained locally that the portions of funds to be supplied from loan and grant-in-aid as specified in the Memorandum of Understanding between the Ministry of Finance and USAID/Libya, dated March 25, 1951, could be computed. The amount of disbursements and liabilities reflected in local ledgers from the inception of the project to c.o.b. March 14, 1962, and computations of MSA expenditures

and liabilities computed to be payable from loan, grant-in-aid, and Government of Libya (GOL) funds are summarized as follows: (See Exhibits 4 and 5 for more details.)

<u>Disbursements & Liabilities</u>	<u>Suspended</u>	<u>Allowable</u>	<u>Computed Funding Status *</u>		
			<u>Loan</u>	<u>Grant</u>	<u>GOL Funds</u>
		<u>MSA Loan**</u>			
<u>\$1,961,192.77</u>	<u>\$4,582.05^φ</u>	<u>\$1,956,610.72</u>	<u>\$1,883,634.94</u>	<u>\$70,740.39^{φφ}</u>	<u>\$2,235.39</u>
		<u>DLF Loan</u>			
\$2,328,017.98		zzz	zzz	zzz	
58,368.21 ^z		zzz	zzz	zzz	
122.94 ^{zz}		zzz	zzz	zzz	
<u>\$2,386,509.13</u>		<u>zzz</u>	<u>zzz</u>	<u>zzz</u>	
<u>\$4,347,701.90</u>					

* Per Agreement between USAID/Libya and Ministry of Finance, dated March 25, 1961.

** Dollar equivalents at the rate of LC 1 = \$2.636, the rate supplied by the American Express Office in the American Embassy, Tripoli, Libya.

^φ Overpayments \$1,411.98; suspended pending receipt of documents supporting invoices \$3,170.07.

^{φφ} Computed on the basis that the excess cost of first class fares were not authorized by the Ministry of Finance in writing. Should it be determined that the excess cost of first class fares over tourist fares were authorized in writing by the Ministry of Finance (see Finding No. 2 and Exhibit 6), the computed amount payable from grant-in-aid funds would be decreased by \$4,627.83 and the amount payable from loan funds would be increased by that amount to totals of \$66,112.56 and \$1,888,262.77 respectively.

^z Support costs of William H. Byrne, P.E.

^{zz} Support costs of the Ministry of Finance.

^{zzz} Amount to be determined by audit of records in the Home Office of the Contractor.

It is recommended that liabilities and expenditures of Libyan pound funds be apportioned to MSA loan, grant-in-aid, and GOL funds as computed above after determination of the status of excess costs of first class fares

over tourist fares. It is also recommended that computation of dollar expenditures to be apportioned to DLF loan and grant-in-aid funds be made by the auditors making the audit of records in the Home Office of the Contractor.

Detailed Findings and Recommendations

As previously stated, all supporting documents pertinent to expenditures were not available locally and in some cases the records were not so maintained that the portions of project funds to be supplied from loan and grant-in-aid as specified in the Memorandum of Understanding between the Ministry of Finance and USAID/Libya, dated March 25, 1961, could be readily computed. However, from the examination of available records and observations, findings and recommendations are made as follows:

General

Finding No. 1

Employment titles of the contractor do not in some instances reflect the exact duties being performed by an individual insofar as they are applicable to functional positions listed in Appendix "A" to the contract (Appendix "1" to the Memorandum of Understanding between the Ministry of Finance and USAID/Libya, dated March 25, 1961. (See last page of Exhibit 2.) This makes it impossible to ascertain by employment title what individuals are included in the appendix for funding purposes.

Recommendation No. 1

It is recommended that employee costs to be funded in accordance with the Memorandum of Understanding between the Ministry of Finance and USAID/Libya and Appendix "A" to the contract be based on information as to functional duties supplied by the local office of the contractor. (See Exhibit 7.)

Finding No. 2

Most of the Field Staff personnel entered into written employment contracts prior to August 15, 1960, under which they and their authorized dependents were to receive first class air passage from their homes to Libya and return. The Letter of Intent signed by the Ministry of Finance on June 24, 1959, provides for reimbursement of "Actual amounts paid by Contractor for transportation for Contractor's personnel * * * in travel status from point of origin in the U.S. or foreign country to Libya and return to point of origin or any other point, and within the United States, Europe, or Africa * * *; provided that the cost of such travel and subsistence allowance separately does not exceed the cost by the most expeditious first-class route." [Underscoring supplied.] (See page 6 of Exhibit 2.) Section 32.0 of the subsequent contract signed by the Ministry of Finance on August 15, 1960, provides that "All costs, obligations and commitments properly incurred under the Letter of Intent and its subsequent extensions up to the actual date of signing of this contract whether or not heretofore paid or reimbursed pursuant to said Letter of Intent and its subsequent extensions shall be a proper charge hereunder." The Memorandum of Understanding between the Ministry of Finance and USAID/Libya, dated March 25, 1961, provides that "any excess of the cost of first class air fares non-authorized by the Ministry over the cost of tourist class air fares" shall be chargeable to grant-in-aid funds. [Underscoring supplied.] The Memorandum of Agreement also provides that the "Cost of tourist class air fares for personnel and their dependents unless 1st class has been authorized by the Ministry in writing" shall be chargeable to the loan fund. Nothing could be found in writing which stated whether or not the above-cited provisions of the Letter of

Intent and the subsequent contract were to be interpreted as the Ministry of Finance authorizing the difference between tourist and first class air fares being charged to loan funds.

Recommendation No. 2

It is recommended, in view of the above circumstances, that proper officials be requested to clarify whether the difference in cost between tourist and authorized first class air fares are properly chargeable to loan or grant-in-aid funds.

Libyan Pound Accounts

Finding No. 3

Records show that the following Libyan Pound disbursements were made in excess of the amounts permitted by the letter of intent and Section 7.05 of the subsequent contract for air and surface transportation of personnel and dependents: (See Exhibit 6.)

Dependents traveling by indirect route	£ 35.600
Fare of non-resident relative of employee	122.748
Allowance for travel of employee beyond point of repatriation of employee	10.000
Difference between first class air fare and tourist class fare specified in employee's contract	7.363
Stamp duty (Local tax)	<u>.112</u>
Total	<u>£ 175.823</u>

Recommendation No. 3

It is recommended that the amount of £ 175.823 (equivalent to \$498.63) be disallowed in final settlement under the contract because these payments were not within the scope of disbursements permitted by the letter of intent and/or the contract.

Finding No. 4

The total of L£ 251,000 was disbursed as transportation costs of two new personally-owned automobiles that were delivered to two employees in Europe at the end of their assignments, driven to Naples or LeHavre, and shipped from these locations to New York at project cost. The personally-owned automobile used by one of the employees in Libya during his assignment was purchased by him in Libya and sold before his departure, and the personally-owned automobile used by the other employee in Libya was shipped to Libya at project cost and sold in Libya before his departure. (See Exhibit 8 for more details.)

Recommendation No. 4

It is recommended that the amount of L£ 251,000 (equivalent to \$711,83) be disallowed because the automobiles shipped to New York had never been brought into Libya and transportation costs were thus not within the intent of paragraph A 13, subject "Reimbursement" of the Letter of Intent.

Finding No. 5

Computations made from available local records show that the following Libyan Pound amounts were charged to the project for portions of shipments of personal and household effects (exclusive of privately-owned automobiles) that were in excess of the maximum weights permitted employees by the letter of intent and the subsequent contract. (See Exhibit 9.)

Surface shipments	L£ 25,341
Air shipments	8,078
Total	<u>L£ 33,419</u>

Recommendation No. 5

It is recommended that the total of L£ 33,419 (equivalent to \$94,78) be disallowed because the expenditures were for shipments of personal and household effects in excess of the maximum weights permitted individual employees by the letter of intent and the subsequent contract.

Finding No. 6

Local Voucher No. 3073 shows that Mr. Eldridge S. Cole traveled by commercial airline from Tripoli to Malta on December 21, 1961, and was in duty status in Malta at midnight on that date. Records also show that he was paid L£ 5.709 (equivalent to \$16.19) as subsistence costs in lieu of per diem for that day. Section 7.0513 of the contract provides that per diem will be paid as prescribed by United States Standard Government Travel Regulations, which was established at \$12 a day at Malta. The only commercial aircraft between Tripoli and Malta on that date was scheduled to depart from Tripoli at 10:40 A.M.

The Chief Accountant explained that Mr. Cole was employed in connection with the power plant project by other than H. K. Ferguson International, Inc. He said the Ministry of Finance and Ferguson agreed that Mr. Cole would be sent to Malta to aid in solving certain problems pertaining to pumps to be installed by Ferguson and that the cost of subsistence and airline passage would be paid as a Ferguson contract cost. He also said that even though the subsistence cost exceeded the per diem rate permitted by the contract, he believed that no objection should be interposed as no salary of Mr. Cole was charged to the contract.

Recommendation No. 6

It is recommended that L£ 2.535 (equivalent to \$7.19) be disallowed as the traveler was entitled to only \$9.00 (three-fourths of one day per diem at the rate of \$12) for December 21, 1961, by the contract and Standard Government Travel Regulations.

Finding No. 7

The following Libyan Pound disbursements were made for shipments of privately-owned automobiles, and personal and household effects of employees

without copies of Bills of Lading or other supporting receipts being submitted by the forwarding organization with invoices for costs. (See Exhibits 8 and 9.)

Personal and Household Effects	£ 575.698
Privately-Owned Automobiles	<u>542.098</u>
	<u>£ 1,117.796</u>

It was noted in the examination of these payment vouchers that there were some instances where invoiced amounts seemingly were in excess of amounts billed by competing organizations for similar past services.

Recommendation No. 7

It is recommended that disbursements totaling £ 1,117.796 (equivalent to \$3,170.07) be suspended from final payment under the contract until proper documents supporting the invoices of the forwarding organization are made available by the contractor and the propriety of payments has been determined.

Finding No. 8

The Libyan Pound ledgers included direct charges totaling £ 24,700 for cables and telegrams relative to obtaining the contract for rehabilitation and expansion of the power system and for hotel reservations. (See Exhibit 10.)

Recommendation No. 8

It is recommended that the above total of £ 24,700 (equivalent to \$70.05) be disallowed because the costs of obtaining the contract are outside the scope of the letter of intent and the subsequent contract, and costs incurred to obtain hotel reservations are included in per diem rates.

Finding No. 9

The Libyan Pound ledgers included direct charges as follows: (See Exhibit 11.)

Renewal of Driver's License (Project Manager)	£ 1.500
Entertainment (News Reporters)	1.260
Bad Debt (Advance of Wages)	2.142
Business Cards (Contractor's Officials)	<u>5.500</u>
Total	<u>£ 10.402</u>

Recommendation No. 9

It is recommended that the above total of £ 10.402 (equivalent to \$29.50) be disallowed because the expenditures were not provided for in the basic letter of intent and subsequent contract as project costs.

Finding No. 10

The following Libyan pound expenditures which were not considered by the H. K. Ferguson Company International, Inc., to be support costs incurred by that organization and which are not included elsewhere in this audit report, were shown by local Ferguson records to be accounts receivable from William H. Byrne, P.E.:

HKF Code No.		Expenditures	
		£	\$ Equivalent
FCN 2-1	Labor	£ 11,649.243	\$ 33,037.25
2-2	Office Supplies	60.631	171.95
2-3	Barricades	588.358	1,668.58
2-4	Transmission Lines	12,008.054	34,054.84
2-5	Utilities	26.085	73.98
2-6	Office Furniture and Equipment	781.675	2,216.83
2-7	Transportation Expense	1,323.337	3,752.98
2-8	Reproductions	999.763	2,835.33
2-9	Field Office	26.197	74.30
2-10	Housing; Residential	173.134	491.01
	Totals	<u>£ 27,636.477</u>	<u>\$ 78,377.05</u>

Recommendation No. 10

It is recommended that the portions of the above receivables to be paid from loan and other funds of the Government of Libya be determined during the local audit of the accounts of William H. Byrne, P.E., as the expenditures were made on behalf of Contract No. ICA-T-260 entered into between William H. Byrne, P.E., and the Ministry of Finance. (Action: Office of the Controller/Libya.)

Finding No. 11

The following Libyan pound expenditures which were not considered by the H. K. Ferguson Company International, Inc., to be support costs incurred by that organization and which are not included elsewhere in this audit report, were shown by local Ferguson records to be accounts receivable from the Ministry of Finance.

HKF Code No.	Description	Expenditures	
		LE	\$ Equivalent
FCN 1-1	Labor	£ 1,191.435	\$ 3,378.91
1-2	Office Supplies	137.117	383.86
1-3	Telephone and Cables	33.342	94.56
1-4	Utilities; Non-Residence	27.541	78.11
1-6	Office Furniture and Equipment	962.374	2,729.29
1-7	Housing; Residential	616.500	1,748.40
1-8	Tripoli International Fair	365.523	1,035.62
1-9	Power Plant Dedication Ceremony	678.422	1,924.00
	Totals	<u>£ 4,012.254</u>	<u>\$ 11,378.75</u>

Recommendation No. 11

It is recommended that the above receivables be reviewed from the records of the Ministry of Finance prior to final settlement of costs between USAID and the Ministry of Finance to ascertain that proper portions of the amounts are paid from loan and grant-in-aid funds and the remainder is paid from other funds of the Government of Libya as part of its contribution to the cost of the project or as unrelated costs.

Finding No. 12

Records show that household furnishings having a total acquisition value of \$1,453.64 had been loaned to other than authorized personnel of the contractor. As of the end of the contract, such individual items had been on loan for periods of more than six months to about two years without rental being billed. (See Exhibit 12 for details.)

Recommendation No. 12

It is recommended that an equitable rental value of the household furnishings loaned to other than authorized personnel of the contractor be determined and credited to project costs at the time of final settlement of the contract as such loans are not within the scope of the contract.

Dollar Accounts

Finding No. 13

The sum of \$190.98 was charged as support costs of William H. Byrne, P.E., in local dollar account No. 348 - Office Supplies and Engineer Supplies & Equipment. The charge was entered for paper, pens and photo enlargements furnished the local office of William H. Byrne, P.E. Seemingly, the H. K. Ferguson Company International, Inc., was unaware that Contract No. ICA-T-260 between William H. Byrne, P.E., and the United Kingdom of Libya provided in Section 9.00 that the Government of Libya would supply such items direct or provide reimbursement in local currency.

Recommendation No. 13

It is recommended that the above amount of \$190.98 be deducted from William H. Byrne, P.E., support costs shown in the H. K. Ferguson Company International, Inc., dollar accounts and a proper charge against the Government of Libya be included when final distribution of costs of the Tripoli Power Plant Project are apportioned between loans, grant-in-aid and other funds of the Libyan Government.

Finding No. 14

Local records show that a total of \$796.71 was charged to the project for travel expenses prior to June 24, 1959, the date the letter of intent was signed, and a total of \$1,517.16 was charged to the project for travel expenses and subsistence of employees who were never assigned to Libya and whose duties in connection with the project could not be established locally. (See Exhibit 13.)

Recommendation No. 14

It is recommended that the above expenditures having a grand total of \$2,313.87 be given special attention during the audit of dollar accounts in the Home Office of the contractor.

Finding No. 15

Accounts in local U.S. Dollar ledgers were maintained by Contractor's Operation Code Numbers rather than by AID Code Numbers.

Recommendation No. 15

It is recommended that it be determined by audit of records in the Contractor's Home Office whether expenditures were proper within AID Code Numbers.

Finding No. 16

Records were not maintained locally in such a manner that Unemployment Insurance could be segregated to determine the portions payable from loan and grant-in-aid funds.

Recommendation No. 16

It is recommended that it be determined from records in the Home Office of the Contractor at the time of the audit at that location what portions of costs for Unemployment Insurance included in local Account No. NY-25, Unemployment Insurance, are payable from loan and grant-in-aid funds.

Finding No. 17

Records were not maintained locally in such a manner that Marine and certain other insurance could be segregated to determine the portions payable from loan and grant-in-aid funds.

Recommendation No. 17

It is recommended that it be determined from records in the Home Office of the Contractor at the time of the audit at that location what portions of costs for Marine and other types of insurance included in local Account No. NY-24, Other Insurance Including Marine, are payable from loan and grant-in-aid funds.

Finding No. 18

Section 7.0113 of the contract provides that "Payment of salary for vacation not taken during a U.S. Field Staff member's overseas service (pay allowance in lieu thereof) shall not exceed the U.S. base rate for the position held by the employee in Libya under this contract as approved by ICA." [Underscoring supplied.] A complete list of pertinent U.S. base rates is not available locally.

Recommendation No. 18

It is recommended that it be determined at the time of the audit of the records in the Home Office of the contractor whether the amounts recorded as accumulated vacation pay are proper and what portions should be paid from loan and grant-in-aid funds.

Finding No. 19

Available local records indicate that dollar charges were made to the project for the shipment of personal and household effects that exceeded the maximum weights permitted employees by the letter of intent and subsequent contract.

Recommendation No. 19

It is recommended that the above matter be given special consideration during the audit of the Home Office records of the contractor.

Finding No. 20

The letter of intent and subsequent contract provide that the contractor will be reimbursed for travel subsistence allowances paid to field staff personnel and authorized dependents at per diem rates in accordance with Standardized Government Travel Regulations of the United States Government. Billings available in the local office of the contractor were made by employees on an actual expense basis. In some instances, times of departure and arrival were not included in the billings and in many instances the daily expenses claimed and paid exceeded the allowable daily per diem.

Recommendation No. 20

It is recommended that special consideration be given to the payment of per diem during the audit of the records in the Home Office of the contractor because overpayments are known to have been made.

Finding No. 21

The letter of intent provides in Section 9 under the title "Reimbursement" that the contractor will be reimbursed for "Out-of-pocket expenses required to be paid in United States Dollars including but not limited to * * * inoculations * * * . [Underscoring supplied.] From information available locally, it appears that the Libyan Government requires only a timely smallpox vaccination to enter the country, but the United States Air Force Hospital, Wheelus Air Force Base, Tripoli, Libya, reported that the Air Force requires its personnel to have inoculations for smallpox, typhus, typhoid and polio.

Charges for inoculations found in local records, including one physical examination that could not be segregated as to cost, totaled \$732.75. The inoculations were received by employees and authorized dependents and included inoculations in all the above categories plus a number of tetanus and at least two yellow fever inoculations. In three of the billings, the kind, number and cost of individual inoculations were not itemized in the supporting payment documents submitted by employees. (See Exhibit 14.)

Recommendation No. 21

It is recommended that the sum of \$732.75 that was locally found to have been disbursed for inoculations and one physical examination which could not be segregated by cost, be suspended until (1) the parties to the letter of intent clearly specify what type of inoculations are intended to be charged under project costs; and (2) the contractor produces receipts for payments for inoculations which show itemized costs.

Comments

No signs were affixed to the main plant, sub-stations, towers, warehouse or staging area sites, and few, if any, were affixed to major mobile or affixed equipment which showed that the rehabilitation and expansion of the Tripoli Power Plant system was accomplished to considerable extent with loan and grant-in-aid funds supplied from United States Government sources. The project manager stated that the matter had been under consideration for a considerable period of time, but there was confusion as to what signs or emblems were required since materials used in the endeavor were partly supplied from loan funds and partly from funds made available by the Libyan Government from sources other than loans or grant-in-aid. It was also understood that the matter was still under discussion at the end of the project.

It will be noted that the auditors have made no recommendation relative to payments of "Court Fines and Fees." In a few instances, these payments resulted from local-hire employees going to court to collect wages which the contractor considered on advice of attorney as not payable under Libyan labor laws, but which the court determined to be payable. In other instances, disbursements for fines and fees were made for traffic violations involving motor vehicles of all types used by the contractor. It is understood that most traffic fines in Libya are chargeable to the vehicle rather than the operator, and many times the owner of the vehicle does not have knowledge of a citation until much later when he pays road tax (license fees) for the ensuing period. He then must pay all fines before a new road license is issued. The Chief Accountant of the contractor stated that it was impracticable to record the hour and name of the operator each time a vehicle was used and consequently, the operator incurring a violation cannot later be determined. This is further complicated by the fact that the police often record a violation by license number of the vehicle without stopping the vehicle to obtain the signature of the operator on a traffic slip or delivering a copy to him.

Perhaps it should be stated that all officials and employees of the contractor were extremely cooperative during the audit and a very pleasant working relationship existed at all times. Records and facilities were made available at all times and officials and employees could be easily reached for conferences and discussions.

Exit Interview

Throughout the audit, questionable items were discussed with the Project Manager and/or the Chief Accountant. In all cases where there were differences of opinion, endeavors were made by both the local officials of H. K. Ferguson Company International, Inc., and the auditors to understand the position of each other.

The Project Manager stated on March 2, 1962, the day prior to his departure from Libya, that he was turning over all matters pertaining to the audit to the Chief Accountant. A final interview was held with the Chief Accountant on March 17, 1962, the day before his departure from Libya. At that time, all findings relative to Libyan pound expenditures were reviewed with him. He stated that, with a few exceptions involving small amounts, he considered the sums recommended for disallowance to be proper expenditures under the contract but that, in any event, it will be necessary to consider them in detail along with possible dollar disallowances at the time of final settlement under the contract. No review was made of questionable dollar expenditure items during the exit interview as he explained this was unnecessary because the accounting for such expenditures was primarily the responsibility of the Home Office and he could make no determination upon them at this level.

The exit interview was conducted in the pleasant atmosphere that existed during the entire audit.

TRIPOLI POWER PLANT PROJECT

Status of Authorizations and Transfers of Funds Under PIOs
From Inception of the Project to c.o.b. June 30, 1961

Date	Document	MSA PIOs - Total \$3,500,000				DIF PIOs - Total \$5,000,000						
		T-70161*	C-70180**	T-70213 ^Y X	T-70228 ^g	T-DLC01 ^P	G-DLC02 ^{PP}	G-DLC03 ^Z	G-DLC04 ^{PP}	T-DLC05*	T-DLC06	
6-18-57	Original	\$ 800,000										
10- 4-57	Original		\$2,300,000									
3-19-59	Amendment #1	100,000										
7-13-59	Amendment #4		(1,200,000)									
31	Original											
8-12-59	Original			\$1,500,000								
12	Original					\$1,500,000						
11-24-59	Amendment #2	300,000										
24	Amendment #1			(300,000)								
5- 4-60	Amendment #2											
4	Original											
8-25-60	Amendment #1											
9- 7-60	Amendment #3	142,654		(142,654)								
7	Amendment #2											
13	Amendment #2											
10-20-60	Amendment #3											
20	Original											
11- 7-60	Amendment #4	(419,204)										
7	Amendment #3											
7	Amendment #3											
14	Original											
12-13-60	Amendment #1											
1-25-61	Amendment #4											
27	Amendment #5	(219,650)										
27	Amendment #4											
27	Amendment #4											
3-10-61	Amendment #5											
14	Amendment #5											
	Totals	\$ 703,800	\$1,100,000	\$1,696,200	--	\$1,333,155	\$ 255,343	\$1,869,891	\$ 902,757	\$ 638,854	--	

^Y Expenditures of \$419,204 originally charged to PIO/T 70161 were transferred to PIO/T DLC05, thus permitting this sum to be transferred from PIO/T 70161 to PIO/T 70123.

Legend: See page 2 of this schedule.

TRIPOLI POWER PLANT PROJECT

Status of Authorizations and Transfers of Funds Under PIOs
from July 1, 1961 to March 28, 1962

Date	Document	MSA PIOs - Total \$3,500,000				DLF PIOs - Total \$5,000,000					
		T-70161*	C-70180**	T-702136x	T-70228 ^a	T-DL0016	C-DL00266	C-DL003 ^a	C-DL00466	T-DL005*	T-DL006
6-30-61	Status of Funds	\$ 703,800	\$1,100,000	\$1,696,200	--	\$1,333,155	\$ 255,343	\$1,869,891	\$ 902,757	\$ 638,854	
5-29-61	Original Work Sheet				\$ 250,000						
7-18-61	Amendment #6						85,950				
18	Amendment #3							(810,940)			
21	Amendment #2									536,890	
21	Amendment #6					188,100					
21	Amendment #6	(478,300)									
21	Amendment #5				228,300						
9-23-61	Amendment #4										
23	Amendment #7							(96,945)			
11- 9-61	Amendment #7										
9	Amendment #3										
9	Amendment #7	(93,105)									
9	Amendment #6				93,105						
12-16-61	Amendment #1				50,000						
3-14-62	Amendment #8	(56,000)									
14	Amendment #8										
14	Amendment #8										
23	Amendment #6										
	Unsubobligated										
23	Amendment #9										
28	Amendment #4										
28	Amendment #4										
	Totals	\$ 76,395	\$1,106,000	\$2,017,605	\$ 300,000	\$1,504,400	\$ 270,988	\$ 837,006	\$ 902,757	\$1,384,849	\$100,000

Legend: \longleftrightarrow Indicates transfer of funds

* William H. Byrne, P.E. - Engineer Services

** William H. Byrne, P.E. - Commodities

⁶ H. K. Ferguson - Construction Services

⁶⁶ H. K. Ferguson - Commodities

^a Ministry of Finance and Engineers Office - Administrative Support

^b Shown on face of document as \$150,000. Breakdown in document shows \$150,000 for transfer to T-DL006 and \$50,000 for transfer to T-DL005

^x For local expenditures

^z Ministry of Finance - Commodities

Source: PIOs

Memorandum of Understanding between the Ministry of Finance and the USOX of Libya on the repartition of the Electricity Project Expenditures between Loans and Grant in Aid Funds as provided under the H. K. Ferguson Contract and I. C. A. Special Agreement dated August 15, 1960.

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
1	Part 1 - Chargeable to Loan Only. Ministry & Engineer's Offices & Project Administrative Support Costs.	General	-	The Whole	-	From 3-2-1958 to the end of the Project.
2	Replacement of Personnel terminated for death or incapacity.	5.0501	-	The Whole	-	From 24-6-1959 up to end of the Project.
3	Fees & Transportation cost of consultants.	7.03 7.0511	-	The Whole	-	From 24-6-1959 up to end of the Project.
4	Transportation cost for constructor's officers and supervisory personnel not permanently attached to the Field Staff.	7.0512	-	The whole provided that where any trip includes a purpose other than the work under the contract only the allocable portion of the cost thereof shall be charged to the Ministry and provided that the number of trips shall not exceed THREE during the first year of the contract and two during any ensuing 12 months period unless authorized by the Ministry.	-	From 24-6-1959 up to the end of the Project.

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
5	Cost of equipment, materials, and supplies for use in Libya including inspection and testing cost therefor with prior written approval of Ministry. This includes transportation, crating, handling, shipping, export agents fees and warefage from points of origin to point of debarkation in Libya.	7.06	-	The Whole	-	From 24-6-1959 up to the end of the Project
6	Cost of transporting technical data and equipment not to exceed 1500 pounds net.	7.0812	-	The Whole	-	From 24-6-1959 up to end of the Project.
7	Bonds and insurance over all shipment of material, supplies and equipment.	7.09 10.0	-	The Whole	-	From 24-6-1959 up to end of the Project.
8	Short-Term Specialists.	7.11	-	The Whole	-	From 24-6-1959 up to end of the Project
9	Fee Compensation	8.0	-	The Whole	-	From 24-6-1959 up to end of the Project.

1023

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
10	Official Communication (cables, telephone and postage).	9.01	-	The Whole	-	From 24-6-1959 up to end of the Project.
11	Office supplies and equipment.	9.02	-	The Whole	-	From 24-6-1959 up to end of the Project.
12	Long distance telephone calls approved by the Ministry.	9.03	-	The Whole	-	From 24-6-1959 up to end of the Project.
13	Office space, warehouse space and utilities (electricity and water) temporary plant.	9.0411 9.0412 9.0413 9.0414	-	The Whole	-	From 24-6-1959 up to end of the Project.
14	Local transportation (drayage, unloading charges, transportation of equipment and materials.	9.08	-	The Whole	-	From 24-6-1959 up to end of the Project.
15	Sub-contract of procurement or part of work with prior written approval of the Ministry.	9.10 20.02	-	The Whole	-	From 24-6-1959 up to end of the Project.
16	Procurement of items of construction and permanent equipment materials and supplies in or from Libya.	9.11	-	The Whole	-	From 24-6-1959 up to the end of the Project

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
17	Professional services (legal, accounting & consulting fees) with prior written approval of the Ministry.	9.12	-	The Whole	-	From 24-6-1959 up to end of the Project.
18	Rental equipment and facilities, including maintenance, inspections, repairs and transportation cost.	9.13	-	The Whole	-	From 24-6-1959 up to end of the Project.
19	Any other cost approved by the Ministry in writing.	7.10 9.14	-	The Whole	-	From 24-6-1959 up to end of the Project.
20	Part 2- Chargeable to the Grant Only. Replacement of discharged personnel for reasons other than death or incapacity.	5.0502	A/1	-	Cost of returning home and replacing up to THREE terminated personnel and their dependents for reasons other than voluntary resignation or willful misconduct. This shall include overlays, salaries, allowance, transportation and other direct cost.	From 24-6-1959 up to end of the Project.
21	Automobiles	-	A/4	-	Cost of transportation of automobiles of American employees to and from Libya appointed prior to the date of signature of contract 15-8-1960.	From 24-6-1959 up to end of the Project.
				-		

605

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
22	<p>Part 3 - Chargeable to Both Loan and Grant.</p> <p>Salaries of Foreign Field Staff personnel supported or appointed in Libya.</p>	7.01	A/2	<p>a) The amount of salaries as fixed in annex "D" attached to I.C.A. Project Agreement for the number of posts fixed there- in, copy of such annex is enclosed as Appendix "1".</p> <p>b) Cost of posts as fixed in the establishment authorized under annex "D" to I. C. A. Project Agreement referred to herein as Appendix "1", shall include salaries, transportation of personnel and their dependents, baggage & Household goods, subsistence allowance, insurance premiums and any other relating direct cost of recruitment or appointment of personnel.</p>	<p>a) Any excess of the cost of the salaries of Foreign Staff personnel incurred under Appendix "A" of the contract over the cost of the salaries for each corresponding post indicated in Annex "D" to I.C.A. Project Agreement referred to herein as Appendix "1".</p> <p>b) The cost of the salaries for any post of Field Foreign Staff personnel incurred under Appendix "A" of the Contract which post is in excess to the number listed in column "2" of Annex "D" to the Project Agreement for the corresponding post or which post is not listed in Annex "D" referred to herein as Appendix "1".</p> <p>c) The cost of posts in excess to the establishment fixed under Annex "D" to the Project Agreement referred to herein as Appendix "1" shall include salaries, transportation of personnel and their dependents, baggage and household</p>	<p>From 24-6-1959 up to end of the Project.</p>

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
22-(Contd.)					c) goods, subsistence allowances and quarter allowances, insurance premiums and other relating direct cost of recruitment or appointment of personnel.	
23	Workmen's Compensation Insurance.	7.04	A/2	Only for the number of foreign employees fixed in the establishment provided under Annex "D" above indicated herein as Appendix "1".	For any excess of employees to the number fixed in the establishment provided under Annex "D" above, referred to herein as Appendix "1".	From 24-6-1959 up to end of the Project.
24	Field Staff Transportation costs.	7.0511	A/3	<p>a) Cost of tourist class air fares for personnel and their dependents unless 1st class has been authorized by the Ministry in writing.</p> <p>b) Only constructors employees assigned to Libya for a period of 24 months tour of service are entitled to be accompanied or joined by their wives and unmarried children under 21 years of age at Ministry's expense provided that they remain in Libya for at least one year and provided that such dependents shall be limited to not more than 25 of Constructor's employees.</p> <p>c) Ministry shall not pay for return transportation of personnel not satisfactorily completing the terms of their employment.</p>	<p>a) Any excess of the cost of 1st class air fares non-authorized by Ministry, over the cost of tourist class air fares.</p> <p>b) Cost shall include both transportation and return from Libya.</p>	From 24-6-1959 up to end of the Project.

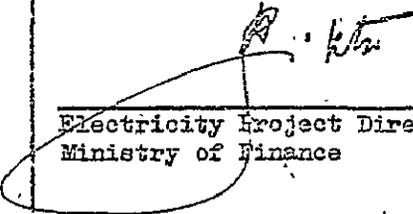
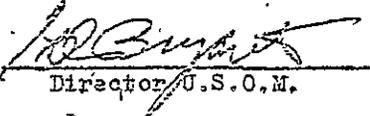
Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
24 -	(Contd.)			<p>d) Ministry shall not pay for return transportation of personnel who shall not leave Libya at the end of their contract for reasons considered to be entirely to their convenience.</p> <p>e) No travel cost shall be paid for purposes of vacation or leave.</p>		
25	Subsistence Allowances	7.0511 7.0513 7.0514 9.05	B	<p>a) The allowance payable by Ministry for the employee shall be of the amount of \$1.00 per day for travelling by boat and of the amount of \$10.00 per day while travelling by any other carrier and during period of layover from point of origin of recruitment to Libya, for a maximum period of travelling and layover not exceeding five days.</p> <p>b) No payment or part thereof shall be paid if the mode of transportation includes meals and accommodation while travelling and during the period of layover. If either the meals or the accommodation is provided only free of charge to the employee the allowance payable shall be reduced by 50%.</p>	<p>a) Any excess of cost arising out of the rates fixed by the Ministry in respect of the rates authorized by USOM under the standardized U. S. Government Travel Regulation M.O. 560.2.</p>	<p>From 24-6-1959 up to end of the Project.</p>

Handwritten signature and initials, possibly 'J. A. S.' or similar, located in the bottom right corner of the page.

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
25 - (Contd.)				<p>c) The allowances payable by Ministry for the dependents shall only be \$9.00 per day if they are aged ELEVEN years and above and \$3.00 per day if they are aged under ELEVEN years, subject to the same restrictions above.</p> <p>d) The rates of allowances indicated under "A" above shall apply to the employees traveling on official duty within the U.S., Europe and Libya.</p>		
25	Sub-contract of Services at Home dated 17-8-1960.	7.07 20.01	A/7	The cost of the constructor's sub-contract with his Home Office up to the total amount of \$43,750.00.	Any excess of the cost of sub-contract over \$43,750.00.	From 24-6-1959 up to end of the Project.
27	Baggage and Household Goods.	7.0811	A/5	<p>a) Cost of transportation of baggage not exceeding the 2000 lbs ocean weight gross for any U.S. accompanied employee and not exceeding 450 lbs ocean weight gross for any other employee.</p> <p>b) Reimbursable cost shall not be allowable for any excess to the number of two consignments.</p> <p>c) Cost shall include packing, crating, forwarding, export agents fees, insurance premiums, etc. in direct relation thereto.</p>	<p>a) Any excess of baggage cost of transportation for personnel recruited before the signature of contract dated 15-8-1960 only including return to the place of origin, which baggage is in excess to the gross rates fixed by Ministry or having been considered on the net basis of weight, is in excess to the gross rates above.</p> <p>b) Any cost of consignment of baggage in excess to the number of two in respect of the above personnel not being authorized by Ministry in writing.</p>	From 24-6-1959 up to end of the Project.

Serial Number	Item of Expenditure	H. K. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
27	(Contd.)				c) Excessive cost shall include packing, crating, forwarding, export agents fees, insurance premiums, etc. in direct relation thereto.	
28	Wages of local employees, their social security premium and other benefits.	9.06 9.07		All Libyan Employees	Foreign residents of Libya or locally appointed therein who are in excess to the establishment fixed in the Annex "D" to the Project Agreement referred to herein as Appendix "1" (see notes on item 22 of this schedule).	From 24-6-1959 up to end of the Project.
29	Quarters Allowances	9.09	A/6	Payable per month as from the date of arrival: £70.000 for employees salary above \$1200.00. £60.000 for employees salary \$1000.00 - \$1199.00. £50.000 for employees salary \$800.00 - \$999.00. £40.000 - for employees salary \$600.00 - \$799.00. £35.000 for employees salary \$599.00 and under, to cover all foreign recruited staff whose contracts of employment provides an entitlement to free accommodations, calculated on the basis that any per diem allowance paid to employee pending allocation of quarters shall be covered by the amount of lodging allowance set out herein.	The difference between the monthly rates fixed by the Ministry and those approved by USOM as follows: a) American Personnel £105,000 b) Other Foreigners £35,000 to cover rents, utilities and furniture within the total overall amount, provided that the furniture shall be treated as Libyan Government property and provided that any per diem allowance payable to the official before allocation of quarters shall be covered by the amount of lodgin. allowances set out herein.	From 24-6-1959 up to end of the Project.

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Serial- Number	Item of Expenditure	H. E. F. Contract Reference	I. C. A. Agreement Reference	Chargeable to the Loan Fund	Chargeable to the Grant Funds	Eff. Date
30	W. H. Byrne Engineer- ing Contract		Part II	The cost of services contract up to the amount of \$1,000,000, including fee, plus any ex- penditure effected in Libya.	Any excess of the total United States dollar contract cost, including fee over \$1,000,000.	From 3-2- 1958 up to end of the Project
	Tripoli, Libya 25 March 1961			 Electricity Project Director Ministry of Finance	 Director U.S.O.M.	

APPENDIX "1"

TO

Memorandum of Understanding between the Ministry of Finance and the USOM of Libya on the repartition of the Electricity Project Expenditures between Loans and Grant in Aid Funds as provided under the H. K. Ferguson Contract and I. G. A. Special Agreement dated August 15, 1961.

Serial Number	Establishment authorized by USOM (See H. K. Ferguson Contract Appendix A)		Establishment authorized by Ministry (see Project Annex "D").		
	Appointment	Monthly Salary Range in Dollars		No. of Pos No. of Posts	Monthly Salary
		Minimum	Maximum		
1	Project Manager	\$1350	\$1500	1	\$1300
2	General Superintendent	1225	1425	1	1250
3	Project Engineer	1200	1350	1	1100
4	Gen. Mechanical Supt.	1200	1350	-	-
5	Gen. Electrical Supt.	1200	1350	-	-
6	Superintendents	1100	1250	6	1050
7	Office Manager	1000	1200	1	900
8	General Foreman	1000	1100	-	-
9	Master Mechanic	1000	1100	1	900
10	Foreman or Asst. Supt.	950	1050	8	900
11	Administrative Supv.	900	1100	-	-
12	Mechanical Engineer	900	1050	1	850
13	Electrical Engineer	900	1050	1	850
14	Office Engineer	900	1050	1	400
15	Field Engineer	875	1025	1	850
16	Chief Accountant	875	1025	1	850
17	Purchasing Agent	850	1000	-	-
18	Craftman	850	950	-	-
19	Chief Storekeeper	800	950	1	900
20	Accountant	750	900	1	200
21	Expeditor	750	900	1	650
22	Clerk, Senior	575	725	1	150
23	Engineer, Office	500	650	1	400
24	Paymaster, Assistant	500	650	-	-
25	Purchasing Agent	500	650	-	-
26	Accountant	450	550	1	200
27	Personnel Supervisor	450	550	-	-
28	Chief of Party	450	550	1	600
29	Storekeeper	450	550	-	-
30	Draftman	400	500	-	-
31	Surveyor	400	500	-	-
32	Nurse, Male	400	500	3	100
33	Timekeeper	350	450	5	100
34	Clerk, Administrative	350	425	1	150
35	Secretary	350	400	2	250
36	Forman	475	575	-	-
37	Craftman, Building Trade	450	550	-	-
38	Operators, Equipment	450	550	-	-
39	Mechanics	400	500	-	-

ENGLISH TRANSLATION OF AN ARTICLE APPEARING IN THE
JANUARY 15, 1960 ISSUE OF "THE KNOWLEDGE," A MAGAZINE PUBLISHED IN
ARABIC BY THE UNITED STATES INFORMATION SERVICE, TRIPOLI, LIBYA

THE ELECTRICITY PROJECT IN TRIPOLI

Sand and site grazing have recently been started in a spot located at Zavia, west of Tripoli city, as a preparation to beginning the construction of building for the new electric project. The project, when finished in 1961, will triple the electrical power in the Tripoli area.

In a spot which is located near the present central electric power project, there will be constructed a new big building including a two-fold generator producing 20 thousand KW of electricity. And, as known, the total power of the old generators in the central power station in Tripoli and Sidi Mesri amount to nine thousand KW.

No doubt, the use of this two-fold generator will be beneficial to the Tripoli area. Many additional houses will be lighted and the power will be increased in present lighted houses. The number of air conditioners that cool houses and offices could be increased during the hot weather. Also, the electric motors which will be used in pumping water to the agricultural areas of Tripoli could be increased, thus increasing the amount of land that can be irrigated with water and consequently increasing the output. The farmers and owners of industrial establishments and the inhabitants of Tripoli - up to Zavia in the west, up to Azizia in the south, and up to Tagiura in the east - will find the light or the light bulbs and the fertile farms, more efficient than before.

In planning the project, the Libyan Government and the advisory engineers have looked far into the future. The 29 thousand KW of electricity which will be available to Tripoli at the end of 1961 will be sufficient to meet the increasing need of the area in the future.

In addition, the building is designed in a way that will house other generators in the future, if necessary. The construction work for the premises and generators is being carried out by the Ferguson Company International, which is one of the most reputed American firms, in accordance with the plans prepared by Mr. Williams in New York. The final plans were actually made by W. H. Byrne, P.E. These plans were based on plans prepared by Williams Brothers Company in conjunction with studies made by the Westinghouse Electric International Company⁷.

In explaining the effectiveness of the project, the engineers pointed out the fact that 20 thousand KW of electricity will be able to accomplish one of the following:

- 1) Light 400 thousand rooms.
- 2) Provide 100 thousand television sets with power.
- 3) Provide 200 thousand radios with power.
- 4) Provide 15 thousand modern houses with electric power.
- 5) Provide power for 22 thousand air conditioners of one ton capacity.
- 6) Provide electricity for three thousand agricultural pumps equipped with motors of 10 horsepower each.
- 7) Operate 180 thousand electric fans.
- 8) Provide power for 80 medium-size industries of 65 employees each.

There is not now a need for all electric power, but the excess capacity will be ready to meet Tripoli's expanding demands in the future.

The total cost of this electrical project is 3.5 million Libyan pounds. Equivalent to approximately \$9,926,000.00⁷. The largest amount paid to finance the project was five million dollars provided by the Development Loan Fund of ICA. Another loan fund of ICA had also paid loaned⁷ 3.5 million dollars.

The project as a whole includes the new building, purchase and installation of steam generating boilers, steam-operated turbines, electric generators and other equipment including regulating devices for transmittal of power and 75 miles of new lines to carry electricity to consumers.

The steam project may use Libyan petroleum in the future but at the present coal is used. The fact is worth mentioning that the electric power company in Tripoli is now a Government agency, and the Project Leader is Essayed Abdulla Sikta, Undersecretary of the Ministry of Justice, and the Project Director is Dr. Camisa.

TRIFOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Analysis of Libyan POUND Expenditures and Recorded Liabilities Per Local Ledgers
From Inception of the Project to c.c.b. March 14, 1962

AID Code No.	Description	Total Expend. & Liabilities	Adjustments	Suspended	Allowable	Computed Funding Status*		
						Loan	Grant	GOL Funds
930L	Labor	L358,303.279			L358,303.279	L358,303.294		L 16.985 ^g
930A	Transportation Expenses	16,219.478		L1,580.573 ^h	14,639.905	11,040.460	L 3,348.382	250.863 ^g
930B	Rents and Leases; Non-Residence	4,881.468			4,881.468	4,881.468		
930C	Utilities; Non-Residence	2,580.612			2,580.612	2,571.493		9.119 ^g
930D	Insurance; Motor Vehicle	1,153.317			1,153.317	1,153.317		
930E	Special Services	55,002.450	L (43.545)	24.700	54,934.205	54,422.152		512.053 ^g
930G	Housing; Residential	73,986.670	43.545		74,030.215	52,434.879	21,595.336	
570	Lumber and Sawmill Products	9,862.692			9,862.692	9,862.692		
640	Non-Metallic Mineral Products	68,056.438			68,056.438	68,056.438		
660	Iron and Steel Materials and Products	18,733.293			18,733.293	18,733.293		
680	Miscellaneous Iron and Steel Manufacturers	9,440.938			9,440.938	9,440.938		
720	Electric Apparatus	3,774.125			3,774.125	3,774.125		
740	Construction, Mining and Conveying Equipment	970.857			970.857	970.857		
820	Motor Vehicles, Engines and Parts	14,290.569			14,290.569	14,290.569		
899	Miscellaneous Project Items	41,229.111		10.402	41,218.709	41,218.709		
940	Transport Handling and Miscellaneous Charges	12,749.759			12,749.759	12,749.759		
950	Ocean Transportation	299.773			299.773	299.773		
	Totals	L691,534.829	--	L1,615.675	L689,919.154	L664,187.216	L24,943.718	L788.220
	Dollar Equivalents**	\$1,961,192.77	--	\$4,582.05	\$1,956,610.72	\$1,883,634.94	\$70,740.39	\$2,235.39

* Agreement between US AID/Libya and Ministry of Finance, dated March 25, 1961.

^g Road tax on motor vehicles (Partly miscoded in records and placed in 930L Labor account.)

^g Taxes

^g Road tax on motor vehicles, L507.970 and other taxes, L4.083.

** At the rate of L1 = \$2.836. (Rate furnished by American Express Office in the American Embassy, Tripoli, Libya.)

^h For more details, see Findings Nos. 4 to 8.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Breakdown of Local Dollar Ledgers of H. K. Ferguson Company International, Inc.
From Inception of the Contract to c.o.b. March 14, 1962

HKF Code No.	Description	Direct Charges	Support Costs		Total
			W. H. Byrne	Ministry	
<u>General Requirements</u>					
NY-2	Taxes, FICA	\$ 9,336.81			\$ 9,336.81
4	Advertising for Craft Personnel	180.92			180.92
5	Subcontracts - Indirect Costs	43,357.67			43,357.67
10	Engr. Design & Non-Exp. Equip.	12,215.62	\$ 1,723.24		13,938.86
11	Engr. Supv., Inspect., Test, Survey	4,082.99			4,082.99
21	Workmen's Compensation	27,822.61			27,822.61
22	Liability Insurance	4,260.34			4,260.34
24	Other Insurance Including Marine	28,851.57			28,851.57
25	Unemployment Insurance	2,699.73			2,699.73
27	Vacation & Accrued Payrolls	13,252.89			13,252.89
		<u>\$ 146,061.15</u>	<u>\$ 1,723.24</u>	<u>--</u>	<u>\$ 147,784.39</u>
<u>Job Organization</u>					
NY-31	Travel Expenses	\$ 100,977.98			\$ 100,977.98
32a	Wages - American Personnel	743,747.50			743,747.50
32b	Wages - European Personnel	274,669.28			274,669.28
34	Office Sup., Engr. Sup. & Equip.	29,803.22	\$ 190.98		29,994.20
35	Telephone & Telegraph	6,936.46			6,936.46
37g	Housing - Authorized Expenses	3,516.36			3,516.36
		<u>\$1,159,650.80</u>	<u>\$ 190.98</u>	<u>--</u>	<u>\$1,159,841.78</u>
<u>General Construction Costs</u>					
NY-41	Temporary Building	\$ 5.33			\$ 5.33
42	Temporary Building - Improvements	112.60	\$ 3.85		116.45
43	Temporary Utilities	418.86	.53		419.39
50	Small Tools - Expendable	33,907.26	784.00		34,691.26
51	Small Tools - Non-Expendable	34,979.31			34,979.31
52	Equipment Rental	991.44			991.44
57a	Maint. & Repair to Equip. (Labor)	213.17			213.17
57b	Maint. & Repair to Equip. (Materials)	31,120.04			31,120.04
66	Job Supplies & Equip. (Expendable)	22,933.33	608.66		23,541.99
68	Office Furniture & Equip.	1,764.98			1,764.98
69	Construction Equipment	220,822.67			220,822.67
71	Freight Handling & Cartage	15,525.91			15,525.91
72	Air Freight	16,484.72			16,484.72
73	Ocean Freight	222,973.24			222,973.24
74	Warehouse Stock Items	60,798.97			60,798.97
75a	Accrued HKF Subcontract Costs	2,900.00			2,900.00
77	First Aid Supplies	1,834.80			1,834.80
10000	Replacement OS&D Material	1,132.94			1,132.94
FCN 2-1	Wages of Personnel		1,269.79		1,269.79
2-2	Office Supplies		35.17		35.17
2-6	Office Furniture & Equip.		183.19		183.19
1-2	Office Supplies			\$ 33.79	33.79
1-6	Office Furniture & Equip.			88.44	88.44
1-9	Project Dedication Ceremony			.71	.71
		<u>\$ 668,919.57</u>	<u>\$ 2,885.19</u>	<u>\$122.94</u>	<u>\$ 671,927.70</u>

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Breakdown of Local Dollar Ledgers of H. K. Ferguson Company International, Inc.
From Inception of the Contract to c.o.b. March 14, 1962

HKF Code No.	Description	Direct Charges	Support Costs		Total
			W. H. Byrnes	Ministry	
		Other			
NY 10-	Power Building	\$ 249,549.94	\$20,757.42		\$ 270,307.36
15-	Accessory Electrical Equipment	153.76			153.76
20-	Power House & Water Conduit	35,343.97	98.34		35,442.31
25-	Intake Structure	14,812.44			14,812.44
30-	Discharge Tunnel	4,517.30			4,517.30
35-	Water Storage & Distribution	312.07			312.07
37-	Ducts & Manholes (Power Plant)	3,128.00	753.15		3,881.15
40-	Fuel Oil System - Outside	4,663.53	1,971.90		6,635.43
45-	Plumbing & Water Drainage Lines		244.00		244.00
60-	Substations	38,856.08	2,373.74		41,229.82
65-	Towers	404.38			404.38
70-	Transmission Lines	738.67			738.67
75-	Ducts & Manholes (Transmission System)	906.32	26,046.58		26,952.90
FCN 2-3	Underground Ducts & Station		631.21		631.21
2-4	Transmission Lines		692.46		692.46
		<u>\$ 353,386.46</u>	<u>\$53,568.80</u>	<u>—</u>	<u>\$ 406,955.26</u>
	Grand Totals	<u>\$2,328,017.98</u>	<u>\$58,368.21</u>	<u>\$122.94</u>	<u>\$2,386,509.13</u>

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Libyan Pound Expenditures for Commercial Transportation of Field Staff Personnel

	Voucher No.	Fare Rates*		Expenditures				Funding**		Remarks
		1st Class	Tourist	Amount	Billed	Emp. Suspended	Allowable	Loan	Grant	
G. R. Bartlett										
Wife - Tripoli/San Francisco	3149	£288.650	£178.600	£ 363.667	£ 75.060		£ 288.607	£ 178.600	£ 110.007	
Child - Tripoli/San Francisco				181.833	37.529		144.304	89.300	55.004	
				£ 545.500	£ 112.589	--	£ 432.911	£ 267.900	£ 165.011	
G. L. Crow										
Naples/New York	2796	£223.800	£131.250	£ 205.357			£ 205.357	£ 120.434	£ 84.923	
Wife - Naples/New York				205.357			205.357	120.434	84.923	
				£ 410.714	--	--	£ 410.714	£ 240.868	£ 169.846	
W. Janacki										
Naples/New York	2946	£211.250	£123.100	£ 122.748			£ 122.748	£ 122.748		
Wife - Naples/New York				122.748			122.748	122.748		
Child - Naples/New York				61.376			61.376	61.376		
Adult - Naples/New York				122.748		£ 122.748				Non-resident relative. . .
				£ 429.620	--	£ 122.748	£ 306.872	£ 306.872	--	
R. K. Larson										
South Hampton/New York	2719	£	£	£ 196.429	£ 1.457		£ 194.972	£ 109.238	£ 85.734	
Wife - South Hampton/New York				196.429	1.457		194.972	109.238	85.734	
Child - South Hampton/New York				98.214	.757		97.457	54.619	42.838	
Child - South Hampton/New York				98.214	.757		97.457	54.619	42.838	
				£ 589.286	£ 4.428	--	£ 584.858	£ 327.714	£ 257.144	
R. B. Lincoln										
Tripoli/Rome/Zurich/Stuggart	3123	£223.800	£131.250	£ 55.900			£ 55.900)			
LaHavre/New York				166.429			166.429)	£ 131.250	£ 91.079	
Wife - Trip./Rome/Zurich/Stug.				55.900			55.900)			
LaHavre/New York				166.428			166.428)	131.250	91.078	
				£ 444.657	--	--	£ 444.657	£ 262.500	£ 182.157	

* Rates reported by American Embassy Travel Section, Tripoli, Libya.

** Computed per Memorandum Agreement between US AID/Libya and the Ministry of Finance, dated March 25, 1961.

£ A portion of the repatriation cost of the travelers was made from dollar funds.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Libyan Pound Expenditures for Commercial Transportation of Field Staff Personnel

	Voucher No.	Fare Rates*		Amount	Expenditures			Funding**		Remarks
		1st Class	Tourist		Billed	Emp.	Suspended	Allowable	Loan	
G. R. Martin Cannes/New York	2487 JV 7-395	£ 56.000	£ 44.000	£ 114.643	£ 58.643			£ 56.000	£ 56.000	Repatriation point Casablanca
Wife - Cannes/New York	2487 JV 7-395			114.643						
					58.643		56.000		56.000	
				<u>£ 229.286</u>	<u>£ 117.286</u>	--	<u>£ 112.000</u>	--	<u>£ 112.000</u>	
R. E. McNulty Tripoli/San Francisco	3149	£ 288.650	£ 178.600	£ 274.236			£ 274.236	£ 178.600	£ 95.636	
Wife - Tripoli/San Francisco				274.235			274.235	178,600	95.635	
				<u>£ 548.471</u>	--	--	<u>£ 548.471</u>	<u>£ 357.200</u>	<u>£ 191.271</u>	
C. B. Pepper Tripoli/Naples	3115	£ 223.800	£ 131.250	£ 23.935			£ 23.935)			
Naples/New York				189.286			189.286)	£ 131.250	£ 81.971	
Wife - Tripoli/Naples	3115			23.935			23.935)			
				<u>189.285</u>			<u>189.285)</u>	<u>131.250</u>	<u>81.970</u>	
				<u>£ 426.441</u>	--	--	<u>£ 426.441</u>	<u>£ 262.500</u>	<u>£ 163.941</u>	

* Rates reported by American Embassy Travel Section, Tripoli, Libya.

** Computed per Memorandum Agreement between US AID/Libya and the Ministry of Finance, dated March 25, 1961.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Libyan Port Expenditures for Commercial Transportation of Field Staff Personnel

	Voucher No.	Fare Rates*		Expenditures				Funding**		Remarks
		1st Class	Tourist	Amount	Billed Exp.	Suspended	Allowable	Loan	Grant	
J. Aquis Malta/Tripoli	2636	£ 9.750	£ 6.550	£ 6.570	—	—	£ 6.570	—	£ 6.570	Not considered Appendix "A" employee.
E. Peterle Tripoli/Tehran	2815	£ 110.000	£ 75.000	£ 110.000	—	—	£ 110.000	—	£ 110.000	Not considered Appendix "A" employee.
G. LoCicero Wife-Tripoli/Casablanca	2819s	56.000	£ 44.000	£ 74.500		£ 18.500	£ 56.000		£ 56.000	Not considered Appendix "A" employee.
Child-Tripoli/Casablanca				42.000		14.000	28.000		28.000	
Child-Tripoli/Casablanca				29.550		1.550	28.000		28.000	
Child-Tripoli/Casablanca				29.550		1.550	28.000		28.000	
				£ 175.600	—	£ 35.600	£ 140.000	—	£ 140.000	
P. Athanassiadis Tripoli/Athens	3131	£ 44.750	£ 31.200	£ 44.750	—	—	£ 44.750	—	£ 44.750	Not considered Appendix "A" employee.
G. Pisani Tripoli/Malta	2556	£ 9.750	£ 6.550	£ 6.550	—	—	£ 6.550	—	£ 6.550	Not considered Appendix "A" employee.

*Rates reported by American Embassy Travel Section, Tripoli, Libya.

** Computed per Memorandum Agreement between US AID/Libya and the Ministry of Finance, dated March 25, 1961.

§Travel to Tripoli/Rome/Nice/Casablanca. Chief Accountant stated wife and child were to travel on or about September 20, 1961, direct. Tripoli/Casablanca, but plane departed an hour early without travelers being notified of the change and missed it. Travelers were routed as traveled on the following day as lease on quarters expired that day and there was no plane direct to Casablanca. The employee remained on the payroll and in Tripoli until a later date.

§§Tripoli/Nice/Casablanca.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Libyan Pound Expenditures for Commercial Transportation of Field Staff Personnel

	Voucher No.	Fare Rates*		Expenditures			Funding**		Remarks	
		1st Class	Tourist	Amount Billed	Emps.	Suspended	Allowable	Loan		Grant
H. Field Tripoli/Rome	2944	£ 28.800	£ 20.600	£ 29.050 ^{ss}	—	—	29,050	£ 20.850	£ 8,200	
P. Skouses Tripoli/Pireo		£ 44.750	£ 31.200	£ 16,000 ^{ss}	—	—	£ 16,000	£ 16,000	—	Passage by Sea
N. Antoniou Tripoli/Cairo	2982	(None)	£ 32.500	£ 28,750	—	—	£ 28,750	—	£ 28,750	Not considered Appendix "A" employee.
C. Constantinidis Tripoli/Suez	2991	(None)	£ 32.500	£ 32,077	—	—	£ 32,077	—	£ 32,077	Not considered Appendix "A" employee.
H. Dixon London/Carlyle	3073			£ 10,000	—	—	£ 10,000	—	—	Repatriation point London per employment contract.

*Rates reported by American Embassy Travel Section, Tripoli, Libya.

**Computed per Memorandum Agreement between US AID/Libya and the Ministry of Finance, dated March 25, 1961.

ssIncludes Airport tax of £ .250.

ssShown on Ministry of Finance records as \$ 44.30.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Libyan Pound Expenditures for Commercial Transportation of Field Staff Personnel

	Voucher No.	Fare Rates*		Amount	Expenditures			Funding**		Remarks
		1st Class	Tourist		Billed Emp.	Suspended	Allowable	Loan	Grant	
C. Friacourt Paris/Tripoli	102	£ 53.100	£ 38.000	38.112 (38.000)		£ 0.112 8	38.000 (38.000)			Ticket not used
	JV 12-29			£ 0.112	-	£ 0.112	-	-	-	
C. Paraskevas Athens/Tripoli	102	£ 44.750	£ 31.200	52.113	-	£ 7.363 8	£ 44.750	£ 31.200	£ 13.550	Discharged
Totals				£4,135.547	234.303	£ 175.823	£3,725.421	£2,093.604	£1,631.817	
Dollar Equivalents***				\$11,728.41	\$ 664.48	\$ 498.64	\$10,565.29	\$ 5,937.46	\$ 4,627.83	

* Rates reported by American Embassy Travel Section, Tripoli, Libya

** Computed per Memorandum Agreement between USAID/Libya and the Ministry of Finance, dated March 25, 1961.

§ Stamp duty.

§ Includes Stamp duty of £ .112.

*** At the rate of £ = \$2.836. (Rate furnished by American Express Office in the American Embassy, Tripoli, Libya)

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Locally Assigned Field Staff Employees Considered as Being Financed
from Loan Funds in Accordance with Appendix A of Memorandum of
Understanding Between the Ministry of Finance and US AID/Libya
Dated March 25, 1961 *

<u>Section of Agreement</u>	<u>Name</u>	<u>Payroll Title</u>	<u>Date Hired</u>	<u>Date Terminated</u>
<u>Management Field Staff</u>				
1.	<u>Project Manager (1)**</u>			
	P. W. Holzgraf	Project Manager	9-13-59	7-20-60
	Ivan A. Custer	Project Manager	7- 1-60	
2.	<u>General Superintendent (1)</u>			
	R. B. Lincoln	General Elec. Supt.	8-29-59	
3.	<u>Project Engineer (1)</u>			
	R. K. Larson	Project Engineer	8- 4-59	
6.	<u>Superintendents (6)</u>			
	Sam Campanella	Building Supt.	11-18-59	6-15-61
	Guy L. Crow	Marine & Excavation Supt.	10- 6-59	
	E. B. Robinson	Asst. Bldg. Supt.	8-27-60	12-25-60
		Carpenter Supt.	12-26-60	
7.	<u>Office Manager (1)</u>			
	G. F. Middleton	Office Manager	7-20-59	
<u>Administrative and Supervisory - Field</u>				
9.	<u>Master Mechanic (1)</u>			
	Orville Johnson	Equipment Supt.	7-13-59	
10.	<u>Foreman or Assistant Superintendent (8)</u>			
	Jan Bakker	Asst. Mechanical Supt.	11-10-59	12-25-60
		Mechanical Supt.	12-26-60	
	Gerald Bartlett	Asst. Trans. Supt.	3- 9-60	
	Joseph Nottin	Lead Foreman Elec.	4- 4-60	
	Rene Roger	Plumber Foreman	4-20-60	
	Charles Friacourt	Pipefitter Foreman	10-19-59	
	Francis LaPlant	Carpenter Supt.	11-24-59	
	Guy Smith	Asst. Superintendent	5- 1-61	
	Hugh Roseberry	Asst. Bldg. Supt.	7-16-60	2-16-61
	John Tognotti	Asst. Elec. Supt.	12-23-60	4-19-61
	Howard Field	Pipefitter Foreman	2-17-61***	

* Based on information as to duties supplied by the local office of the H. K. Ferguson Company International, Inc., and discussions with the project office of the Ministry of Finance. (It is to be noted that payroll titles do not always coincide with the duties of the employees.)

** Figure in parenthesis indicates the maximum number of field staff positions to be financed from loan funds.

*** Hired 6-18-60; picked up as of 2-17-61 for employee quota in this list.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Locally Assigned Field Staff Employees Considered as Being Financed
from Loan Funds in Accordance with Appendix A of Memorandum of
Understanding Between the Ministry of Finance and US AID/Libya
Dated March 25, 1961 (Continued)

<u>Section of Agreement</u>	<u>Name</u>	<u>Payroll Title</u>	<u>Date Hired</u>	<u>Date Terminated</u>
12.	<u>Mechanical Engineer (1)</u>			
	Bruno Scialino	Office Engineer	7-27-59	
13.	<u>Electrical Engineer (1)</u>			
	C. B. Pepper	Office Engineer	1- 4-60	
14.	<u>Office Engineer (1)</u>			
	C. Paraskevas	Civil Engineer	10-13-59	3-22-60 ^δ
	Pete Skouzas	Construction Engineer	3-23-60 ^{δδ}	6-21-61
15.	<u>Field Engineer (1)</u>			
	Walter Janicki	Civil Engineer	12-29-59	
16.	<u>Chief Accountant (1)</u>			
	C. T. Johnson	Chief Accountant	7-30-59	
19.	<u>Chief Storekeeper (1)</u>			
	R. E. McNulty	Chief Warehouseman	7-25-59	
<u>Administrative and Office</u>				
23.	<u>Engineer Office (1)</u>			
	D. Cardarelli	Civil Engineer	1-23-60	2-15-60
26.	<u>Accountant (1)</u>			
	Maurine Stinson	Accountant	1- 2-60	11-19-60
28.	<u>Chief of Party (1)</u>			
	H. Klug	Chief of Party	4-13-60	9- 6-60
34.	<u>Clerk, Administrative (1)</u>			
	R. L. Maier	Stenographer	1-16-60 ^{δδδ}	3- 1-60
35.	<u>Secretary (2)</u>			
	Francis Spiney	Secretary	9-26-59	2-25-60
	Clara Sue Jones	Secretary	10-22-59	
	R. Loutfellah	Executive Secretary	2-29-60	1- 2-61

^δ Discharged

^{δδ} Hired 12- 8-59; picked up as of 3-23-60 for employee quota in this list.

^{δδδ} Hired 10-10-59; picked up as of 1-16-60 for employee quota in this list.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Exhibit No. 8

Expenditures for Shipments of Personal Automobiles from Libya at Project Cost
Per Records Available Locally

Employee	Date of Hire	Voucher			Recorded Cost		Suspended		Allowable	
		No.	Date		LL	\$	LL	\$	LL	\$
Jan Bakker	11-10-59	2719	9-12-61	Tripoli/New York	L 108.095				L 108.095	
		NY-1340	11-16-61	Delivery in New York		\$ 12.50				\$ 12.50
G. R. Bartlett	3- 9-60	3168	2-22-62	Tripoli/San Francisco	232.567		L232.567 ^Z			
G. Crow	10- 6-59	2812	10-11-61	Tripoli/Clinton, N. J.	101.363				101.363	
I. A. Custer	7- 1-60	3098	1-10-62	Tripoli/New York	98.918				98.918	
		NY-1421	25	New York/Lexington		147.00				147.00
		NY-1431	2- 7-62	Entry New York		10.00				10.00
W. J. Janicki	12-29-59	2946	11-21-61	Naples/New York	126.000		126.000*			
		NY-1405	1-12-62	New York/Sedro Woolley, Wash.		125.00		\$125.00*		
C. Johnson	7-30-59	3158	2-17-62	Tripoli/New York	198.000		198.000 ^Z			
O. Johnson	13	3098	1-10-62	Tripoli/New York	108.354				108.354	
		NY-1428	2- 6-62			31.60				31.60
		NY-1430	7	New York/San Mateo		125.00				125.00
F. J. LaPlant	11-24-59	3098	1-10-62	Tripoli/New York	51.092				51.092	
		NY-1428	2- 6-62	Entry New York		22.60				22.60
		NY-1440	20	New York/Longview, Wash.		125.00				125.00
R. K. Larson	8- 4-59	NY-1408	1-15-62	Tripoli/LaHavre/New York		221.00				221.00
R. B. Lincoln	29	3123	24	LaHavre/New York	125.000		125.000**			
		NY-1434	2-13-62	New York/Monterey, Calif.		125.00		125.00**		
G. Martin	11-25-59	JV 7-395	7-11-61	Cannes/New York	70.648***				70.648	
R. E. McNulty	7-25-59	3179	2-28-62	Tripoli/New York	111.531		111.531 ^Z			
G. F. Middleton	20	2977	11-30-61	Tripoli/Rome	50.700				50.700	
		NY-1391	12-29-61	Rome/Paris		166.00				166.00
C. B. Pepper	1- 4-60	3115	1-20-62	Tripoli/New York	166.770				166.770	
J. W. Poff	7- 6-59	3023	12-14-61	Tripoli/New York	143.070				143.070	
		NY-1407	1-15-62	Delivery in New York		20.00				20.00
		NY-1442	2-21-62	New York/Omaha		55.00				55.00
Bruno Scialino	27	2868	10-29-61	Tripoli/Antwerp	75.361				75.361	
Frank Slaton	16	2724	9-13-61	Tripoli/San Francisco	217.131				217.131	
Totals					<u>L1,984.600</u>	<u>\$1,185.70</u>	<u>L793.098</u>	<u>\$250.00</u>	<u>L1,191.502</u>	<u>\$935.70</u>

* Automobile used by the employee in Tripoli was reportedly sold before employee's departure; new car was purchased in Europe and shipped from Naples.

** Automobile used by the employee in Tripoli was reportedly sold before employee's departure; new car was purchased in Europe and shipped from LaHavre.

*** Shipment of personal automobile authorized at cost not to exceed Tripoli/Casablanca. Cost shown is allowable for such shipment. Balance of cost reimbursed by employee.

^Z Suspended for lack of documents supporting the invoice, such as copy of Bill of Lading, receipts, etc.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Shipments of Personal and Household Effects from Libya at Libyan Pound Costs (Other than privately Owned Automobiles)

Employee	Voucher No.	Weight Lbs.		Cost		Amount Refunded	Amount Due		Suspended \$	Computed Loan*		Computed Grant*	
		Gross	Net	Surface	Air		Surface	Air		Surface	Air	Surface	Air
J. Bakker	2719	4142	2872	£ 89,218		£ 27,088				£ 43,296		£ 18,834	
	2753	141			£ 39,800	11,533				£ 28,267			
				£ 89,218	£ 39,800	£ 38,621	--	--	--	£ 43,296	£ 28,267	£ 18,834	--
G. Bartlett	3168	2758#		£ 439,607		--	--	--	--	£ 318,786	--	£ 120,821	--
B. Campanella	2490	1459	1042#	£ 44,001		--	--	--	--	£ 44,001	--	--	--
G. Crow	2812	1606	1137#	£ 101,363)						£ 106,398		£ 21,598	
	2812	800	550	26,633)						£ 39,700			
	2862	90			£ 39,700					£ 39,700			
				£ 127,996	£ 39,700	--	--	--	--	£ 106,398	£ 39,700	£ 21,598	--
W. Janicki	3023	3239	2314#	£ 67,166		--	£ 9,114	--	--	£ 41,480	--	£ 16,572	--
G. Johnson	3158	1707	1220#	£ 166,850		--	--	--	£ 166,850##	£ --	--	--	--
O. Johnson	3103	120			£ 48,470				£ 8,078		£ 40,392		
	3023	2504	1788#	£ 93,196		--	--	--	£ 8,078		£ 74,438	£ 18,758	--
				£ 93,196	£ 48,470	--	--	--	--	£ 74,438	£ 40,392	£ 18,758	--
F. LaPlant	3091	45			£ 36,100						£ 36,100		
	3098	2346	1710	£ 136,073		--	--	--	--	£ 116,004		£ 20,069	
				£ 136,073	£ 36,100	--	--	--	--	£ 116,004	£ 36,100	£ 20,069	--
R. Larson	2719	2098	1428	£ 67,554						£ 64,400	£ 28,100	£ 3,154	
	2753	75			£ 28,100								
				£ 67,554	£ 28,100	--	--	--	--	£ 64,400	£ 28,100	£ 3,154	--

*Per Memorandum Agreement between US AID/Libya and Ministry of Finance, dated March 25, 1961.

#Computed on basis of U. S. Government Formula - Net = 5/7 of Gross.

##Suspended for documents supporting invoice of forwarding organization. (Bill of Lading, etc.)

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Shipments of Personal and Household Effects from Libya at Libyan Found Costs (Other than Privately Owned Automobiles)

Employee	Voucher No.	Weight Lbs.		Cost		Amount Refunded	Amount Due		Suspended $\phi\phi$	Computed Loan*		Computed Grant*	
		Gross	Net	Surface	Air		Surface	Air		Surface	Air	Surface	Air
R. Lincoln	3168			L 106.395		--	--	--	L106.395 $\phi\phi$	--	--	--	--
G. Martin	2488	136			L 13.120								
	JV 7-395					L 4.712							L 8.408
	2908	2403	1775	L 84.394		35.772						L 48.622	
				L 84.394	L 13.120	L 40.484	--	--	--	--	--	L 48.622	L 8.408
R. McNulty	3179			L 236.721			--	--	L236.721 $\phi\phi$	--	--	--	--
G. Middleton	2912	77			L 11.525						L 11.525		
	2977	53			8,650	L 4.985					3,665		
	3146	2343	1506	L 218.855						L 186.816		L 32.039	
				L 218.855	L 20.175	L 4.985	--	--	--	L 186.816	L 15.190	L 32.039	--
C. Pepper	3142	99			L 28.100						L 28.100		
	3168	1463 ϕ	1040	L 128.396						L 128.396			
				L 128.396	L 28.100	--	--	--	--	L 128.396	L 28.100	--	--
B. Peterle	2747	87			L 11.525	--	--	--	--	--	--	--	L 11.525
J. Poff	2023	3043	2174 ϕ	L 81.699			L 6.539					L 75.160	
	2813	26			L 14.320	L 14.320							
	3055	125			38.080	7.716							L 30.364
				L 81.699	L 52.400	L 22.036	L 6.539	--	--	--	--	L 75.160	L 30.364

* Per Memorandum Agreement between US AID/Libya and Ministry of Finance, dated March 25, 1961.
 ϕ Computed on basis of U. S. Government Formula - Net = 5/7 of Gross.
 $\phi\phi$ Suspended for documents supporting invoice of forwarding organization. (Bill of Lading, etc.)

TRIFOLI POWER PLANT PROJECT
H. K. PERGUSON COMPANY INTERNATIONAL, INC.

Shipments of Personal and Household Effects from Libya at Libyan Pound Costs (Other than Privately Owned Automobiles)

Employee	Voucher No.	Weight Lbs.		Cost		Amount Refunded	Amount Due		Suspended $\text{\textit{pp}}$	Computed Loan*		Computed Grant*	
		Gross	net	Surface	Air		Surface	Air		Surface	Air	Surface	Air
W. Rich	2490	515	368 $\text{\textit{p}}$	£ 21,286								£ 21,286	
	2490	537	384 $\text{\textit{p}}$	19,947								19,947	
				£ 41,233	--	--	--	--	--	--	--	£ 41,233	--
B. Scialino	2813	130			£ 14,925	£ 3,427							
	2812	291	196	£ 6,634)									
	2822	1789	1242	9,159)									
	3111			11,637)									
				£ 27,430	£ 14,925	£ 3,427	--	--	--		£ 26,375	£ 11,498	£ 1,055
F. Slaton	2607	3025	2161 $\text{\textit{p}}$	£ 130,030			£ 9,688						£ 120,342
	2663	130		£ 58,390	£ 13,026								£ 45,364
				£ 130,030	£ 58,390	£ 13,026	£ 9,688	--	--	--	--	--	£ 120,342
I. Ouster	3120	99			£ 28,100								
	3184	1998	1427 $\text{\textit{p}}$	£ 60,532									
	3184			10,367									
			£ 70,899	£ 28,100	--	--	--	£ 10,367 $\text{\textit{pp}}$		£ 60,532	£ 28,100	--	--
A. Canales	2935	480	343 $\text{\textit{p}}$	£ 4,142		£ 2,415							£ 1,727
	3163			3,910									3,910
				£ 8,052	--	£ 2,415	--	--	--	--	--	--	£ 5,637
P. Guaresi	2906	72			£ 32,500	£ 32,500							
	2908	951	680 $\text{\textit{p}}$	£ 22,259		18,414							£ 3,845
				£ 22,259	£ 32,500	£ 50,914	--	--	--	--	--	--	£ 3,845

* Per Memorandum Agreement between US AID/Libya and Ministry of Finance, dated March 25, 1961.
 $\text{\textit{p}}$ Computed on basis of U. S. Government Formula - Net = 5/7 of Gross.
 $\text{\textit{pp}}$ Suspended for documents supporting invoice of forwarding organization. (Bill of Lading, etc.)

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Shipments of Personal and Household Effects from Libya at Libyan Pound Costs (Other than Privately Owned Automobiles)

Employee	Voucher No.	Weight Lbs.		Cost		Amount Refunded	Amount Due		Suspended \pounds	Computed Loan*		Computed Grant*	
		Gross	Net	Surface	Air		Surface	Air		Surface	Air	Surface	Air
H. Field	2944	100			\pounds 7.650	--	--	--	--	--	\pounds 7.650	--	--
R. Roger	2994	635	454 \pounds	\pounds 6.213		\pounds 3.260	--	--	--	\pounds 2.953	--	--	--
C. Constantinidis	2994	563	402 \pounds	\pounds 7.196		\pounds 3.260	--	--	--	--	--	\pounds 3.936	--
M. Antoniou	3012	88			\pounds 10.500	--	--	--	--	--	--	--	\pounds 10.500
K. Owaijan	3124	460	329 \pounds	\pounds 23.663		\pounds 13.374	--	--	\pounds 10.289 $\pounds\pounds$	--	--	--	--
E. Robinson	3130	1375	982 \pounds	\pounds 110.658		\pounds 84.447	--	--	\pounds 26.211 $\pounds\pounds$	--	--	--	--
P. Athanassiadis	3139	200	143 \pounds	\pounds 27.736		--	--	--	--	--	--	\pounds 27.736	--
N. Samios	3157	211	150 \pounds	\pounds 14.483		--	--	--	--	--	--	\pounds 14.483	--
G. LoCicero	3157	1882	1345 \pounds	\pounds 75.071		--	--	--	--	--	--	\pounds 75.071	--
C. Friacourt	3158	1031	735 \pounds	\pounds 97.250		\pounds 78.385	--	--	\pounds 18.865 $\pounds\pounds$	--	--	--	--
Charles Stephens Westinghouse Elec. Corp., Davenport	2559	122		\pounds 22.512		\pounds 22.512**	--	--	--	--	--	--	--
Totals				<u>\pounds2,772.806</u>	<u>\pounds469.555</u>	<u>\pounds381.146</u>	<u>\pounds 25.341</u>	<u>\pounds 8.078</u>	<u>\pounds575.698$\pounds\pounds$</u>	<u>\pounds1,213.875</u>	<u>\pounds263.097</u>	<u>\pounds 668.965</u>	<u>\pounds 106.161</u>

* Per Memorandum Agreement between US AID/Libya and Ministry of Finance, dated March 25, 1961.

** Billed Ministry of Finance.

\pounds Based on U. S. Government Formula - Net = 5/7 Gross.

$\pounds\pounds$ Suspended for documents supporting invoice of forwarding organization. (Bill of Lading, etc.)

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Disallowable Libyan Pound Expenditures for Cables and Telegrams

<u>Voucher</u>		<u>Cables and Telegrams</u>					<u>Cost</u>
<u>No.</u>	<u>Date</u>	<u>No.</u>	<u>Date</u>	<u>Words</u>	<u>Destination</u>	<u>Subject</u>	
227	11-18-59	647	10- 3-59	38	New York	Hotel Reservations	£ 3.615
		339	17	26	Benghazi	" "	.265
							<u>£ 3.880</u>
						Fee at 2%	.078
						Stamps	--
						Total	<u>£ 3.958</u>
768	4-30-60	473	3- 5-60	40	New York	Ferguson Contract	£ 1.925
		871	17	54	" "	" "	2.597
		873	17	48	" "	" "	2.309
		279	31	136	" "	" "	<u>6.533</u>
							<u>£13.364</u>
						Fee at 2%	.267
						Stamps	--
						Failure to deduct 2% fee on other non-reimbursable cables included in voucher and charged to reimbursable costs	.141
						Total	<u>£13.772</u>
2194	3-21-61	855	3-21-61	145	New York	Ferguson Contract	£ 6.970
						Fee *	--
						Stamps	(Negligible)
						Total	<u>£ 6.970</u>
						Grand Total	<u><u>£24.700</u></u>

* Fee not applicable at this time. Flat monthly charge of £2.000 made by Postal, Telephone and Telegraph Division of the Libyan Government in lieu of fee.

TRIPOLI POWER PIANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Miscellaneous Disallowable Amounts Included in Local Libyan Pound Ledgers

<u>Voucher No.</u>		<u>Amount</u>
828	Business Cards	£ 4.500
910	Business Cards	1.000
1252	Driver's License (Project Manager)	1.500
1473	Entertainment	1.260
1676	Bad Debt (Advance of Wages)	<u>2.142</u>
	Total	<u>£ 10.402</u>

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Exhibit No. 12

Page 1

Recorded Issues of Household Furnishings to Other Than Employees of H. K. Ferguson Company International, Inc.

	<u>Date Issued</u>	<u>Date Returned</u>	<u>Quantity (Each)</u>	<u>HKF Property Tag No.</u>	<u>Recorded Value (New)**</u>	<u>Explanation by Chief Warehouseman as to Issue</u>
<u>Ali Said Biala, Adrian Pelt 98</u> Heater, Kerosene, Sankey DeLuxe	1959*	*	1	423	\$ 31.73	Does not know details other than that Mr. Biala is employed in the project office of the Ministry of Finance.
<u>A. D. Daniel, No. 6 Sc. Istanbul</u> Refrigerator, Westinghouse, 11 cu. ft. (V306193)	7-24-61	****	1	268	\$ 179.00	Temporary loan while Mr. Daniel's personal refrigerator was being repaired. Mr. Daniel is employed in the project office of the Ministry of Finance.
Transformer, G.E., Model 9T31Y5403	24	****	1	133	15.50	
					<u>\$ 194.50</u>	
<u>Abdulla Sikta (Address not shown)</u> Refrigerator, Westinghouse, 11 cu. ft. (V382008)	5-23-61	****	1	503	\$ 179.00	Does not know details other than that Mr. Sikta is the Electricity Project Director of the Ministry of Finance.
Medicine Cabinet, White	6-13-61	****	1	239	9.22	
Towel Racks, Glass Rods	13	****	2	--	.43	
Toothbrush Holders, Less Glasses	13	****	2	--	2.56	
Soap Dish and Holder	13	****	1	--	.22	
Towel Rack, Kitchen	13	****	1	--	.22	
Toilet Tissue Holder	13	****	1	--	.22	
Stove, Gas, Welbilt (S/N 51738)	16	****	1	377	103.00	
					<u>\$ 294.87</u>	
<u>George C. Thomas, Sidi Beliman 68</u> Chairs, Dining, Curved Backs	8-15-61	2-27-62	6	73 to 78	\$ 21.27	Mr. Thomas is an employee of the Combustion Engineering Co. who was working at the power plant project.
Foot Stools, Upholstered, Blue	15	27	2	310-311	***	
Desk, Typist	15	27	1	624	34.03	
Chairs, Upholstered, Blue	15	27	2	307-308	45.38	
Daveno, Upholstered, Blue	15	27	1	306	28.36	

* Month and day of issue not available. Returned on an unrecorded date subsequent to December 13, 1961.

** Per H. K. Ferguson Company International, Inc., records. In some instances the items were purchased locally with Libyan pounds. For the purpose of this list, such expenditures were converted to dollars at the rate of LL 1 = \$2.836.

*** No cost figures found in records.

**** Outstanding at completion of project. Receipt given by the borrower accepted by the Libyan Government at the time the furniture inventory was turned over to the Libyan Government.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Page 2

Recorded Issues of Household Furnishings to Other Than Employees of H. K. Ferguson Company International, Inc. (Continued)

	<u>Date Issued</u>	<u>Date Returned</u>	<u>Quantity (Each)</u>	<u>HKF Property Tag No.</u>	<u>Recorded Value (New)**</u>	<u>Explanation by Chief Warehouseman as to Issue</u>
<u>George C. Thomas (Continued)</u>						
Buffet, Less Glass Front	8-15-61	2-27-62	1	71	\$ 120.00*	
Bed, Single with Springs and Mattress	15	27	1	384	58.00*	
Wardrobe, 2 Door, 2 Drawer	15	27	1	387	51.05	
Table, Dining	15	27	1	72	22.69	
Chairs, Dining, Straight Back, Upholstered	15	27	4	127 to 130	14.16	
Heaters, Kerosene	15	27	3	27-29-30	101.19	
Cabinet, Kitchen, 6 Door, 3 Drawer	15	27	1	131	36.87	
Wardrobe, 3 Door, 3 Drawer	15	27	1	138	90.75	
Wardrobe, 1 Door, 1 Drawer, With Mirror	15	27	1	137	51.05	
Cabinet, Medicine, White	15	27	1	135	9.22	
Towel Rack, With Glass Rod	15	27	2	--	.44	
Toothbrush Holder with Glass (1 Glass Broken)	15	27	2	--	2.56	
Soap Dish, Bathroom	15	27	1	--	.22	
Towel Rack, Kitchen	15	27	1	--	.22	
Chest of Drawers, 6 Drawers, With Mirror	15	27	1	139	51.05	
Toilet Tissue Holder, Plastic	15	27	1	--	.22	
Stove, Gas, Welbilt (S/N 15044)	15	27	1	132	103.00	
Bed, Single, With Mattress and Headboard	15	27	1	136	60.00*	
Transformer, Model 9T51Y5403, G.E. 50/60 cycles, KVA 550	15	27	1	133	15.50	
Transformer, Local	15	27	1	134	15.31	
					<u>\$ 932.54</u>	
				Grand Total	<u>\$1,453.64</u>	

* Originally loaned to Ministry of Finance by US AID/Libya. Acquisition value's furnished by Executive Office, US AID/Libya.

** Per H. K. Ferguson Company International, Inc., records. In some instances the items were purchased locally with Libyan pounds. For the purpose of this list these expenditures were converted to dollars at the rate of LL 1 = \$2,836.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Exhibit No. 13

Certain Questionable Payments from Dollar Funds for Travel Expenses

Traveler	Voucher		Purpose of Voucher	Reason Questioned	Explanation by Chief Accountant
	No.	Amount			
P. W. Holzgraf	294	\$ 149.13	Travel Expenses and Telephone & Telegraph	Performed prior to June 24, 1959; the date of HKF Letter of Intent was signed.	Probably should have been charged to "getting contract."
W. Janicki	296 & 357	\$ 647.58	Travel Expenses	Performed prior to December 24, 1959; the date of contract of hire.	Probably should have been charged to Home Office Sub-contract.
J. P. Carraux	294	\$ 42.79	Air Fare - Pittsburg/New York and return with excess baggage	Never assigned to Libya	Traveler brought to New York from Ferguson's Pittsburg Office to set up books for the project.
	294 & 356	<u>1,111.94</u>	Subsistence in New York		
		<u>\$1,154.73</u>			
G. R. Farnoll	294	\$ 213.80	Subsistence in New York	Never assigned to Libya	(No explanation) --
		104.85	RR Fare - Cleveland/New York and return		
		<u>18.45</u>	Other travel expenses		
		<u>\$ 337.10</u>			
L. O. Walton	294	\$ 25.33	"Travel Expenses"	Never assigned to Libya	(No explanation)
Total		<u>\$2,313.87</u>			

Source: Locally available vouchers of H. K. Ferguson Company International, Inc.

TRIPOLI POWER PLANT PROJECT
H. K. FERGUSON COMPANY INTERNATIONAL, INC.

Billings Located for Immunizations (Inoculations)
of Field Staff Personnel and Dependents Prior to Arriving in Libya

<u>Employee</u>	<u>Authorized Dependents</u>	<u>Number of Inoculations</u>							<u>Total Cost</u>
		<u>Smallpox*</u>	<u>Tetanus</u>	<u>Typhus*</u>	<u>Typhoid*</u>	<u>Cholera</u>	<u>Polio*</u>	<u>Y.Fever</u>	
Jan Bakker	4	6	5	5	5				\$ 50.00
Guy Crow	1		(Not itemized)						36.00
G. DaSois	0		(10 shots - not itemized)						50.00
D. Greco	0	1		1	1	1	1		16.00
P. W. Holzgraf	4		1	1	1	2	1		20.00
W. Janicki	2	1	1	4	6	6	2		84.00
C. T. Johnson	1	2	3	5	6	4		1	60.50
O. L. Johnson	0		2	2	3	2	1		32.00
F. J. LaPlant	1		(Not itemized)						4.00
R. K. Larson	0		1	1	1	2	1		20.00
R. E. McNulty	1	2	3	3	4	3	2		53.00
C. Pepper	1		(No itemization found)						6.00
J. W. Poff	4	4	5	6	4	2	5		60.00
W. A. Rich	2	1	1	1	1	1	1		19.00
B. Scialino	1		1		1	2			12.00
F. E. Slaton**	1		2	1	2	2	2		66.00
G. Bartlett, Jr.	2				2	2	4		73.00
S. Fitts	0			2		2	1	1	16.25
L. E. Ward	0	1	1	2	3	2	1		55.00***
Total								732.75	

* Reported by USAF Hospital, Wheelus Air Force Base, Tripoli, Libya, as required by USAF for entry of USAF personnel into Libya.

** Billing not completely itemized. It is possible that there were additional inoculations in the total reflected cost.

*** Physical examination and inoculations not separately itemized as to cost. Reflected amount includes cost of physical examination.

AIRGRAM

Department of State

Exhibit No. 15

SECURITY CLASSIFICATION UNCLASSIFIED

FROM: Tripoli

Form with fields: PAGE 1 OF 3, CATEGORY 3-23-62, ENCRYPTED

SUBJECT - Inauguration of Tripoli Power Plant by

REFERENCE - (Check one before each office)

PROJECT G-0-1

DISTRICT OFFICE ACTION

ACTION

INFO

ADDRESS AND SERIAL NUMBER

AID/W TOAID A 187

NOTE

The Tripoli Power Plant was inaugurated December 27, 1961, in the presence of King Idris I, the dedication ceremony being one of the principal features of the week-long celebration of the 10th anniversary of Libyan independence.

The EOL has laid great stress on the fact that the power plant was completed substantially within the funds available, as well as according to the time schedules specified in the engineering and construction contracts.

Only on one previous occasion has H.M. the King participated in a ceremony of this kind, that being the opening of the ESSO pipe line and port at Mazza el Berega last October.

SECURITY CLASSIFICATION UNCLASSIFIED

(COPY)

Table with columns: DRAFTED BY, OFFICE, PHONE NO., DATE. Row 1: /c/ HF HFlaata - Ind. Officer, EFlaata:pf, IND, 87, 1/13/62

Approved: /s/ DEI Donald B. MacPhail Director

(Do not type below this line)

DEPARTMENT OF STATE

TRIPOLI

TOAID A 187

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presented to him by the Westinghouse International Company. Over 650 guests were present at the inauguration ceremony, including all Libyan Ministers and most of the top GUL and provincial government officials, the entire diplomatic corps, top representatives of the Libyan business community, and foreign delegations in Libya for the 10th anniversary celebration, including the delegations from all the Arab states. The chief of the U.S. special delegation, Lewis Clark, and Ambassador Jones witnessed the ceremony from the dias erected for the King and the special guests.

Donald MacPhail, USOM Director, and Harald Flaata, Industry Officer, were presented to the King upon his arrival at the plant, as were William Byrne, Allen Kniffen, and Werner Ross of William Byrne Associates; Ivan Gustor and Lewis Lincoln of H. K. Ferguson; Robert Hednesen of Westinghouse International; and Dr. Camissa of the Libya Electricity Corporation. Other senior officers of the Embassy/USIS/USOM and Wheelus air Base also attended the ceremony.

H.M. the Prime Minister delivered the only speech. However, he spoke at considerable length and referred to the power plant as being one of the most important projects undertaken during the first 10 years of Libyan independence. He expressed warm recognition of the American contributions to the project and said:

"Your Majesty, at this stage, I wish to pray you for permission to express my entire thanks and appreciation to the high spirit of mutual friendship and cooperation which has prevailed between your Government and that of the United States of America, the qualities which have culminated in bringing to light the firm establishment of this vital important Electricity Project, the cost of which has reached \$4,300,000 or the equivalence of \$12,100,000 out of which \$8,500,000 has been presented to us by the above friendly Government in a form of long-term loans at low rate of interest, part of which shall be converted into a grant in aid to the benefit of the project.

"I wish also to pray your Majesty for permission to commend the straining successful efforts and endeavors displayed by W.H. Byrne the Consulting Engineers, by H.K. Ferguson International, Inc., the Constructor Firm, by the experts of the Westinghouse Electric International, Co., by the Engineers of the American International Cooperation Administration in the United States and in Libya, by the Engineers of the Libyan Electricity Corporation and by our Libyan Laborers who have gained considerable skill and experience throughout the work."

An eighteen-page booklet was printed to commemorate the dedication ceremony and contains 50 photographs of progress of construction, pictures of high Libyan officials, Ambassador Jones, Assistant Secretary of State Williams, Mr. MacPhail, and USOM officers. It also contains a three-page chronological history of the project, including recognition of the American role in the project, i.e. American financing, American engineering and design, American construction, American manufactured equipment, and technical assistance and advice provided by the USOM/Libya

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TRIPOLI

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staff. Copies of the booklet were distributed to all guests attending the ceremony; 25 of which are forwarded herewith* A copy of the Prime Minister's speech as well as the stories appearing the Tripoli Mirror and Tripoli Sunday Ghibli and photographs of the ceremony are also enclosed. Considerable publicity was given the ceremony in the local Arabic and Italian press.

The Mission draws particular attention to the publicity and recognition given to American participation in the Tripoli Power Project, since this constitutes a welcome departure from Libyan Practices many times in the past when U.S. officials were not even invited to dedication ceremonies for facilities or demonstrations funded by the Aid Program. Several months ago similar recognition of a USOM-sponsored project was provided in connection with the opening of the Tripoli Telephone Exchange.

JONES

Enclosures:

a/s

* Note: Copies of the booklet are not included with this exhibit.

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