

## Chatham fisherman catches fuel price error

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Whiteley Fuel Co. supplies gas at these pumps at Chatham fish pier. Fisherman Peter Taylor probed the company's prices which led to an audit by the town.

Cape Cod Times/Steve Heaslip

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By **Doug Fraser**  
dfraser@capecodonline.com  
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CHATHAM — To fishermen, who spend hundreds, sometimes thousands of dollars a day in fuel, any increase in the price of diesel or gasoline can really cut into profits. That's especially true given the long distances they now travel to find fish.

So when Chatham fisherman Peter Taylor thought the fuel prices being charged at the Chatham fish pier were too expensive, he investigated it himself by spending \$600 to get daily fuel prices from the Boston Journal of Commerce and compare it with his receipts.

According to its contract with the town, Whiteley Fuel Co. could only charge 35 cents over the journal of commerce price, and Taylor's mini-audit found enough discrepancies that the town commissioned a \$7,000 audit of Whiteley's 2008 records. That audit found over \$41,000 in overcharges to fishermen.

"No one benefitted financially from our mistake, and we're offering to make good on our mistake," Whiteley Fuel co-owner Tom Whiteley told selectmen at their meeting this week.

At the meeting, Whiteley said he told fishermen and town officials that he'd reimburse fishermen 20 cents on the gallon and pay for town's \$7,000 audit. He explained that the company had violated the terms of the contract by charging market prices, instead of the indexed price, when fuel prices collapsed quickly from highs of over \$4 a gallon in the summer of 2008. Since he purchased in 10,000 gallon lots, he was sometimes left with fuel that was worth more than what he could sell it for, according to the contract.

"They dropped 30 cents a gallon in a day," he explained. "We based it on our cost, not on the Boston price."

Whiteley has been the low bidder on the fuel contract twice, holding it for the last 10 years. Taylor said fishermen would like to see the audit expanded to cover other years.

Finance Director Jennifer Petit said the town does not normally conduct any scheduled audit on the fuel contract to make sure that the lessee lives up to the terms of his low bid.

"We depend on the fishermen to tell us (about discrepancies)," she said.

Taylor said that is hard to do because the Boston journal charges hundreds of dollars a year to access its data base daily. Petit said the town has now required Whiteley to post the journal price at the pumps daily.

Petit said the town also does not check on whether the town is getting the right amount of money from a 7-cent per-gallon surcharge that Whiteley collects from fishermen and turns over to the town. That surcharge amounts to \$15,000 a year in revenue.

Harwich Harbor Master Tom Leach said his town also does not check on whether they are getting the right amount from a surcharge they impose on fuel dealers who deliver to commercial fishing vessels from fuel trucks at town harbors. In most other towns, there is no town fuel dock and fishermen fill up at private marinas.

Whiteley pointed out that his prices in 2008 were never above what was being charged at private marinas in

Chatham. Taylor believes that a low bid contract means you live with the price or else the bid process is meaningless.

"He wants you to feel sorry for him that he got caught up in price fluctuations," said Taylor yesterday. "He put in the bid for 35 cents. No one made him sign that."

Selectmen can terminate the agreement if the lessee doesn't live up to the terms of the fuel contract, but the lease expires next month and new bid packages have already gone out. Selectmen haven't made any decision on Whiteley's offer yet, but the fuel pier discussion is on the agenda for this Tuesday.

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