



May 16, 2007

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SUBJECT: Audit Report – Postal Service’s Workplace Safety and Workplace-Related Injury Reduction Goals and Progress (Report Number HM-AR-07-002)

This report presents the results of the review required by the Postal Accountability and Enhancement Act (PAEA),¹ *Report on Postal Workplace Safety and Workplace-Related Injuries*, Section 704(a) (Project Number 07YG012HM000). This section of the act states the U.S. Postal Service Office of Inspector General (OIG) will detail and assess the progress made by the Postal Service in improving workplace safety, reducing workplace-related injuries nationwide, and identifying opportunities for improvement, not later than 6 months after enactment.

Our objectives were to:

- (1) Identify injury reduction goals established by the Postal Service for fiscal years (FYs) 2005 and 2006 and assess its success in meeting these goals.
- (2) Identify where the Postal Service (nationwide)² was unsuccessful in meeting its injury reduction goals, explain the reasons for this, and identify opportunities for making further progress in meeting these goals.
- (3) Describe the actions the Postal Service took to improve workplace safety and reduce workplace-related injuries.

¹ Public Law 109-435, *Postal Accountability and Enhancement Act*, December 20, 2006.

² The PAEA required us to identify the “areas” (facility locations) where the Postal Service failed to meet its goals. Through discussions with congressional staff we agreed this audit would review nationwide goals, and a subsequent audit would review specific facility goals.

- (4) Determine if the Postal Service goals were in accordance with the Department of Labor's (DOL) Occupational Safety and Health Administration (OSHA) guidelines for establishing injuries and illnesses³ (I&I) goals.

We concluded the Postal Service established and exceeded its OSHA I&I reduction goals for FYs 2005 and 2006. In fact, over the past 5 years, the Postal Service's OSHA I&I rate and numbers have decreased 27 and 34 percent, respectively. The Postal Service's success in achieving its OSHA I&I goals was due to numerous actions taken to improve workplace safety and reduce workplace-related OSHA I&I nationwide. The Postal Service has also identified opportunities for making further progress in meeting its goals. This includes partnerships and agreements with its four major unions⁴ to work together to improve workplace safety.

In addition, although OSHA does not establish individual injury reduction goals for federal agencies or the Postal Service, it does establish a national average injury reduction goal to reduce OSHA I&I for all entities within its jurisdiction. Using OSHA's national average reduction goal as a benchmark, we determined the Postal Service exceeded OSHA's national average 5-year goal by 7 percent. According to the DOL OSHA Special Assistant to the Director of Cooperative and State Programs (OSHA Special Assistant), the partnership with the Postal Service is one of OSHA's best in terms of OSHA I&I reductions.

Further, there may be a corresponding reduction in the Postal Service's total accident and OSHA I&I costs. However, it does not capture individual accident costs and, therefore, we could not determine the cost savings in key categories from one year to the next. The OIG made one significant recommendation to help the Postal Service monitor costs associated with accidents and OSHA I&I. This recommendation could indirectly assist the Postal Service in targeting high cost areas for reductions in accidents and OSHA I&I. In addition, ensuring the safety of employees has a positive impact on goodwill and the Postal Service brand. We will report this potential non-monetary impact (safeguarding employees and the work environment, and preserving the integrity of the Postal Service brand) in our *Semiannual Report to Congress*.

The Employee Resource Management Vice President (VP) agreed with the report as written, the non-monetary impact, and the recommendation to capture OSHA I&I costs. Management's comments, in their entirety, are included in Appendix G of this report.

Background

The Postal Service is subject to the Occupational Safety and Health (OSH) Act of 1970 pursuant to the *Postal Employees Safety Enhancement Act of 1998*. The OSH Act

³ OSHA defines an injury as any wound or damage to the body resulting from an event in the work environment. Illnesses (produced by the work environment) include both acute and chronic illnesses such as, but not limited to, skin diseases, respiratory disorders, or poisonings.

⁴ The Postal Service's four major unions are the American Postal Workers Union (APWU), the National Association of Letter Carriers (NALC), the National Postal Mail Handlers Union (NPMHU), and the National Rural Letter Carriers' Association (NRLCA).

provides citations, penalties, and criminal referrals for employers who fail to comply. OSHA is responsible for promulgating and enforcing standards and regulations under the OSH Act. The Postal Service is subject to the reporting requirements of OSHA and follows the required criteria and reporting methodology. The Postal Service is also obligated under OSHA's "General Duty" clause⁵ to provide a safe and healthful working environment for all workers covered by the OSH Act.

According to Postal Service policy,⁶ the Safety and Environmental Performance Management (SEPM) Director reports to the Employee Resource Management VP. The SEPM Office manages OSHA compliance activity, including citations, penalties, abatements, negotiated settlements, and judicial procedures; and is responsible for administering and evaluating the Postal Service's safety and health program. To ensure management integrates safety procedures into all Postal Service operations, the SEPM Office also provides safety and health expertise and staff support to other headquarters functions and the nine area offices,⁷ as necessary. This is accomplished by monitoring and improving the safety program and establishing safety and health policies, procedures, and standards.

Occupational Safety and Health Administration Injuries and Illnesses Frequency Rate

The OSHA I&I frequency rate is the number of recordable⁸ OSHA I&I incidents per 100 full-time employees for a specific period of time. The rate is calculated using an industry-wide formula⁹ recommended by OSHA that provides the standard base for calculating incidence rates. It also provides a measurement that makes accident data for large and small facilities comparable. The desire is for the rate achieved to be "lower" than the goal.

Scope and Methodology

We discuss our scope and methodology in detail in Appendix B.

⁵ The 1973 "General Duty" clause states employers shall furnish all employees a workplace that is free from recognized hazards that cause or are likely to cause death or serious physical harm including workplace violence. Although the OSHA has not established a specific standard for preventing workplace violence, beginning in 1993, it issued workplace violence citations under the General Duty clause [29 U.S.C. 654 5(a)(1)].

⁶ *Employee and Labor Relations Manual* (ELM) 17.15, Issue 17, Section 812, Management Responsibilities, July 20, 2006.

⁷ The nine area offices are Capital Metro, Eastern, Great Lakes, New York Metro, Northeast, Pacific, Southeast, Southwest, and Western.

⁸ An injury or illness is recordable if it (1) results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; and/or (2) involves a significant injury or illness diagnosed by a physician or other licensed health care professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

⁹ The formula is the total number of OSHA I&I multiplied by 200,000 hours, divided by the number of exposure hours worked by all employees. The 200,000 hours represents 100 employees working 2,000 hours per year. The term exposure refers to those hours employees actually worked (and excludes hours for leave, such as annual and sick leave).

Prior Audit Coverage

We discuss our prior audit coverage in Appendix C.

Results

The Postal Service's Occupational Safety and Health Administration Injury and Illness Reduction Goals

As shown in Table 1, the Postal Service established goals, and then exceeded them, for reducing OSHA I&I frequency rates for FYs 2002 through 2006. For example, in FY 2005, the Postal Service's OSHA I&I goal was 6.3 and the rate achieved was 5.7. In FY 2006, the OSHA I&I goal was 5.7 and the rate achieved was 5.6. In addition, from FYs 2002 to 2006, the Postal Service achieved a 27 percent reduction in its OSHA I&I rate and a 34 percent reduction in its total OSHA I&I numbers.

Table 1. The Postal Service's OSHA I&I Goals and Rates Achieved, FYs 2002 through 2006

| OSHA I&I | FY | | | | | Percentage Decrease From FYs 2002 to 2006 |
|--------------------|--------|--------|--------|--------|--------|--|
| | 2002 | 2003 | 2004 | 2005 | 2006 | |
| Rate Achieved | 7.7 | 7.1 | 6.3 | 5.7 | 5.6 | 27 |
| Goal | 8.4 | 7.4 | 7.1 | 6.3 | 5.7 | 32 |
| Number of OSHA I&I | 61,226 | 52,878 | 45,423 | 41,993 | 40,534 | 34 |

Source: Comprehensive Statements of Postal Operations, FYs 2002 through 2006

The Postal Service Senior Management Committee¹⁰ establishes the OSHA I&I corporate goal annually. This goal represents what the Postal Service hopes to achieve as a nationwide average. Since FY 2003, the goal each year was the OSHA I&I rate achieved for the same period last year (SPLY). For example, if the rate achieved at the end of one year was 5.6, that rate became the goal for the next year. In FY 2007, the Postal Service changed their goal to .1 (1/10th basis point) reduction to the rate for the SPLY. Therefore, the OSHA I&I goal for FY 2007 is 5.5, since the Postal Service ended FY 2006 with a rate of 5.6. As of February 2007,¹¹ the Postal Service FY 2007 OSHA I&I rate is 5.5.

39 U.S.C. § 2803 and 2804 state the Postal Service should:

- Establish performance goals to define the level of performance to be achieved by a program activity (such as safety and health).
- Express performance goals in an objective, quantifiable, and measurable form.

¹⁰ The Senior Management Committee includes the Postmaster General. The Senior Management Committee is also referred to as the Executive Committee.

¹¹ As of April 17, 2007, the March 2007 OSHA I&I rate was not available, according to the SEPM Director.

- Review, in its program performance reports, the success of achieving the performance goals of the fiscal year.

The Postal Service's success in achieving its OSHA I&I goals was due to taking numerous actions, such as identifying opportunities and creating joint partnerships and agreements with its unions and OSHA to reduce workplace OSHA I&I.

Actions Taken to Improve Workplace Safety

As previously stated, the SEPM Office provides safety and environmental expertise and staff support to other headquarters functions and the nine area offices. It also provides support to 80 performance clusters (PC),¹² facilities, and other offices. This office coordinates and works with other private companies, federal agencies, and organizations and professional groups on matters of safety, health, and the environment to improve workplace safety and reduce workplace-related OSHA I&I. Further, management at all levels — including the front-line supervisor — is responsible and held accountable through its Pay-for-Performance Program for the prevention of accidents and OSHA I&I and the control of resulting losses.

The SEPM Office has taken additional actions and identified opportunities to partner with the unions to reach its goals. (See Appendix D for a complete list of the actions taken and opportunities identified.) Some of the actions and opportunities are detailed below and include:

- The Ergonomics Risk Reduction Process (ERRP), a joint task force with the NALC, and the OSHA Voluntary Protection Programs (VPP).
- Postal Service Program Evaluation Guide (PEG) safety audits.
- Accident Reduction Plans (ARP).

ERRP — The Postmaster General, former OSHA Secretary, and the NPMHU and APWU presidents formed a partnership effective April 4, 2003, establishing the ERRP and the Postal Service's participation in that task force. The intent of the ERRP is to encourage and assist the Postal Service in reducing ergonomic-related I&I. The ERRP is geared toward regularly tracking risk factors from identification to abatement of hazards. For example, the partnership is working to implement a process to identify and control the risk factors in Postal Service processes that may result in musculoskeletal disorder injuries to employees. Of the 316 Postal Service processing facilities that could participate in the ERRP, 126¹³ have implemented the ERRP thus far. (See Appendix E for a list of ERRP worksites.) Through this partnership, ERRP teams

¹² A PC includes a customer service district responsible for overseeing post offices and one or more mail processing facilities.

¹³ Initially, the Postal Service targeted 175 of the 316 processing facilities as locations where it would implement ERRP. The Postal Service plans to implement the ERRP at the remaining 49 facilities in FYs 2007 and 2008.

at the 126 worksites have developed solutions that reduced the number of lifting and handling accidents.

In addition to reducing ergonomic risk factors, the partnership has successfully improved labor-management relationships at worksites. As a result, the partnership was extended 2 additional years (through 2008).

NALC Joint Task Force — In 2003, the Postal Service entered into an agreement with the NALC to reduce the number of OSHA I&I incurred by letter carriers. This resulted in a joint task force of union and management representatives. The original agreement established a 1-year pilot program in the Eastern Area and later expanded to include the Great Lakes Area. The NALC and the Postal Service are currently working on ergonomic initiatives in other test sites, including the use of boat hooks (prevents leaning in and pulling from back of vehicle), hamper inserts (prevents bending over and lifting), and portable work platforms (elevates mail off of the floor, thereby reducing handling and lifting injuries).

VPP — Since 2001, the Postal Service has had a strong partnership and active participation with OSHA and its unions in a variety of cooperative initiatives, including the VPP. The VPP recognizes and promotes effective worksite-based safety and health initiatives between management, employees, unions, and OSHA. Approval into the VPP is OSHA's official method of recognizing employer and employee efforts in implementing exemplary occupational safety and health programs. OSHA approves qualified worksites for one of three programs: Star, Merit, and Star Demonstration. Approved worksites must submit annual self-evaluations and undergo periodic onsite OSHA reevaluations to remain in the programs. Currently, the Postal Service has 108 worksites in the VPP, with a goal of reaching a total of 400 active VPP facilities by 2010. Of the 108 worksites, 93 are in the Star Program and 15 are in the Merit Program. (See Appendix F for list of VPP worksites.)

After an extensive OSHA evaluation, the Postal Service became the first federal agency to participate in OSHA's VPP Corporate Program on June 21, 2005. As of April 2007, all 108 VPP worksites are participating in this program, which is designed to test new VPP processes. OSHA created the program to allow corporations interested in achieving VPP recognition at facilities throughout their organization a more efficient means to accomplish this goal. Applicants are typically large corporations or federal agencies that have adopted the VPP on a large scale to protect the safety and health of their employees.

PEG Safety Audits — Internal PEG safety audits are conducted annually at facilities with 50 or more employees.¹⁴ The Postal Service focused its PEG safety audits on 18 safety program elements it identified along with OSHA. These elements include accident and record analyses, hazard prevention and control, and safety and health training. The Postal Service has used the PEG safety audits for 6 years and, according to the SEPM Director, it has been the largest driver for reducing OSHA I&I rates. The Postal Service's average national PEG score¹⁵ for FY 2006 was a 3.6 out of a possible 5.

ARP — In March 2001, the Postal Service VP, Employee Resource Management and the SEPM Director asked each PC to develop an ARP to improve workplace safety. The ARP must include ongoing improvements and management must review it on a quarterly basis to ensure progress is being made. According to the SEPM Director, the ARP includes local reduction targets and countermeasures for handling and lifting accidents; on/off-premises slips, trips and falls; and motor vehicle accidents (MVAs). The PC's implementation of a program for employees with multiple accidents and OSHA I&I is also part of the ARP.

As previously stated, the Postal Service is subject to the OSH Act of 1970 and, therefore, required to take action to improve workplace safety and reduce workplace-related injuries. Postal Service policy states:

- The Postal Service will become a leader in occupational safety and health for the federal government and private sector by demonstrating a commitment to integrating safe work practices into all of its services.¹⁶
- Managers must demonstrate a commitment to providing safe and healthful working conditions in all Postal Service-owned and leased installations, become involved in day-to-day safety performance, and be held accountable for safety performance and compliance with OSHA standards and regulations.¹⁷
- The Postal Service will engage in innovative safety efforts such as the ERRP and joint union-management safety and health committees.¹⁸
- The Postal Service is committed to (1) participating in the OSHA VPP, (2) providing effective employee protection beyond the requirements of OSHA standards, and (3) developing and implementing systems that effectively identify, evaluate, and control occupational hazards to prevent employee OSHA I&I.¹⁹ These programs recognize and establish partnerships with businesses and worksites that show excellence in occupational safety and health.

¹⁴ PEG safety audits are not required at administrative facilities regardless of the number of employees.

¹⁵ A facility's PEG score is based on a thorough evaluation of each of the 18 PEG safety program elements. Each element receives a numerical score that corresponds to a PEG standard level of performance. The overall score indicates the status of the safety and health program. Specifically, 5 = Outstanding, 4 = Superior, 3 = Basic, 2 = Developmental, and 1 = Ineffective or No Program.

¹⁶ ELM 17.15, Section 811.22, Vision Statement.

¹⁷ ELM 17.15, Section 811.21, Management Commitment, Involvement, and Accountability.

¹⁸ ELM 17.15, Section 816, Joint Labor-Management Safety and Health Committees.

¹⁹ ELM 17.15, Section 811.25, VPP.

The actions taken by the Postal Service have improved workplace safety and reduced workplace-related injuries. As previously shown in Table 1, from FYs 2002 to 2006, the Postal Service achieved a 27 percent reduction in its OSHA I&I rate and a 34 percent reduction in its numbers of total OSHA I&I. In addition, according to the *OSHA Strategic Management Plan for FYs 2003 – 2008*, companies and agencies that participate in the VPP have 54 percent fewer (on average) OSHA I&I than other companies and agencies in their industries. As shown in Table 2, we noted that, for FYs 2005 to 2006, the average OSHA I&I rate for the Postal Service VPP worksites was almost 9 and 11 percent lower, respectively, than the average rate for all Postal Service worksites.²⁰

Table 2. Comparison of OSHA I&I Rates at All Postal Service Worksites and Postal Service VPP Worksites

| Postal Service Worksites | Average OSHA I&I Rates/Percentages | |
|---|------------------------------------|---------|
| | FY 2005 | FY 2006 |
| All Worksites | 5.7 | 5.6 |
| VPP | 5.2 | 5.0 |
| Percentage Difference Between All Worksites and VPP | 8.8 | 10.7 |

Source: Web Enterprise Information System (WebEIS) and SEPM OSHA Coordination Manager

The actions the Postal Service has taken also contributed to the agency achieving OSHA I&I rates significantly below the nationwide average rate for the Courier Industry. As shown in Table 3, the Postal Service rates were significantly below the national Courier Industry average rates for calendar years (CY)²¹ 2003 to 2005.²²

Table 3. Comparison of the Postal Service's OSHA I&I Rates to Bureau of Labor Statistics Courier Industry Average Rates

| OSHA I&I Rates | 2003 | 2004 | 2005 |
|---------------------------------|------|------|------|
| Courier Industry Average, by CY | 12.8 | 13.1 | 12.4 |
| Postal Service, by FY | 7.1 | 6.3 | 5.7 |

Source: DOL Bureau of Labor Statistics (BLS), *Industry Injury and Illness Data*, October 2006, and WebEIS

²⁰ VPP worksites are included in the "all" Postal Service worksites category.

²¹ The OSHA compares Postal Service rates to the Courier Industry average rates even though the Postal Service computes its OSHA I&I rates by fiscal year and the BLS computes the industry average rates by calendar year.

²² The CY 2006 industry average data was not available as of March 2007. The OSHA Special Assistant told us the I&I rates for the Postal Service in comparison with the industry average have established the Postal Service as an industry leader.

The Postal Service Exceeds OSHA's I&I Goals

OSHA does not establish individual injury reduction goals for federal agencies or the Postal Service. However, it does establish a national goal to reduce OSHA I&I for all entities within its jurisdiction. Specifically, OSHA's strategic management plan²³ is to reduce the rate of OSHA I&I by 20 percent from FYs 2003 to 2008. Using OSHA's national average reduction goal as a benchmark, we determined the Postal Service exceeded the reduction goal by 7 percentage points – reducing its OSHA I&I rate by 27 percent over a 5-year period (FYs 2002 through 2006). According to the OSHA Special Assistant, the partnership with the Postal Service is one of OSHA's best in terms of OSHA I&I reductions.

In addition, OSHA publishes the Postal Service's statistics with DOL's SHARE²⁴ Initiative participants, even though the Postal Service is not required to participate in the program. The Postal Service exceeded the SHARE Initiative goal to reduce the total case rate (TCR)²⁵ for I&I by at least 3 percent per year. The Postal Service's TCR percentage of change from FYs 2005 to 2006 was 5 percent, 2 percentage points higher than the SHARE Initiative goal.

The Postal Service Does Not Determine the Costs of Individual Accidents or OSHA I&I

In addition to the Postal Service's reduced number of OSHA I&I, there may be a corresponding reduction in its total accident and OSHA I&I costs. Since the WebEIS the Postal Service currently uses to record OSHA I&I information does not capture individual accident costs (for injury and non-injury accidents)²⁶ we could not determine the cost savings in key categories from one year to the next.

According to the SEPM Director, the Postal Service can calculate the total costs incurred for all accidents and OSHA I&I for each fiscal year. In that regard, the costs were \$1 billion and \$972 million for FYs 2005 and 2006, respectively.²⁷ Although this reduction in costs may be the result of fewer accidents and OSHA I&I, we could not verify this because the FY amounts also included the continued costs for OSHA I&I²⁸ that occurred in prior years.

²³ OSHA Strategic Management Plan for FYs 2003 – 2008.

²⁴ President George W. Bush established the SHARE Initiative in 2004 as a way to help federal agencies reduce injury and illness cases and lost production day rates and substantially improve timely filing of injury and illness notices. Each federal agency sets goals and performance targets through collaboration with the DOL which measures and tracks the performance of each agency. The initiative is promoted by both the OSHA and the Office of Workers' Compensation (OWCP).

²⁵ The TCR is similar to the OSHA I&I but is calculated differently — the total number of workers' compensation cases for a FY is divided by the total number of employees for the same year, and the resulting number is multiplied by 100. The result is the TCR per 100 employees.

²⁶ Injury and non-injury accident costs include payments for continuation of pay and the DOL's OWCP compensation and medical payments, motor vehicle repairs, industrial property and fire damages, motor vehicle tort claims, limited duty hours/rehabilitation, and injury-related contract physicians.

²⁷ The FY 2007 costs-to-date (as of April 19, 2007) are down \$81 million compared to the SPLY. The FY 2007 costs as of April 19, 2007, are \$492 million and in April 2006, the costs were \$573 million.

²⁸ The continued costs for OSHA I&I include workers' compensation and medical costs.

We also could not determine the costs by facility, district/PC, or area office. Nor could we determine the costs in the following key categories:

- non-injury accidents
- injury accidents
- type of injury
- type of illness
- per employee

During our 2006 audit of accidents and OSHA I&I at the North Texas Processing and Distribution Center (P&DC),²⁹ the SEPM Director informed us the Postal Service may be able to capture the total costs of accidents and OSHA I&I once it completes all phases of the new Injury Compensation Performance Analysis System. However, during this audit the SEPM Director informed us the plan to capture the costs will be built into the Postal Service's conversion to the SAP Environmental Health and Safety (EHS) module. The Director stated the EHS module build-up and pilot test for the newly developed reporting system might take up to a year.

Best practices for effective management controls require the use of sound methodologies for budgeting, recording, and reporting costs to obtain the information and financial data needed to manage programs and operations. Not having an effective cost center means that information and financial data for safety and health programs is not adequately captured. This prevents the Postal Service from effectively targeting specific high cost areas for reductions, which ultimately affects the agency's bottom line. In addition, accidents are not just compensation payments, but also include less tangible costs such as: production disruption; equipment damage and downtime; investigation and reporting costs; lowered morale; and bad public relations.

We believe the Postal Service should determine the individual costs for certain key categories so it can target specific areas (type of accident or location) for reductions and determine its total potential cost savings, based on the reduction in accidents and OSHA I&I goals. Not knowing the costs could prevent the Postal Service from targeting high cost areas for reduction, thereby more effectively reducing accidents and OSHA I&I costs. In addition, ensuring the safety of employees has a positive impact on goodwill and the Postal Service brand. We will report this potential non-monetary impact (safeguarding employees and the work environment; and preserving the integrity of the Postal Service brand) in our *Semiannual Report to Congress*.

²⁹ *North Texas Processing and Distribution Center's Analysis of Root Causes of Accidents, Injuries, and Illnesses and the Implementation of Accident Prevention Programs* (Report Number HM-AR-06-003, dated March 8, 2006).

Recommendation

We recommend the Vice President, Employee Resource Management:

1. Closely monitor conversion to the SAP Environmental Health and Safety module and, as soon as possible, ensure the upgraded system captures costs by facility, district/performance cluster, and area office as well as the costs for the following key categories:
 - non-injury accidents
 - injury accidents
 - type of injury
 - type of illness
 - per employee

Management's Comments

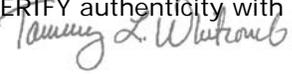
The Employee Resource Management Vice President agreed with the report, the non-monetary impact, and the recommendation to capture OSHA I&I costs. The Postal Service plans to convert their injury recordkeeping to the SAP Environmental Health and Safety module, new 6.0 version, by March 2008. The new version provides additional platform features that better meet the Postal Service's safety and injury compensation business requirements. Once the upgrade is completed, it will take approximately a year to develop the new injury management reporting system, with a field pilot commencing around March 2009.

Management's comments, in their entirety, are included in Appendix G of this report.

Evaluation of Management's Comments

Management's planned actions are responsive to the recommendation and should address the issue identified in the report. The OIG considers the recommendation significant and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. This recommendation should not be closed in the follow-up tracking system until the OIG provides written confirmation the recommendation can be closed.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Chris Nicoloff, Director, Human Capital, or me at (703) 248-2100.

E-Signed by Tammy Whitcomb 
VERIFY authenticity with Approve!


Tammy L. Whitcomb
Deputy Assistant Inspector General
for Support Operations

Attachments

cc: Patrick R. Donahoe
Mary Anne Gibbons
Katherine S. Banks

APPENDIX A. ABBREVIATIONS

| | |
|---------|---|
| AMC | Air Mail Center |
| AMF | Air Mail Facility |
| APWU | American Postal Workers Union |
| ARP | Accident Reduction Plan |
| BLS | Bureau of Labor Statistics |
| BMC | Bulk Mail Center |
| CS | Customer Service |
| CY | Calendar Year |
| DOL | Department of Labor |
| EDW | Enterprise Data Warehouse |
| EHS | Environmental Health and Safety |
| ELM | Employee and Labor Relations Manual |
| ERRP | Ergonomics Risk Reduction Process |
| FY | Fiscal Year |
| I&I | Injuries and Illnesses |
| LDC | Logistics Distribution Center |
| MPO | Main Post Office |
| MVA | Motor Vehicle Accident |
| NALC | National Association of Letter Carriers |
| NPMHU | National Postal Mail Handlers Union |
| NRLCA | National Rural Letter Carriers' Association |
| NSI | National Safety Indicator |
| OIG | U.S. Postal Service Office of Inspector General |
| OSHA | Occupational Safety and Health Administration |
| OSH Act | Occupational Safety and Health Act |
| OWCP | Office of Workers' Compensation Programs |
| PAEA | Postal Accountability and Enhancement Act |
| PC | Performance Cluster |
| P&DC | Processing and Distribution Center |
| P&DF | Processing and Distribution Facility |
| PEG | Program Evaluation Guide |
| PO | Post Office |
| REC | Remote Encoding Center |
| SEPM | Safety and Environmental Performance Management |
| SHARE | Safety and Health Return to Employment |
| SPLY | Same Period Last Year |
| TCR | Total Case Rate |
| VMF | Vehicle Maintenance Facility |
| VP | Vice President |
| VPP | Voluntary Protection Programs |
| WebEIS | Web Enterprise Information System |

APPENDIX B. SCOPE AND METHODOLOGY

We identified the Postal Service's OSHA I&I goals established for FYs 2002 through 2006 through interviews with the SEPM Director and the SEPM Program Manager, as well as documents provided by those officials. We reviewed and analyzed FYs 2002 through 2006 OSHA I&I goals and rates to determine the extent to which the Postal Service met these goals. We obtained this data from the Postal Service's Blue Pages, WebEIS, *Strategic Transformation Plan 2006-2010*, and the Comprehensive Statements for FYs 2002 through 2006.

To describe the actions taken to improve workplace safety and reduce workplace-related injuries, we reviewed data and information from the WebEIS National Performance Assessment page and information on the ERRP and the OSHA VPP. In addition, we interviewed and obtained information from the SEPM Director, the SEPM Program Manager, the Postal Service's OSHA Coordination Manager, the ERRP Manager, and the OSHA Special Assistant.

To determine if the Postal Service injury reduction goals were in accordance with the DOL OSHA guidelines for establishing OSHA I&I goals, we interviewed the SEPM Director and OSHA's Special Assistant. We also reviewed *OSHA's Strategic Management Plan for FYs 2003 – 2008*, OSHA's SHARE Initiative reduction goals, as well as industry goals established by BLS for specific industries classified under the North American Industry Classification Standards.

Data Reliability Testing

To determine the reliability of computer-generated data, we reviewed the controls in place for the processing of OSHA I&I data by the Postal Service's information systems. We also considered the results of two audits we issued in 2004 and 2006.³⁰

The Postal Service has implemented procedures to ensure that OSHA I&I data are accurately captured at the source and input into the systems. Our evaluation of these procedures provides us reasonable assurance that data entered into the Human Resource Information System's safety and health application is reliable.

Additionally, we evaluated the policies and procedures for data acquisition, transport, and loading of data from different Postal Service systems into the Enterprise Data Warehouse (EDW) and WebEIS. We also examined data acquisition and transfer specifications for the Postal Service's safety and health portion of the monthly reporting from the EDW. However, our evaluation did not include any testing (such as transaction testing or testing of data elements or metadata), configurations, or determinations as to

³⁰ The two reports are *Summary Report on the Efforts to Prevent Accidents, Injuries, and Illnesses in 12 Performance Clusters* (Report Number HM-AR-04-012, dated September 21, 2004), and *North Texas Processing and Distribution Center's Analysis of Root Causes of Accidents, Injuries, and Illnesses and the Implementation of Safety Prevention Programs* (Report Number HM-AR-06-003, dated March 8, 2006).

whether access privileges to health and safety data are limited to appropriate employees.

The evaluation indicated that, overall, adequate controls exist in the processes of acquiring data from different source systems, performing any required data transformations, loading the data into the EDW and WebEIS, and establishing standard procedures for carrying out the processes. The mechanisms implemented also incorporate built-in control measures that provide the means to correct any exceptions that may occur during the processes. These controls provide sufficient basis to place reliance on the data extracted from the EDW and WebEIS. Further, audits conducted in 2004 and 2006 showed no exceptions and indicated that established procedures facilitated accurate reporting of OSHA I&I data.

We conducted this audit from December 2006 through May 2007 in accordance with generally accepted government auditing standards and included such tests of internal controls as were considered necessary under the circumstances. We discussed our observations and conclusions with management officials on April 3, 2007, and included their comments where appropriate.

APPENDIX C. PRIOR AUDIT COVERAGE

The OIG report titled *North Texas Processing and Distribution Center's Analysis of Root Causes of Accidents, Injuries, and Illnesses and the Implementation of Accident Prevention Programs* (Report Number HM-AR-06-003, dated March 8, 2006) stated the North Texas P&DC identified and documented root causes for most of the FY 2003 accidents and OSHA I&I in our review. The report stated the North Texas P&DC managers and supervisors, however, did not document implementation of prevention programs for the majority of accidents and OSHA I&I that occurred. The report also stated some hazardous conditions identified in a safety inspection had reoccurred and identified a new hazard in the loading dock area. Postal Service management took corrective action on all the conditions we identified. Although there were no recommendations for management, the North Texas P&DC plant manager said they would use the findings in the report as an opportunity to improve the existing accident analysis processes at their facility.

The OIG report titled *Summary Report on the Efforts to Prevent Accidents, Injuries, and Illnesses in 12 Performance Clusters* (Report Number HM-AR-04-012, dated September 21, 2004) summarized the review of 12 PCs' accident prevention initiatives, the effectiveness and timeliness of implementing prevention initiatives, accident reporting systems, the reporting process, and benchmarking the best practices of private companies. The report stated that data showing the reduction in the number of accidents and OSHA I&I at some PCs was the result of prevention initiatives. The report also stated most reporting processes were adequate; however, several facilities in the Mississippi PC can improve their completion of accident report forms.

APPENDIX D. ACTIONS TAKEN AND OPPORTUNITIES IDENTIFIED BY THE POSTAL SERVICE TO IMPROVE WORKPLACE SAFETY AND REDUCE WORKPLACE-RELATED INJURIES

Under the 2002 *Transformation Plan*, the Postal Service identified opportunities and implemented several innovative programs to improve workplace safety and reduce workplace-related injuries. According to the SEPM Director, the following programs and actions are aimed at achieving those results:

- Dog Bite Program
- Special emphasis safety talks
- Monthly performance progress reports, by area office, focusing on National Safety Indicators (NSI)³¹
- Monthly performance progress reports by union
- Copies of weekly (employee) mandatory safety talks sent to management associations³² to inform them of efforts to improve workplace safety
- Various training courses such as:
 - Safety for Postal Service Leadership
 - Core Curriculum for Safety Personnel
 - Defensive Driving Refresher
 - New Hire Orientation
 - Implementation of New Safe Driver Program
 - Hazardous Waste Operations
 - Emergency Response Action Plans
 - Environmental Safety and Health Training
 - Safety and Health Committee Training
 - Maintenance Training
- Annual assessments (such as semi-annual OSHA I&I reviews of all 80 PCs, comprehensive safety program evaluations of approximately 4,000 facilities, and approximately 30,000 facility safety inspections)
- National Performance Assessment
- Partnerships/Agreements with unions: ERRP, NALC Joint Task Force, and VPP
- PEG
- ARP

³¹ The Postal Service defines NSIs as data-driven opportunities for the management of OSHA I&I and MVAs.

³² The management associations are the National Association of Postmasters of the United States, the National League of Postmasters of the United States, and the National Association of Postal Supervisors.

APPENDIX E. ERGONOMICS RISK REDUCTION PROCESS ACTIVE WORKSITES (126) BY AREA OFFICE AS OF APRIL 2007

| Area Office | Worksite | Number of Employees |
|----------------|-------------------------|------------------------|
| Capitol Metro | Charlotte P&DC | 1,258 |
| Capitol Metro | Dulles P&DC | 643 |
| Capitol Metro | Greensboro BMC | 768 |
| Capitol Metro | Greensboro P&DC | 898 |
| Capitol Metro | Norfolk P&DC | 901 |
| Capitol Metro | Northern Virginia P&DC | 1,115 |
| Capitol Metro | Richmond P&DC | 1,417 |
| Eastern | Cincinnati BMC | 948 |
| Eastern | Cincinnati P&DC | 1,736 |
| Eastern | Cleveland P&DC | 1,897 |
| Eastern | Columbus P&DC | 1,553 |
| Eastern | Dayton P&DC | 593 |
| Eastern | Harrisburg P&DC | 951 |
| Eastern | Lancaster P&DC | 518 |
| Eastern | Louisville P&DC | 1,008 |
| Eastern | Philadelphia BMC | 1,073 |
| Eastern | Philadelphia P&DC | 2,264 |
| Eastern | Pittsburgh BMC | 686 |
| Eastern | Pittsburgh P&DC | 1,594 |
| Eastern | Raleigh P&DC | 796 |
| Eastern | South Jersey P&DC | 1,095 |
| Eastern | Southeastern P&DC | 810 |
| Great Lakes | Carol Stream P&DC | 1,387 |
| Great Lakes | Chicago BMC | 1,279 |
| Great Lakes | Chicago P&DC | 2,284 |
| Great Lakes | Detroit BMC | 836 |
| Great Lakes | Detroit P&DC | 2,091 |
| Great Lakes | Gary P&DC | 370 |
| Great Lakes | Grand Rapids P&DC | 899 |
| Great Lakes | Indianapolis P&DC | 1,305 |
| Great Lakes | Kalamazoo P&DC | 107 |
| Great Lakes | Lansing P&DC | 540 |
| Great Lakes | Little Rock P&DC | 697 |
| Great Lakes | Madison P&DC | 547 |
| Great Lakes | Milwaukee P&DC | 1,620 |
| Great Lakes | Palatine P&DC | 634 |
| Great Lakes | Royal Oak P&DC | 1,203 |
| Great Lakes | Saint Louis P&DC | 2,286 |
| Great Lakes | South Suburban P&DC | 1,051 |
| New York Metro | Brooklyn P&DC | 1,483 |
| New York Metro | Dominic V. Daniels P&DC | 2,088 |
| New York Metro | Mid-Hudson P&DC | 536 |
| New York Metro | Mid-Island P&DC | 1,673 |
| New York Metro | Morgan Station P&DC | 3,768 |

| Area Office | Worksites | Number of Employees |
|----------------|---------------------------------------|---------------------|
| New York Metro | Monmouth P&DC | 426 |
| New York Metro | New Jersey BMC | 1,750 |
| New York Metro | New York International Service Center | 1,807 |
| New York Metro | Northern New Jersey P&DC | 769 |
| New York Metro | Queens P&DC | 1,410 |
| New York Metro | Trenton P&DC | 739 |
| New York Metro | Westchester P&DC | 1,124 |
| Northeast | Boston P&DC | 1,786 |
| Northeast | Brockton P&DC | 503 |
| Northeast | Buffalo P&DC | 1,088 |
| Northeast | Central Massachusetts P&DC | 605 |
| Northeast | Manchester P&DC | 521 |
| Northeast | Middlesex-Essex P&DC | 599 |
| Northeast | Portland, Maine P&DC | 718 |
| Northeast | Providence P&DC | 983 |
| Northeast | Rochester P&DC | 690 |
| Northeast | Southern Connecticut P&DC | 871 |
| Northeast | Springfield BMC | 1,250 |
| Northeast | Syracuse P&DC | 584 |
| Pacific | City of Industry P&DC | 937 |
| Pacific | Honolulu P&DC | 799 |
| Pacific | Las Vegas P&DC | 926 |
| Pacific | Long Beach P&DC | 890 |
| Pacific | Los Angeles BMC | 1,382 |
| Pacific | Los Angeles P&DC | 3,081 |
| Pacific | Margaret L. Sellers P&DC | 1,403 |
| Pacific | Mid Way P&DF | 403 |
| Pacific | North Bay P&DC | 777 |
| Pacific | Oakland P&DC | 2,287 |
| Pacific | San Bernardino P&DC | 1,035 |
| Pacific | San Francisco P&DC | 2,414 |
| Pacific | San Jose P&DC | 903 |
| Pacific | Santa Ana P&DC | 1,308 |
| Pacific | Santa Clarita P&DC | 1,416 |
| Pacific | Stockton P&DC | 480 |
| Pacific | West Sacramento P&DC | 1,536 |
| Southeast | Atlanta BMC | 722 |
| Southeast | Atlanta P&DC | 1,572 |
| Southeast | Birmingham P&DC | 1,078 |
| Southeast | Fort Lauderdale P&DC | 637 |
| Southeast | Fort Myers P&DC | 647 |
| Southeast | Jacksonville Annex | 0 ³³ |
| Southeast | Jacksonville P&DC | 1,241 |
| Southeast | Knoxville P&DC | 616 |

³³ The ERRP Manager told us the Jacksonville Annex is a subset of the Jacksonville P&DC. He said the employees identified for the P&DC include those who work at the annex.

| Area Office | Worksites | Number of Employees |
|-------------|---|---------------------|
| Southeast | Memphis BMC | 849 |
| Southeast | Memphis P&DC | 1,041 |
| Southeast | Miami P&DC | 1,328 |
| Southeast | Mid-Florida P&DC | 536 |
| Southeast | Montgomery P&DC | 472 |
| Southeast | Nashville P&DC | 1,023 |
| Southeast | North Metro P&DC | 1,300 |
| Southeast | Saint Petersburg P&DC | 528 |
| Southeast | South Florida P&DC | 701 |
| Southeast | Tampa P&DC | 1,450 |
| Southwest | Albuquerque P&DC | 692 |
| Southwest | Austin P&DC | 939 |
| Southwest | Baton Rouge P&DC | 574 |
| Southwest | Corpus Christi P&DC | 224 |
| Southwest | Dallas BMC | 1,449 |
| Southwest | Dallas P&DC | 2,013 |
| Southwest | Fort Worth P&DC | 1,619 |
| Southwest | Houston P&DC | 1,849 |
| Southwest | North Houston P&DC | 1,216 |
| Southwest | North Texas P&DC | 1,507 |
| Southwest | Oklahoma City P&DC | 809 |
| Southwest | San Antonio P&DC | 1,218 |
| Southwest | Tulsa P&DC | 670 |
| Western | Anchorage P&DC | 364 |
| Western | Denver BMC | 699 |
| Western | Denver P&DC | 2,265 |
| Western | Des Moines P&DC | 997 |
| Western | Irving Park P&DC | 921 |
| Western | Kansas City P&DC | 1,604 |
| Western | Minneapolis P&DC | 1,499 |
| Western | Mount Hood Delivery Distribution Center | 231 |
| Western | Portland P&DC | 1,110 |
| Western | Saint Paul BMC | 557 |
| Western | Saint Paul P&DC | 1,232 |
| Western | Salt Lake City P&DC | 727 |
| Western | Seattle P&DC | 1,395 |
| Western | Spokane P&DC | 385 |
| Western | Twin Cities Metro Hub | 325 |

Source: Postal Service ERRP Manager, April 2007

**APPENDIX F. VOLUNTARY PROTECTION PROGRAMS WORKSITES
(108) BY AREA OFFICE AS OF APRIL 2007**

| Area | Worksite | Number of Employees | OSHA VPP Program |
|----------------|---------------------------------|---------------------|------------------|
| Capital Metro | Baltimore CS | 114 | Merit |
| Capital Metro | Charlottesville P&DC | 202 | Star |
| Capital Metro | Gaithersburg MPO | 61 | Star |
| Capital Metro | Hickory P&DC | 204 | Star |
| Capital Metro | Hickory PO | 134 | Star |
| Capital Metro | Salisbury PO | 123 | Star |
| Capital Metro | Vienna MPO | 107 | Star |
| Capital Metro | Virginia Beach London Bridge CS | 78 | Star |
| Capital Metro | Virginia Beach Lynnhaven CS | 115 | Star |
| Eastern | Cherry Hill PO | 167 | Star |
| Eastern | Cincinnati AMF | 61 | Star |
| Eastern | Cleveland AMC | 204 | Star |
| Eastern | Columbus AMF | 60 | Star |
| Eastern | Danville PO | 106 | Star |
| Eastern | Erie P&DC | 350 | Star |
| Eastern | Lititz Carrier Annex | 61 | Star |
| Eastern | Philadelphia BMC | 1,031 | Star |
| Eastern | Pittsburgh REC | 515 | Star |
| Eastern | Scranton P&DC | 276 | Star |
| Eastern | Scranton PO | 14 | Star |
| Eastern | Winchester PO | 49 | Star |
| Great Lakes | Fenton PO | 77 | Merit |
| Great Lakes | Flint P&DC | 318 | Star |
| Great Lakes | Fort Wayne REC | 494 | Merit |
| Great Lakes | Monroe PO | 4 | Merit |
| Great Lakes | Niles PO | 66 | Star |
| Great Lakes | Rochester Carrier Annex | 62 | Star |
| New York Metro | Arecibo PO | 53 | Star |
| New York Metro | Bethpage PO | 52 | Star |
| New York Metro | Grand Central Station CS | 400 | Star |
| New York Metro | Kingston PO | 134 | Star |
| New York Metro | Long Island City MPO | 107 | Star |
| New York Metro | Madison Square Station CS | 161 | Star |
| New York Metro | Monroe Township PO | 98 | Star |
| New York Metro | Newark VMF | 51 | Star |
| New York Metro | West Milford PO | 27 | Star |
| New York Metro | Western Nassau VMF | 33 | Merit |

| Area | Worksite | Number of Employees | OSHA VPP Program |
|-----------|--------------------------------|---------------------|------------------|
| Northeast | Acton MPO | 53 | Star |
| Northeast | Biddeford PO | 80 | Star |
| Northeast | Cambridge Central Square CS | 182 | Star |
| Northeast | Cape Cod P&DF | 140 | Merit |
| Northeast | Danbury PO | 189 | Star |
| Northeast | Fulton PO | 182 | Star |
| Northeast | Glens Falls MPO | 135 | Star |
| Northeast | Goffstown CS | 25 | Star |
| Northeast | Jamestown PO | 135 | Star |
| Northeast | Middleboro PO | 53 | Star |
| Northeast | Newport CS | 24 | Star |
| Northeast | North Tonawanda PO | 71 | Star |
| Northeast | Northern Hub and Spoke Project | 100 | Merit |
| Northeast | Pawtucket CS | 118 | Star |
| Northeast | Rochester LDC | 250 | Merit |
| Northeast | Rochester P&DC | 780 | Star |
| Northeast | Springfield LDC | 400 | Star |
| Northeast | Syracuse P&DC | 575 | Star |
| Northeast | Syracuse Teal Station CS | 102 | Merit |
| Northeast | Tewksbury CS | 53 | Star |
| Northeast | Utica CS | 125 | Star |
| Northeast | Utica P&DC | 191 | Star |
| Northeast | West Chazy PO | 11 | Star |
| Pacific | Kula PO | 12 | Star |
| Pacific | Midway P&DF | 405 | Star |
| Pacific | Salinas P&DC | 100 | Star |
| Pacific | Santa Barbara P&DC | 320 | Star |
| Southeast | Atlanta AMC | 671 | Star |
| Southeast | Boca Raton MPO | 106 | Star |
| Southeast | Brookhaven CS | 34 | Star |
| Southeast | Brunswick MPO | 84 | Star |
| Southeast | Chattanooga P&DC | 417 | Star |
| Southeast | Dalton CS | 63 | Star |
| Southeast | Gainesville P&DF | 297 | Star |
| Southeast | Gulfport P&DC | 145 | Star |
| Southeast | Hollywood Florida CS | 172 | Star |
| Southeast | Longwood MPO | 56 | Star |
| Southeast | Montgomery P&DC | 469 | Star |

| Area | Worksite | Number of Employees | OSHA VPP Program |
|-----------|---------------------------------|---------------------|------------------|
| Southeast | Tampa P&DC | 1,466 | Star |
| Southeast | Winter Park Aloma CS | 73 | Star |
| Southeast | Winter Park MPO | 75 | Star |
| Southeast | Dalton East Side CS | 41 | Star |
| Southwest | Austin Bluebonnet CS | 137 | Star |
| Southwest | Baton Rouge P&DC | 567 | Star |
| Southwest | Bryan MPO | 202 | Star |
| Southwest | Farmington PO | 88 | Merit |
| Southwest | Metairie MPO | 116 | Star |
| Southwest | San Angelo MPO | 105 | Star |
| Southwest | Spring PO | 115 | Star |
| Southwest | Tyler PO | 75 | Star |
| Southwest | West Monroe PO | 87 | Star |
| Western | Aurora Tower Station CS | 119 | Star |
| Western | Beaverton-Evergreen CS | 115 | Star |
| Western | Boise P&DC | 340 | Star |
| Western | Cape Girardeau P&DF | 165 | Star |
| Western | Casper MPO | 170 | Star |
| Western | Dakota Central P&DF | 60 | Star |
| Western | Des Moines BMC | 470 | Star |
| Western | Duluth CS | 160 | Merit |
| Western | Duluth P&DC | 160 | Merit |
| Western | Eau Claire Annex | 86 | Merit |
| Western | Everett P&DF | 372 | Star |
| Western | Kalispell PO | 87 | Star |
| Western | Las Vegas AMC | 83 | Merit |
| Western | Norfolk P&DF | 76 | Star |
| Western | Omaha P&DC | 947 | Star |
| Western | Pocatello Mail Processing Annex | 100 | Star |
| Western | Provo- East Bay CS | 119 | Merit |
| Western | Sioux City MPO | 154 | Star |
| Western | Sioux Falls CS | 325 | Star |
| Western | Wichita P&DC | 512 | Star |

Source: OSHA Coordination Manager, April 2007

APPENDIX G. MANAGEMENT'S COMMENTS

DEBORAH GIANNONI-JACKSON
VICE PRESIDENT
EMPLOYEE RESOURCE MANAGEMENT



May 9, 2007

KIM STROUD

SUBJECT: Draft Audit Report – Postal Service's Workplace Safety and Workplace-Related Injury
Reduction Goals and Progress (Report Number HM-AR-07-DRAFT)

We appreciate the opportunity to review the subject report. We agree with the report as written, the non-monetary impact and the recommendation to capture injury and illness costs when we convert our injury recordkeeping to the SAP Environmental Health and Safety module.

The plan is to upgrade SAP to the new 6.0 version by March of 2008. The 6.0 version provides the additional platform features that better meet our safety and injury compensation business requirements. Once the upgrade is completed, it will take approximately a year to develop the new injury management reporting system with a field pilot commencing around March of 2009.

A handwritten signature in black ink, appearing to read "Deborah Giannoni-Jackson".

Deborah Giannoni-Jackson