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DEBORAH M. GIANNONI-JACKSON
VICE PRESIDENT, EMPLOYEE RESOURCE MANAGEMENT

JERRY D. LANE
VICE PRESIDENT, CAPITAL METRO AREA OPERATIONS

SUBJECT: Audit Report – Workplace Safety and Injury Reduction Goals in Selected
Capital Metro Area Facilities (Report Number HM-AR-09-001)

This report presents the results of a review required by the Postal Accountability and Enhancement Act (Postal Act of 2006)¹ to identify the areas (facility locations) where the U. S. Postal Service did not achieve its workplace injury reduction goals (Project Number 08YG018HM000). Our objectives were to determine whether four mail processing facilities in the Capital Metro Area achieved their injury reduction goals for fiscal years (FY) 2007 and 2008 and whether there was adequate oversight to ensure the facilities achieved their goals. The four facilities reviewed were the Curseen-Morris, Dulles, and Southern Maryland Processing and Distribution Centers (P&DCs); and the Washington Bulk Mail Center (BMC). See [Appendix A](#) for additional information about this audit.

Conclusion

The four mail processing facilities achieved some of their FYs 2007 and 2008 injury reduction goals; however, the achievements for three facilities were overstated for both years, while the achievements for one facility were understated for both years. Management at three of the four facilities also need to improve their leadership to correct safety deficiencies. While the Northern Virginia Performance Cluster's (PC) oversight of the Dulles P&DC safety program was adequate, the Capital PC and Capital Metro Area management did not adequately oversee safety and health programs at the Curseen-Morris and Southern Maryland P&DCs, and the Washington BMC. In addition, the Capital District did not recover \$63,200 of continuation of pay (COP) from employees, as required by Postal Service policy, after the Office of Workers' Compensation Program (OWCP) denied the claims.²

¹ Public Law 109-435, *Postal Accountability and Enhancement Act*, December 20, 2006, required we review facility achievements. In agreement with congressional staff, we issued the report *Postal Service's Workplace Safety and Workplace-Related Injury Reduction Goals and Progress* (Report Number HM-AR-07-002, dated May 16, 2007). That report addressed the Postal Service's nationwide goals. This report addresses facility goals.

² COP is an injured employee's entitlement of pay for up to 45 days of disability or medical treatment following a traumatic injury and pending the OWCP's approval of the injury claim.

Some Injury Reduction Goals Achieved

The four facilities achieved some of their FYs 2007 and 2008 injury reduction goals; however, the goals were not established using the same criteria headquarters, the areas, and the PCs used. As a result, the facilities' achievements were over- or understated for both years. We are not making a recommendation regarding this issue at this time because management is reviewing how it sets motor vehicle accident (MVA) frequency rate goals as part of the 2010 National Performance Assessment (NPA) goal setting process. The results of that review may influence the goal-setting process in other safety areas.

Achievement of Goals Depends on Management's Leadership

A facility's success in achieving injury reduction goals depends on management implementing an effective safety and health program. The FY 2008 *Safety and Health Program Evaluation Guide* (PEG) showed effective program and superior management leadership at the Dulles P&DC, but significant program deficiencies at the Curseen-Morris and Southern Maryland P&DCs and the Washington BMC. A current and former plant manager agreed their success depended on management's commitment to safety. The former and other current plant managers also stated that turnover in key positions, workhour reductions, and their focus on mail processing operations had an impact on their ability to implement effective safety programs. In addition, declining resources may make it difficult for managers to ensure PEG compliance, which could also reduce the emphasis on safety.

The four plant managers also did not establish Plant Executive Safety and Health Committees to monitor and review safety and health program activities, and some area and district safety personnel did not complete required safety training.³ This occurred because the plant managers were not aware of the requirement for the committees, and the Capital Metro Area Human Resources (HR) Manager relied on PC safety managers to ensure safety personnel completed training.

Management's limited commitment to implementing safety and health programs at the Curseen-Morris and Southern Maryland P&DCs and the Washington BMC may have reduced credibility with employees and contributed to an increase in injuries and illnesses (I&I) and workers' compensation costs at these facilities. See [Appendix B](#) for our detailed analysis of this topic.

During the audit, Capital and Northern Virginia PC Senior Plant Managers established Plant Executive Safety and Health Committees at the Dulles, Curseen-Morris, and Southern Maryland P&DCs and the Washington BMC for FY 2009. The Capital Metro Area HR Manager also implemented a process on November 19, 2008, to track and monitor area and district safety personnel attendance at core curriculum training.

³ *Employee and Labor Relations Manual* (ELM) Issue 19, Section 812, Management Responsibilities, March 2008.

In addition to these actions, we recommend the Vice President, Capital Metro Area Operations, direct the Capital District Senior Plant Manager to:

1. Correct deficiencies identified in the Fiscal Year 2008 *Safety and Health Program Evaluation Guide* evaluations for the Curseen-Morris and Southern Maryland Processing and Distribution Centers and the Washington Bulk Mail Center.
2. Leverage resources to ensure management implements and monitors safety and health programs at the Curseen-Morris and Southern Maryland Processing and Distribution Centers and the Washington Bulk Mail Center.

We also recommend the Vice President, Capital Metro Area Operations, direct the Capital District Senior Plant Manager and Capital District Manager to:

3. Remind plant managers and facility safety personnel at the Curseen-Morris and Southern Maryland Processing and Distribution Centers and the Washington Bulk Mail Center, as appropriate, of their safety and health program responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.

We recommend the Vice President, Capital Metro Area Operations:

4. Direct the Capital Metro Area Human Resources Manager to ensure area and district safety personnel receive the required safety core curriculum training as soon as possible.
5. Remind the Capital Metro Area Human Resources Manager and area safety managers, as appropriate, of their safety and health program responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.

Oversight of Safety and Health Programs

Postal Service policy⁴ does not require headquarters' oversight of facility programs. This requirement rests with the areas and the PCs. However, according to a Safety and Environmental Performance Management (SEPM) official, the headquarters' electronic Safety Toolkit (STK) provides quarterly email messages to district management identifying facilities that are not meeting their accident reduction goals.

The Northern Virginia PC's oversight of the Dulles P&DC safety program was adequate and the facility achieved its FYs 2007 and 2008 injury reduction goals. However, the safety and health programs at the Curseen-Morris and Southern Maryland P&DCs and the Washington BMC did not always receive adequate oversight by the Capital Metro Area and Capital PC and those facilities did not achieve some of their goals. This occurred because management was not aware of the requirement to establish the Area

⁴ ELM Issue 19, Section 813, Safety and Health Management Responsibilities, March 2008.

Executive Safety and Health Committee, and the Capital District Executive Safety and Health Committee did not focus on ensuring safety and health programs were fully implemented. Improved oversight is important given the Postal Service's financial condition⁵ and workers' compensation costs, which exceeded \$1 billion in 2008. See [Appendix B](#) for our detailed analysis of this topic.

During our audit, the Vice President, Capital Metro Area Operations, established a Capital Metro Area Executive Safety and Health Committee to begin meeting in FY 2009.

In addition to this action, we recommend the Vice President, Capital Metro Area Operations, direct the Capital District Manager to:

6. Ensure Capital District Executive Safety and Health Committee members understand their roles and responsibilities as outlined in Postal Service policies, including monitoring and reviewing safety and health program activities to ensure goals and objectives are met.

We recommend the Vice President, Capital Metro Area Operations:

7. Remind the Capital District Manager, and the Senior Plant Manager of their safety and health program oversight responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.
8. Determine if the findings in this report exist in the remaining Capital Metro Area Performance Clusters and, where necessary, take action to ensure management implements adequate controls.

Continuation of Pay Recoveries

We determined 21 Capital PC employees erroneously received \$63,200 for COP in FY 2007. The district did not recover overpayments when the OWCP denied the workers' compensation claims because new staff in the Capital District Health and Resource Management (HRM) office were not aware of the requirement to track and monitor COP.⁶ See [Appendix B](#) for our detailed analysis of this topic.

When we brought this to their attention, Capital District management took immediate action to recover the \$63,200 of COP. We will report these recoverable questioned costs in our *Semiannual Report to Congress*.

⁵ The Postal Service had a net loss of \$2.8 billion in FY 2008.

⁶ ELM Issue 19, Section 543.41, Continuation of Regular Pay, March 2008.

In addition to this action, we recommend the Vice President, Capital Metro Area Operations, direct the Capital District Manager to:

9. Determine if continuation of pay was made to other Capital Performance Cluster employees whose workers' compensation claims the Office of Workers' Compensation Programs denied during fiscal years 2007 and 2008, and make full recoveries where they find continuation of pay errors.
10. Remind the Health and Resource Management staff, as appropriate, of their continuation of pay recovery responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.

Management's Comments

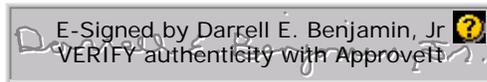
Management agreed to implement all 10 recommendations. However, management disagreed with several of our findings, including the monetary impact of \$63,200. Management stated that the correct amount is \$60,685.22, and the use of recordable accident goals instead of frequency rate goals does not result in over- and understatements of the facilities' achievements. Management's comments, in their entirety, are included in [Appendix E](#).

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations, and the corrective actions should resolve the issues identified in the report. Our evaluation of management's disagreements with certain findings is included in [Appendix F](#).

The OIG considers recommendations 1, 4, 6, 8, and 9 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations 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.



Darrell E. Benjamin, Jr.
Deputy Assistant Inspector General
for Support Operations

Attachments

cc: Anthony J. Vegliante
Henry L. Dix
Theresa Gibbs
Katherine S. Banks

APPENDIX A: ADDITIONAL INFORMATION

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*.⁷ The OSH Act provides citations, penalties, and criminal referrals for employers who fail to comply. The Occupational Safety and Health Administration (OSHA) is responsible for promulgating and enforcing standards and regulations under the OSH Act.

The Postal Service has more than 700,000 employees located in over 36,000 facilities nationwide. The agency considers these employees its most valued resource. To minimize employee injury risk, managers at all levels are required to demonstrate a commitment to provide safe and healthful working conditions by following safety policies. Management at all levels is also responsible for ensuring the agency meets its injury reduction goals by implementing safety and health programs in their jurisdiction.⁸

- The headquarters SEPM Office manages OSHA compliance activity and administers and evaluates the Postal Service's national safety and health program.
- Area Vice Presidents, through their HR and safety managers, provide safety and health programs in their areas and ensure compliance with OSHA standards and regulations and national policy and direction.
- PC and facility managers implement safety and health programs in their jurisdiction to achieve the corporate objectives of reducing injuries, illnesses, and MVAs.
- PC safety managers and specialists report to the PC HR Manager and serve as technical advisors and consultants to management. PC safety specialists also conduct annual PEG evaluations at all facilities with 100 or more work years, to measure the effectiveness of the safety and health program and ensure OSHA compliance.

The NPA and the Pay-for-Performance (PFP) systems ensure that management at all levels — including front-line supervisors — is responsible and held accountable for the prevention of accidents, achieving OSHA I&I goals, and controlling losses.⁹

⁷ The OSH Act states that employers shall furnish all employees a workplace free from recognized hazards that cause or are likely to cause death or serious physical harm.

⁸ ELM Issue 19, Sections 812, Management Responsibilities; 813, Safety and Health Staff Responsibilities; and 823, Program Evaluations, March 2008.

⁹ The NPA OSHA I&I indicator is a combination of the OSHA I&I frequency rate and the percentage improvement in the frequency rate compared to the same period last year.

OSHA Injuries and Illnesses Frequency Rate and Reduction Goals

The OSH Act requires all federal agencies, including the Postal Service, to report all recordable I&I to OSHA.¹⁰ The OSHA refers to this as the OSHA I&I frequency rate and it represents the number of recordable OSHA I&I per 100 full-time employees for a specific period of time.¹¹ For example, a facility frequency rate of 4.4 means there were 4.4 accidents per 100 employees in that facility. The desire is for facilities to achieve a rate that is “lower” than the goal. Management calculates the rate using an industry-wide formula recommended by OSHA that provides the standard base for calculating accident rates.¹² It also provides a measurement that makes accident data for large and small facilities comparable.

The Postal Service Establish Committee sets the corporate OSHA I&I frequency rate reduction goal annually.¹³ This goal represents what the Postal Service hopes to achieve as a nationwide average. In FYs 2007 and 2008, the Postal Service goals were 5.5 and 5.4, respectively. These rates represented a 0.1 (1/10th basis point) reduction to the OSHA I&I frequency rate for the same period last year (SPLY). The Postal Service SEPM Office established the area frequency rate goals, and the areas established the PC goals. The area and PC OSHA I&I frequency rate goals varied but were established to help achieve the nationwide goal. Facility goals, however, were established by the PCs as reductions to the number of OSHA I&I recordable accidents.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to determine whether four selected mail processing facilities in the Capital Metro Area were successful in meeting their injury reduction goals for FYs 2007 and 2008, and whether management provided adequate oversight to ensure the facilities achieved their goals.

To accomplish our objectives, we interviewed Postal Service officials to gain an understanding of their roles and responsibilities and the processes and procedures used for safety and health programs. We also examined applicable Postal Service policies and procedures, the OSH Act, the Postal Employees Safety Enhancement Act of 1998, and the Postal Act of 2006.

¹⁰ An injury or illness is recordable if it (1) results in death, days away from work, restricted work or job transfer, 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 the aforementioned situations.

¹¹ OSHA defines an injury as any wound or damage to the body resulting from an event in the work environment; and an illness (produced by the work environment) as both acute and chronic such as, but not limited to, skin diseases, respiratory disorders, or poisonings.

¹² 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 represent 100 employees working 2,000 hours per year. The term exposure refers to those hours employees worked (it excludes hours for leave, such as annual and sick leave).

¹³ The Establish Committee is comprised of the Deputy Postmaster General and functioning headquarters Vice Presidents.

To determine which area to review, we compared the FY 2006 OSHA I&I frequency rates for the Postal Service's nine areas to their FY 2007 frequency rates, and selected the Capital Metro Area because it was one of two areas that showed the most improvement from the previous year.¹⁴ We selected an area with the most improved OSHA I&I frequency rate to potentially identify best practices for reducing I&I that could be shared. To determine which facilities to review, we compared the FY 2006 OSHA I&I frequency rates for the Capital Metro Area mail processing facilities to their FY 2007 frequency rates. We selected the Curseen-Morris and Dulles P&DCs (two of the most improved frequency rates) and the Southern Maryland P&DC and Washington BMC (two of the least improved frequency rates). We reviewed mail processing facilities because they are large, have more employees and equipment, and process more mail than post offices or branches.

To determine if the four mail processing centers achieved their injury reduction goals, we compared the facilities' FYs 2007 and 2008 OSHA I&I recordable accident and frequency rate goals to the OSHA I&I recordable accidents and frequency rates achieved. We determined the frequency rate goals by converting the recordable accidents goals using the OSHA-recommended industry-wide formula that provides a standard base for calculating accident rates and a measurement that makes accident data for large and small facilities comparable. We obtained the recordable accidents goals from the Capital and Northern Virginia PCs, and the OSHA I&I recordable accidents and frequency rates achieved for both fiscal years from the Postal Service's Web Enterprise Information System (WebEIS). We could not verify the OSHA I&I recordable accident goals provided by the PCs with headquarters and the Capital Metro Area because officials at those levels provided different goals for the four facilities. Since the PCs were responsible for setting the goals for the facilities, we used the goals they provided which were the rates achieved in the SPLY. We did not analyze or provide an opinion on the Capital and Northern Virginia PC's use of the SPLY as their goals for the next year or the feasibility of those goals in relationship to the headquarters, area, and PC goals because management is reviewing how it sets MVA goals and that review may influence the goal-setting process.

To determine why the four facilities were successful or not in achieving their injury reduction goals, we interviewed various facility, area, PC, and district personnel including safety managers and plant managers. In addition, we reviewed safety-related documents obtained from the Risk Management Reporting System (RMRS), the NPA system, the Injury Compensation Performance Analysis System (ICPAS), and the electronic STK. We also reviewed various data and information pertaining to the headquarters, area, PC, and facility safety and health program activities including accident reduction plans (ARP)¹⁵ and PEG evaluations.

To determine the potential monetary effect of not achieving OSHA I&I injury reduction goals, we used the ICPAS and Payroll System to determine FYs 2007 and 2008 OWCP

¹⁴ The Pacific Area was the other area.

¹⁵ We did not review the Curseen-Morris P&DC FY 2007 ARP because it was deleted when the electronic STK was updated in FY 2008 and the facility did not maintain a hard copy.

and COP costs for the four facilities. We then identified the total number of recordable accidents from the RMRS, for each facility for the same fiscal years and determined the average OWCP and COP cost per recordable accident at each facility. We multiplied the increase or decrease in recordable accidents at each facility by the average per accident cost to determine the potential savings or costs from the increases and decreases in accidents.

When reviewing the COP costs we identified 28 employees who received COP payments in FY 2007 for non-recordable FY 2007 accidents. This indicated the OWCP did not approve the accidents, thus the COP was made in error. Further analysis of the payments revealed the OWCP denied 21 of the 28 claims; therefore, the district should have recovered the COP.

To determine if oversight at the headquarters, area, and PC levels was adequate to ensure the four mail processing facilities achieved their OSHA I&I reduction goals, we compared the oversight activities in place at each level to Postal Service policies and procedures regarding oversight of the safety and health program. We identified the oversight activities in place through interviews with Postal Service officials and documents provided by those officials.

Data Reliability Testing

We did not test the reliability of the FYs 2007 and 2008 OSHA I&I data and instead relied on the internal controls and data reliability testing conducted during the audit titled *Postal Service's Workplace Safety and Workplace-Related Injury Reduction Goals and Progress* (Report Number HM-AR-07-002, dated May 16, 2007). That audit determined the controls in place provided sufficient basis to rely on the OSHA I&I data extracted from the Enterprise Data Warehouse and WebEIS.

We also did not test the validity of the FYs 2007 and 2008 OSHA I&I accident data in the RMRS for the Capital and Northern Virginia PCs. Instead, we relied on the OSHA I&I recordkeeping reviews performed by Capital Metro Area and Northern Virginia and Capital District personnel which represented reviews of 100 percent of the accidents at the four facilities. The purpose of the reviews was to verify that accurate injury and illness recordkeeping procedures were universally applied and maintained throughout the organization. In addition, we did not test the controls over the data obtained from the Payroll System for our analysis of the OWCP and COP costs because previous OIG reviews did not reveal weaknesses in the system.¹⁶

We conducted this performance audit from February 2008 through February 2009 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate

¹⁶ *Fiscal Year 2007 Postal Service Financial Statements Audit – Eagan Information Technology and Accounting Service Center* (Report Number FT-AR-08-007, dated February 8, 2008) and *Fiscal Year 2007 Information Systems General Computer Controls Capping Report* (Report Number IS-AR-08-007, dated March 11, 2008).

evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management officials on December 15 and 18, 2008, and included their comments where appropriate.

PRIOR AUDIT COVERAGE

In the past 3 years, the OIG issued one report regarding the Postal Service's workplace injury reduction goals. The OIG report titled *Postal Service's Workplace Safety and Workplace-Related Injury Reduction Goals and Progress* (Report Number HM-AR-07-002, dated May 16, 2007) stated the Postal Service established and exceeded its national OSHA I&I reduction goals for FYs 2005 and 2006, and identified opportunities for making further progress in meeting its goals. It also stated there may be a corresponding reduction in the total accident and OSHA I&I costs but the Postal Service does not capture individual accident costs. Management concurred with the issues identified in the report and agreed with the recommendation to capture costs.

APPENDIX B: DETAILED ANALYSIS

Some Injury Reduction Goals Achieved

The four facilities achieved some of their FYs 2007 and 2008 injury reduction goals; however, the goals were not established using the same criteria headquarters, the areas, and the PCs used. As a result, the facilities' achievements were over- or understated for both years.

The Capital and Northern Virginia PCs established facility goals using a reduction to the number of OSHA I&I recordable accidents for the SPLY instead of the OSHA I&I frequency rate headquarters, the area, and the PCs used. The two goals differ in that the recordable accidents goals did not include the actual increases or decreases in the facilities' exposure hours. This is a significant part of the OSHA I&I frequency rate recommended by OSHA. The effect of using the recordable accident goals versus the frequency rate goals is that the Curseen-Morris and Southern Maryland P&DCs and Washington BMC's achievements were overstated for both years, while the Dulles P&DC's achievements were understated. For example, the Washington BMC missed its FY 2008 recordable accident goal by 2 percent, and its frequency rate goal by 9 percent. For the same period, the Dulles P&DC exceeded its recordable accident goal by 4 percent, and its frequency rate goal by 8 percent. See [Appendix C](#) for the different goals and rates achieved for the four facilities.

The Capital and Northern Virginia PCs used the OSHA I&I recordable accident goal because headquarters' policy required it.¹⁷ We believe, however, that the OSHA I&I frequency rate is more appropriate to use when determining a facility's success for the following reasons.

- Headquarters, the areas, and the PCs use it to determine accident reduction success.
- It is an OSHA-recommended, industry-wide formula that includes the actual increases or decreases in the facilities' exposure hours; provides a standard base for calculating accident rates; and provides a measurement that makes accident data for large and small facilities comparable.
- It is part of the NPA and PFP systems to ensure manager accountability.
- It is easily obtained from the WebEIS.

Achievement of Goals Depends on Management Leadership

Regardless of which injury reduction goal a facility uses, their success in achieving the goal depends on management implementing an effective safety and health program.

¹⁷ FYs 2007 and 2008 Accident Reduction Plan Policy Letters dated October 6, 2006, and September 28, 2007, respectively.

The Postal Service PEG that illustrates management leadership as one of the two most important elements of an effective safety program supports this idea.¹⁸

Management needs to improve its leadership at three of the four facilities. Specifically, the FYs 2007 and 2008 PEG evaluations for the Dulles P&DC indicated superior and model management leadership of the safety programs and successful program implementation. The Dulles P&DC Plant Manager confirmed their success was due to management's strong commitment to safety, including the implementation of safety initiatives not required by Postal Service policy.

The FY 2007 PEG evaluation for the Curseen-Morris P&DC's safety and health program also showed successful program implementation and sufficient management leadership. However, significant deficiencies existed in two of the safety categories — Inspection and Hazard Control, and Emergency Preparedness and First Aid. The PEG evaluation indicates this occurred because P&DC's management did not abate safety and health inspection deficiencies within 20 days and did not include all required categories in the emergency action plan. In FY 2008, the P&DC's entire safety and health program was found significantly deficient, including the Management Leadership subcategory.¹⁹ The Curseen-Morris P&DC former Plant Manager said their success in FY 2007 was due to management's commitment to the safety program, while the goal was not achieved in FY 2008 due to turnover in several key management positions.

The Southern Maryland P&DC's and the Washington BMC's FY 2007 PEG evaluations also showed that their safety programs overall were compliant, but that significant deficiencies existed, including management's leadership. The FY 2008 safety and health programs at both facilities were also significantly deficient, indicating little to no management involvement in the programs. For example, management did not participate in the safety and health inspections at the plants. We also noted this deficiency existed in both facilities since FY 2006, with no improvements from year to year. The Washington BMC Plant Manager stated that high turnover in the plant manager position had an impact on their ability to successfully implement their program. The Plant Manager also said that workhour reductions due to the BMC's closure on weekends also affected achievement of their frequency rate goals. The Southern Maryland P&DC and Washington BMC Plant Managers told us they did not achieve their FYs 2007 and 2008 OSHA I&I goals because their focus and commitment was on mail processing operations. See [Appendix D](#) for additional analysis of the FYs 2007 and 2008 PEG evaluations.

We also determined that some performance indicators tracked annually for the Postal Service's NPA may have provided minimal incentive for plant managers and

¹⁸ The Management Leadership and Employee Participating PEG category contains four subcategories: Management Leadership, Employee Participation, Safety Program Implementation, and Contractor Safety. If the Management Leadership or Employee Participation subcategory scores are lower than the average of all four categories, the lower score is assigned to the entire category.

¹⁹ The Capital District Senior Plant Manager, the Northern Virginia District HR Manager, and the current SEPM Director told us the decline in FY 2008 PEG scores was because facilities did not comply with new requirements that additional data and supporting documentation be entered into the STK.

supervisors to improve their OSHA I&I frequency rates and PEG scores. For example, in FY 2008, managers could receive an acceptable PFP score even though their PC's OSHA I&I frequency rate was 6.1 and no more than a 3 percent increase (more accidents) compared to the SPLY. In addition, FY 2008 NPA performance indicators for OSHA I&I frequency rates were weighted significantly less (6 percent) than the mail processing operations indicators (20 percent) when determining a facility manager's PFP score. Also in FY 2008, facility PEG scores were removed as an NPA performance indicator for plant managers and supervisors because, according to the Manager, Field Operations Requirements and Planning, facilities were consistently achieving their safety goals and other indicators considered more important were added. The SEPM Director believes this will result in less incentive for plant managers and supervisors to maintain effective safety programs and believes the Postal Service will not sustain the gains made in accident reduction rates over the last 7 years.²⁰ The Director also indicated that declining resources will make it difficult for managers to ensure PEG criteria is followed which could also result in less emphasis placed on safety.

Further, plant managers did not establish Plant Executive Safety and Health Committees, as required, to monitor and review safety and health program activities, because they were not aware of the requirement to do so. In addition, some area and district safety personnel did not complete required safety training to ensure the successful implementation of safety programs. For example, the Capital Metro Area ██████████ did not complete five of the eight required courses in the safety training core curriculum (including the Safety Program Management course). This occurred because the Capital Metro Area ██████████ did not track and monitor the completion of required training for safety personnel and instead relied on PC safety managers to ensure employees completed training.

Management's limited commitment to fully implementing safety and health programs at the Curseen-Morris and Southern Maryland P&DCs and the Washington BMC may have reduced credibility with employees and contributed to an increase in I&I and workers' compensation costs at these facilities. For example, employee responses to 10 safety-related questions in FYs 2007 and 2008 Voice of the Employee Surveys indicated numerous employees at all four facilities perceived there were safety issues supervisors were not addressing.

In addition, as shown in Table 1, the Curseen-Morris and Dulles P&DCs potentially saved \$65,884 and \$14,608, respectively, in FY 2007 OWCP and COP costs when they decreased the number of OSHA I&I recordable accidents from FY 2006. The Southern Maryland P&DC and Washington BMC, however, saw a potential increase of \$27,234 and \$17,024, respectively, due to an increased number of recordable accidents for the same time period. In FY 2008, the Dulles and Southern Maryland P&DCs potentially saved \$2,547 and \$5,436, respectively, in OWCP and COP costs. The Curseen-Morris P&DC and Washington BMC had a potential increase of \$36,860 and \$3,708, respectively, for the same period.

²⁰ Since 2001, the Postal Service reduced the total number of OSHA I&Is by 31,680, a 44.7 percent reduction.

Table 1. Estimated FYs 2007 and 2008 OWCP and COP Costs From Increases/Decreases in OSHA I&I Recordable Accidents

Facility	FY 2007 Average Cost per OSHA I&I Recordable Accident	Increase/Decrease in Accidents from FYs 2006 to 2007	Estimated OWCP and COP Cost Increase/Decrease in Accidents	FY 2008 Average Cost per OSHA I&I Recordable Accident	Increase/Decrease in Accidents from FYs 2007 to 2008	Estimated OWCP and COP Cost Increase/Decrease in Accidents
Curseen-Morris P&DC	\$4,706	-14	(\$65,884)	\$3,686	10	\$36,860
Dulles P&DC	\$1,328	-11	(\$14,608)	\$2,547	-1	(\$2,547)
Southern Maryland P&DC	\$4,539	6	\$27,234	\$2,718	-2	(\$5,436)
Washington BMC	\$4,256	4	\$17,024	\$3,708	1	\$3,708

Source: ICPAS, RMRS, and Payroll System

Corrective Actions

During our audit, Capital and Northern Virginia PC Senior Plant Managers established Plant Executive Safety and Health Committees at the Dulles, Curseen-Morris, and Southern Maryland P&DCs and the Washington BMC for FY 2009. In addition, on November 19, 2008, the Capital Metro Area HR Manager implemented a process to track and monitor area and district safety personnel attendance at core curriculum training to ensure compliance.

Oversight of Safety and Health Programs

Postal Service policy does not require headquarters' oversight of facility programs. This requirement rests with the areas and the PCs. However, the headquarters' electronic STK provides quarterly email messages to district management identifying facilities that are not meeting their reduction goals.

The Northern Virginia PC's oversight of the Dulles P&DC safety program was adequate and the facility achieved its FYs 2007 and 2008 injury reduction goals. However, the safety and health programs at the Curseen-Morris and Southern Maryland P&DCs and the Washington BMC did not always receive adequate oversight by the Capital Metro Area and Capital PC and the facilities did not achieve some goals.

The Capital Metro Area did not establish an Area Executive Safety and Health Committee, as required, to monitor and review safety and health program activities and to ensure that area facilities met their goals and objectives.²¹ Both the Capital and Northern Virginia PCs established District Executive Safety and Health Committees; however, the Capital PC's committee was not effective because it did not focus on ensuring safety and health programs were fully implemented and facilities were achieving their goals. For example, significant deficiencies identified in the Curseen-

²¹ ELM Issue 19, Section 812, Management Responsibilities, and Section 815.12, Area Executive Safety and Health Committee, March 2008.

Morris and Southern Maryland P&DCs' and Washington BMC's PEG evaluations were not abated. Other important items not addressed were the status of safety and health training and recordkeeping requirements (such as documenting accident reviews and safety training).

██████████ told us she was not aware of the requirement to establish an Area Executive Safety and Health Committee, and instead relied on PC safety managers to ensure facilities were achieving goals and completing all required elements of their safety and health programs. ██████████

██████████ did not establish an area committee because ██████████ focused on staffing and training three new districts added to the area in April 2006 to manage their safety and health programs.

Improvements in oversight by Capital Metro Area and Capital PC managers could improve employee perceptions of safety in their work environments, reduce accidents and illnesses, improve OSHA I&I rates, and decrease workers' compensation costs. This is particularly important given the Postal Service's financial condition and the increase in workers' compensation costs, which exceeded \$1 billion in 2008. The increased costs are due in large part to higher medical and prescription costs and increases in the cost of living allowance and Department of Labor administrative fee. It is also due to an increase (the first in 6 years) of 1,808 workers' compensation cases from last year. The Postal Service estimates its future liability for workers' compensation costs will be approximately \$8 billion at the end of 2008.²²

Corrective Actions

During our audit, the Vice President, Capital Metro Area Operations, established a Capital Metro Area Executive Safety and Health Committee to begin meeting in FY 2009.

Continuation of Pay Recoveries

We determined 21 Capital PC employees erroneously received \$63,200 for COP in FY 2007. The district did not recover the overpayments when the OWCP denied the workers' compensation claims because new Capital District HRM personnel were not aware of the requirement to track and monitor COP.

Postal Service policy states that if an employee receives COP and the OWCP subsequently denies the claim, the agency must recover the COP and give the employee the option of converting the amount to sick and/or annual leave used or have their payroll adjusted.

²² The Postal Service records in its financial statements the present value of all future payments it expects to make to employees receiving workers' compensation.

Corrective Actions

When we identified this issue, the Capital District HRM Manager took immediate action to recover the COP. Specifically, the manager notified the 21 employees by letter that they were not entitled to the \$63,200 in COP that we identified. Employees were given the opportunity to convert the COP to either sick and/or annual leave used or have their payroll adjusted. While we noted the action taken on this issue, we will report this monetary impact as \$63,200 of recoverable questioned costs in our *Semiannual Report to Congress*.

**APPENDIX C: FACILITY OCCUPATIONAL SAFETY AND HEALTH
ADMINISTRATION INJURIES AND ILLNESSES FREQUENCY RATES,
RECORDABLE ACCIDENT REDUCTION GOALS, AND RATES ACHIEVED**

**Table 2. FYs 2007 and 2008 Facility OSHA I&I Frequency Rate
Goals and Achievements**

Facility	FY 2007 OSHA I&I Frequency Rate Reduction Goal	FY 2007 OSHA I&I Frequency Rate Achieved	Percentage Difference Between FY 2007 Frequency Goal and Rate Achieved	FY 2008 OSHA I&I Frequency Rate Reduction Goal	FY 2008 OSHA I&I Frequency Rate Achieved	Percentage Difference Between FY 2008 Frequency Goal and Rate Achieved
Curseen-Morris P&DC	4.24	3.15	26	3.15	4.77	-51
Dulles P&DC	5.95	4.03	32	4.03	3.72	8
Southern Maryland P&DC	3.80	4.95	-30	4.95	4.99	-1
Washington BMC	4.59	5.77	-26	5.77	6.28	-9

Source: WebEIS as of March 4, 2008 (for FYs 2006 and 2007) and November 6, 2008 (for FY 2008).

**Table 3. FYs 2007 and 2008 Facility OSHA I&I Recordable Accident Reduction
Goals and Achievements**

Facility	FY 2007 OSHA I&I Recordable Accident Reduction Goal	FY 2007 OSHA I&I Recordable Accidents Achieved	Percentage Difference Between FY 2007 Recordable Accident Goal and Rate Achieved	FY 2008 OSHA I&I Recordable Accident Reduction Goal	FY 2008 OSHA I&I Recordable Accidents Achieved	Percentage Difference Between FY 2008 Recordable Accident Goal and Rate Achieved
Curseen-Morris P&DC	45	31	31	31	41	-32
Dulles P&DC	35	24	31	24	23	4
Southern Maryland P&DC	30	36	-20	36	34	6
Washington BMC	38	42	-11	42	43	-2

Source: RMRS

Note: A negative percentage in both tables indicates a goal not achieved.

APPENDIX D: CAPITAL METRO AREA SELECTED MAIL PROCESSING FACILITIES' FYS 2006 THROUGH 2008 PEG EVALUATION SCORES²³

PEG Categories	Curseen-Morris P&DC	Dulles P&DC	Southern Maryland P&DC	Washington BMC
FY 2006				
1. Management Leadership and Employee Participation	4.00	4.00	2.00	2.00
2. Workplace Analysis	4.67	4.33	3.67	3.67
3. Accident and Record Analysis	4.00	4.00	5.00	5.00
4. Hazard Prevention and Control	4.71	3.00	4.50	4.12
5. Emergency Response	4.50	5.00	5.00	5.00
6. Safety and Health Training	5.00	4.00	5.00	5.00
7. Motor Vehicles	3.00	3.00	3.50	3.50
Overall Average Scores	4.27	3.90	4.10	4.04
FY 2007				
1. Management Leadership and Employee Participation	3.00	4.00	2.00	2.00
2. Workplace Analysis	3.33	3.67	3.33	3.33
3. Accident and Record Analysis	5.00	5.00	4.00	4.00
4. Hazard Prevention and Control	5.00	3.00	3.06	3.34
5. Emergency Response	2.00	4.00	4.00	4.00
6. Safety and Health Training	3.00	4.00	4.00	4.00
7. Motor Vehicles	4.00	5.00	3.50	3.50
Overall Average Scores	3.62	4.10	3.41	3.45
FY 2008				
1. Management Leadership and Employee Participation	1.00	4.00	1.00	1.00
2. Workplace Analysis	1.00	4.33	2.00	2.33
3. Accident and Record Analysis	1.00	5.00	2.00	2.00
4. Hazard Prevention and Control	3.00	3.90	2.30	2.78
5. Emergency Response	1.00	4.00	1.00	1.00
6. Safety and Health Training	2.00	5.00	2.00	2.00
7. Motor Vehicles	1.50	3.50	1.50	1.00
8. Accident Prevention	1.00	1.00	1.00	2.00
Overall Average Scores	1.44	3.84	1.60	1.76

Source: STK

²³ A facility's PEG score is based on a thorough evaluation of 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. In FY 2007 the scores were: 5 = Outstanding, 4 = Superior, 3 = Basic, 2 = Developmental, and 1 = Ineffective or No Program. The scoring was modified in FY 2008 to: 5 = Model Program, 4 = Superior Program, 3 = ELM-Compliant Program, 2 = Developmental Program, and 1 = No Program.

APPENDIX E: MANAGEMENT'S COMMENTS



January 30, 2009

Lucine Willis
Director, Audit Operations
USPS Office of Inspector General
1735 North Lynn St.
Arlington, VA 22209-2020

Re: Workplace Safety and Injury Reduction Goals in Selected Capital Metro
Area Facilities (Report Number HM-AR-09-DRAFT)

Dear Ms. Willis:

Thank you for the opportunity to review and comment on the subject draft audit report. The following represents management's response.

Summary of Management's Response

We have reviewed the draft report with respect to workplace safety and injury reduction goals at certain Capital Metro Area facilities. The report contains no confidential or sensitive proprietary business, personal or law enforcement information that would be exempt from disclosure under the Freedom of Information Act.

We disagree with several findings as set forth below.

Page 1 of the draft audit report states:

... the Capital District did not recover \$63,200 of continuation of pay (COP) from employees, as required by Postal Service policy, after the Office of Workers' Compensation Program (OWCP) denied their claims.

We disagree that the correct dollar amount for these recoverable COP costs is \$63,200. Our records indicate that the correct amount is \$60,685.22.

Page 7 of the draft audit report states:

The Postal Service SEPM Office established the area frequency rate goals, and the areas established the PC goals.

475 L'ENFANT PLAZA SW
WASHINGTON DC 20260
WWW.USPS.COM

While the SEPM Office provides a floor for the area OSHA I&I frequency rate and motor vehicle rate goals, each area sets its own goals and nothing prevents an area from targeting more aggressive goals for itself. In many cases, area and PC goals are in fact more aggressive than the SEPM goals.

Page 11 of the draft audit report states:

The Capital and Northern Virginia PCs established facility goals using a reduction to the number of OSHA I&I recordable accidents for the SPLY instead of the OSHA I&I frequency rate headquarters, the area, and the PCs used. The two goals differ in that the recordable accidents goals did not include the actual increases or decreases in the facilities' exposure hours. This is a significant part of the OSHA I&I frequency rate recommended by OSHA.

When setting a facility's safety goal, it is not possible to use actual increases or decreases in facilities' exposure hours because the hours have not been worked yet and are therefore unknown. However we can and do use the planned exposure hours for the fiscal year when calculating the accident number reduction goal. Annual facility accident reduction targets are established using the Accident Reduction Target Planning Tool (ARPT). The ARPT incorporates the OSHA I&I frequency rate goal for the fiscal year and the planned exposure hours for the fiscal year to calculate the total allowable number of accidents that can occur and still achieve the rate goal. Therefore, the accident goal is in fact derived from the OSHA I&I frequency rate goal.

Page 11 of the draft audit report also states:

The effect of using the recordable accident goals versus the frequency rate goals is that the Curseen-Morris and Southern Maryland P&DCs and Washington BMC's achievements were overstated for both years, while the Dulles P&DC's achievements were understated.

Using accident number goals instead of frequency rate goals does not result in an overstatement or an understatement of the facilities' achievements – they are simply different mathematical measurements. Percentages of different mathematical values will necessarily differ. Both the accident numbers and the rates are readily available in webEIS – and so long as they are not erroneously compared with each other, then there is no overstatement or understatement of achievement.

Page 11 of the draft audit report also states:

The Capital and Northern Virginia PCs used the OSHA I&I recordable accident goal because headquarters policy required it. We believe, however, that the OSHA I&I frequency rate is more appropriate to use when determining a facility's success

.....

Headquarters selected this methodology to reduce accidents at specific facilities because we know that supervisors, facility managers and employees can much more easily understand a reduction target that is spelled out in terms of numbers of accidents that need to be reduced, rather than in terms of an abstract rate reduction. A supervisor that understands he or she can spare only two more accidents before the goal will be lost will work harder to avoid those two accidents than one who does not possess such specific information. Again, the target rate and planned exposure hours are incorporated into the calculation of the accident number goal.

Management's Responses to Recommendations

Following are management's responses to specific recommendations contained in the draft audit report.

Recommendation 1

We recommend the Vice President, Capital Metro Area Operations, direct the Capital District Senior Plant Manager to: Correct deficiencies identified in the Fiscal Year 2008 Safety and Health Program Evaluation Guide evaluations for the Curseen-Morris and Southern Maryland Processing and Distribution Centers and the Washington Bulk Mail Center.

Response

Management agrees with the recommendation. The Vice President, Capital Metro Area Operations will direct the Capital District Senior Plant Manager to establish, through the Plant Executive Safety and Health Committees, a PEG improvement plan for each of the three facilities that will ensure all deficiencies (i.e., PEG subcategory scores that are less than 3.0) will be corrected to meet or exceed a score of 3.0. A follow-up PEG will be conducted at the Curseen-Morris and Southern Maryland Processing and Distribution Centers and the Washington Bulk Mail Center to validate the results of these actions. This will be accomplished by July 31, 2009.

Recommendation 2

We recommend the Vice President, Capital Metro Area Operations, direct the Capital District Senior Plant Manager to: Leverage resources to ensure management implements and monitors safety and health programs at the Curseen-Morris and Southern Maryland Processing and Distribution Centers and the Washington Bulk Mail Center.

Response

Management agrees with the recommendation. The Vice President, Capital Metro Area Operations, will direct the Capital District Senior Plant Manager to instruct each of the three plant managers to ensure that their Plant Executive Safety and Health Committee functions in accordance with ELM 815.4, uses available tools in the Safety Toolkit such as the Safety and Health Committee Meeting Minutes Worksheet and includes discussion of safety and health program requirements and available resources as a standing agenda item at the committee meetings. This will be accomplished by March 31, 2009.

Recommendation 3

We recommend the Vice President, Capital Metro Area Operations, direct the Capital District Senior Plant Manager and Capital District Manager to: Remind plant managers and facility safety personnel at the Curseen-Morris and Southern Maryland Processing and Distribution Centers and the Washington Bulk Mail Center, as appropriate, of their safety and health program responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.

Response

Management agrees with the recommendation. The Vice President, Capital Metro Area Operations will instruct the Capital District Senior Plant Manager and/or Capital District Manager to issue letters to the plant managers and plant safety specialists that identify their safety and health program responsibilities pursuant to the ELM and specify that they will be held accountable for full compliance. This will be accomplished by March 31, 2009.

Recommendation 4

We recommend the Vice President, Capital Metro Area Operations: Direct the Capital Metro Area Human Resources Manager to ensure area and district safety personnel receive the required safety core curriculum training as soon as possible.

Response

Management agrees with the recommendation insofar as it requires the Capital Metro Area Human Resources Manager to ensure area and district safety personnel receive the required safety core curriculum training as soon as possible. The Capital Metro Area Human Resources Manager implemented a procedure to track the receipt of the required training on November 19, 2008, a copy of which was previously provided.

Recommendation 5

We recommend the Vice President, Capital Metro Area Operations: Remind the Capital Metro Area Human Resources Manager and area safety managers, as appropriate, of their safety and health program responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.

Response

Management agrees with the recommendation. The Vice President, Capital Metro Area Operations, will issue letters to the Capital Metro Area Human Resources Manager and to the Capital Metro Area Safety Manager through the Capital Metro Area Human Resources Manager that identify their safety and health program responsibilities described in the ELM and specify that they will be held accountable for full compliance. This will be accomplished by March 31, 2009.

Recommendation 6

We recommend the Vice President, Capital Metro Area Operations, direct the Capital District Manager to: Ensure Capital District Executive Safety and Health Committee members understand their roles and responsibilities as outlined in Postal Service policies, including monitoring and reviewing safety and health program activities to ensure goals and objectives are met.

Response

Management agrees with the recommendation. The Vice President, Capital Metro Area Operations will direct the Capital District Manager to ensure that the Capital District Executive Safety and Health Committee functions in accordance with the ELM, discuss the roles and responsibilities of the Capital District Executive Safety and Health Committee members at a committee meeting, and establish a standard agenda item to ensure that the committee's areas of responsibility identified in the ELM are reviewed at each Capital District Executive Safety and Health Committee meeting. This will be accomplished by March 31, 2009.

Recommendation 7

We recommend the Vice President, Capital Metro Area Operations: Remind the Capital District Manager, and the Senior Plant Manager of their safety and health program oversight responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.

Response

Management agrees with the recommendation. The Vice President, Capital Metro Area Operations will issue letters to the Capital District Manager and Senior Plant Manager that identifies their safety and health program responsibilities described in the ELM and specifies that they will be held accountable for full compliance. This will be accomplished by March 31, 2009.

Recommendation 8

We recommend the Vice President, Capital Metro Area Operations: Determine if the findings in this report exist in the remaining Capital Metro Area Performance Clusters and, where necessary, take action to ensure management implements adequate controls.

Response

Management agrees with this recommendation. The Vice President, Capital Metro Area Operations will issue a letter to the Capital Metro Area Safety Manager through the Capital Metro Area HR Manager that instructs them to work with District Safety Managers to identify all FY08 PEGs with any subcategory scoring less than 3.0, which indicates a serious deficiency, and contact facility heads for documentation of corrective actions taken. This will be accomplished by July 31, 2009.

Recommendation 9

We recommend the Vice President, Capital Metro Area Operations, direct the Capital District Manager to: determine if continuation of pay was made to other Capital Performance Cluster employees whose workers' compensation claims the Office of Workers' Compensation Programs denied during fiscal years 2007 and 2008, and make full recoveries where they find continuation of pay errors.

Response

Management agrees with this recommendation. The Vice President, Capital Metro Area Operations will direct the Capital District Manager to issue a letter to the [REDACTED] instructing [REDACTED] to review the records of all Capital Performance Cluster employees whose workers' compensation claims were denied by OWCP during fiscal years 2007 and 2008, and make full recoveries where she finds COP errors. This will be accomplished by March 15, 2009.

Recommendation 10

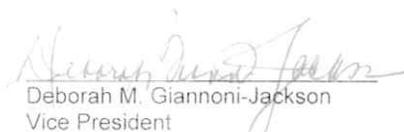
We recommend the Vice President, Capital Metro Area Operations, direct the Capital District Manager to: remind the Health and Resource Management staff, as appropriate, of their continuation of pay recovery responsibilities as outlined in Postal Service policies, and specify they will be held accountable for full compliance.

Response

Management agrees with this recommendation. The Vice President, Capital Metro Area will direct the Capital District Manager to issue letters to the Capital District Health and Resource Management staff to remind them of their responsibilities to recover continuation of pay overpayments and specify they will be held accountable for full compliance. This will be accomplished by March 31, 2009.

If you have any questions, please contact Jeannine Turenne, Director, Safety and Environmental Performance Management, at (202) 268-6357.

Sincerely,


Deborah M. Giannoni-Jackson
Vice President
Employee Resource Management


Jerry D. Lane
Vice President
Area Operations, Capital Metro Area

APPENDIX F. EVALUATION OF MANAGEMENT'S COMMENTS

The following are our responses to management's areas of disagreement with the issues presented in the report.

Management asserted that the FY 2007 recoverable COP costs should total \$60,685.22, excluding \$2,514.78 because the Capital District recovered it. However, the amount was not recovered until after we brought the issue to their attention. Therefore, the total recoverable amount is \$63,200.

Management stated that the SEPM Office did not establish area frequency rate goals, based on their own admission that areas were provided with a floor (minimum) for their OSHA I&I frequency rate goal. We agree that the areas could set higher goals than those established by headquarters.

Regarding management's belief that it is not possible to use the OSHA I&I frequency rate (actual increases or decreases in exposure hours) when setting facility safety goals, we do not agree for the reasons explained in the report. Specifically, headquarters, the areas, and the PCs use the rate; it is OSHA recommended and part of the NPA and PFP systems; and it is easily obtained from the WebEIS.

Management indicated that annual facility targets for accident reduction were established using the Accident Reduction Planning Tool (ARPT). However, none of the officials at the four facilities we visited, the Capital and Northern Virginia PCs, the Capital Metro Area, or the SEPM Office, provided us with documentation that ARPTs were used to establish accident reduction goals at the four facilities. In fact, the audit report states that we could not verify the accident goals established by the PCs with headquarters or the area because officials at those levels provided different goals for the four facilities.

Management believed that using number of accident goals instead of frequency rate goals does not result in over- and understatements of the facilities' achievements. However, as stated in the report, the Postal Service uses the OSHA I&I frequency rate when reporting I&I to OSHA. The intent of the OSHA I&I frequency rate is to provide a standard base for calculating accident rates and provide a measurement that makes accident data for large and small facilities comparable. When different measurements are used, the intent of the recommended measurement is lost. In this case, Appendix C shows the over- and understatements.

Regarding management's position that supervisors, facility managers, and employees can more easily understand a reduction target expressed in numbers rather than an abstract rate reduction, it may be more beneficial to educate these individuals on the intent and use of the OSHA I&I frequency rate rather than creating another measurement.