



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

Motor Vehicle Accident Prevention Program

Audit Report

September 21, 2012

Report Number HR-AR-12-006



HIGHLIGHTS

BACKGROUND:

The U.S. Postal Service operates a fleet of about 215,000 vehicles, with over 300,000 authorized drivers. During fiscal years 2010 and 2011, these drivers had over 20,000 accidents each year. Motor vehicle accidents result in medical costs to employers, legal expenses, property damage, and lost productivity. They also drive up the cost of benefits such as workers' compensation, Social Security, and private health and disability insurance.

The Postal Service's Safe Driver Program established policies and guidelines to ensure that its drivers are equipped to drive safely, comply with Department of Transportation regulations, and collect and deliver mail efficiently. Our objective was to assess internal controls over motor vehicle safety.

WHAT THE OIG FOUND:

While the Postal Service has established procedures to monitor and oversee motor vehicle safety, supervisors did not always follow prescribed procedures. We identified issues relating to driving observations, vehicle safety inspections, and monitoring of driving privileges. As a result we identified \$97.7 million in assets at risk due to inadequate controls over motor vehicle safety. Efforts to prevent motor vehicle accidents help reduce costs, promote safety for

employees and the public, and enhance the Postal Service brand.

WHAT THE OIG RECOMMENDED:

We recommended management provide supplemental guidance to area and district managers to enforce requirements for supervisors to adhere to motor vehicle safety procedures, to include conducting driving observations, ensuring drivers perform vehicle safety inspections, and performing quarterly driving privilege checks.

We also recommended management provide periodic refresher training to supervisors on the Safe Driver Program and ensure that employees performing driving observations take the Driver Observation training course. Finally, we recommended management establish and implement proactive monitoring processes that include using Department of Motor Vehicles' databases to ensure the validity of driver's licenses for employees in driving positions.

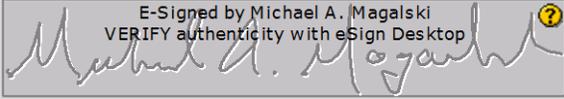
[*Link to review the entire report.*](#)



September 21, 2012

MEMORANDUM FOR: DEBORAH GIANNONI-JACKSON
VICE PRESIDENT, EMPLOYEE RESOURCE
MANAGEMENT

DEAN GRANHOLM
VICE PRESIDENT, DELIVERY AND POST OFFICE
OPERATIONS

FROM: 
Michael A. Magalski
Deputy Assistant Inspector General
for Support Operations

SUBJECT: Audit Report – Motor Vehicle Accident Prevention
Program (Report Number HR-AR-12-006)

This report presents the results of our audit of the U.S. Postal Service's Motor Vehicle Accident Prevention Program (Project Number Project 12YG016HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Andrea Deadwyler, director, Human Resources and Security, or me at 703-248-2100.

Attachments

cc: Megan J. Brennan
Vice Presidents, Area Operations
Tim O'Reilly
Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of the U.S. Postal Service’s Motor Vehicle Accident Prevention Program (Project Number Project 12YG016HR000). Our objective was to assess the Postal Service’s internal controls over motor vehicle safety. This self-initiated audit addresses operational risk. See [Appendix A](#) for additional information about this audit.

The Postal Service operates a fleet of about 215,000 vehicles with over 300,000¹ employees authorized to operate them. In both fiscal years (FYs) 2010 and 2011, the Postal Service experienced about 80,000 accidents² with motor vehicle accidents accounting for 25 percent of them.

The Postal Service’s Safe Driver Program establishes policies and guidelines to ensure that Postal Service drivers are equipped to drive safely, comply with Department of Transportation regulations, and collect and deliver mail efficiently. However, Postal Service drivers, over the course of FYs 2010 and 2011, had over 40,000 motor vehicle accidents, which averages 9.2 accidents per million miles driven. Similarly, in FYs 2008 and 2009, Postal Service drivers had over 41,000 motor vehicle accidents, which averages 9.2 accidents per million miles driven.

Conclusion

The Postal Service has established controls to assist supervisors with monitoring and overseeing motor vehicle safety; however, at the 23³ locations we visited, supervisors did not always follow prescribed procedures. Specifically, they did not always conduct driving observations and document them on PS Form 4584, Observation of Driving Practices; provide adequate oversight to ensure carriers performed vehicle inspections; or perform quarterly checks of driving privileges. Additionally we found that the driver’s license quarterly checks are ineffective in ensuring that employees have valid and current licenses.

We identified \$97.7 million in assets at risk due to inadequate controls over motor vehicle safety. Efforts to prevent motor vehicle accidents help reduce costs, promote safety for employees and the public, and enhance the Postal Service brand.

¹ This includes 183,774 city delivery carriers; 7,064 motor vehicle operators; 66,186 rural delivery carriers; and 50,349 rural part-time carriers.

² The 80,000 accidents include motor vehicle, natural event, and industrial accidents.

³

[REDACTED]

Observation of Driving Practices

At the 23 locations we visited, supervisors should have conducted a minimum of 7,280 driver observations⁴ during FYs 2010 and 2011 to ensure carriers were driving safely. At seven⁵ of the 23 locations supervisors did not perform any observations while supervisors at the remaining 16 locations performed well below the required number of observations.⁶ Collectively, supervisors at the 16 locations completed a total of 1,546 driving observations, which is 21.2 percent of the required number of observations. None of the sampled facilities completed the required minimum observations (see [Table 1](#)).

⁴ Driver observation entails supervisors performing a required number of observations and completing PS Form 4584, *Observation of Driving Practices*, for each driver under their direct supervision.

⁵

⁶ Handbook EL-804, *Safe Driver Program*, Section 14.141, Observation of Driving Practices.

Table 1: Driver Observations by Facility

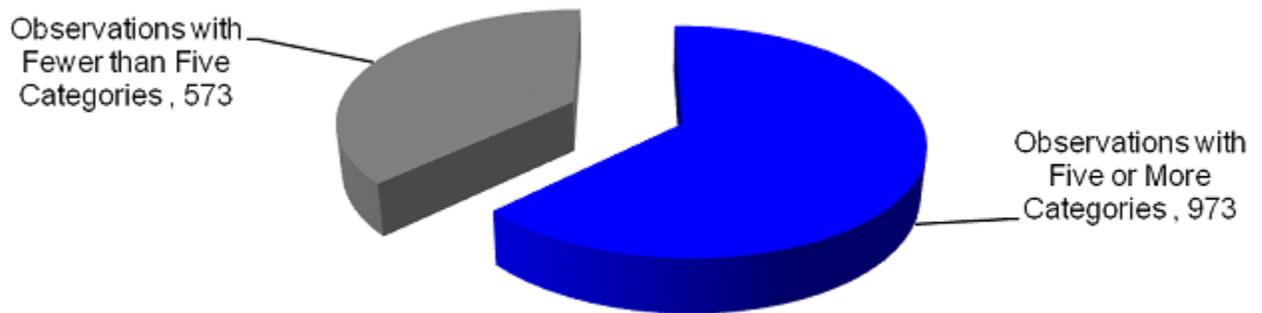
Facility	Required Minimum Number of Observations	Count of Observations	Percentage Compliant
[REDACTED]	352	60	17.0%
[REDACTED]	128	30	23.4%
[REDACTED]	180	30	16.7%
[REDACTED]	428	3	0.7%
[REDACTED]	400	0	0.0%
[REDACTED]	228	0	0.0%
[REDACTED]	80	0	0.0%
[REDACTED]	644	0	0.0%
[REDACTED]	212	0	0.0%
[REDACTED]	188	0	0.0%
[REDACTED]	752	389	51.7%
[REDACTED]	388	24	6.2%
[REDACTED]	352	226	64.2%
[REDACTED]	272	0	0.0%
[REDACTED]	564	98	17.4%
[REDACTED]	132	30	22.7%
[REDACTED]	196	25	12.8%
[REDACTED]	236	86	36.4%
[REDACTED]	68	21	30.9%
[REDACTED]	164	25	15.2%
[REDACTED]	132	62	47.0%
[REDACTED]	820	198	24.1%
[REDACTED]	364	239	65.7%
Total	7,280	1,546	21.2%

Source: U.S. Postal Service Office of Inspector General (OIG) analysis.

Additionally, supervisors did not consistently complete the observations as required. For example, supervisors are required to observe at least five separate driving categories, such as parking, backing, steering, signaling, and stopping.⁷ Of the 1,546 observations by Postal Service supervisors, we noted that 573 (or 37 percent) did not review five separate driving categories as required, while 973 (or 63 percent) reviewed at least five driving categories as required (see Chart 1).

⁷ PS Form 4584, page 1. Other driving categories include responsiveness to weather, vehicle security, speed, intersections, and attention to children/pedestrians.

Chart 1: Driver Observations Completed as Required



Source: OIG data analysis.

Based on the observations supervisors conducted, we determined they observed over 300 unsafe driving practices; however, they did not schedule any of the drivers for Driver Improvement training, as required. Our analysis of training records revealed that only 28 of the 70 managers we interviewed (40 percent) had taken Driver Observation training.

The supervisors stated that the reasons they did not consistently perform driving observations include management turnover and competing tasks, such as monitoring wait times at the retail window, overseeing Express Mail® delivery requirements, and handling labor issues. In addition, most of the supervisors stated they were working 10-hour days and were still unable to get everything done, and were unaware they needed to observe five driving categories when completing an observation.

Postal Service policy requires supervisors to observe drivers with more than 2 years of experience semiannually and drivers with less than 2 years of experience (or non-career status employees) quarterly and states that supervisors and others who conduct employee driver observations should receive appropriate training.⁸ In addition, Postal Service policy states that supervisors must notify the Driving Safety instructor promptly of unsafe driving observations that require driver improvement training and provide a copy of PS Form 4584.⁹ By not performing driving observations, supervisors were not taking proactive measures to identify and re-train unsafe drivers, which would help prevent or reduce motor vehicle accidents.

Vehicle Safety Inspections

At 14¹⁰ of the 23 locations we visited, supervisors did not provide adequate oversight to ensure that carriers performed vehicle inspections. Interviews with carriers at the

⁸ Handbook EL-804, Section, 14.143, Learning to Observe Drivers.

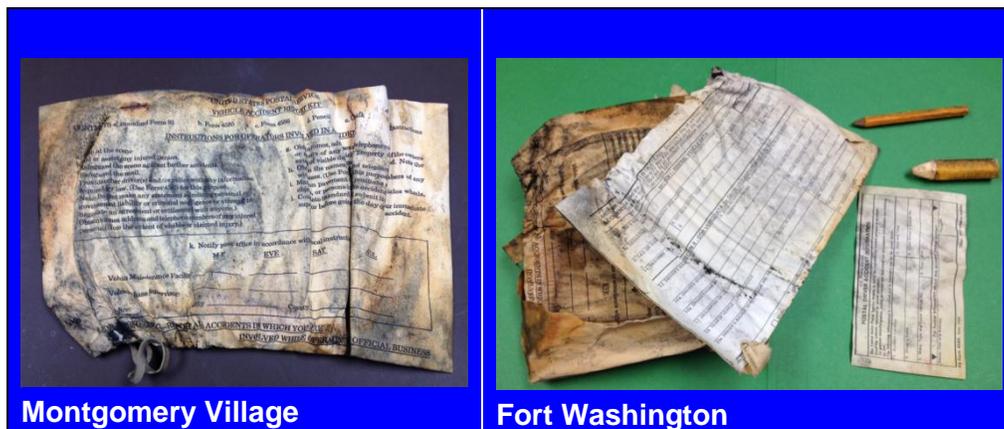
⁹ Handbook EL-804, Section 35.354, Responsibilities.

¹⁰

[REDACTED]

Columbia Heights Station revealed that management did not allow them time to perform vehicle inspections. Carriers at the Fort Washington Post Office stated that they recently started performing inspections again. In addition, at 18¹¹ of the 23 locations we visited, we could not locate accident reporting kits¹² in Postal Service vehicles or they were unusable. See Table 2 for examples of unusable kits.

Table 2: Unusable Accident Reporting Kits



Source: Photograph on March 21, 2012.

The supervisors stated that carriers did not perform vehicle inspections as required because in the past it was difficult to get them back to work after the inspections. The supervisors also stated that they did not oversee vehicle safety inspections because they had to complete morning responsibilities, such as measuring mail or covering sick calls.

Postal Service policy states that supervisors must ensure that all carriers perform daily vehicle inspections before driving a Postal Service-owned or leased vehicle.¹³ In addition, the Postal Service vehicle safety check requires Postal Service vehicles to contain an accident reporting kit.¹⁴ Vehicles not properly inspected could be operated with an undetected safety hazard, which could result in a preventable motor vehicle accident. Also, missing or unusable accident investigation kits could result in carriers not having the resources to capture pertinent information at the time of an accident.

¹¹ [REDACTED]

¹² The accident kit contains Standard Form 91, Operator’s Report of Motor Vehicle Accident, Pencil, Chalk, and local instructions.

¹³ Handbook EL-801, *Supervisor’s Safety Handbook*, Section 3.2, Defective Equipment and Machinery.

¹⁴ Notice 76, *Expanded Vehicle Safety Check*, reference number 14.

Monitoring of Driving Privileges

We determined that supervisors at 17 locations¹⁵ we visited did not always perform the quarterly driving privilege checks during FYs 2010 and 2011. Supervisors should have performed 14,679 drivers' license checks during FYs 2010 and 2011, but only performed 2,990 (or 20 percent) checks. A recent driver's license check at the Columbia Heights Station identified two letter carriers with revoked or suspended licenses who had been operating Postal Service vehicles. Additionally, we determined the existing method for verifying the validity of employees' driver's licenses is not effective. Beginning in February 2012, the New York District Safety Unit validated employees' driver's licenses against the New York State Department of Motor Vehicles (NY DMV) database at three¹⁶ of the four facilities we visited. They identified two employees at the Times Square Station whose driver's licenses were revoked, yet they had driving privileges and continued to drive Postal Service vehicles. In the Safety Toolkit¹⁷ management stated that they verified on various dates the two employees had valid driver's licenses (see Table 3).

Table 3: Driving Privilege Records

Name	License Status	Date Through Which Employee Drove Postal Service Vehicle	Dates for Which Documentation Supports Management's Verification of Employees' Driver's Licenses
Employee #1	Revoked: 11/08/10	11/8/10-05/15/12	12/09/10, 01/15/11, 04/25/11, 08/30/11, and 11/29/11
Employee #2	Revoked: 09/10/09	9/10/09-06/15/12	09/14/09, 12/21/09, 03/13/10, 05/11/10, 09/14/10, 12/09/10, 02/14/11, 04/19/11, 08/31/11, 11/28/11, and 02/09/12

Source: OIG data analysis.

Several supervisors at the sites visited stated they performed the quarterly checks, but did not record the information and some supervisors stated they were unaware of the required frequency. As a result, four employees with revoked or suspended driver's licenses continued to drive Postal Service vehicles to perform their jobs. In addition, the New York District officials did not use the NY DMV database to verify that employees in driving positions maintained current and valid driver's licenses.

¹⁵ [Redacted]

¹⁶ [Redacted]

¹⁷ The Safety Toolkit is an interactive management tool Postal Service officials use to manage the health and safety program.

Postal Service policy states that to verify the existence of current and valid licenses, supervisors must require each driver to produce his or her state driver's license or commercial driver's license once every quarter. If a Postal Service driver fails to provide evidence of a current and valid state driver's license, the supervisor must suspend or revoke the driver's Postal Service driving privileges until verifying the existence and validity of the license.¹⁸ We also determined that, although a driver can produce a driver's license that, on the surface, appears to be valid, states sometimes revoke or suspend driving privileges without physically taking an individual's license from them. The only way the Postal Service would know that a license has been suspended or revoked would be if the individual disclosed that information or if management checked state DMV records. Postal Service employees operating vehicles without a valid driver's license expose the Postal Service to increased liability in the event of an accident. The Postal Service could also be subject to potential negative publicity that could impact its brand.

Recommendations

We recommend the vice president, Delivery and Post Office Operations, in coordination with the vice president, Employee Resource Management:

1. Provide supplemental guidance to area and district level managers to ensure they enforce the requirements for supervisors to adhere to motor vehicle safety procedures, to include conducting driving observations, ensuring drivers perform vehicle safety inspections, and performing quarterly driving privilege checks.
2. Provide periodic refresher training to supervisors on the Safe Driver Program and ensure employees performing driving observations take the Driver Observation training course.
3. Establish and implement proactive monitoring processes that include using Department of Motor Vehicles' databases to validate driver's licenses for employees in driving positions.

Management's Comments

Management agreed with recommendations 1 and 2 but disagreed with recommendation 3. In addition, management did not agree with the \$97.7 million in assets at risk reported.

Regarding recommendation 1, management stated they will communicate to each office the importance of monitoring employees' safety performance. Employee Resource management will add to the safety *Performance Evaluation Guide* monitoring and measurement criteria. Additionally, management stated they have distributed a safety poster for all facilities nationwide, reminding employees of their responsibilities to always carry a valid driver's license when driving on Postal Service business and to

¹⁸ Handbook EL-804, Section 41.412, Supervisor Responsibilities.

notify their supervisor if their license is suspended. They will continue to review and monitor carrier adherence to the requirements for performing vehicle inspections and supervisors' adherence to the requirements for conducting work observations and performing quarterly driving privilege checks. Management expects to implement corrective actions for recommendation 1 by October 30, 2012.

Regarding recommendation 2, management stated that newly promoted and existing managers who have not participated in the Safe Driver Program will take the course before managing employees and by all delivery and Post Office Operations management will take the Driver Observation course. They will use the Learning Management System to monitor and track enrollment. Management expects to implement corrective actions for recommendation 2 by June 30, 2013.

Management disagreed with recommendation 3, stating that they evaluated the feasibility of using DMV databases to validate drivers' licenses for employees in driving positions and determined that it would be labor- and cost-prohibitive. Use of DMV data requires a release form signed by the employee and the costs varies by state. With 425,000 potential drivers, the Postal Service estimated that the annual costs would be over \$19 million. Management stated that this sizable expenditure would have to be justified to a greater extent to gain approval. They stated the Safe Driver Program requires all drivers to inform their supervisors immediately if their state driver's or commercial driver's license are suspended or revoked.

Management did not agree with the \$97.7 million in assets at risk, stating the amount represents the total vehicle asset value even though the audit clearly indicates required activities were not always performed and the amount includes total vehicle asset values plus the tort claim disbursements for 2 years. They further state that "no logic exists to use this formula since the tort claim amount would also be a segment of the vehicle asset value." They also stated the "at risk" amount would assume the possibility exists for a total vehicle asset loss due to failure to follow existing guidelines. See [Appendix D](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 1 and 2 and the corrective actions should resolve the issues identified in the report.

Regarding recommendation 3, we understand that some states require signed employee release forms and charge a fee for access to DMV records. However, in the interest of protecting the public, employees, the mail, and the Postal Service brand, the Postal Service has an obligation to verify that employees operating its vehicles have valid driver's licenses. We maintain that management could reduce the Postal Service's risk exposure if they periodically obtained and reviewed state DMV records for these employees and, based on our audit findings, we do not believe the current process (which relies on self-reporting) is sufficient.

Also, during our audit, we determined that not all states require employers to provide release forms, and not all states charge a fee to government agencies to provide access to DMV records. For example, the New York State DMV does not require employers to obtain signed release forms for driver's license information that qualifies as permissible use under federal law; nor do they charge government agencies a fee for DMV information. We will not pursue this recommendation through audit resolution. However, we believe the Postal Service should, at a minimum, identify which states don't require the signed release and exempt government agencies from DMV fees and establish an agreement with those states to periodically obtain employee driving records.

Regarding management's comments concerning the \$97.7 million in assets at risk, we used the value of the motor vehicle fleet as the value of the assets that are at risk when policies and procedures that were put in place to prevent accidents and protect the Postal Service are not being followed. Likewise, the motor vehicle tort claim payments for FYs 2010 and 2011 were considered to be at risk because of the increased liability the Postal Service is subject to when employees and supervisors are not adhering to internal control procedures that were established to protect the interest of the Postal Service, its employees, and the public. Regarding management's comment that the tort claims are a segment of the delivery fleet value – motor vehicle tort claims are associated with damage to or loss of property, personal injury, or death of individuals who are not Postal Service employees. These tort claims do not include any segment of the Postal Service's delivery fleet value.

The OIG considers all the recommendations 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.

Appendix A: Additional Information

Background

Motor vehicle accidents cost employers about \$60 billion annually in medical costs, legal expenses, property damage, and lost productivity. They drive up the cost of benefits such as workers' compensation, Social Security, and private health and disability insurance. In addition, they increase the employer's overhead costs for administering these programs. The average crash costs an employer \$16,500. An employee who has an on-the-job crash resulting in an injury costs their employer \$74,000. When a fatality is involved, costs can exceed \$500,000. No organization can ignore a major problem that has such a serious impact on both personnel and the company budget.¹⁹

The Postal Service's Safe Driver Program establishes policies and guidelines to ensure that Postal Service drivers are equipped to:

- Drive safely.
- Comply with Department of Transportation regulations.
- Collect and deliver mail efficiently.

The Postal Service operates a fleet of about 215,000 motor vehicles with over 300,000²⁰ employees authorized to operate them. In both FYs 2010 and 2011, the Postal Service experienced about 20,000 motor vehicle accidents accounting for 25 percent of all accidents. See Table 4 for a breakdown of accidents by type and [Chart 2](#) for the monthly breakdown of motor vehicle accidents over FYs 2010 and 2011.

Table 4: Accident Type Details FYs 2010 and 2011

Accident Type	2010	2011
1.Motor Vehicle	20,383	20,552
2.Natural Event ²¹	76	82
3.Industrial ²²	59,427	59,585
4.Other ²³	531	637
Total	80,417	80,856
Percentage of Motor Vehicle to Total	25.3%	25.4%

Source: Enterprise Data Warehouse (EDW), *Accident Log Report*.

¹⁹ U.S. Occupational Safety and Health Administration, U.S. National Highway Traffic Safety Administration, Network of Employers for Traffic Safety, *Guidelines for Employers to Reduce Motor Vehicle Crashes*, 2005.

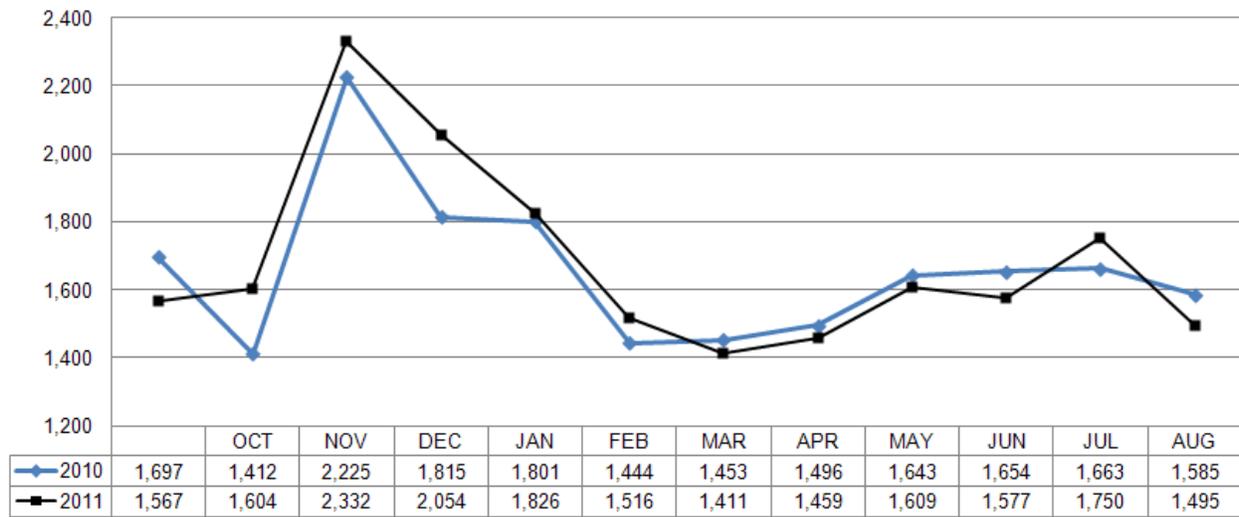
²⁰ This includes 183,774 city delivery carriers; 7,064 motor vehicle operators; 66,186 rural delivery carriers; and 50,349 rural part-time carriers.

²¹ A natural event accident is any occurrence limited solely to property damage caused by such natural events such as hurricane, flood, lightning, earthquake, volcano, hail, and so forth.

²² An Industrial accident is any work-related accident that is not a motor vehicle accident, such as falls and machinery accidents.

²³ This code is used to identify incidents involving vandalism or where only a non-employee was in an accident on Postal Service premises.

Chart 2: Motor Vehicle Accidents – FYs 2010 and 2011



Source: EDW, *Motor Vehicle Accident Rate Report*.

Objective, Scope, and Methodology

Our objective was to assess the Postal Service’s internal controls over motor vehicle safety. Our review period included motor vehicle accidents that occurred over FYs 2010 and 2011, but excluded controls and accidents for contract drivers.

To accomplish our objective, we:

- Interviewed Postal Service Headquarters Safety officials to understand the processes used to prevent motor vehicle accidents.
- Analyzed motor vehicle accident data from the EDW Human Resource Health and Safety Folder to identify those performance clusters with high motor vehicle accident rates and those post offices with a high numbers of accidents.
- Randomly selected 10 of the top 20 performance clusters²⁴ with the highest motor vehicle accident rates in FYs 2010 and 2011 and judgmentally selected the Capital, Chicago, New York, Santa Ana, and Seattle performance clusters because they had the highest number of accidents in their respective Postal Service areas.
- Selected 23 facilities with the highest number of accidents from the five judgmentally selected performance clusters (seven facilities from Capital and four facilities each from Chicago, New York, Santa Ana, and Seattle) for review. See [Table 5](#) for the list of facilities visited.

²⁴ A category used to allow all finance numbers to roll up to a specific manager.

- Tested controls at the 23 selected facilities through interviews with the supervisors and 20²⁵ employees at each facility; review of documentation, specifically PS Form 4584; and observations of vehicle condition, the presence of vehicle accident kits, and the performance of vehicle inspections.
- Interviewed 20 employees at each of the 23 facilities to determine whether management performs driver's observations, gives safety talks, has an effective vehicle repairs process, conducts vehicle inspections, and prioritizes safety over performance.
- Interviewed national and local union officials to obtain their views and expertise and collect feedback on how the Postal Service could improve its motor vehicle accident prevention program.
- Collected and summarized tort claim ²⁶information for the 20 performance cluster universe.
- Collected and summarized the value of the delivery fleet for the 20 performance cluster universe.

²⁵ At the New York PFC we interviewed 15 employees at the Bronx-Parkchester and FDR stations.

²⁶ Tort claims are for damage to or loss of property, personal injury, or death to non-Postal Service personnel caused by the negligent or wrongful act or omission of an employee while acting within the scope of employment.

Table 5: Facilities Visited

Area	Performance Cluster	Facility	City, State
Capital Metro	Capital	Capitol Heights Post Office	Capitol Heights, MD
Capital Metro	Capital	Fort Washington Post Office	Fort Washington, MD
Capital Metro	Capital	Montgomery Village Station	Gaithersburg, MD
Capital Metro	Capital	Lanham-Seabrook Post Office	Lanham, MD
Capital Metro	Capital	Laurel Post Office	Laurel, MD
Capital Metro	Capital	Temple Hills Post Office	Temple Hills, MD
Capital Metro	Capital	Columbia Heights Station	Washington, DC
Great Lakes	Chicago	Chicago Central Annex	Chicago, IL
Great Lakes	Chicago	Fort Dearborn Station	Chicago, IL
Great Lakes	Chicago	Edgebrook Carrier Annex	Chicago, IL
Great Lakes	Chicago	Southwest Carrier Annex	Chicago, IL
Northeast	New York	Bronx Parkchester Station	Bronx, NY
Northeast	New York	FDR Station	New York, NY
Northeast	New York	Manhattan Mail Collection Unit	New York, NY
Northeast	New York	Times Square Station	New York, NY
Pacific	Santa Ana	La Puente Post Office	La Puente, CA
Pacific	Santa Ana	Orange Post Office	Orange, CA
Pacific	Santa Ana	Torrance Post Office	Torrance, CA
Pacific	Santa Ana	Upland Post Office	Upland, CA
Western	Seattle	Bellevue Post Office	Bellevue, WA
Western	Seattle	Seattle Terminal Station	Seattle, WA
Western	Seattle	Snohomish Main Post Office	Snohomish, WA
Western	Seattle	South Hill Branch	Puyallup, WA

Source: OIG date analysis from March 20 through June 8, 2012.

We conducted this performance audit from February through September 2012 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 evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 2, 2012, and included their comments where appropriate.

We relied on data obtained from the EDW, specifically accident count data from the Human Resource's Safety and Health folder. We reviewed a sample of hard copy accidents records in the Capital District to confirm the accuracy of the data in the EDW reports. Additionally we verified the accuracy of the data through discussions with

Postal Service personnel knowledgeable about the data. Consequentially we determined the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The U.S. Postal Service OIG did not identify any prior audits or reviews related to the objective of this audit.

Appendix B: Other Impacts

Recommendations	Impact Category	Amount
1, 2, and 3	Assets at risk ²⁷	\$72,937,141
1, 2, and 3	Disbursements at risk ²⁸	24,780,294
Total		\$97,717,435

- We selected the 20 performance clusters used in the other impact calculation due to their high number of accidents per million miles driven. We used the *Motor Vehicle Accident Rate* report from the EDW. We ranked performance clusters based on their accidents over the 2-year scope period, FYs 2010 and 2011.
- To determine the value of the delivery fleet, the team generated the *Vehicle Asset Depreciation Expense* report. This report was generated for the 20 districts in the audit's sample universe. The team used the remaining undepreciated value for all right-hand drive vehicles (Long-Life Vehicles and Flexiblue Fuel Vehicles) in all districts.²⁹ The reports were generated in April 2012 and adjusted to reflect the depreciated value in July 2012.
- To determine the motor vehicle tort claim disbursements in FYs 2010 and 2011, we used the Financial Performance Report Builder to collect the disbursements for financial performance line 3M Accidents. We drilled down to the 5-digit sub-account level to capture only costs associated with 55107 – U.S. Government Owned Motor Vehicle Tort Claims and 55105 – Rural Carriers Motor Vehicle-Tort Claims.

We identified \$97.7 million in safeguarding assets due to inadequate controls over motor vehicle safety (\$72.9 million in assets at risk for the value of the delivery service fleet at the 20 performance clusters and \$24.7 million in disbursements at risk for motor vehicle tort claims in FYs 2010 and 2011). See [Table 6](#) for other impact detail.

²⁷ Assets or accountable items (for example, cash, stamps, and money orders) that are at risk of loss because of inadequate internal controls.

²⁸ Disbursements made where proper Postal Service internal controls and processes were not followed.

²⁹ In the Pacific Area we used the value of administrative vehicles because they do not have delivery operations at the area office.

Table 6: Other Impacts

Performance Cluster Name	Motor Vehicle Tort Claims FYs 2010 and 2011	Delivery Fleet Value	Total Other Impact
Alaska	\$578,331	\$3,549,946	\$4,128,277
Baltimore	1,499,775	5,714,660	7,214,435
Capital	1,117,545	5,188,828	6,306,373
Caribbean	462,462	390,079	852,541
Chicago	1,474,019	178,887	1,652,906
Greater Boston	898,656	5,837,491	6,736,147
Los Angeles	923,239	3,412,132	4,335,371
Nevada-Sierra	526,689	3,159,401	3,686,090
New York	1,002,971	1,476	1,004,447
Northern New Jersey	2,118,825	5,396,039	7,514,864
Northern Virginia	608,980	2,849,712	3,458,692
Pacific Area	4,148,315	180,000	4,328,315
Philadelphia Metro	2,180,427	8,007,780	10,188,207
Portland	942,066	4,668,300	5,610,366
San Francisco	630,147	3,189,443	3,819,590
Santa Ana	910,102	4,313,237	5,223,339
Seattle	2,138,991	7,943,334	10,082,325
Sierra Coastal	873,321	3,639,055	4,512,376
Triboro	1,120,490	3,087,684	4,208,174
Westchester	624,943	2,229,656	2,854,599
Total	\$24,780,294	\$72,937,141	\$97,717,435

Source: EDW.

Appendix D: Management's Comments

DEAN J. GRANHOLM
VICE PRESIDENT
DELIVERY AND POST OFFICE OPERATIONS



September 12, 2012

LUCINE M. WILLIS
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Audit Report – Motor Vehicle Accident Prevention
(Report Number HR-AR-12-DRAFT)

Thank you for the opportunity to respond to the recommendations contained in the – Motor Vehicle Accident Prevention Audit recently conducted by the Office of the Inspector General (OIG). The audit objective was to assess the Postal Service's control over motor vehicle safety, and addresses operational risk.

In response to the draft, we dispute the claim of \$97.7 million in assets at risk for the following reasons:

The amount at risk represents the total vehicle asset value even though the audit clearly indicates required activities were "not ALWAYS" performed. The \$97.7 million at risk includes total vehicle asset value plus the total tort claim disbursements for two years. No logic exists to use this formula since the tort claim amount would also be a segment of the vehicle asset value. The "at risk" amount would assume the possibility exists for a total vehicle asset loss due to failure of following existing guidelines. Following existing guidelines could potentially eliminate all accident cost.

This report and management's response do not contain information that may be exempt from disclosure under the FOIA.

Recommendation 1:

Enforce the requirements for supervisors to complete motor vehicle safety procedures, including conducting driving observations, providing adequate oversight to ensure drivers perform vehicle safety inspections, and performing quarterly driving privilege checks.

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Management Response/Action Plan:

Agree: Delivery and Post Office Operations will communicate to each office the importance of monitoring employees' safety performance. Employee Resource Management will add to the safety Performance Evaluation Guide (PEG) monitoring/measurement criteria. The safety poster: REMEMBER always carry a valid driver's license when driving on postal business and if your license is suspended tell your supervisor, has been distributed to all facilities nationwide for posting.

Delivery and Post Office Operations will continue to review and monitor the adherence to carriers performing vehicle inspections, management performing work observations and quarterly driving privilege checks documented. The AM-SOP reviews will randomly be conducted in unit/office to ensure compliance.

Target Implementation Date:

October 30, 2012

Responsible Official:

Severo Garza, Manager Delivery

Recommendation 2:

Provide periodic refresher training to supervisors on the Safe Driver Program and ensure employees performing driving observations take Driver Observation Training course.

Management Response/Action Plan:

Agree: Delivery and Post Office Operations will encourage usage of the driver improvement training for all at fault motor vehicle accidents and driving observations with infractions noted. Newly promoted management and existing management that have not taken the Safe Driver Program will take the course before managing employees. The driver observation course will be taken by all delivery and Post Office Operation Management. Learning Management System (LMS) will be used to monitor and track enrollment into courses.

Target Implementation Date:

June 30, 2013

Responsible Official:

Severo Garza, Manager Delivery

Recommendation 3:

Establish and implement proactive monitoring processes that include using Department of Motor Vehicles' databases to validate driver's licenses for employees in driving positions.

Management Response/Action Plan:

Disagree: Implementation of the OIG's recommendation to utilize the state Department of Motor Vehicle's databases requires a release form signed by the employee. The cost for the driver abstract varies from state to state. The overall average cost is \$8.99 per driver abstract requested; this cost does not include postal employee workhours or materials used for obtaining the release. With approximately 425,000 potential postal drivers, the cost is \$3,820,750 for each time all the drivers abstract is requested. Hiring an outside vendor and using their software would add additional cost of \$956,250 for each bulk transaction at \$2.25 each. To be effective, at a minimal, quarterly checks would be required resulting in an annual cost of \$19,108,000.

This sizeable expenditure would have to be justified to a greater extent to gain approval for the annual USPS budget. The EL 804 Safe Driver Program **does** require all drivers to inform their supervisors immediately if their state driver's or commercial driver's license are suspended or revoked.

Target Implementation Date:

No Date

Responsible Official:

None



Dean J. Granholm

cc: Ms. Brennan
Ms. Schaefer
Mr. Knoll
CARM