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Highlights

Objective

The objectives of the audit were to identify trends or systemic issues identified from previous U.S. Postal Service Office of Inspector General (OIG) facility condition reviews (FCR) of Postal Service retail facilities and assess the effectiveness of management's corrective actions.

During fiscal years 2016–2017, the OIG conducted a series of facility condition reviews at 149 retail facilities nationwide. This report summarizes the results of the OIG-issued reports for each of the Postal Service's seven geographic areas that addressed adherence to safety and security standards, building maintenance and employee working condition requirements, and assesses the Postal Service's implementation of report recommendations.

What the OIG Found

The FCR audits, collectively, determined the Postal Service was not consistently adhering to building safety, security, and maintenance standards; or employee working conditions and handicap accessibility requirements. In addition, there were systemic issues with monitoring local customer complaints in compliance with Postal Service policy.

We identified that corrective actions management claimed to have implemented were either (1) not implemented as indicated, or (2) implemented but not effective in remedying the issue identified. Additionally, district safety personnel and local management's safety inspections are ineffective in identifying potential hazards and risks.

In the previous FCRs, we identified poor and unsafe conditions at 99 percent (148 of 149) of the facilities we visited. We identified recurring findings related to adherence to safety and security standards, building maintenance and appearance, and employee working conditions across all seven Postal Service geographic areas. Significant issues identified included leaking roofs, potential asbestos, lead paint, mold, broken electrical panels, missing exit signage, and exposed wiring.

We made 32 recommendations in the previous FCR reports to address the issues identified and the Postal Service addressed 24 of those. However, we re-visited

10 facilities with significant safety and security issues and determined that each facility had unresolved safety, security, or maintenance issues that management indicated had been addressed in corrective action responses. We also identified new safety and security issues at eight of the 10 facilities.

We conducted additional follow-up with 49 of the 149 facilities previously visited to determine whether safety, security, and building maintenance conditions were addressed. Management at 18 percent (nine of 49) of the facilities either did not provide evidence validating that they remediated the conditions identified or they provided insufficient evidence.

Facility condition issues continue to occur because (1) management may overlook facility conditions in order to meet operational needs and employees are unaware of the consequences and impact of nonadherence to policy or adequate facility upkeep; (2) employees are not consistently using appropriate systems to request repairs and document maintenance issues; (3) there are budgetary constraints; and (4) district safety personnel and local management may require additional training and oversight.

When corrective actions are not implemented or are implemented but inadequate, safety issues may still exist, increasing the Postal Service's exposure to OSHA fines, the risk of injury to customers and employees, and any costs associated with injuries such as workers' compensation claims, loss of work and productivity, and lawsuits. Additionally, when issues are not properly documented or tracked, management may be unaware of facility conditions, repair or maintenance needs, and the extent of deferred maintenance at facilities. Lastly, these issues can impact the Postal Service's public image, brand loyalty, and, ultimately, its revenue/bottom line.

What the OIG Recommended

We recommended management ensure that corrective actions area management communicates as addressed have been properly implemented and the issue(s) no longer exists; develop a robust training program and communication plan to holistically address facility condition awareness, protocols, monitoring, and reporting; and establish an oversight mechanism to ensure safety inspections are completed accurately and deficiencies are addressed.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

June 21, 2018

MEMORANDUM FOR: DAVID E. WILLIAMS
CHIEF OPERATING OFFICER AND EXECUTIVE VICE
PRESIDENT

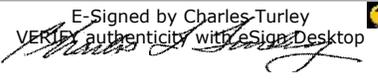
KELLY M. SIGMON
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VICE PRESIDENT, NETWORK OPERATIONS

SIMON M. STOREY
VICE PRESIDENT, EMPLOYEE RESOURCE
MANAGEMENT

E-Signed by Charles Turley
VERIFY authenticity with eSign Desktop



FROM: Charles L. Turley
Deputy Assistant Inspector General
for Supply Management & Human Resources

SUBJECT: Audit Report – Facility Condition Review – Capping Report
(Report Number SM-AR-18-005)

This report presents the results of our audit of the Facility Condition Reviews – Capping Report (Project Number 18SMG001SM000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Francine Hines, Acting Director, Supply Management and Facilities, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service Facility Condition Review (FCR) Capping Report (Project Number 18SMG001SM000). Our objectives were to identify trends or systemic issues identified in previous FCR audits of Postal Service retail facilities and assess the effectiveness of management's corrective actions.

In September 2015, the U.S. Postal Service Office of Inspector General (OIG) reported on poor working conditions at a post office in New Mexico.¹ Due to the conditions identified, the OIG initiated a series of retail FCR audits covering each Postal Service geographic area. These audits included assessing the interior and exterior conditions at 149 Postal Service facilities (see Table 1) nationwide. Specifically, the audits assessed adherence to safety and security standards, building maintenance, and employee working condition requirements during fiscal years (FY) 2016 and 2017.

Table 1: Number of FCR Sites Visited by Area

Area	Number of FCRs Performed	Report Issue Date
Capital Metro	20	7/18/2016
Great Lakes	22	9/2/2016
Northeast	23	11/9/2016
Southern	28	4/28/2017
Eastern	23	5/10/2017
Pacific	18	9/6/2017
Western	15	9/8/2017
Total	149	

Source: OIG summary of previous FCRs.

¹ *Working Conditions at the Jal Post Office* (Report Number HR-AR-15-004, dated September 2, 2015).

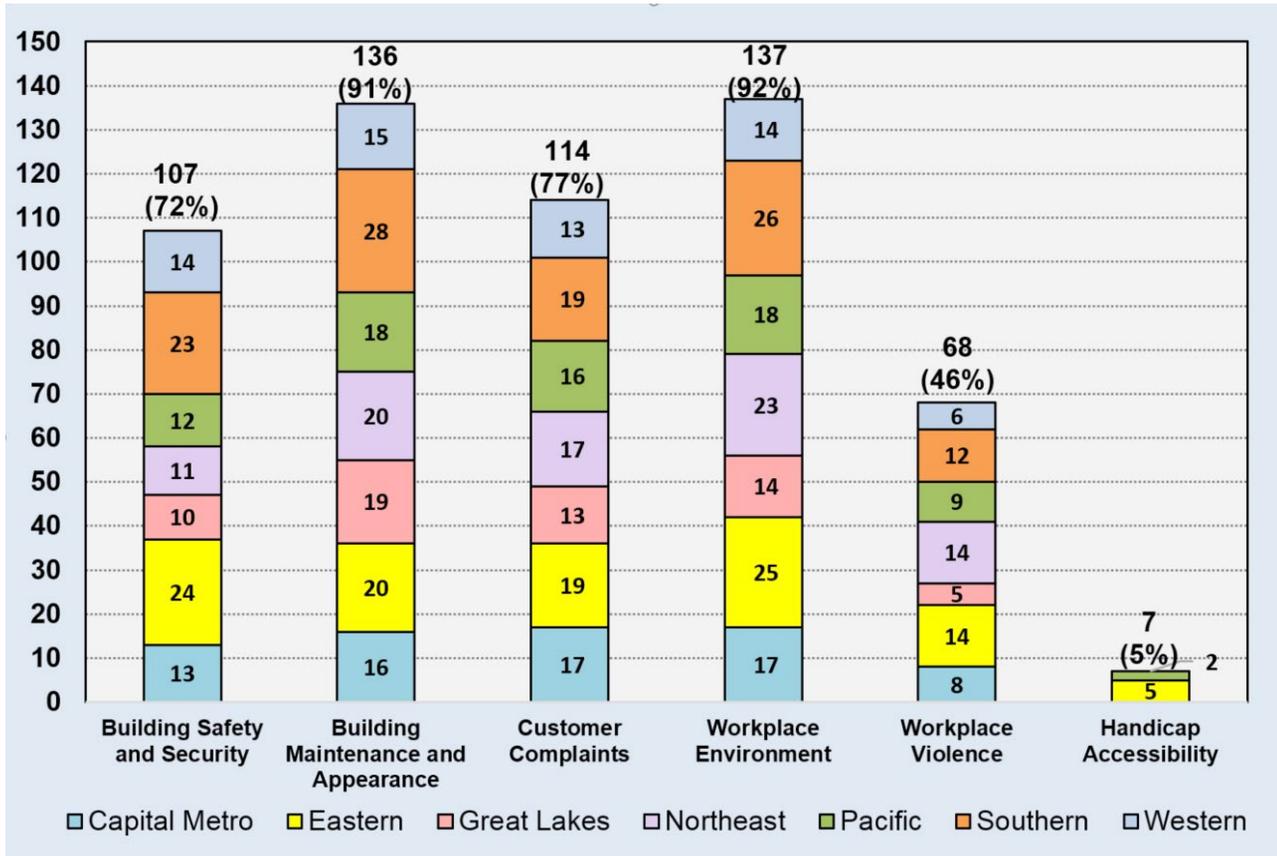
Background

The post office lobby is the principal office of the Postal Service and is the primary view of Postal Service operations for most customers; therefore, its appearance can directly impact the Postal Service's public image. The Postal Service must maintain a safe environment for both employees and customers, including adherence to federal safety laws set forth by the Occupational Safety and Health Administration (OSHA) and internal policies and procedures regarding safety and security and the appearance of lobbies and facilities. There are more than 30,000 leased and owned Postal Service retail facilities nationwide.

Summary of Facilities Conditions Review Audits

The FCR audits, collectively, determined the Postal Service was not consistently adhering to building safety, security, and maintenance standards; employee working conditions; or handicap accessibility requirements. In addition, there were systemic issues with monitoring local customer complaints in compliance with Postal Service policy. We identified 148 of 149 facilities with deficiencies in at least one the following areas assessed (see [Figure 1](#)): (1) building safety and security, (2) building maintenance and appearance, (3) customer complaints, (4) workplace environment, (5) workplace violence, and (6) handicap accessibility.

Figure 1. Facility Issues by Area



Source: OIG summary of previous FCRs.

Based on the potentially finable OSHA violations identified nationwide, we reported other impact of \$126.2 million.² To help mitigate those risks, the previous FCR audits recommended training to reinforce Postal Service policies and procedures relating to safety standards to prevent injuries to employees and customers and to reduce the Postal Service's exposure to OSHA fines. We made 32 recommendations in the seven area FCR reports, with eight that remain open at the time of this report, and past management's proposed target implementation dates.

² Other impact quantifies the effects of uncertain events. It is reported as the Expected Monetary Value attributed to findings involving risk to the Postal Service's improved services, safeguarding assets, IT security, goodwill/branding, revenue, disbursements, misallocation of costs, predicted savings, potential additional revenue and data integrity.

Building Safety and Security

In 72 percent (107 of 149) of the facilities previously assessed, the building and safety issues identified included:

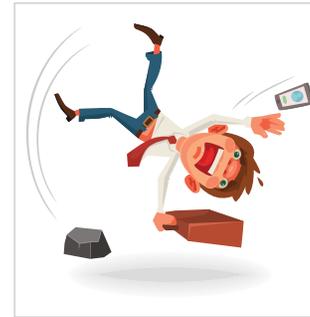
Building Safety



- Potential asbestos, lead paint or potential mold exposure (see Figure 2 and 3).



- Fire extinguishers that were inoperable, not mounted, and not inspected either monthly or annually, as required.³



- Potential tripping hazards including uneven loading dock plates, poorly maintained walkways, damaged flooring, and uneven ramp surfaces (see Figure 4).



- Blocked emergency exits⁵ or exits that were not properly marked (see Figure 5).



- Lighting issues,⁴ including bulbs needing replacement, bulbs that were inoperable, or bulbs missing covers.



- Sanitary issues including clogged sinks, no hot water, and poorly maintained bathrooms.

These issues were escalated to management following the FCRs.⁶

Building Security

- Unlocked postal vehicles that contained mail.⁷
- Unrestricted access to employee work areas.⁸
- Broken or inoperable security cameras.

³ Occupational Safety and Health Standards, Section 1910.157 – Portable Fire Extinguishers.

⁴ Lighting issues pertaining to safety included only facilities with more than 50 percent of lights not functioning.

⁵ *General Safety Rules and Regulations*, 8-7.1 (b) Do not use aisles, corridors, stairways, stairwells, exits, docks, platforms, and emergency exits for any type of storage. Keep them free from obstructions at all times. Never block electric panels, switches, fire protection devices, fire alarm stations, or postal inspector breakout doors, and Occupational Safety and Health Standards 1910.37 Means of Egress – Exit Routes must be free and unobstructed. No materials or equipment may be placed, either permanently, or temporarily, within the exit route.

⁶ In the event OIG audit teams encountered safety and security issues while conducting audit fieldwork at Postal Service facilities, an escalation protocol was developed. The escalation protocol stated who should be notified when issues were identified, and the method of notification based on the safety deficiency category (Critical/Medium/Low).

⁷ Handbook PO-209, *Retail Operations Handbook*, Section 6.11.3.6.1, dated October 2012. Management is responsible for providing maximum protection for Postal Service employees, funds, and property.

⁸ Handbook PO-209, *Retail Operations Handbook*, October 2012, Section 6-11.3.6.1, Securing Doors, requires employees to firmly adhere to the policy of locking doors. Management is responsible for ensuring compliance to afford maximum protection of Postal Service employees, funds, and property.

Building Maintenance and Appearance

In 91 percent (136 of 149) of the facilities previously assessed, maintenance and appearance issues included:

- Unappealing lobbies, including dirty floors, damaged counters, and dead insects on floors and in light fixtures (see Figure 6).⁹
- Damaged ceilings, including stained or missing ceiling tiles, walls that needed to be repaired or painted, and damaged floors (see Figures 7, 8 and 9).
- Lighting issues including bulbs needing replacement or missing covers.
- Damaged signage or missing letters.
- Roof issues, including unrepaired holes and leakage (see Figures 10 and 11).
- Lighting issues, including burned out light bulbs.

Parking lot issues, including cracked pavement and missing directional signage or unmarked or faded parking spaces.

Figure 6. Dead Insects in Light Fixture



Source: OIG photo taken June 7, 2017. Tonto Basin Post Office, Tonto Basin, AZ.

Figure 7. Damaged and Missing Ceiling Tiles



Source: OIG photo taken December 7, 2017, Westminster Post Office, Westminster, CA.

⁹ *Postal Operations Manual*, Issue 9, March 2015, requires postal managers to allocate and use available resources as necessary to ensure that postal retail services are available and accessible to customers in a timely, efficient manner and in an orderly, clean, and attractive environment.

Figures 8 and 9. Damaged Walls and Ceilings



Source: OIG photo taken November 29, 2017, Mather Post Office, Mather, PA.



Source: OIG photo taken November 29, 2017, Mather Post Office, Mather, PA.

Figures 10 and 11. Roof Leaks Impacting Retail Operations and Unappealing Lobby



Source: OIG photograph taken December 1, 2015, by an unidentified Postal Service employee, Bethabara Station, Winston-Salem, NC.



Source: OIG photograph taken December 1, 2015, by an unidentified Postal Service employee, Bethabara Station, Winston-Salem, NC.

We identified building maintenance and appearance issues in all seven Postal Service geographic areas. The results did not indicate a correlation between leased or owned facilities or a correlation with length of occupancy.

Customer Complaints

In 77 percent (114 of 149) of the facilities previously assessed, facility personnel did not maintain customer complaint logs or monitor how promptly complaints were resolved.¹⁰ This issue was consistent in all seven areas.

Workplace Environment Policies

In 92 percent (137 of 149) of the facilities previously assessed, the workplace environment policy issues¹¹ included:

- Missing emergency contact numbers next to each telephone.
- No display of the OIG poster, though it is not required.
- No display of the Fire Prevention Plan (FPP) at postal facilities with more than 10 employees.
- No display of Poster CA-10, *What a Federal Employee Should Do When Injured at Work*.
- No display of at least one required OSHA poster – Poster 3165 or 3167, *Job Safety and Health Protection* (in English or Spanish, respectively).¹²
- No display an Emergency Action Plan (EAP) at postal facilities with more than 10 employees.

¹⁰ *Postal Operations Manual*, Section 164.4, Consumer Services, requires postmasters and station or branch managers to maintain one or more customer complaint control logs. In addition, Section 165.1 requires initial customer contact within one business day of receiving a complaint and a final response within three business days.

¹¹ *Employee Labor Relations Manual*, Issue 40, March 2016, requires posting of the CA-10, and OSHA posters, emergency telephone numbers by every telephone, and Emergency Action Plan (EAP) and Fire Protection Plans (FPPs) at facilities with more than 10 employees. The EAP, at a minimum, graphically depicts emergency escape route assignments, locations of fire alarms and extinguishers, and emergency evacuation procedures. The plan identifies individuals responsible for specific assignments in the event of an emergency. Publication 108, *Threat Assessment Team Guide*, dated May 2015, requires the *Zero Tolerance Policy and Reporting Procedures* be disseminated to employees by Quarter 2 of each fiscal year, and for it to be posted in a conspicuous place. The poster identifies employee rights and management responsibilities relating to a work environment that is free of harassment and other inappropriate conduct such as discrimination.

¹² The OSHA poster outlines management responsibilities and employee responsibilities and rights under the OSHA.

¹³ Publication 108, *Threat Assessment Team Guide*, dated May 2015, requires the *Zero Tolerance Policy and Reporting Procedures* be disseminated to employees by Quarter 2 of each fiscal year, and for it to be posted in a conspicuous place. The poster identifies employee rights and management responsibilities relating to a work environment that is free of harassment and other inappropriate conduct such as discrimination.

¹⁴ *Postal Operations Manual*, Issue 9, dated July 2002, Section 124, provides rules and regulations for conduct on all real property under the charge and control of the Postal Service. Section 124.1 requires Poster 7 be kept posted in a conspicuous place on all such property.

These issues were consistent in all seven areas.

Workplace Violence Policies

In 46 percent (68 of 149) of the facilities previously assessed, the workplace violence policy issues included:

- No display of the *Zero Tolerance Policy and Reporting Procedures* poster.¹³
- No display of Poster 7, *Rules and Regulations Governing Conduct on Postal Property*.¹⁴

These issues were consistent in all seven areas.

Handicap Accessibility

In 5 percent (seven of 149) of the facilities previously assessed, automatic door openers were broken, or handicap ramps were damaged or inaccessible. These conditions occurred in two Postal Service geographic areas.

Finding #1: Management's Corrective Actions are not Effective

We identified that corrective actions management claimed to have taken were (1) not implemented as indicated, or (2) were implemented but did not remedy the issue(s) identified.

Adequacy of Management's Corrective Actions

To assess the adequacy of management's corrective actions implemented, we conducted audit follow-ups with 49 facilities regarding 231 previously identified building safety and security issues. The audit follow-up procedures consisted of

requiring management to provide documentation, pictures, or any other support to validate that actions taken by management resolved the issued identified.

We received responses from 45 of the 49 facilities on 211 of the 231 issues selected. Of the 211 issues that management responded to, 19 percent (or 44) were not addressed as indicated in management’s response to the recommendations in the related audit report.¹⁵ In addition, management did not provide sufficient documentation for 19 issues. The four facilities that did not respond had 20 issues selected for follow-up analysis (see Table 2).

Table 2. Status of Identified Issues for Repairs and Maintenance

Area	Issues Not Addressed	Insufficient Support	No Response	Issues Addressed	Total Issues
Capital Metro	10	12	0	10	32
Eastern	7	5	2	17	31
Great Lakes	3	2	11	23	39
Northeast	6	0	0	18	24
Southern	9	0	7	37	53
Pacific	5	0	0	27	32
Western	4	0	0	16	20
Total	44	19	20	148	231

Source: OIG analysis.

Fiscal Year 2018 Site Visits

In addition, we selected 10 facilities¹⁶ for conducting additional site visits to assess the adequacy of corrective actions taken by management to address safety, security, maintenance, and appearance issues. We accomplished this by comparing our original observations to the most recently completed checklist.

¹⁵ The recommendations related to identified issues had not been closed in the Eastern, Pacific, and Western areas; however, follow-up was conducted after the targeted implementation dates provided by management in their responses to the recommendations. In addition, management was made aware of the identified issues during the initial site visits in FYs 2016 and 2017.

¹⁶ Facilities were selected based on location and severity of previously identified issues at the facility.

We visited these facilities during November and December 2017 (FY 2018) to conduct our real-time observation assessment.

We determined that all 10 facilities had unresolved safety, security, or maintenance issues that management indicated they had addressed in their response to the related audit reports, or indicated that they would have addressed by their target implementation date. We also observed new safety and maintenance issues at eight of the 10 facilities (see Table 3).

Table 3. Revisited Facility Issues

Facility	Unresolved Issues		New Issues	
	Safety	Maintenance and Security	Safety	Maintenance and Security
Atlanta, GA	2	0	5	0
Bogalusa PO, LA	5	1	3	2
Charlottesville, IN	2	2	0	0
Globe Post Office, AZ	5	0	4	1
Jal, NM	3	0	9	0
Mather Post Office, PA	4	0	3	3
Mellenville, NY	2	1	0	0
Norwich, CT	4	4	1	1
Potecasi, NC	3	1	2	0
Westminster, CA	5	0	5	3
Total	35	9	32	10

Source: OIG analysis.

Safety issues included:

- Chipped floor tiles and damaged asbestos floor tiles being replaced by Armstrong asbestos tiles.
- Roof leaks, damaged and missing ceiling tiles, and lead paint.
- Missing exit signage.
- Fire extinguishers not mounted with missing monthly inspections since February 2017.
- Broken air conditioning, no hot water, and a leaking water tank.
- Potential poor air quality caused by flaking asbestos paint and mold in the basement.
- Exposed wires on floors and duct tape used as protective covering for electrical cords and wiring.
- Fifty percent of workroom light fixtures burned out and missing protective covers.
- A broken electrical panel, electrical plate cover, and light fixtures.
- Customer parking lot with cracked pavement.

Maintenance and security issues included an unlocked Postal Service vehicle, a rotting wood window frame, a front entrance with chipped and peeling paint, missing siding on a front door, damaged retail counters, and a tattered U.S. flag.

Management throughout all seven Postal Service geographic areas did not implement corrective actions or those actions were not adequate due to the following:

1. As the primary focus of the Postal Service is to deliver mail, management may sometimes overlook facility conditions in order to meet operational needs.

Employees may be unaware of the impact of nonadherence to policy or adequate facility upkeep.

2. There were inadequate documentation practices, including:

- Employees not consistently using the electronic Facilities Management System (eFMS) and the electronic Maintenance Activity Reporting & Scheduling (eMARS) to request and document maintenance issues.¹⁷

We previously recommended reinforcing the policy instructing Facilities personnel to enter all applicable safety, security, and maintenance issues into eFMS and, for issues not involving eFMS, ensure local management completes a manual PS Form 4805 and monitor the status of these issues until problems are resolved and are in “complete” status. We found that, regardless of the recommendation and management’s response that corrective actions were implemented, the issues persist.

- Work orders in eFMS either (1) indicated the work was complete when the issue still existed, (2) were incomplete and did not include all issues identified in previous FCR audits, or (3) had no supporting formal request, therefore, repairs were not tracked.

3. Budgetary constraints identified through repair requests that were never approved in eBUY2.¹⁸

When corrective actions are not implemented or are inadequate, safety issues may still exist, increasing the Postal Service’s exposure to OSHA fines; the risk of injuries to customers and employees; and any costs associated with injuries, such as workers’ compensation claims, loss of work and productivity, and lawsuits. Additionally, when issues are not properly documented or tracked, management may be unaware of facility conditions, repair or maintenance needs, and the extent of deferred maintenance at facilities. Lastly, these issues can have an impact on the Postal Service’s public image, brand loyalty and, ultimately, its revenue/bottom line.

¹⁷ Postmasters or postal facility managers can request repair work from local maintenance personnel by completing a PS Form 4805, Maintenance Work Order Request. Postal Service policy requires repair work not completed via a PS Form 4805 to be entered into eFMS for tracking through the project manager, regardless of the dollar amount or the responsibility. *Standard Operating Procedures for HUB Repairs and Alterations*, Section 1.3, January 2014.

¹⁸ A system that supports the accurate processing and management of invoices.

We previously recommended revision of current policies to improve coordination among Facilities personnel, facility managers, and lessors to resolve issues and make timely repairs before they escalate. In their response, management indicated they (1) established a process to identify and escalate complex facility issues that require management intervention; (2) trained staff and provided guidance and clarification on the process for completing timely enforcements; and (3) changed landlord enforcement letters clarifying timeline requirements and completion dates, and additional training was planned regarding the new landlord letters in 2017. However, we found that the actions management has taken have not been effective in resolving these issues.

Recommendation #1

We recommend the **Vice Presidents, Facilities and Network Operations**, ensure that corrective actions area management claims to have taken have been properly implemented and the issue(s) no longer exists; and initiate work orders to resolve outstanding issues and provide adequate documentation to the U.S. Postal Service Office of Inspector General to support actions taken.

Recommendation #2

We recommend the **Vice Presidents, Facilities and Network Operations**, develop a robust training program to holistically address facility condition awareness, protocols, monitoring, and reporting; and devise a communication plan to disseminate to all employees.

Finding #2: Health and Safety Inspections are not Effective

District safety personnel and local management's safety inspections are ineffective and are not identifying potential hazards and risks, as indicated on the inspection documentation.

District safety personnel are responsible for conducting annual safety inspections at the facilities; however, due to the number of facilities, management may delegate these responsibilities to local management, who then report the results to district safety personnel.¹⁹

Previous FCR audits recommended that management reinforce safety inspection policies and procedures, provide additional training to district safety personnel and local management, and establish an oversight mechanism to ensure safety inspections are completed accurately and deficiencies are addressed accordingly.

We analyzed health and safety and other safety-related reports from our previous audits in FYs 2016 and 2017, and compared them to the most recent facility reports. During the follow-up site visits to the 10 facilities from prior FCR audits, we identified 91 safety and maintenance issues and identified:

- Seventy-one of the issues that were present during our initial reviews in FYs 2016 and 2017 were still present, but the most recent safety inspection indicated that they had been addressed.
- Twenty new issues.

Additionally, at eight of the 10 facilities we revisited, there were no issues documented by safety inspections. At two of the facilities, inspections did not result in documenting significant safety issues, such as damaged ceilings and stained or missing ceiling tiles, lead paint, unmounted fire extinguishers, broken window glass in the employee work area, broken and missing asbestos floor tiles, and a missing exit sign that was identified in the previous audits and erroneously reported as completed.

Local management responsible for maintaining a safe environment are also charged with performing self-safety inspections without oversight from the district safety inspector. As the primary focus of the Postal Service is to deliver mail, management may sometimes overlook facility conditions in order to meet operational needs. Safety issues may not be adequately identified or documented due to lack of training and/or inadequate oversight at the district and area levels.

¹⁹ *Employee Labor Relations Manual*, Section 824.33, requires collateral duty facility safety coordinators and at least one supervisor to conduct annual inspections of each installation with less than 100 work years of employment in the regular workforce and district and plant safety personnel to conduct a semiannual inspection of all installations with 100 or more work years of employment in the regular workforce.

Unidentified or unmitigated facility conditions issues increase the likelihood of injury to customers and employees and related costs, such as workers' compensation claims, loss of work and productivity, lawsuits, and OSHA fines and penalties. In addition, these issues can impact the Postal Service's public image and brand loyalty and, ultimately, its revenue/bottom line.

Recommendation #3

We recommend the **Vice President, Employee Resource Management**, develop a robust training program to holistically address facility safety inspection protocols, documentation, and reporting. Additionally, implement an oversight mechanism to hold local management and district inspectors accountable for accurately documenting safety issues.

Management's Comments

Management agreed with recommendations 1 and 2; however, they disagreed with recommendation 3.

Regarding recommendation 1, management stated they will ensure that they implement corrective actions for the issues identified at each of the facilities reviewed. Management indicated they will provide documentation to support actions taken to remedy issues. The target implementation date is August 31, 2018.

Regarding recommendation 2, in July 2017, management disseminated to the field a cross-functional project regarding facility condition awareness, protocols, monitoring, and reporting. Management plans to re-disseminate this training and track completion to ensure that all affected employees receive the training. The target implementation date is August 31, 2018.

Regarding recommendation 3, management disagreed that additional training is needed to address safety inspection protocols, documentation, and reporting. They stated that the Postal Service has a robust safety program endorsed by OSHA, which has resulted in reduction of citations.

See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 1 and 2; however, management's comments are not responsive to recommendation 3.

Regarding recommendation 3, the OIG does not view the health and safety inspection program as effective in identifying potential hazards and risks. This view is supported by the seven previously issued area facility condition review reports that identified:

- Seventy-two percent (107 of 149) of the facilities had one or more safety issues identified; and
- Eighty-eight percent (131 of 149) of the facilities had a total of 330 potentially finable OSHA violations.

Additionally, we revisited 10 of the 107 facilities. All 10 had unresolved safety issues that were previously identified and eight of them had new safety issues.

The reduction in OSHA citations, which are often negotiated, is not indicative of an effective health and safety inspection program. As demonstrated by the findings identified in the series of area facility condition review audits conducted, development of a robust training program to holistically address facility safety inspection protocols, documentation, and reporting is necessary to help mitigate health and safety risks.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1 and 2 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 view the disagreement with recommendation 3 as unresolved and it will remain open as we coordinate resolution with management.

Appendices

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Appendix A: Additional Information

Scope and Methodology

Our scope is a nationwide capping report of completed facility condition reviews for all seven Postal Service geographic areas. Our work began in FY 2016, and we completed it in FY 2017.

We did not include other directorates' judgmentally selected sites for review because we did not review their reports to determine whether management reported any maintenance issues in eFMS.

We conducted this review from October 2017 through June 2018, 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 objectives. We believe that 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 on April 11, 2018, and included their comments where appropriate.

We used Geographic Information System when mapping out the facilities that we reviewed to maximize site visits and minimize travel time.

For the area audits, we developed a checklist of "customer facing" facility issues. For this capping report, the team summarized issues and observations from each of the seven audits and assessed the Postal Service's implementation of the

recommendations by viewing activity in eFMS, eMARS, and interviews. The team also analyzed data correlation between audit findings and other factors such as:

- Leased/owned
- Facility size
- Length of occupancy

To determine if facility conditions have improved and corrective actions were implemented, we revisited a judgmental selection of facilities we determined to be in the worst condition during our site visits. We also visited the Jal Post Office in Jal, NM. During these visits we assessed the facility's current condition and the validity of the data recorded in eMARS and eFMS.

We also identified the worst safety and security issues at 33 percent of the facilities we previously reviewed and requested district managers to confirm whether egregious repairs were completed.

We assessed the reliability of eMARS and eFMS data by analyzing available reports to maintenance and safety issues obtained from previous site visits. We determined that the data were not sufficiently reliable for the purposes of this report and relied upon physical observation of the facilities visited and physical documentation and photographs provided by facility personnel to document the status of identified issues.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Facility Condition Reviews – Western Area</i>	Determine whether Postal Service management adhered to building maintenance and safety and security standards and employee working condition requirements.	SM-AR-17-009	9/8/2017	None
<i>Facility Condition Reviews – Pacific Area</i>	Determine whether Postal Service adhered to building maintenance, safety and security standards, and employee working condition requirements.	SM-AR-17-007	9/6/2017	None
<i>Facility Condition Reviews – Eastern Area</i>	Determine whether Postal Service management adhered to building maintenance and safety and security standards and employee working condition requirements.	SM-AR-17-004	5/10/2017	None
<i>Facility Condition Reviews – Southern Area</i>	Determine whether Postal Service management adhered to building maintenance and safety and security standards and employee working condition requirements.	SM-AR-17-003	4/28/2017	None
<i>Facility Condition Reviews – Northeast Area</i>	Determine whether Postal Service management adhered to building maintenance and safety and security standards and employee working condition requirements.	SM-AR-17-001	11/9/2016	\$10.6 million
<i>Facility Condition Reviews – Great Lakes Area</i>	Determine whether Postal Service management adhered to building maintenance and safety and security standards and employee working condition requirements.	SM-AR-16-010	9/2/2016	None
<i>Facility Condition Reviews – Capital Metro Area</i>	Determine whether Postal Service management adhered to building maintenance and safety and security standards and employee working condition requirements.	SM-AR-16-009	7/18/2016	None
<i>Working Conditions at the Jal Post Office</i>	Investigate reported poor working conditions at the Jal Post Office in NM.	HR-MA-15-004	9/2/2015	None
<i>Deputy Postmaster General Use of Data</i>	Determine whether the deputy postmaster general effectively used internal and external business data to manage business activities and mitigate risk.	SM-AR-15-002	3/19/2015	None

Appendix B: Management's Comments



June 5, 2018

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Facility Condition Review – Capping Report (Report Number SM-AR-18-DRAFT)

Thank you for the opportunity to review and comment on the above referenced Capping Report regarding the Facility Condition Reviews performed at each of the seven (7) Postal Service geographic areas. Below is management's responses to the three (3) recommendations included in the report.

Recommendation 1:

We recommend the Vice Presidents, Facilities and Network Operations, ensure that corrective actions area management claims to have taken have been properly implemented and the issue(s) no longer exists; and initiate work orders to resolve outstanding issues and provide adequate documentation to the U.S. Postal Service Office of Inspector General to support actions taken.

Management Response/Action Plan:

Management agrees with the recommendation and will ensure that corrective actions identified for identified concerns are implemented at each of the facilities reviewed. Management will provide documentation to support actions taken to remedy concerns identified.

Target Implementation Date:

The process indicated above will be implemented by August 31, 2018.

Responsible Official:

Manager, Maintenance Planning and Support
Facilities Repair & Alterations Managers

Recommendation 2:

We recommend the Vice Presidents, Facilities and Network Operations, develop a robust training program to holistically address facility condition awareness, protocols, monitoring, and reporting; and devise a communication plan to disseminate to all employees.

Management Response/Action Plan:

Management agrees with the recommendation. A cross functional project, The Postmasters' Guide to Housekeeping and Maintenance was completed regarding facility condition awareness, protocols, monitoring, and reporting, and was disseminated to the field in July of 2017. Specific actions were assigned to the audience of this training and were tracked through completion. The recorded session

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and training deck can be found at <http://blue.usps.gov/continuousimprovement/pristine-post-office.htm>. Management will re-disseminate this training and track through completion to ensure that all affected employees receive the training.

Target Implementation Date:

The action indicated above will be implemented by August 31, 2018.

Responsible Official:

Tangie Samuels

Recommendation 3:

We recommend the Vice President, Employee Resource Management, develop a robust training program to holistically address facility safety inspection protocols, documentation, and reporting. Additionally, implement an oversight mechanism to hold local management and district inspectors accountable for accurately documenting safety issues.

Management Response/Action Plan:

Management does not agree with the recommendation that additional training is needed to address safety inspection protocols, documentation and reporting. The USPS has a robust safety program that has been endorsed by the Occupational Safety and Health Administration (OSHA). The effectiveness of the program is documented in the reduction of OSHA inspections resulting in citation.

Target Implementation Date:

Not applicable.

Responsible Official:

Not applicable.



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