



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

Vehicle Operations - Response to Hurricane Sandy

Audit Report

August 6, 2013

Report Number DR-AR-13-005



BACKGROUND:

During late October 2012, Hurricane Sandy affected the entire eastern seaboard, from Florida to Maine. It was the deadliest and most destructive storm of the 2012 Atlantic hurricane season and the second costliest hurricane in U.S. history. The severe and widespread damage the storm caused and its unusual merge with a frontal system resulted in the media and several federal agencies nicknaming the storm "Superstorm Sandy."

The U.S. Postal Service's director of National Preparedness issued the *2012 Hurricane Preparedness Guide — Area/District/Headquarters* on June 1, 2012, to assist area and district management in providing the necessary direction, coordination, and support to ensure the appropriate facilities are prepared for hurricane season which helps protect personnel while minimizing damage and loss of assets, including vehicles.

Our objective was to evaluate the effectiveness of vehicle operations' emergency response to Hurricane Sandy. We assessed the storm's impact on the Capital Metro, Eastern, and Northeast areas.

WHAT THE OIG FOUND:

The Postal Service implemented emergency preparedness plans for delivery vehicles prior to Hurricane

Sandy. They adequately safeguarded the majority of vehicles by instructing personnel to relocate vehicles to higher ground to mitigate the effects of Hurricane Sandy.

Despite these efforts, 110 of 16,267 delivery vehicles were damaged or destroyed due to the unprecedented impact and deviation of the storm affecting low-lying locations in New York and New Jersey, normally not prone to flooding. Management ensured delivery vehicles that sustained damage were sufficiently repaired and serviced prior to being reused. The damages cost the Postal Service about \$616,000 for vehicle repairs, rentals, and losses.

Updated emergency preparedness plans will ensure there is appropriate designation of potential impacted areas, and allows officials sufficient response time to secure assets during natural disasters.

WHAT THE OIG RECOMMENDED:

We recommended the vice presidents, Eastern and Northeast Area Operations, direct field personnel to update emergency preparedness plans with new low-lying flood areas to safeguard vehicles.

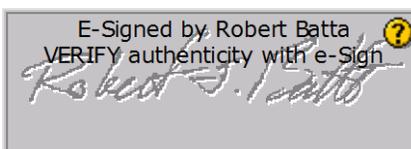
[Link to review the entire report](#)



August 6, 2013

MEMORANDUM FOR: JOSHUA D. COLIN
VICE PRESIDENT, EASTERN AREA OPERATIONS

RICHARD P. ULUSKI
VICE PRESIDENT, NORTHEAST AREA OPERATIONS



FROM: Robert J. Batta
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Audit Report — Vehicle Operations - Response to Hurricane Sandy (Report Number DR-AR-13-005)

This report presents the results of our audit of Vehicle Operations - Response to Hurricane Sandy (Project Number 13XG019DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita F. Oliver, director, Delivery and Post Office Operations, or me at 703-248-2100.

Attachment

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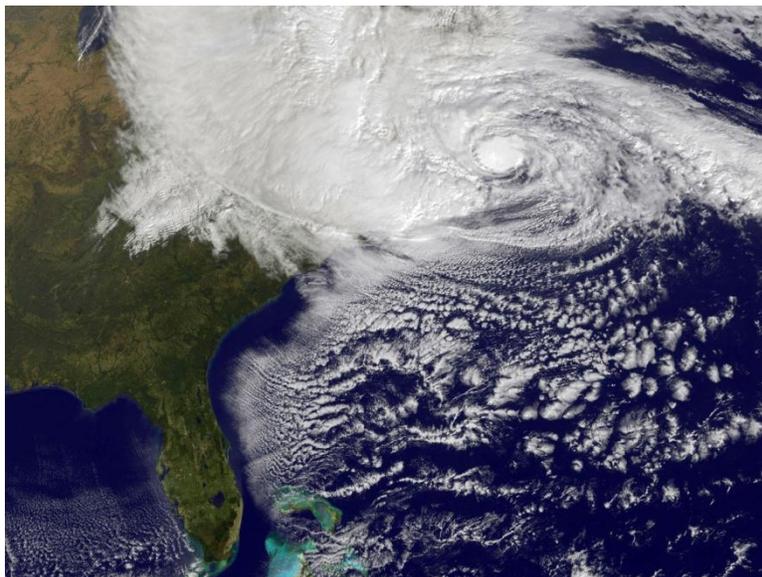
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Introduction

This report presents the results of our audit of Vehicle Operations - Response to Hurricane Sandy (Project Number 13XG019DR000). The objective of this self-initiated audit was to evaluate the effectiveness of vehicle operations' emergency response to Hurricane Sandy. This audit addresses operational risk. See [Appendix A](#) for additional information about this audit.

During late October 2012, Hurricane Sandy affected the entire eastern seaboard from Florida to Maine with sustained winds of up to 110 miles per hour and spanning 1,100 miles in diameter (see Figure 1). The severe and widespread damage the storm caused in the U.S., and its unusual merge with a frontal system, resulted in the media and some federal agencies nicknaming the storm "Superstorm Sandy." The Northeast Coast received the greatest impact from the storm, especially New Jersey and New York. On June 1, 2012, the U.S. Postal Service director, National Preparedness, issued the *2012 Hurricane Preparedness Guide¹ — Area/District/Headquarters* to assist area and district management in providing the necessary direction, coordination, and support to ensure the appropriate facilities are prepared for hurricane season.

Figure 1. Hurricane Sandy Hits the Eastern Seaboard



Source: Google.com - images of Hurricane Sandy.

¹ The *2012 Hurricane Preparedness Guide — Area/District/Headquarters* is a compilation of best practices from areas and districts that have experienced hurricanes. It helps improve protection of personnel while minimizing damage and loss of assets including vehicles, facilities, and financial instruments, and ensures the continuity of essential Postal Service functions and critical services.

Conclusion

The Postal Service responded effectively to mitigate the effects of Hurricane Sandy on operations. Specifically, officials implemented emergency preparedness plans for 16,267 delivery vehicles to adequately safeguard these assets by relocating them to higher ground. Despite management's efforts, 110 delivery vehicles were damaged or destroyed due to the unprecedented impact and deviation of the storm affecting low-lying locations in New York and New Jersey, normally not prone to flooding. Officials also ensured that delivery vehicles that sustained damages were sufficiently repaired and serviced prior to being reused. The Postal Service incurred \$616,353 for vehicle repairs, rentals, and losses (see [Appendix B](#)). Updated emergency preparedness plans will ensure there is appropriate designation of potential impacted areas, and allow officials sufficient response time to secure assets during natural disasters.

Response to Hurricane Sandy

The Postal Service implemented emergency preparedness plans to safeguard the majority of the delivery vehicles and mitigate the effects of Hurricane Sandy. For example, headquarters officials notified field personnel of the anticipated storm and impact. Area and district officials advised vehicle maintenance facility (VMF) personnel of their responsibilities and VMF personnel handled the delivery vehicles in accordance with established policies and procedures.²

However, seven districts in the Northeast and Eastern areas³ had 110 delivery vehicles that sustained damages⁴ due to salt water flooding, fallen trees, and debris from Hurricane Sandy (see [Appendix B](#)). The damaged delivery vehicles were shuttled to district VMFs for repair and placed back in service upon completion and testing. VMF maintenance personnel performed various repairs, which included replacing starters, alternators, batteries, battery cables, distributors, ignition switches, starter interrupt switches, and seats. Additionally, fuel, ignition, computer modules, electrical systems and chassis components were repaired or replaced as necessary to ensure vehicles were safe and reliable. For example:

- Northern New Jersey District: Thirty-six delivery vehicles were damaged, including 29 Long Life Vehicles (LLVs), four flooded Ford Windstar mini-vans, and three LLVs with roof damage from fallen trees. The cost of repairs was \$55,695. Additionally, the Northern New Jersey District incurred \$310,500 in rental costs for leased vehicles that were used to deliver mail while damaged vehicles were repaired.
- Long Island District: Ten LLVs sustained damage, with repair costs totaling \$18,333. The vehicles were repaired at the Western Nassau VMF and placed back in service.

² 2012 Hurricane Preparedness Guide — Area/District/Headquarters, dated June 1, 2012.

³ The Capital Metro Area did not have damaged or destroyed vehicles from Hurricane Sandy.

⁴ Damages to vehicles listed were due to salt water flooding, unless otherwise stated.

- Triboro District: Thirty-five delivery vehicles were damaged, with repair costs totaling \$165,429.⁵ The vehicles were assigned to three VMFs — Brooklyn, Queens (Jamaica), and Staten Island. All damaged vehicles in the Triboro District were repaired and placed back in service.
- Albany District: One LLV sustained roof damage from a fallen tree. The repair was performed by MAACO Collision Repair & Auto Painting, the nationally contracted body shop at a cost of \$5,764.
- Connecticut Valley District: One LLV sustained minor damage to the roof. The repair was performed at the Hartford VMF at a cost of \$419.
- South Jersey District: Five LLVs sustained damage. The vehicles were assigned to the Lakewood VMF with repair costs totaling \$3,692. Figure 2 depicts the starter from a vehicle damaged by salt water flooding.

Figure 2. LLV starter damaged by salt water



Source: U.S. Postal Service Office of Inspector General (OIG) photograph taken February 5, 2013 at the Kilmer VMF.

Although some vehicles were repaired, two districts in the Northeast Area had delivery vehicles that were a total loss due to salt water flood damage. VMF automotive technicians declared the vehicles a total loss due to extensive damage to the engines, transmissions, fuel tanks, computers, and wire harnesses. The costs to repair these vehicles would have equaled or exceeded the vehicles' blue book value. Postal Service Headquarters management approved the disposal of the vehicles and instructed VMF personnel to follow established policies and procedures for vehicle disposal.⁶

⁵ Brooklyn VMF — seven damaged delivery vehicles with repair costs totaling \$25,323; Queens (Jamaica) VMF — 18 damaged delivery vehicles with repair costs totaling \$101,227; and Staten Island VMF — 10 damaged delivery vehicles with repair costs totaling \$38,879.

⁶ *Handbook PO-701, Fleet Management*, March 1991, updated with *Postal Bulletin*, revisions through March 31, 2005; *Disposal of Surplus Vehicle, Parts, and Equipment*, Chapter 7.

Specifically:

- Northern New Jersey District: Sixteen delivery vehicles were destroyed by salt water flooding for a total loss of \$51,021 (see Figure 3).

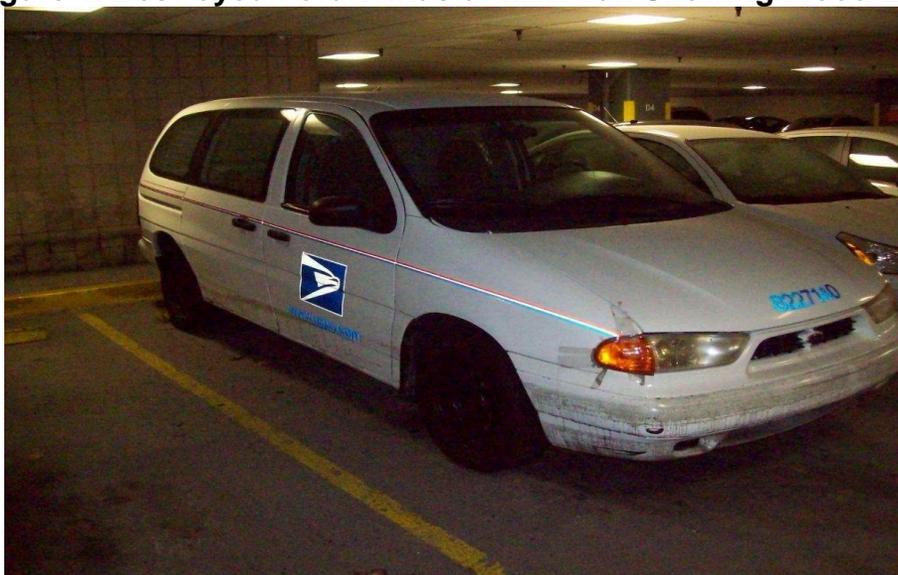
Figure 3. Destroyed LLV



Source: OIG photograph taken February 5, 2013, at the Kilmer VMF.

- New York District: Six 1998 Ford Windstar mini-vans were destroyed for a total loss of \$5,500, including \$700 for towing (see Figure 4 and [Figure 5](#)).

Figure 4. Destroyed Ford Windstar Mini-Van Showing Flood Line



Source: OIG photograph taken February 7, 2013, at the Manhattan VMF.

Figure 5. Inside of Ford Windstar Mini-Van Destroyed by Flooding



Source: Destroyed Vehicle Jacket file from the Manhattan VMF manager.

Postal Service officials began relocating the majority of their delivery vehicles to higher ground within 72 hours (3 days), as required by the *2012 Hurricane Preparedness Guide — Area/District/Headquarters*, before the anticipated storm came ashore. However, Hurricane Sandy deviated in an unpredictable direction affecting low-lying locations in New York and New Jersey, normally not prone to flooding.

The Postal Service incurred \$616,353 for vehicle repairs, rentals, and losses as a result of Hurricane Sandy (see [Appendix B](#)). Updated emergency preparedness plans will ensure there is appropriate designation of potential impacted areas, and allow officials sufficient response time to secure assets during natural disasters.

Recommendation

We recommend vice presidents, Eastern and Northeast Area Operations:

1. Direct field personnel to update emergency preparedness plans to designate new low-lying flood areas created by Hurricane Sandy to safeguard delivery vehicles.

Management's Comments

Management in the Eastern and Northeast Areas agreed with the finding and recommendation. Management stated they review and update emergency plans on an annual basis as part of their preparations for hurricane season. Management also stated that since each hurricane is unique in its track, intensity and impacts, they perform an after action review to identify and incorporate any lessons learned from each event. In subsequent discussions, Eastern and Northeast area management stated they directed field personnel to update emergency plans on June 1, 2013, and May 2, 2013, respectively to designate new low-lying flood areas created by Hurricane Sandy. See [Appendix C](#) for management's comments, in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendation and corrective actions should resolve the issues identified in the report. The recommendation will be considered closed with the issuance of this report.

Appendix A: Additional Information

Background

During late October 2012, Hurricane Sandy affected the entire eastern seaboard from Florida to Maine with sustained winds of up to 110 miles per hour and spanning 1,100 miles in diameter, the largest, deadliest, and second costliest Atlantic hurricane on record to hit the U.S. Losses due to damage are estimated to exceed \$70 billion, with severe damage sustained in New Jersey and New York. As Hurricane Sandy tore through the East Coast, thousands evacuated their homes, schools closed, New York's transit system halted, the stock exchange fell quiet, federal offices in Washington, D.C. shut down, and most employers told workers to stay home. But a few employers, such as the Postal Service, continued daily operations.

In 2010, the Office of National Preparedness (ONP) became the implementation component of the Postal Service Continuity Program.⁷ ONP's key responsibilities include incident management, infrastructure protection, and performance measures. Its role is integral to preparing for, responding to, and assisting in recovering and continuity of operations from a major incident or event. On June 1, 2012, the Postal Service director, National Preparedness, issued the *2012 Hurricane Preparedness Guide — Area/District/Headquarters* to assist area and district management in providing the direction, coordination, and support to ensure the appropriate facilities are prepared for hurricane season. The preparedness plan adheres to two federal government emergency guides: *National Hurricane Operations Plan*⁸ and the *National Response Framework (NRF)*.⁹

The *2012 Hurricane Preparedness Guide — Area/District/Headquarters*, requires area delivery programs management to ensure that districts complete preparedness activities and advise area management of any gaps. Also, areas and districts are required to take safeguards for delivery vehicles, such as reminding personnel to park vehicles side-to-side and front-to-rear, evaluating the potential for flooding of vehicle parking areas, having a plan to relocate vehicles to higher ground, updating any existing plans based on major roadwork changes in ownership, and reiterating to staff proper procedures for reporting missing vehicles.

⁷ The program was established to ensure the safety and welfare of all Postal Service personnel throughout any incident. It incorporates plans and procedures prior to, during, and after an event relative to employees' safety and welfare.

⁸ The U.S. Department of Commerce National Oceanic and Atmospheric Administration's *National Hurricane Operations Plan*, updated October 10, 2012, is published annually prior to hurricane season and documents interdepartmental efforts to provide the U.S. and designated international recipients with forecasts, warnings, and assessments concerning tropical and sub-tropical weather systems.

⁹ The U.S. Department of Homeland Security's *NRF*, dated January 2008, is a guide to conducting a national all-hazards response. It is built on scalable, flexible, and adaptable coordinating structures to align key roles and responsibilities across the nation.

Objective, Scope, and Methodology

Our objective was to evaluate vehicle operations' emergency response to Hurricane Sandy.

Our audit scope included a review of policies, processes, and procedures used to safeguard delivery vehicles, delivery vehicle repairs, and delivery vehicles destroyed because of Hurricane Sandy in the applicable districts, VMFs, and auxiliaries in the Capital Metro, Eastern, and Northeast Areas of Operations. Specifically, we:

- Reviewed vehicle operations repair data for damaged and destroyed vehicles.
- Reviewed VMF vehicle repair service files in the selected districts. We analyzed whether required repairs were sufficiently performed on damaged vehicles.
- Reviewed data for VMF delivery vehicle repairs resulting from damages sustained during Hurricane Sandy. We identified the number, type, and cost of repairs for damaged vehicles.
- Reviewed vehicle warranties to determine whether vehicle repairs or vehicles destroyed were covered by warranty.
- Reviewed documents and applicable policies and procedures for vehicle repairs and disposal.
- Obtained, reviewed, and analyzed vehicle repair data from the Enterprise Data Warehouse (EDW) and Solution Enterprise Asset Management (SEAM) systems for vehicle repairs and vehicle repair costs resulting from Hurricane Sandy.
- Conducted on-site interviews and observations at selected VMFs and obtained information on damaged vehicle repair operations, processes, procedures, and so forth; and examined any other materials deemed necessary to accomplish our audit objective.

We conducted this performance audit from January through August 2013 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 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 July 2, 2013, and included their comments where appropriate.

We assessed the reliability of vehicle repair data from EDW and SEAM by accessing the systems to retrieve/analyze various data elements and interviewing personnel knowledgeable about the data and the repairs performed. We determined that the data were sufficiently reliable for this report.

Prior Audit Coverage

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

Appendix B: Damaged and Destroyed Vehicles

Area	District	VMF	Damaged Delivery Vehicles	Cost of Repairs and Rentals	Destroyed Delivery Vehicles	Value of Vehicle Loss	Total Costs
Northeast	Northern New Jersey	Kilmer	36	\$366,195 ¹⁰	16	\$51,021	\$417,216
	New York	Manhattan	0	0	6	\$5,500	\$5,500
	Long Island	Western Nassau	10	\$18,333	0	0	\$18,333
	Triboro	Brooklyn	7	\$25,323	0	0	\$25,323
		Queens	18	\$101,227	0	0	\$101,227
		Staten Island	10	\$38,879	0	0	\$38,879
	Albany	Albany	1	\$5,764	0	0	\$5,764
	Connecticut Valley	Hartford	1	\$419	0	0	\$419
Eastern	South Jersey	Lakewood	5	\$3,692	0	0	\$3,692
Capital Metro ¹¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Totals			88	\$559,832	22	\$56,521	\$616,353
Grand Total			110 Delivery Vehicles				\$616,353

N/A: Not Applicable.

¹⁰ Rental costs totaling \$310,500 are included in the total.

¹¹ The Capital Metro Area did not have damaged or destroyed vehicles as a result of Hurricane Sandy.

Area	District	Delivery Vehicles in District	Delivery Vehicles Damaged/Destroyed	Percent Delivery Vehicles Damaged/Destroyed
Northeast	Northern New Jersey	3,522	52	1.48%
	New York	102	6	5.88%
	Long Island	1,960	10	0.51%
	Triboro	984	35	3.56%
	Albany	1,715	1	0.06%
	Connecticut Valley	4,979	1	0.02%
Eastern	South Jersey	3,005	5	0.17%
Capital Metro	N/A	N/A	N/A	N/A
Totals		16,267	110	0.68%

Source: Postal Service Management.

Appendix C: Management's Comments

JOSHUA D. COLIN, PH.D.
VICE PRESIDENT, AREA OPERATIONS
EASTERN AREA



July 22, 2013

**MEMORANDUM FOR: JUDITH LEONHARDT, DIRECTOR AUDIT OPERATIONS
OFFICE OF INSPECTOR GENERAL**

**SUBJECT: Draft Audit Report - Vehicle Operations - Response to Hurricane Sandy
(Report Number DR-AR-13-DRAFT)**

Thank you for the opportunity to review and comment on the Vehicle Operations - Response to Hurricane Sandy (Report Number DR-AR-13-DRAFT) Draft Audit Report.

Recommendation:

Direct field personnel to update emergency preparedness plans to designate new low lying flood areas created by Hurricane Sandy to safeguard delivery vehicles.

Response:

Management concurs. Management agrees with the recommendation to reevaluate low lying areas identified during Hurricane Sandy and incorporate into emergency plans appropriately.

The Postal Service reviews and updates emergency plans on an annual basis as part of the preparations for hurricane season. Additionally, because each hurricane is unique in its track, intensity and impacts, the Postal Service performs an After Action Review (AAR) to identify and incorporate any lessons learned from each event.

The Eastern Area has and will continue to coordinate efforts to review and incorporate low lying areas identified in Hurricane Sandy and any future storms.

A handwritten signature in black ink, appearing to read "Joshua D. Colin".

Joshua D. Colin, Ph.D

cc: Megan Brennan
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RICHARD P. ULUSKI
VICE PRESIDENT, AREA OPERATIONS
NORTHEAST AREA



July 26, 2013

Judith Leonhardt
Director, Audit Operations
Office of Inspector General
1735 North Lynn Street
Arlington, VA 22209-2020

SUBJECT: Draft Audit Report - Vehicle Operations - Response to Hurricane Sandy
(Report Number DR-AR-13-DRAFT)

Thank you for the opportunity to review and comment on the Vehicle Operations -
Response to Hurricane Sandy (Report Number DR-AR-13-DRAFT) Draft Audit Report.

Recommendation

*Direct field personnel to update emergency preparedness plans to designate new low lying
flood areas created by Hurricane Sandy to safeguard delivery vehicles.*

Response

Concur. Management agrees with the recommendation to reevaluate low lying areas
identified during Hurricane Sandy and incorporate into emergency plans appropriately.

The Postal Service reviews and updates emergency plans on an annual basis as part of
the preparations for hurricane season. Additionally, because each hurricane is unique in
its track, intensity and impacts, the Postal Service performs an After Action Review (AAR)
to identify and incorporate any lessons learned from each event.

The Northeast Area has and will continue to coordinate efforts to review and incorporate
low lying areas identified in Hurricane Sandy and any future storms.

A handwritten signature in blue ink, appearing to read "R. Uluski".

Richard P. Uluski

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