

Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center

AUDIT REPORT

Report Number 24-166-R25 | April 14, 2025



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Highlights

Background

The U.S. Postal Service selected the Terre Haute Sorting & Delivery Center (S&DC) as one of the first facilities for fleet modernization and electrification. It contracted for the design and installation of 76 parking spaces with charging ports to support the electrical vehicle (EV) rollout. An external contractor performed the commissioning, including the electrical, network, charging, and safety testing in early February 2024. The Terre Haute S&DC was commissioned on February 8, 2024, and carriers began using 21 EVs for delivery in May 2024.

What We Did

Our objective was to assess whether the Terre Haute S&DC was prepared to utilize EVs in delivery operations and the functionality of the EV infrastructure and vehicles. Our audit work, which included conducting observations and using a contractor to perform tests at the facility, was substantially completed before the issuance of the Executive Order, *Unleashing American Energy*, January 20, 2025.

What We Found

The Terre Haute S&DC infrastructure was sufficiently prepared to support EV use for delivery operations, and all 21 EVs at the facility were being used on local routes. We, however, identified some infrastructure implementation issues related to parking space sizes and electrical panels that hindered operational efficiency and posed safety risks. We also identified other opportunities to enhance charger functionality and facility and equipment security. For example, we found instances of chargers not functioning on a consistent basis — one for 132 consecutive days — as service request requirements were not communicated to local staff and the Postal Service lacked oversight mechanisms for notifying key parties of functionality issues. We also found that the related infrastructure was not secured properly and had insufficient signage. For example, the parking lot gate to the facility and key electrical panels were unlocked, putting nearly \$1.6 million in assets at risk.

Recommendations and Management's Comments

We made four recommendations to address the issues identified in the report. Postal Service management agreed with three recommendations and disagreed with one. Regardless of the disagreement, we consider management's comments responsive to all recommendations, and corrective actions should resolve the issues in the report. Management's comments and our evaluation are at the end of each finding and recommendation. See [Appendix B](#) for management's comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 14, 2025

MEMORANDUM FOR: RONNIE J. JARRIEL
CHIEF LOGISTICS AND INFRASTRUCTURE OFFICER AND
EXECUTIVE VICE PRESIDENT

RAJINDER SANGHERA
VICE PRESIDENT, RETAIL AND DELIVERY OPERATIONS,
CENTRAL AREA

A handwritten signature in black ink, reading "Amanda H. Stafford", is positioned below the recipient information.

FROM: AMANDA STAFFORD
Deputy Assistant Inspector General
for Retail, Marketing, and Supply Management

SUBJECT: Audit Report – Fleet Modernization: Facility Preparedness for Electric
Vehicles at the Terre Haute Sorting and Delivery Center (Report
Number 24-166-R25)

This report presents the results of our audit of facility preparedness and vehicle functionality at the Terre Haute Sorting and Delivery Center.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendation 2 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. We consider recommendations 1, 3, and 4 closed with issuance of this report.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Josh Bartzen, Director, Retail Directorate, 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 facility preparedness and vehicle functionality at the Terre Haute Sorting and Delivery Center (S&DC) (Project Number 24-166). Our objective was to assess whether the Terre Haute S&DC was prepared to utilize electric vehicles (EVs) in delivery operations and the functionality of the EV infrastructure and vehicles.¹

A recent Executive Order titled *Unleashing American Energy* (issued on January 20, 2025) described, among other things, the new administration's policies related to government funding for EVs. Our audit work was substantially completed prior to the issuance of the order. See [Appendix A](#) for additional information about this audit.

Background

A key facet of the U.S. Postal Service's Delivering for America plan² centers around modernizing and electrifying parts of its aging delivery vehicle fleet. This effort involves procuring commercial-off-the-shelf (COTS) vehicles and custom-built Next Generation Delivery Vehicles (NGDV), as well as supporting components such as charging stations.³

The Postal Service has already begun preparing select facilities for the receipt and deployment of these EVs, which includes ensuring operations and equipment (such as charging stations, electrical power capabilities, and parking lot updates) are available and functioning. We recently issued reports highlighting opportunity areas, including the following:

- January 2025 report identified facility preparedness issues at the Topeka, KS, S&DC.⁴
- October 2024 report identified delivery vehicle acquisition delays.⁵
- July 2024 report identified the Postal Service experienced nationwide charging infrastructure delays.⁶
- December 2023 report found that tests showed the charging station equipment performed as expected and passed all specified requirements. The report also identified, however, that the Postal Service did not conduct long-term performance monitoring, test with NGDVs, or test the lifespan of the charging stations, and that management controls over the storage of charging stations were not effective.⁷

Fleet Modernization at Terre Haute S&DC

The Postal Service selected the Terre Haute, IN, S&DC as one of the first facilities for fleet modernization and electrification. It developed site designs, site plans, and electric utility plans to prepare for charging station infrastructure and vehicle deployment as part of the planning and commissioning process. The Postal Service awarded a contract⁸ for the

“The Postal Service selected the Terre Haute, IN, S&DC as one of the first facilities for fleet modernization and electrification.”

¹ To assist in our review, we engaged a contractor to perform electrical testing and observations of electrical infrastructure to evaluate the operation and safety of equipment.

² The Postal Service's 10-year plan is officially named *Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence*. The plan was developed to transform financial performance and customer service through significant investments in people, technology, and infrastructure.

³ The Postal Service's delivery fleet of long-life vehicles (LLV) has a lifespan of 24 years. As of the end of fiscal year 2023, the Postal Service had approximately 130,000 right-hand-drive LLVs. All LLVs have exceeded their projected 24-year life span and account for over 52 percent of the Postal Service's vehicle fleet.

⁴ U.S. Postal Service Office of Inspector General (USPS OIG), *Fleet Modernization – Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center*, Report Number 24-056-R25, January 8, 2025.

⁵ USPS OIG, *Fleet Modernization: Delivery Vehicle Acquisition Status*, Report Number 24-051-R25, October 3, 2024.

⁶ USPS OIG, *Fleet Modernization – Charging Station Deployment Timelines*, Report Number 23-170-R24, July 16, 2024.

⁷ USPS OIG, *Fleet Modernization – Electric Vehicle Charging Stations Acquisition*, Report Number 23-059-R24, December 29, 2023.

⁸ The Postal Service awarded multiple contracts, which include subcontractors.

installation of charging station infrastructure, which included the design and remodeling of the facility's parking lot to support the installation of 100 parking spaces with charging infrastructure for 73 new EVs. The contractor managed the entire installation effort, including working with the local utility company to install a new transformer and provide electrical service.

Throughout the infrastructure deployment process at the Terre Haute S&DC, the Postal Service made network-wide improvements to its design guidelines, commissioning process, supplier engagement, and other operations. The Postal Service also hired an external commissioning firm to perform electrical, safety, and network testing of the chargers at the Terre Haute S&DC. The firm conducted onsite walk-throughs with the NGDV Project Management Office (PMO)⁹ leading to the site being commissioned on February 8, 2024. These groups subsequently fully verified the EV infrastructure installation was complete (including the functionality for 76 charging ports).¹⁰ The first round of EVs — 21 COTS EVs — arrived at the facility in early May 2024 and, following staff training, started being deployed on delivery routes. Postal Service management stated the remaining 52

NGDV EVs have been acquired and are scheduled for deployment beginning in August 2025.

Charging Station Support

Mail carriers are typically the first to identify issues with the EV chargers, as they are responsible for daily charging of the vehicles. If the charging station fails to work, Postal Service policy lays out staff roles and responsibilities. Carriers are initially required to notify local management, which is then required to collect charger information (for example, charger supplier and serial number) and initiate a service request through the Postal Service's Facilities Response Line¹¹ (FRL). The request is then routed to the appropriate department to address the concern. The PMO also has access to a supplier dashboard that can provide a real-time visual to identify if the chargers are functioning, which it employs on an ad-hoc basis.

Findings Summary

The Terre Haute S&DC infrastructure was sufficiently prepared to support EV usage on delivery operations, and all 21 EVs at the facility were being used on local delivery routes. We, however, identified some infrastructure implementation issues and other opportunities to enhance related charger functionality and facility and equipment security.

⁹ The team responsible for providing oversight and support related to the EV infrastructure integration.

¹⁰ The 76 EV ports are allocated to the following: 52 for the NGDV EVs; 21 for the COTS EVs; and three spares.

¹¹ This is the same process to report any issues at the facility, such as with a furnace or other piece of equipment. Therefore, to alleviate any confusion and ensure consistency, the PMO is using this line to report EV infrastructure issues.

Finding #1: Infrastructure Preparedness

The EV infrastructure at the Terre Haute S&DC was sufficiently prepared to support EV usage on delivery routes. Postal Service leadership stated it oversaw contractors performing construction and hired an independent external firm to verify the EV infrastructure was functioning properly. The facility was commissioned February 8, 2024, and was cleared to begin using EVs on deliveries. During our site visit, we validated the installation of 38 chargers and related infrastructure and observed all 21 EVs being charged and departing for daily delivery routes. We also found the charging stations performed safely; delivered the expected voltage and current; and passed safety and control pilot tests.

We did, however, identify some infrastructure implementation issues related to parking space sizes and electrical panels. First, we statistically selected 43 of the 100 parking spaces and found nine of 43 (21 percent) were less than the 10 feet in width as outlined in the design guidelines.¹² The size discrepancies ranged from 1 inch to 12 1/8 inches smaller than the 10-foot expected width. We also observed, and multiple Postal Service delivery carriers stated, it sometimes took carriers four to five attempts to safely maneuver the vehicles in and out of the parking spaces. When OIG staff discussed

“The EV infrastructure at the Terre Haute S&DC was sufficiently prepared to support EV usage on delivery routes.”

these parking space size issues with Postal Service management, they noted that the Terre Haute S&DC (and other sites such as Topeka S&DC¹³) have space constraints and that some parking areas may be adjusted to accommodate site specific limitations. As Postal Service

management stated it is willing to accept the current parking lot layout due to space constraints, we are not making a related recommendation.

Second, we observed electrical panels that had several improperly sealed drill marks within the enclosure (see Figure 1) and multiple other panels that had no weather stripping (see Figure 2).

Figure 1. Example of Improperly Sealed Drill Marks



Source: Photograph taken at the Terre Haute S&DC November 19, 2024.

Figure 2. Example of Electrical Panel With and Without Weather Stripping



Electrical panel with weather stripping

Electrical panel without weather stripping

Source: Photographs taken by OIG staff at the Terre Haute S&DC November 19, 2024.

¹² The design guidelines were described in the Postal Service's Electric Vehicle Infrastructure Design Manual version 2023-1.

¹³ We reported similar parking space size issues at the Topeka S&DC in the following report: *Fleet Modernization – Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center*, Report Number 24-056-R25, January 8, 2025.

These conditions could possibly compromise the National Electrical Manufacturer Association¹⁴ (NEMA) 3R¹⁵ rating, by allowing water into the enclosure. Any holes drilled into enclosures, especially those above or level with electrical connectors (as is the case here), need to be properly sealed to maintain the rating. During the commissioning process, it was noted that the panels missing weather stripping showed signs of water getting in and that this condition was a potential risk to maintaining the NEMA 3R rating for these panels. If not sufficiently addressed, these outstanding infrastructure issues could hinder EV operational effectiveness and result in safety risks for EVs or employees.

Recommendation #1

The **Chief Logistics and Infrastructure Officer and Executive Vice President** repair the improperly sealed drill holes and missing weather stripping and coordinate with the contractor to validate the National Electrical Manufacturer Association 3R rating is not compromised at the Terre Haute Sorting and Delivery Center.

Postal Service Response

Management partially disagreed with the finding and disagreed with the recommendation. Regarding the finding, management agreed

that the Terre Haute S&DC was sufficiently prepared for use of EVs for delivery operations but disagreed with the assertions that the drill holes or lack of weather stripping in the electrical panels would compromise the NEMA 3R ratings on the equipment. It noted documentation from the manufacturer confirming the panels maintained their NEMA 3R rating, which was subsequently provided to the OIG team after fieldwork was completed. Management asserted that recommendation 1 was not needed based on this additional documentation.

OIG Evaluation

The OIG considers managements comments responsive to the recommendation. Based on our review of the subsequent documentation from the manufacturer confirming the NEMA 3R ratings for these electrical panels will not be compromised, we are closing the recommendation with the issuance of the final report. Regarding management's partial disagreement on finding 1, the OIG team relied on the Postal Services' own certification documents, which questioned the NEMA 3R rating of panels missing weatherstripping, to develop the finding. We consider the resulting issues were accurate and valid at the time the fieldwork was completed.

¹⁴ The National Electrical Manufacturer Association defines standards used in North America for various grades of electrical enclosures typically used in industrial applications.

¹⁵ This provides a degree of protection of the equipment inside the enclosure from the ingress of solid foreign objects and water.

Finding #2: Infrastructure Functionality Issues

The charging infrastructure was not consistently functioning at the Terre Haute S&DC. First, we tested a sample of 38 chargers while on-site and found five of 38 chargers were not properly functioning (that is, operating at 0% charge) (see examples in Figure 3).

Figure 3. Examples of Non-Functioning Chargers

(red lights indicate non-functioning charger)



Source: Photographs taken by OIG staff at the Terre Haute S&DC November 19, 2024.

Second, we analyzed nine months of Postal Service data, which also showed that five of 38 chargers (13 percent) did not function properly — that is, operating at 0% charge — for extended periods. Table 1 shows that one charger was operating at 0% charge for 132 consecutive days, and another functioned so inconsistently that it had to be replaced.

We discussed these non-functioning chargers and the notification procedures with Headquarters and Terre Haute officials. Local managers stated their requests for assistance from the FRL were denied because they did not have the required information (for example, charger supplier and serial number) to initiate the request; they were unaware of these data requirements and related policy. Postal Service policy

states that when Postal Service staff call the FRL, they are to say they have an Electric Vehicle Supply Equipment (EVSE) issue and the corresponding equipment’s supplier and serial number.¹⁶ Headquarters officials also stated local staff are responsible for identifying charger performance issues and initiating corrective actions.

“The charging infrastructure was not consistently functioning at the Terre Haute S&DC.”

Table 1. Non-Functioning Chargers

Charger Number	Total Days in Operation	Consecutive Days Operating at 0%
BAE704316	276	132
BAE704359	276	79
BAE704332*	81	58
BAE704236	276	24
BAE704297	276	23

Source: OIG analysis of Postal Service’s Daily Station Uptime Report.
* Charger was replaced May 21, 2024.

We recently identified concerns related to communicating charger performance issues in our Topeka report, and noted the Postal Service updated the NGDV program website in October 2024 to include a resource center for field personnel that includes EV policies, procedures, and how-to videos, including what data is needed to initiate a request with the FRL. We recommended the Postal Service disseminate communication regarding the updated NGDV program website. Management agreed and responded by releasing communication to the field in February 2025 about the website and other available resources.

Local Terre Haute management ensured these non-functioning chargers did not negatively impact delivery operations by shifting vehicles over to functioning chargers. While we recognize

¹⁶ Postal Service Standard Work Instruction: EVSE (Charging Station) Support.

local management's flexibility in finding charging alternatives, the communication shortfalls related to the applicable policy threatens the efficiency and effectiveness of EV operations at the Terre Haute S&DC. This deficiency is compounded by the Postal Service's lack of data-driven mechanisms for identifying systemic charger functionality issues (for example, where chargers are at 0% operability for consecutive days). Leading practices advocate for leveraging available data to create mechanisms (or tripwires) to help notify program managers of charger performance issues in a more automated, timely, and consistent manner. Such mechanisms would also help supplement existing Postal Service processes that rely on local staff to identify charger performance issues and initiate corrective actions.

Recommendation #2:

The **Chief Logistics and Infrastructure Officer and Executive Vice President** develop data-driven mechanisms, such as tripwires, to help notify management of charger performance issues in a more automated, timely, and consistent manner.

Postal Service Response

Management agreed with the finding and the recommendation. Regarding the finding, management agreed that automated notifications are desirable but felt the OIG did

not consider the cost associated with trying to implement an expensive and complex system. Management also stated that the current system of "ground-up field-initiated" support using the existing mechanisms was sufficient and future problems would be reported much quicker when there are more urgent operational needs for charger performance. Regarding recommendation 2, management agreed with the notion that automated notifications have value and will evaluate the resources needed to enable such systems. Management set a target implementation date of November 30, 2025.

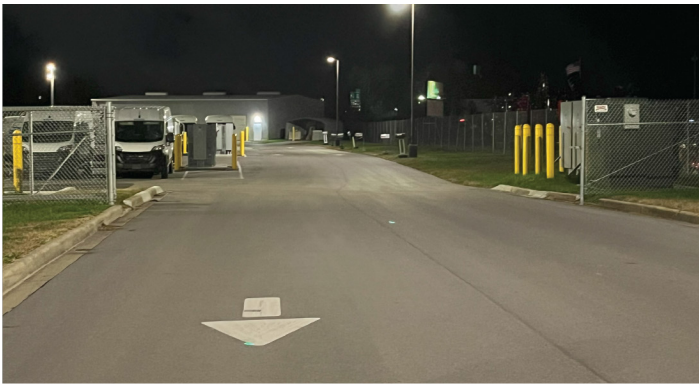
OIG Evaluation

The OIG considers management's comments responsive to the recommendation, and the corrective actions should resolve the issues identified in the report. To secure the appropriate budgetary resources for implementation, conducting a cost analysis will help the Postal Service select the most cost-effective, data-driven mechanism to identify performance issues in a timely manner. Regarding management's assertion that our finding did not consider the cost associated with the recommendation, it was simply our intent to identify opportunities for corrective action that address the cause of an identified deficiency.

Finding #3: Infrastructure Was Not Secured Properly

The EV infrastructure at the Terre Haute S&DC was not secured properly. First, we observed the parking lot gate to the facility was unlocked, and local management acknowledged the gate was unlocked (see Figure 4).

Figure 4. Unlocked Gate



Source: Photograph taken by OIG staff at the Terre Haute S&DC November 19, 2024, at 8:20 p.m.

Postal Service policy¹⁷ states gates must be secured to prevent the opportunity for burglary or vandalism. Local management stated that when the facility was being converted into an S&DC there were plans to install an electronic closing gate. This gate, however, was never installed because there would be no one available to open the gate for deliveries as they arrived. It also stated that due to the frequency of deliveries to the facility, even after hours, the gate is not locked or closed.

Second, we observed electrical panels were unlocked (see Figure 5). Occupational Safety and Health Administration (OSHA) regulations¹⁸ state that where nonmetallic or metal-enclosed equipment is accessible to the public and the bottom of the enclosure is less than eight feet above the floor or grade level, the enclosure door or hinged cover must be kept locked. Local management stated it was aware of the unlocked electrical panels but were told

that locking the panels was an OSHA violation, so it did not lock the panels.

Figure 5. Unlocked Electrical Panels



Source: Photographs taken by OIG staff at the Terre Haute S&DC November 19, 2024.

“The EV infrastructure at the Terre Haute S&DC was not secured properly.”

Third, we observed the facility lacked readable signage to restrict public access to the delivery vehicle parking lot, chargers, transformers, or electrical panels as required. Postal Service policy¹⁹ indicates security signage must be

provided at 100-foot intervals using standard signage, which specifies parking regulations, towing enforcement, and restricted Postal Service property areas, and it is a regulatory requirement that signage indicate vehicles in nonpublic areas may be subject to inspection.²⁰ Local management stated the facility has not had signage for years and it was not aware it was needed.

Postal Service management acknowledged these security and signage shortfalls, but stated there are other security protocols in place, such as cameras, lighting, and hardware alerts. While we recognize these other protocols, the unlocked parking lot gate

¹⁷ Blueprint for Facility Security Publication 266, January 2014.

¹⁸ OSHA 1910.303(h)(2)(v)(D), Subpart S, Electrical – General.

¹⁹ Handbook RE-5, *Building and Site Security Requirements*, Section 2-2.4, dated September 2009.

²⁰ 39 CFR § 232, *Conduct on Postal Property*.

and electrical panels could lead to unauthorized access by individuals other than qualified staff and result in vandalism, theft, or injury. In addition, unsecure infrastructure could result in the potential for OSHA fines. As such, we identified \$1.57 million in assets at risk.

Recommendation #3

The **Vice President, Retail and Delivery Operations – Central Area**, reiterate policy to ensure local management adheres to security protocols for asset protection, including locking the delivery gates nightly and the electrical panels.

Recommendation #4

The **Vice President, Retail and Delivery Operations – Central Area**, require local management to replace missing exterior signage throughout the facility.

Postal Service Response

Management agreed with the finding and recommendations but disagreed with the other impact. Regarding the finding, management felt that the report superficially acknowledged the security systems built into the EVSE Infrastructure and focused only on the locked gate. Regarding recommendations 3 and 4, management stated that it began locking the gates and installed the necessary signage and subsequently provided supporting documentation as evidence for both actions. Management did not provide a target implementation date for either recommendation as it had already corrected the issues. Regarding the other impact, management did not feel that assets were at risk because the locked gate is the fastest and easiest security provision to defeat. It questioned whether these assets (vehicles) were more at risk parked on government property than they would be while parked throughout streets on routes they serve each day.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations, and the documentation provided as evidence of actions taken and reviewed by OIG allows for the closure of both recommendations with the issuance of the final report. Regarding management's concerns about aspects of the finding, the OIG's auditing process ensures that we address any potential security and safety issues at reviewed Postal Service facility locations and inform management of any emergency or critical situations, as necessary. Regarding the other cybersecurity and technological security measures mentioned by management, that information was not within the scope of our work, and therefore, their efficacy and sufficiency were not tested during this audit. Rather, we tested whether the Postal Service established policies to deter potential theft and safeguard accountable assets, which requires facility gates to be chained and locked daily. We found this policy was not followed by local management, which could result in theft and vandalism.

Regarding the other impact, the OIG's assets at risk estimate is prudent and is supported by the Postal Service's failure to follow established safety and security protocols during our site visit.

Looking Forward

The Postal Service remains committed to modernizing its delivery vehicle fleet to provide high-quality and reliable service to customers; safer working environments for carriers; and more cost-effective operations. As the Postal Service continues with its delivery fleet modernization, we will continue to monitor the plans, acquisitions, and deployment of vehicles and related infrastructure to ensure it employs efficient and cost-effective measures and applies lessons learned from earlier deployments, such as those at the Terre Haute S&DC.

Furthermore, during discussions with Terre Haute management and staff, carriers noted the left-hand drive EVs added roughly 30 minutes per day to routes with curblane deliveries — as these deliveries are typically served using a right-hand drive vehicle. The inefficiency results from Postal Service delivery guidance that allows for left-hand drive vehicles to be used on routes with 20 or fewer curblane deliveries. In these instances, the carrier must exit the vehicle, walk around it to reach the curblane box, deposit the mail, and then walk back around to the driver side. A separate OIG project will assess these, and other route optimization challenges associated with new delivery vehicles.

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Appendix A: Additional Information

Scope and Methodology

Our audit scope included EV infrastructure deployment and vehicle functionality and operations at the Terre Haute S&DC from September 2023 to December 2024. To accomplish our objective, we:

- Obtained and reviewed documentation on Postal Service policies, procedures, and manuals related to EV infrastructure design and installation.
- Visited the Terre Haute S&DC to observe EV infrastructure and readiness to use EVs in November 2024.
- Engaged a contractor to perform electrical testing and observations of electrical infrastructure to evaluate the operation and safety of equipment.
- Interviewed Postal Service officials and supervisors responsible for key aspects of the EV infrastructure design and installation process.
- Reviewed and analyzed applicable laws and regulations, including the Executive Order on *Unleashing American Energy*, dated January 20, 2025.
- Reviewed past USPS OIG audit work.

We conducted this performance audit from September 2024 through April 2025 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 March 7, 2025, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the internal control structure within the NGDV PMO to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. We also assessed the internal control components and underlying principles and determined that the following three components were significant to our audit objective: (1) Information and Communication, (2) Monitoring, and (3) Control Activities. We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified significant internal control deficiencies related to monitoring, communication, and security. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of computer-generated data from the Postal Service's Daily Station Uptime report using the results from our site visits. We found the data sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Fleet Modernization – Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center</i>	Assess whether the Topeka S&DC was prepared to utilize EVs in delivery operations.	24-056-R25	January 8, 2025	\$0
<i>Fleet Modernization: Delivery Vehicle Acquisition Status</i>	Assess the status of the Postal Service's acquisition of new delivery vehicles.	24-051-R25	October 3, 2024	\$77 million
<i>Fleet Modernization – Charging Station Deployment Timelines</i>	Assess charging station infrastructure deployment timelines.	23-170-R24	July 16, 2024	\$0
<i>Fleet Modernization – Electric Vehicle Charging Stations Acquisition</i>	Determine whether the Postal Service was effectively testing and monitoring the performance of, providing effective oversight over the contract for, and storage of, charging stations.	23-059-R24	December 29, 2023	\$67,400

Appendix B: Management's Comments



March 28, 2025

BRIAN NEWMAN
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: *Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center (24-166-DRAFT)*

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center*.

In this subject audit, the OIG found "the Terre Haute S&DC was sufficiently prepared to support EV use for delivery operations, and all 21 EVs at the facility were being used on local routes." Postal Service management fully concurs with this assessment and would not otherwise have initiated vehicle deployment activities.

While the audit report notes a couple of minor issues that were not directly related to EVs or the charging infrastructure itself (in Recommendations 3 & 4), these issues have already been addressed operationally. The report fails to acknowledge the information the Postal Service provided documenting our resolution of these issues that was presented at the exit conference. The report also does not close three of the four recommendations upon issuance as discussed by the audit team during the same exit conference. More problematic, though, was the failure to update the audit report content and associated Recommendation 1. Information regarding the two issues (drill holes and weather stripping) noted in the draft report was presented to the audit team during the exit conference, including letters from the manufacturer, directly refuting the audit report observations and inferences, and describing explicitly how the issues noted would NOT compromise the equipment's NEMA 3R rating. The audit team stated that this would be adjusted; however, no adjustment was made to the report. As-is, the written content and recommendation are factually inaccurate, and the associated recommendation is inappropriate and should be removed from the report.

With regard to Finding #2 and Recommendation #2 to develop data-driven mechanisms to notify management of charger performance issues in a more automated manner – the notion of automated notifications is certainly desirable; however, this recommendation is made without consideration for the costs associated with doing so – and the systems available on the market to provide this

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functionality are expensive, complex, and are likely to further complicate the security profile of charging systems. Beyond the resource constraints to pursue these types of solutions, and as was clarified through the course of the audit, charger support is a ground-up field-initiated process, using existing support mechanisms. In today's environment with only a subset of planned EV deployments currently in place, it's easy for the local operations team to simply shift over to the next available charger when there is an issue with a charging station, and delay or forget to report an issue. Some of the lag in reporting performance issues will be self-correcting as EV deployments continue, when there are fewer available charging resources if there is an issue. Problems will be much more quickly reported when there is more operational urgency for charger performance.

Factual Inaccuracies for Correction:

Under Finding #1, the audit report includes factual inaccuracies regarding the drill marks and weather stripping. The manufacturer letters directly refute these points. The Postal Service suggests removing all of the content and figures relating to this content, as well as the associated recommendation. One of the two letters was used to close out a similar recommendation regarding drill holes on the Topeka audit report, so it is unclear why it would not be similarly resolved for the same issue in the Terre Haute audit report.

"Other Impact" Evaluation

Regarding the "other impact" evaluation, the Postal Service **strongly disagrees** with the assessment of assets at risk. And while the audit report now superficially acknowledges that there are more security provisions in place beyond a locked gate, it does not address the extensive content provided by the Postal Service in response to the EVSE Security audit and shared again with this audit team, detailing the multiple, redundant, and far superior security provisions built into the equipment and vehicles themselves to protect these assets. The Other Impact assessment continues its simplistic focus on a padlock at the gate – the single fastest and easiest security provision to defeat – as the single issue that stands between an asset at risk, and one that is not. Every day, the Postal Service sends over 220,000 delivery vehicles out onto the street – beyond the locked gates of the office. These vehicles are parked throughout the communities they serve as carriers effect service across the country. Are these assets any more at risk when they are parked throughout streets on the routes they serve each day? Are they then at greater risk when they are parked on federal property with all the other protections enumerated in the Security audit, but only if the gate isn't locked? Certainly not. And beyond the deep securities built into the equipment sets that have NOT been considered in this assessment, the Postal Service has already provided documentation that the locked gate procedure and protocols are fully in place at Terre Haute – so these perceived risks have already been fully remediated and should not be incorporated into this report. There is no clear reason for its exclusion, when the issues have been fully remediated, that these should not have been closed, and the "other impact" value eliminated.

Recommendations

Following are management's comments on each of the four recommendations.

Recommendation 1:

The **Chief Logistics and Infrastructure Officer and Executive Vice President** repair the improperly sealed drill holes and missing weather stripping and coordinate with the contractor to validate the National Electrical Manufacturer Association 3R rating is not compromised at the Terre Haute Sorting and Delivery Center.

Management Response/Action Plan:

Management **disagrees strongly** with this recommendation.

The management team presented two letters from the manufacturer of the noted equipment during the exit conference on March 7th. The letters show unequivocally, that the NEMA 3R rating is not compromised by either of the issues flagged in the audit report (holes in the panels and lack of weather stripping). The audit team stated during the exit conference that this would be updated and closed upon issuance; however, the report neither makes reference to the information provided during the exit conference, nor did it correct any of the write up that led to an erroneous recommendation. There are at least two paragraphs and two Figures in the report that explicitly state that these conditions are improper and compromise the NEMA rating. **This is factually incorrect, and has been refuted in the materials provided on 3/7/2025. This information should be corrected prior to publishing the audit.**

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 2:

The **Chief Logistics and Infrastructure Officer and Executive Vice President** develop data-driven mechanisms, such as tripwires, to help notify management of charger performance issues in a more automated, timely, and consistent manner.

Management Response/Action Plan:

Management **agrees** with this recommendation to the extent that we will provide an evaluation of the resources required to support the recommendation, and an assessment of whether budgets will support the resources required to enable such systems. While the notion of automated notifications has value, this particular recommendation is made without regard to the cost of the automated systems that could accomplish this, or consideration of the additional system complexities and security risks introduced by incorporating these capabilities. Beyond this assessment, there would need to be sufficient and appropriate budgetary resources designated to support development and implementation – these resources do not exist today.

Target Implementation Date: 11/30/2025

Responsible Official: Chief Logistics and Infrastructure Officer

Recommendation 3:

The **Vice President, Retail and Delivery Operations – Central Area**, reiterate policy to ensure local management adheres to security protocols for asset protection, including locking the delivery gates nightly and the electrical panels.

Management Response/Action Plan:

Management **agrees** with this recommendation, but only to the extent that it has already been implemented. During the exit conference on March 7th, the management team presented materials showing that the local management team purchased locks and has procedures in place to secure the facility nightly. Photos were provided showing the locking and locking process, and sign-off sheets now in use. During the exit conference, the audit team stated that this recommendation would be closed upon issuance; however, the report neither was updated to reflect any of the information provided or actions taken by the management team to address the issue, nor was the recommendation closed upon issuance as discussed during the conference.

Target Implementation Date: **Already complete: CLOSED.**

Responsible Official: Vice President, Retail and Delivery Operations – Central Area

Recommendation 4:

The **Vice President, Retail and Delivery Operations – Central Area**, require local management to replace missing exterior signage throughout the facility.

Management Response/Action Plan:

Management **agrees** with this recommendation, but only to the extent that it has already been implemented. During the exit conference on March 7th, the management team presented materials showing that the local management team ordered new signage. Materials were provided showing the eBay requisition and signage content. Since that time, signs have been received onsite, and work orders completed to install the new signage – please see photos.

During the exit conference, the audit team also stated that this recommendation would be closed upon issuance; however, the report neither was updated to reflect any of the information provided or actions taken by the management team to address the issue, nor was the recommendation closed upon issuance as discussed during the conference, and as the photo(s) clearly show, the work is complete.





Photos of Installed Signage at Terre Haute S&DC

Target Implementation Date: **Already complete: CLOSED**

Responsible Official: Vice President, Retail and Delivery Operations – Central Area

Victoria K Stephen
for

Ronnie J. Jarriel
Chief Logistics and Infrastructure Officer and Executive Vice President

E-SIGNED by RAJINDER SANGHERA
on 2025-03-28 15:08:47 EDT

Rajinder Sanghera
Vice President, Retail and Delivery Operations, Central Area

cc: Corporate Audit & Response Management

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1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsoig.gov or call (703) 248-2100