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SUBJECT: Audit Report – Postal Service Security Controls and Processes for the
Capital Metro Area (Report Number SA-AR-07-002)

This report presents the results of our self-initiated audit of the U.S. Postal Service's security controls and processes for the Capital Metro Area (Project Number 06YG034SA000). Our objective was to determine whether the Postal Service and Postal Inspection Service had sufficient controls and processes in place to efficiently and effectively protect employees, customers, the mail, and critical assets of the Postal Service. We will issue subsequent reports on our audits in other postal areas. We also plan to review Postal Inspection Service security operations, including security assessment tools the Postal Service and the Postal Inspection Service use.

The Postal Service and the Postal Inspection Service have opportunities to improve security controls and processes to more effectively and efficiently protect employees, customers, the mail, and critical assets. For example, responsible security personnel did not always conduct Facility Security Surveys accurately or annually as required. We made five recommendations to management at both the Postal Inspection Service and the Postal Service to improve security controls and processes to enhance employee awareness, accountability, and overall collaboration.

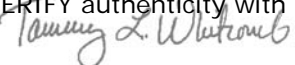
Management agreed with recommendations 1 through 4 and their corrective actions, taken or planned, are responsive to our recommendations and should correct the issues identified in the findings.

Management partially agreed with recommendation 5 to develop appropriate performance measures for physical security to assess the achievement of security goals and incorporate them into performance plans for area-, district-, and field-level security personnel. Management stated they recognized the need for program evaluation and have established program standards to address performance. However, the Postal Service's current Pay for Performance structure only permits security performance measures for the Area Security Coordinator and not for ad hoc security positions at the district- and field-levels.

Management's comments and corrective actions, taken or planned, are partially responsive to recommendation 5. We acknowledge there may be limits in assigning goals and objectives in the Postal Service's current Pay for Performance structure. However, these limitations should not be a complete barrier to establishing individual performance measures for security personnel. Management should seek alternative methods to establishing individual security performance measures and accountability for responsible district- and field-level security personnel. We do not plan to pursue recommendation 5 through the formal audit resolution process. Management's comments and our evaluation of these comments are included in the report.

The U.S. Postal Service Office of Inspector General (OIG) considers all recommendations significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the follow-up tracking system until the OIG provides written confirmation the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions or need additional information, please contact Andrea L. Deadwyler, Director, Inspection Service and Facilities, or me at (703) 248-2100.

E-Signed by Tammy Whitcomb
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EXECUTIVE SUMMARY

Introduction

This report presents the results of our self-initiated audit of the U.S. Postal Service's security controls and processes. Our objective was to determine whether the Postal Service and Postal Inspection Service had sufficient controls and processes in place to efficiently and effectively protect employees, customers, the mail, and critical assets of the Postal Service. This report addresses our audit results in the Capital Metro Area. We will issue subsequent reports regarding our audit results in other postal areas. We also plan to review Postal Inspection Service security operations, including security assessment tools used by the Postal Service and the Postal Inspection Service.

Results in Brief

The Postal Service and the Postal Inspection Service have opportunities to improve security controls and processes to effectively and efficiently protect employees, customers, the mail, and critical assets. Specifically, Postal Service and Postal Inspection Service management could strengthen controls to enhance employee awareness, accountability, and overall collaboration. For example:

- Responsible security personnel did not always conduct Facility Security Surveys (FSS) accurately and annually as required.
- Management did not always sufficiently address and resolve deficiencies identified during security assessments.
- Sixty-seven percent of responsible security personnel interviewed did not have security control officer (SCO) training.
- Postal Service management did not effectively assess security operations to identify areas for improvement.

**Summary of
Recommendations**

We recommend the Chief Postal Inspector:

- Provide the Area Security Coordinator (ASC) and district and facility SCOs with consolidated standard operating procedures and guidance to assist them in performing their duties and responsibilities consistently and in a timely manner.
- Establish a formal process for conducting FSSs, including timeframes for addressing deficiencies and follow-up reviews.
- Establish requirements for mandatory security training, including periodic refresher training, for responsible security personnel at the area-, district-, and facility-levels.

We also recommend the Vice President, Capital Metro Area, in consultation with the Inspector in Charge, Charlotte Division, and the Inspector in Charge, Washington Division:

- Require area- and district-level personnel to implement internal controls, such as an internal review and approval process, to ensure that security personnel complete FSSs accurately and in a timely manner.
- Develop performance measures to assess the achievement of security goals.

**Summary of
Management's
Comments**

Management agreed with recommendations 1 through 4 and stated the following:

- The Chief Postal Inspector will issue official instruction, regulation, and guidance in the Postal Service's *Administrative Support Manual*. Additionally, the network of security personnel in the Inspection Service, areas, and districts will reinforce these procedures to provide guidance that is more consistent.
- Management established requirements for completing FSSs in a timely manner. Management has also established additional procedures for monitoring, reviewing, and reporting status of FSSs.

- Management plans to establish a process to include a reasonable timeframe for addressing deficiencies and conducting follow-up reviews.
- Management plans to establish requirements for annual training.

Management partially agreed with recommendation 5 and stated they recognized the need for program evaluation and have established program standards to address performance. However, the Postal Service's current Pay for Performance structure only permits security performance measures for the ASC and not for ad hoc security positions at the district- and field-levels. The Postal Service's current Pay for Performance structure limits managers in assigning goals and allows only three objectives as performance measures per position. Because many of the security positions at the districts and facilities are ad hoc, goals and objectives assigned focus on primary duties and not ad hoc duties related to security. Management's comments, in their entirety, are included in Appendix C of this report.

**Overall Evaluation of
Management's
Comments**

Management's comments and corrective actions, taken or planned, are responsive to recommendations 1 through 4 and should correct the issues identified in the findings.

Management's comments and planned corrective actions are partially responsive to recommendation 5. We acknowledge there may be limits to the type of goals and the number of objectives allowed in the Postal Service's current Pay for Performance structure. However, we believe management could make the necessary adjustments to their Pay for Performance system to allow for the establishment of security-related performance measures for security personnel. We do not plan to pursue this recommendation through the formal audit resolution process based on the revisions the Postal Service is currently making to the field security program. We believe these changes should allow for improved internal controls.

INTRODUCTION

Background

Postal Inspection Service. The Chief Postal Inspector is the chief security officer for the Postal Service. The Postal Inspection Service is the security arm of the Postal Service and is responsible for protecting an estimated 800,000 postal employees and approximately 38,000 facilities nationwide. The Postal Inspection Service also protects the mail, postal assets, and millions of postal customers, and provides training and guidance to Postal Service security personnel.

The Postal Inspection Service uses various tools and processes to assess and ensure the physical security of Postal Service employees and assets. The tools and processes include Facility Security Surveys (FSS), Facility Risk Rating Model (FRRM), and Observation of Mail Conditions (OMC). Our audit focused on the FSS.¹

Facility Security Surveys. The objectives of FSSs are to determine, through on-site inspection and evaluation, current facility status and to recommend actions to improve security. The FSS, which must be completed annually, is an in-depth checklist of 273 yes-or-no questions covering physical security areas such as access controls, closed circuit televisions (CCTV), key controls, and Registered Mail™ cages. Responsible security officials in the Postal Inspection Service and the Postal Service, including postal inspectors and security control officers (SCO), complete the FSSs.²

Postal Service. The Postal Service, an independent establishment of the executive branch of the U.S. government, operates like a business and generates \$70 billion in revenue annually.³ Under the Postal Reorganization Act, the Postal Service is required to provide prompt, reliable, and efficient service to patrons in all areas and to render postal services to all communities. In fiscal year (FY) 2005, the Postal Service processed and delivered over 200 billion pieces of mail.

¹ We will review the FRRM and the OMC program in a separate report on Postal Inspection Service security operations and assessment tools.

² The FSS is an Inspection Service tool. However, FSSs are conducted primarily by Postal Service SCOs.

³ *United States Postal Service Annual Report 2005.*

The Postal Service faces a variety of security challenges that require aggressive investigative and preventive responses. Its ability to protect employees, customers, and the mail is fundamental to ensuring high-quality, reliable service. In addition, all Postal Service employees are responsible for preventing unauthorized individuals from entering restricted areas. To help manage physical security concerns, each area has an Area Security Coordinator (ASC), each district has a District Security Control Officer (DSCO), and each Postal Service facility has an SCO.

- The ASC in the Capital Metro Area, a full-time position, manages the establishment of the area and district security committees and oversees security programs and committees to ensure effectiveness and compliance with regulations. The ASC also manages the SCO program, provides guidance, and serves as the liaison between the area, district, and plants for SCO-related matters.
- DSCOs in the Capital Metro Area manage the overall district security program; serve as liaison with the Postal Inspection Service; manage compliance with security policies and procedures, including FSSs; and provide security guidance to management. The DSCO is generally a collateral position assigned to the district manager for emergency preparedness.
- Facility SCOs serve as the focal point for addressing security concerns, help implement security policies, and coordinate with the Postal Inspection Service on security matters. The SCO is also a collateral position and is usually the installation head or a designated manager or supervisor. The SCO is required to conduct an FSS annually.

**Objective, Scope, and
Methodology**

Our objective was to determine whether the Postal Service and Postal Inspection Service had sufficient controls and processes to efficiently and effectively protect postal employees, customers, the mail, and critical assets of the Postal Service.

To accomplish our objective, we interviewed Postal Service and Postal Inspection Service officials, including officials

from the Office of Emergency Preparedness, the ASC for the Capital Metro Area, DSCOs, SCOs, and installation heads. We also interviewed Inspectors in Charge, team leaders, inspectors, and program managers. Additionally, we reviewed applicable policies and procedures related to Postal Service and Postal Inspection Service physical security, including Homeland Security Presidential Directives 7 and 12.

We judgmentally sampled Postal Service facilities in the Capital Metro Area to conduct audit fieldwork. We reviewed security operations and controls at the selected facilities. We selected facilities based on square footage, Crimes Against Persons and Property (CAP) index,⁴ and the number of employees at each facility. Our sample included 47 Postal Service facilities (see Appendix A) in the Capital Metro Area, including facilities in the District of Columbia, Maryland, North Carolina, South Carolina, and Virginia. We also conducted fieldwork at Postal Inspection Service headquarters, National Law Enforcement Control Center, and the Washington and Charlotte Divisions.

We analyzed FSSs and Area Security Assessment Program (ASAP) reviews conducted at selected facilities for calendar years 2005 and 2006 to determine whether they were completed as required and whether management appropriately addressed the deficiencies identified. We also reviewed training records from the National Training Database (NTD) to determine whether key security personnel received sufficient physical security training and guidance to efficiently and effectively protect employees, customers, and Postal Service assets.

We tested and validated computer-generated data from the Facility Security Database (FSD), ASAP database, and NTD system by comparing data obtained from these databases with other source documents, observing facility conditions, and discussing the data with appropriate Postal Service officials. We consider the data sufficiently reliable to support the opinions and conclusions in this report.

We conducted this audit from May 2006 through March 2007 in accordance with generally accepted government

⁴ The CAP index is a commercially available database the Postal Inspection Service uses to assess risk to Postal Service property from external elements.

auditing standards and included such tests of internal controls as we considered necessary under the circumstances. We discussed our observations and conclusions with management officials on November 28 and December 12, 2006 and included their comments where appropriate.

Prior Audit Coverage

The Government Accountability Office (GAO) report, *U.S. Postal Service: Physical Security Measures Have Increased at Some Core Facilities, But Security Problems Continue* (Report Number GAO-05-48, dated November 2004), concluded the Postal Service had established physical security requirements, such as access control and exterior lighting, necessary for core facilities to address the threats of robberies, burglaries, theft, and vandalism.

Additionally, implementation of security measures had increased at some facilities, although security problems still existed at some core facilities. However, incomplete and inaccurate data precluded GAO from assessing changes in the implementation of security measures at core facilities. Specifically, the Postal Service's FSD had a number of problems, such as missing and incomplete data, duplicate responses, and miscoded facilities. Further, GAO's visits to 13 core facilities revealed a number of security problems, including facility keys unaccounted for, unlocked doors, deactivated alarms, and employees not wearing identification badges.

GAO recommended and management agreed to develop a plan, with objectives, timeframes, and resources needed, to correct and update the Postal Service's FSD so that management can accurately assess the status of physical security at core facilities, identify needed improvements, and assess the progress made at facilities.

AUDIT RESULTS

Opportunities Exist to Improve Security Controls and Processes

Capital Metro Area management has opportunities to improve security controls and processes to effectively and efficiently protect employees, customers, the mail, and critical assets. Specifically, management could strengthen controls to enhance employee awareness, accountability, and overall collaboration. For example:

- Responsible security personnel did not always conduct FSSs accurately and annually as required.
- Management did not always take sufficient action to correct deficiencies identified during FSSs.
- Sixty-seven percent of responsible security personnel interviewed did not have any SCO-related training.
- Postal Service management did not effectively assess security operations to identify areas for improvement.

Facility Security Surveys

Responsible security personnel did not always complete FSSs accurately or annually, as required by the Postal Service's *Administrative Support Manual*.⁵ This occurred because Postal Inspection Service management did not establish consolidated standard operating procedures and guidance to assist security officials in performing their duties and responsibilities. Also, Postal Service management did not implement appropriate internal and management controls to ensure responsible personnel followed policies and procedures. When security personnel do not conduct FSSs accurately and at least annually, as required, Postal Service employees, customers, the mail, and other critical assets are exposed to increased risk. Additionally, the Postal Service did not take advantage of the opportunity to mitigate risks that accurate and timely FSSs would identify.

Accuracy of FSSs. FSSs were not completed accurately at 23 percent (11 of 47) of the facilities reviewed. For example:

⁵ The Postal Service's *Administrative Support Manual* 13 (dated July 1999 and updated with *Postal Bulletin* revisions through December 22, 2005) requires SCOs or designees to conduct annual FSSs.

- A facility SCO answered “yes” to a question regarding perimeter fencing when there was no perimeter fencing at the facility.
- A facility SCO answered “no” to a question regarding whether the facility had an intrusion detection system. However, the facility did have an intrusion detection system.
- A facility SCO answered “no” to a question regarding whether the registry cage was enclosed. However, based on our observation and discussion with the SCO, the registry cage was fully enclosed.

Timeliness of FSSs. At 51 percent (24 of 47) of the facilities reviewed, FSSs were not completed annually as required by the *Administrative Support Manual*. (See Appendix B for the status of FSSs at facilities reviewed.) SCOs complete the FSSs and enter the results into the facility security database. SCOs and Postal Service facility managers use FSS results to assess the security environment at Postal Service facilities. However, there were no internal or management controls requiring approval of FSSs to ensure accuracy and timeliness.

According to internal control standards set by GAO, internal control activities such as approvals, authorizations, and verifications help ensure that management’s directives are carried out and actions are taken to address risk.⁶ When SCOs do not complete FSSs as required, Postal Service employees, customers, the mail, and other critical assets are exposed to increased risk.

Recommendation

We recommend the Chief Postal Inspector:

1. Establish and provide consolidated standard operating procedures and guidance to the Area Security Coordinator, District Security Control Officers, and facility Security Control Officers to assist them in performing their duties and responsibilities consistently and in a timely manner.

⁶ *Standards for Internal Control in the Federal Government* (Report Number GAO/AIMD-00-21.3.1, dated November 1999).

Management's Comments	Management agreed with our recommendation and stated the Chief Postal Inspector will issue official instruction, regulation, and guidance in the Postal Service's <i>Administrative Support Manual</i> . Additionally, the network of security personnel in the Postal Inspection Service, areas, and districts will reinforce these procedures to provide guidance that is more consistent. In a follow-up memorandum dated March 21, 2007, management stated they would complete corrective actions by September 30, 2007.
Evaluation of Management's Comments	Management's comments and planned corrective actions are responsive to the recommendation and should correct the issues identified in the finding.
Recommendation	We recommend the Vice President, Capital Metro Area, in consultation with the Inspector in Charge, Charlotte Division, and the Inspector in Charge, Washington Division: 2. Require area- and district-level personnel to establish and implement appropriate internal controls, such as an internal review and approval process, to ensure that security personnel complete facility security surveys accurately and in a timely manner.
Management's Comments	Management agreed with our recommendation and stated they have established requirements for completing FSSs in a timely manner. All facilities must have a current facility security survey online in the Facility Security Database by June 1, 2007. Management has also established additional procedures for monitoring, reviewing, and reporting the status of FSSs. The ASC is required to monitor and provide quarterly reports to each district and conduct security reviews and verify the accuracy of FSSs. In a follow-up memorandum dated March 21, 2007, management stated they implemented corrective actions on August 2, 2006.
Evaluation of Management's Comments	Management's comments and corrective actions taken are responsive to the recommendation and should correct the issues identified in the finding.

**Corrective Action on
Security Deficiencies
and Follow-up Reviews**

Management did not always take sufficient corrective action to resolve deficiencies identified during FSSs. This occurred because management did not establish internal controls requiring formal, written procedures, including timeframes and follow-up reviews, to address deficiencies. Specifically, SCOs at 40 percent (19 of 47) of the facilities reviewed did not take sufficient corrective actions to resolve deficiencies. As a result, the Postal Service did not fully mitigate identified security deficiencies, and Postal Service employees and assets were exposed to increased risk.

For example, at one facility, the SCO identified and reported to the Facility Service Office (FSO) that the cyclone fence and five facility doors needed repair. These deficiencies were initially reported in March 2005. However, as of July 2006, the FSO had not taken any action and the SCO had not conducted any follow-up regarding these matters.

At another facility the SCO indicated on the FSS dated February 22, 2006, that CCTV tapes were not replaced annually.⁷ In a previous survey dated June 15, 2004,⁸ the FSS had documented the same deficiency. We discussed this matter with the SCO, who acknowledged that the CCTV tapes had not been replaced and that he planned to submit an order.

According to GAO internal control standards, monitoring internal controls should include policies and procedures to ensure that management resolves findings from reviews. Managers are to promptly evaluate findings and deficiencies; determine the proper action; and complete, within established timeframes, all actions needed to correct the matters brought to their attention. The resolution process begins when the results of reviews are reported to management, and is complete only after management has corrected the deficiencies, made improvements, or demonstrated that the findings and recommendations do not warrant management action.

After FSSs are completed, facility managers and SCOs should take corrective actions within an established timeframe. Additionally, formal follow-up should be required to ensure

⁷ The Postal Service's *Security Guide* FY 2004, stipulates that CCTV tapes are to be replaced after 12 months.

⁸ The SCO did not complete an FSS for 2005.

management addresses deficiencies.

Recommendation	We recommend the Chief Postal Inspector: 3. Establish and implement a formal process for conducting facility security surveys, including timeframes for addressing deficiencies and conducting follow-up reviews.
Management's Comments	Management agreed with our recommendation and stated they would work with inspectors and security personnel in the areas and districts to ensure the required annual security surveys are conducted and documented in the Facilities Security Database, as the existing process dictates. Additionally, as part of the revised security program, Postal Inspection Service and Postal Service management will work together to establish a reasonable timeframe for addressing deficiencies and conducting follow-up reviews. In a follow-up memorandum dated March 21, 2007, management stated they would implement these corrective actions by September 30, 2007.
Evaluation of Management's Comments	Management's comments and planned corrective actions are responsive to the recommendation and should correct the issues identified in the finding.
Training	Security personnel did not receive sufficient and consistent training. This occurred because Postal Inspection Service management did not establish requirements for mandatory training for security personnel. As a result, security personnel were not fully aware of their responsibilities and did not have the knowledge they needed to perform their duties, and Postal Service assets were exposed to increased risk. According to GAO internal control standards, control activities, such as training, should be aimed at developing and retaining employees' skill levels to meet organizational needs. Sufficient training is essential to assist responsible security personnel with identifying and mitigating security risks. Sixty-seven percent (43 ⁹ of 64 ¹⁰) of the security personnel we interviewed had not received any SCO-related training.

⁹ Of the 43 responsible security officials interviewed who did not have SCO training, 17 were from the Mid-Carolinas, Greensboro, and Greater South Carolina Districts. These districts were moved from the Eastern Area to the Capital Metro Area effective April 1, 2006.

Additionally, 57 percent (32 of 56¹¹) of security personnel stated they needed additional training to effectively perform their duties.

Based on the results of our interviews with SCOs, we determined that SCOs were not always familiar with the applicable Postal Service security criteria, such as Postal Service Handbook RE-5, *Building and Site Security Requirements*.

One ASC stated that there was no formal training for the ASC position. He stated that he generally relied on his military experience to perform his security duties and responsibilities. DSCOs and SCOs also stated they were not fully aware of their duties and responsibilities and wanted more training to effectively conduct their security work.

The Postal Service offers the following training to Postal Service officials responsible for security:

E-learning Physical Security Module – This online course on physical security provides an overview of the responsibilities of the SCOs. The course can be completed in about 4.5 hours.

SCO Training, Phases I through III – This is classroom training that covers SCO duties and responsibilities and other security issues. The phases are specific to the types of facilities and the number of employees located at each facility. Specifically:

- Phase I is available to SCOs and security personnel at core facilities, including headquarters, area offices, district offices, processing and distribution centers, and bulk mail centers.
- Phase II is available to SCOs and security personnel at facilities with 26 or more employees.
- Phase III is available to SCOs and security personnel at facilities with less than 26 employees.

¹⁰ This figure represents the DSCOs, SCOs, and facility and plant managers interviewed.

¹¹ This figure represents the DSCOs and SCOs interviewed.

Although security training was available, Postal Service management did not require responsible security personnel at the area-, district-, and installation-levels to take the training.

Recommendation	We recommend the Chief Postal Inspector: 4. Establish requirements for mandatory security training, including periodic refresher training, for responsible security personnel at the area-, district- and facility-levels.
Management's Comments	Management agreed with our recommendation and stated they will establish requirements for annual training and update policy documents (such as the Postal Service's <i>Administrative Support Manual</i>) to reflect this change. Additionally, management stated they would include requirements for annual training as position requirements for postal inspectors and area and district security personnel. In a follow-up memorandum dated March 21, 2007, management stated they would complete corrective actions by September 30, 2007.
Evaluation of Management's Comments	Management's comments and planned corrective actions are responsive to recommendation 4 and should correct the issues identified in the finding.
Performance Measures	Postal Service management did not effectively assess security operations to identify areas for improvement. This occurred because security personnel did not have appropriate performance measures for physical security. Without appropriate performance measures, Postal Service management does not have reasonable assurance that its physical security goals are met to ensure the safeguarding of Postal Service employees, customers, the mail, and other critical assets. Specifically, none of the DSCOs and SCOs interviewed had security-related performance measures. For example, they did not have any performance measures to assess whether they had: <ul style="list-style-type: none">• Completed FSSs annually.• Taken corrective actions to resolve deficiencies identified with security assessment tools.

- Obtained the necessary security training.
- Provided security awareness training to employees.

However, the ASC of the Capital Metro Area stated he had performance measures to assess his:

- Completion of FSSs at all 15 major processing and distribution centers.
- Completion of 10 to 15 ASAP reviews for each district.
- Conduct of Phase I training for SCOs.

Performance measures would help security officials address their responsibilities in an operations-driven environment, improve management's ability to assess the performance of its security operations, and identify areas for improvement. In addition, establishing appropriate performance measures and indicators helps ensure that employees accomplish management's directives and organizational objectives.

Recommendation

We recommend the Vice President, Capital Metro Area, in consultation with the Inspector in Charge, Charlotte Division, and the Inspector in Charge, Washington Division:

5. Develop appropriate performance measures for physical security to assess the achievement of security goals and incorporate them into performance plans for area-, district-, and field-level security personnel.

Management's Comments

Management partially agreed with our recommendation and stated they recognized the need for program evaluation and have established program standards to address performance. Management stated they have utilized the ASAP to review facilities; established the goal to have all facilities on-line and in compliance with the Facility Security Survey by June 1, 2007; and conducted security reviews at all 26 mail processing facilities over the past year. Management stated they implemented these corrective actions on August 2, 2006.

However, management stated the Postal Service's current Pay for Performance structure only permits security performance

measures for the ASC and not for ad hoc security positions at the district- and field-levels. The Postal Service's current Pay for Performance structure limits managers in assigning goals and allows only three objectives as performance measures per position. Because many of the security positions at the district- and field-levels are ad hoc, goals and objectives assigned focus on primary duties and not ad hoc duties related to security. Until the Postal Service reviews and changes this process, managers are limited as to what kind of goals they can assign their employees regarding security ad hoc responsibilities.

**Evaluation of
Management's
Comments**

Management's comments and corrective actions taken are partially responsive to recommendation 5. We acknowledge there may be limits to the type of goals and the number of objectives allowed in the Postal Service's current Pay for Performance structure. However, we believe management could make the necessary adjustments to their Pay for Performance system to allow for the establishment of security-related performance measures for security personnel. We do not plan to pursue this recommendation through the formal audit resolution process based on revisions the Postal Service is currently making to the field security program. We believe these changes should allow for improved internal controls.

APPENDIX A. CAPITAL METRO AREA FACILITIES REVIEWED

	District	Facility Name	City	State
1	Capital	V Street Facility	Washington, D.C.	
2	Capital	Curseen-Morris P&DC	Washington, D.C.	
3	Capital	Customs House Station	Washington, D.C.	
4	Capital	River Terrace Carrier	Washington, D.C.	
5	Capital	National Capitol	Washington, D.C.	
6	Capital	Farragut Station	Washington, D.C.	
7	Capital	Ben Franklin Station	Washington, D.C.	
8	Capital	Carrier Annex	Silver Spring	MD
9	Capital	Southern Maryland P&DC/VMF	Capital Heights	MD
10	Capital	Oxon Hill Branch	Oxon Hill	MD
11	Capital	Suitland Branch	Suitland	MD
12	Capital	Bowie Main Office	Bowie	MD
13	Capital	Aspen Hill Retail	Silver Spring	MD
14	Capital	Colesville Station	Silver Spring	MD
15	Capital	Bethesda	Bethesda	MD
16	Northern Virginia	Franconia Station	Alexandria	VA
17	Northern Virginia	Alexandria Trade Center Station	Alexandria	VA
18	Northern Virginia	Arlington Temporary Carrier Annex	Arlington	VA
19	Northern Virginia	Arlington North Station	Arlington	VA
20	Richmond	East End Station	Richmond	VA
21	Richmond	West End	Richmond	VA
22	Richmond	Saunders Station	Richmond	VA
23	Richmond	Richmond P&DC	Richmond	VA
24	Richmond	Norfolk CFS	Norfolk	VA
25	Richmond	Norfolk P&DC/Hampton Roads VMF	Norfolk	VA
26	Richmond	Lafayette Station	Norfolk	VA
27	Richmond	Newport News	Newport News	VA
28	Richmond	Acredale Carrier Annex	Virginia Beach	VA
29	Greater S. Carolina	Gaffney - Main Office	Gaffney	SC
30	Greater S. Carolina	East Bay	Charleston	SC
31	Greater S. Carolina	Pinehaven	North Charleston	SC
32	Greater S. Carolina	Charleston P&DF	Charleston	SC
33	Greater S. Carolina	Columbia Main Office	Columbia	SC
34	Greater S. Carolina	Edgewood Station	Columbia	SC
35	Greater S. Carolina	Sumter Main Office	Sumter	SC
36	Greater S. Carolina	Spartanburg Main Office	Spartanburg	SC
37	Mid-Carolinas	Derita Branch	Charlotte	NC
38	Mid-Carolinas	Charlotte - CFS Annex	Charlotte	NC
39	Mid-Carolinas	Charlotte P&DC	Charlotte	NC
40	Greensboro	Capitol Station	Raleigh	NC
41	Greensboro	Raleigh VMF	Raleigh	NC
42	Greensboro	West Durham Station	Durham	NC
43	Greensboro	Greensboro BMC	Greensboro	NC
44	Greensboro	Greensboro DDC/VMF	Greensboro	NC
45	Greensboro	Century Station	Raleigh	NC
46	Greensboro	Durham Main Station	Durham	NC
47	Greensboro	Spring Valley Station	Greensboro	NC

Legend

P&DC	Processing and Distribution Center
VMF	Vehicle Maintenance Facility
CFS	Computerized Forwarding System
P&DF	Processing and Distribution Facility
BMC	Bulk Mail Center
DDC	Delivery Distribution Center

APPENDIX B. STATUS OF FACILITY SECURITY SURVEYS

	District	Facility Name	Facility Security Survey Completed Annually
1	Capital	V Street Facility	No
2	Capital	Washington P&DC	No
3	Capital	Customs House Station	Yes
4	Capital	River Terrace Carrier	No
5	Capital	National Capitol	Yes
6	Capital	Farragut Station	No
7	Capital	Ben Franklin Station	No
8	Capital	Carrier Annex	No
9	Capital	Southern Maryland P&DC	No
10	Capital	Oxon Hill Station	No
11	Capital	Suitland Branch	No
12	Capital	Bowie Main Office	No
13	Capital	Aspen Hill Retail	No
14	Capital	Colesville Station	No
15	Capital	Bethesda Main Office	No
16	Northern Virginia	Franconia Station	Yes
17	Northern Virginia	Alexandria Trade Center Station	Yes
18	Northern Virginia	Arlington Temporary Carrier Annex	Yes
19	Northern Virginia	Arlington North Station	Yes
20	Richmond	East End Station	Yes
21	Richmond	West End	Yes
22	Richmond	Saunders Station	No
23	Richmond	Richmond P&DC	No
24	Richmond	Norfolk CFS	No
25	Richmond	Lafayette Station	Yes
26	Richmond	Newport News	No
27	Richmond	Acredale Carrier Annex	No
28	Richmond	Norfolk P&DC	No
29	Greater S. Carolina	Gaffney Main Office	Yes
30	Greater S. Carolina	East Bay	Yes
31	Greater S. Carolina	Pinehaven	Yes
32	Greater S. Carolina	Charleston P&DF	Yes
33	Greater S. Carolina	Columbia Main Office	Yes
34	Greater S. Carolina	Edgewood Station	Yes
35	Greater S. Carolina	Sumter Main Office	Yes
36	Greater S. Carolina	Spartanburg Main Office	Yes
37	Mid-Carolinas	Derita Branch	No
38	Mid-Carolinas	Charlotte – CFS Annex	No

	District	Facility Name	Facility Security Survey Completed Annually
39	Mid-Carolinas	Charlotte P&DC	No
40	Greensboro	Capitol Station	Yes
41	Greensboro	Raleigh VMF	Yes
42	Greensboro	West Durham Station	No
43	Greensboro	Greensboro BMC	Yes
44	Greensboro	Greensboro DDC/VMF	Yes
45	Greensboro	Century Station	No
46	Greensboro	Durham Main Station	Yes
47	Greensboro	Spring Valley Station	Yes

Legend

P&DC Processing and Distribution Center
 VMF Vehicle Maintenance Facility
 CFS Computerized Forwarding System
 P&DF Processing and Distribution Facility
 BMC Bulk Mail Center
 DDC Delivery Distribution Center

APPENDIX C. MANAGEMENT'S COMMENTS



UNITED STATES POSTAL INSPECTION SERVICE

DEPUTY CHIEF INSPECTOR
HOMELAND SECURITY

March 7, 2007

MS. KIM H. STROUD
DIRECTOR, AUDIT REPORTING
USPS OFFICE OF INSPECTOR GENERAL

SUBJECT: Inspection Service response to the audit report of Postal Service Security
Controls and Processes for the Capital Metro Area
(Report Number SA-AR-07-DRAFT)

We appreciate the opportunity to provide comment to the audit report of the Postal Service Security Controls and Processes for the Capital Metro Area. The attached represents the Postal Inspection Service response to the USPS Office of Inspector General recommendations.

If you have any questions, please contact Julianna Nedd, Inspector in Charge, Group 1-Security, at 202-268-4547.

Zane Hill, Jr.

Attachment

cc: A. E. Lazaroff, Chief Postal Inspector
J. Nedd, Inspector in Charge, Group 1 – Security
G. Cottrell, Inspector in Charge, Washington Division
K. Fixel, Inspector in Charge, Charlotte Division
J. D. Lane, Vice President, Capital Metro Area
P. Harris, Corporate Audit & Response Management

475 L'ENFANT PLAZA WEST SW, ROOM 3100
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TELEPHONE: 202-268-6545
FAX: 202-268-7316

- 1 -

**Response to USPS-OIG Audit of Postal Service Security Controls and Processes for
the Capital Metro Area**

Summary of Management Response

We have reviewed the draft audit report of Postal Service Security Controls and Processes for the Capital Metro Area. This memorandum represents our formal response to the three recommendations addressed to the Chief Postal Inspector. In summary, we agree with all recommendations and they have been identified as improvement opportunities in current revisions to our security plans for the organization. The recommendations will be considered as we restructure and implement the comprehensive security plan for the Postal Service.

OIG Recommendation No. 1

Establish and provide consolidated standard operating procedures and guidance to Area Security Coordinators (ASCs), District Security Control Officers, and Facility Security Control Officers to assist them in performing their duties and responsibilities consistently and in a timely manner.

Management Response

Management agrees with the recommendation as it comports to our plans to rework all current security management programs administered by the Area Security Coordinator ASC and Security Control Officer (SCO). Official instructions, regulation, and guidance on these revised programs will be issued by the Chief Postal Inspector in the Postal Service Administrative Support Manual (ASM).

The ASM, Section 271.1, will be revised to outline the change of duties and responsibilities of the SCOs under the guidance of the Inspector in Charge, Group 1 – Security. The network of security personnel in the Inspection Service, Areas and Districts will be enlisted to reinforce this information and to provide more consistent guidance. In addition, the procedures will be reinforced in future SCO training conducted by postal inspectors.

OIG Recommendation No. 3

Establish and implement a formal process for conducting facility security surveys, including timeframes for addressing deficiencies and conducting follow-up reviews.

Management Response

Management agrees with the recommendation as it is currently being addressed in the revisions to the field security programs that are being done. The Inspector in Charge, Group 1 – Security, will work with field inspectors and security personnel at the Areas and District to ensure that the required annual security surveys are conducted and documented in the Facilities Security Database as the existing process dictates. As part of the revised program, we will work with Postal Service management to establish a reasonable timeframe for addressing deficiencies and conducting follow-up reviews.

- 2 -

OIG Recommendation No. 4

Establish requirements for mandatory security training, including periodic refresher training, for responsible security personnel at the area, district and facility levels.

Management Response

Management agrees with the recommendation and this will be included as position requirements for postal inspectors and Area and District security personnel. The Inspector in Charge, Group 1 – Security, will establish requirements for annual training and related policy documents, such as the ASM, will be updated to reflect this change.

MANAGER, OPERATIONS SUPPORT
CAPITAL METRO AREA OPERATIONS



March 14, 2007

KIM STROUD
DIRECTOR, AUDIT REPORTING

SUBJECT: Postal Service Security Controls and Processes for the Capital Metro Area
(Report Number SA-AR-07-DRAFT)

We have reviewed your audit concerning the security controls and processes for the Capital Metro Area and have included our response to these recommendations as an attachment.

I appreciate your support and cooperation during this process. If you have any questions or need additional information, please contact Rick C. Renn, Area Security Coordinator at (301) 548-1428, or me at (301)-548-1415.

A handwritten signature in black ink, appearing to read "J. Becker".

Jeffrey Becker

Attachments

cc: Jerry D. Lane
Guy J. Cottrell
Keith A. Fixel

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Page 8 of the review:

We recommend the Vice President, Capital Metro Area, in consultation with the Inspector in Charge, Washington Division:

2. *Require area and district level personnel to establish and implement appropriate internal controls, such as an internal review and approval process, to ensure that security personnel complete facility security surveys accurately and in a timely manner.*

Agreement - On December 15, 2005, I issued a letter (copy attached) to all clusters leadership in the Capital Metro Area outlining security expectations for the remainder of FY '06. This letter specifically stated that each facility must have a current Facility Security Survey (FSS) online in the Facility Security Database (FSD) by June 1, 2006. During the Capital Metro Area realignment with the addition of three performance clusters in April 2006, many of the inactive FSS status for our area originated in the Mid-Carolina Performance Cluster. This problem has been rectified.

This past August a meeting (portion of the agenda/minutes/presentation attached) was held at the Capital Metro Area Office with all District Emergency Preparedness Managers. At this meeting, the Area Emergency Preparedness Manager and the Area Security Coordinator outlined our security goals for the upcoming year. Once again, it was communicated to all performance clusters that all facilities must have a current FSS online in the Facility Security Database (FSD) by June 1, 2007. To ensure compliance to my mandate, I have directed the Area Security Coordinator to monitor and provide quarterly reports to each District and to conduct security reviews to critical facilities and verify FSS accuracy.

For informational purposes only, it was not until the fall of 2005 that we were required to keep our Facility Security Survey (FSS) on line. Prior to that timeframe the requirement was to complete an FSS annually and mail it to the Inspection Service where it would be kept on file. This may explain some of the information gaps identified in the FSS review.

Page 12 of the review:

We recommend the Vice President, Capital Metro Area, in consultation with the Inspector in Charge, Charlotte Division, and the Inspector in Charge, Washington Division:

2. *Develop appropriate performance measures for physical security to assess the achievement of security goals and incorporate them into performance plans for area, district, and field level security personnel.*

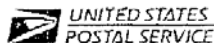
Disagreement - The Postal Service current Pay for Performance structure only permits security performance measures to the Area Security Coordinator not to ad-hoc security

positions. The Capital Metro Area Security Coordinator does have performance goals in his performance plan. There is no permanent position of District Security Control Officer. In the Capital Metro Area, the District Emergency Preparedness Manager assumes the ad-hoc role in most cases. Because of their title as EP Managers, the Pay for Performance system only allows them to be assigned goals relating to emergency preparedness. The field level Security Control Officer role is also an ad-hoc position which means that individuals who are assigned this added responsibility have other primary duties. Additionally, the current system only allows three objectives as performance measures per position. Therefore, when these ad-hoc positions are given their annual goals, their managers focus on their primary duty assignments and not their ad-hoc duties. Until the Postal Service reviews and changes this process, managers are limited as to what kind of goals can be assigned to their employees regarding security ad-hoc responsibilities.

We recognize the need for program evaluation and have established program standards to address performance. Currently we have:

- Utilized the Area Security Assessment Program (ASAP) is to review all Level 20 and higher facilities. All facilities are required to be in compliance with the program and maintain a passing score of 90 % or higher.
- We have established the goal to have all facilities on-line and in compliance with the Facility Security Survey (FSS) by June 1, 2007.
- The area has conducted security reviews at all 26 mail processing facilities over the past year.

MANAGER
CAPITAL METRO OPERATIONS



December 15, 2005

DISTRICT MANAGERS
SENIOR PLANT MANAGERS

SUBJECT: Security Fiscal Year 2006

Within the next two weeks the Inspection Service will be completing their Observation of Mail Condition (OMC) reviews for fiscal year 2006. These reviews were conducted nationwide with the sole purpose of addressing the security of our postal employees, mail and assets of the Postal Service. These OMC's identified a number of security deficiencies that need our attention immediately.

I've outlined a simple step-by-step process which if followed, will improve the security at your facility and our performance on these types of reviews.

- **FACILITY SECURITY SURVEY** - Each facility is required to update this information annually and enter it into the Facility Security Database. (*Completion date 6/1/06*).
- **CONTROLLED ACCESS TO FACILITY** - The biggest deficiency identified in this year's OMC report was uncontrolled access to the workroom floor. Lock the doors when not in use, challenge anyone not wearing a postal ID who is at your facility.
- **VEHICLE SECURITY** - Instruct the carriers to lock their vehicles. Whether it is in the Post Office parking lot or out on the street. These vehicles need to be secured whenever they are out of sight of the operator.
- **PERSONAL ITEMS** - There should not be any personal items on the workroom floor (bags, purses, backpacks, etc.). Instruct all employees to keep these items in their lockers or locked vehicles.
- **FACILITY KEYS** - Facility key inventories should be completed semi-annually. Also PS Forms 1628 should be completed and filed for every employee who has a key assigned to them at each facility.
- **POSTAL ID BADGE** - The Administrative Support Manual requires all employees to wear an ID badge. The badge should be worn on the employees outer most garment and visible. If you see someone not wearing an ID or who is not being escorted challenge them and escort them to a manager.

Beginning this Spring, the Inspection Service will once again be in the field conducting their focused security assessments; these reviews will again concentrate on specific areas of concern.

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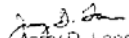
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- 2 -

If you have difficulties completing the Facility Security Survey or entering this information into the Facilities Security Database, please contact your district security coordinator listed below:

Baltimore Performance Cluster -	Kim Wilkins	(410) 347-4420
Capital Performance Cluster -	Olivia Mallory	(202) 636-1270
NoVA Performance Cluster -	Michael T. Butler	(703) 698-6655
Richmond Performance Cluster -	Larry Reynolds	(804) 775-6286

The district security control coordinator will also be performing the Area Security Assessment Program (ASAP) reviews for the remainder of the fiscal year. These reviews will focus on facility access, vehicle security, and registered mail. With your leadership, I am confident these deficiencies will be eliminated. If you have any other questions concerning this information or other security matters, please contact Rick C. Renn at (301) 548-1428 for assistance.


Jerry D. Lane
Manager
Capital Metro Operations

cc: Jeff Becker

Agenda
EP Manager's Meeting
August 1-3, 2006

Day One

12:00noon- 16:00pm

- Inspection Service discussion on BDS response
- Medical coordination during a BDS or other emergencies with area medical director
- Employee health coordination during emergency response with Federal Occupation and Health (FOH)
- Coordinate Inspection Service partnership on emergency response exercises
- Open discussion

Day Two

8:00 am-16:00 pm

- National Preparedness Month
- MTE presentation
- EP managers' professional training
- EMT training and requirements
- Objectives for next year including calendar of dates for area meeting and IEMP reviews for FY07
- Emergency Exercise for FY07
- Budget
- IG security and EP field reviews and role in emergency response
- Hurricane preparedness for next year (Checklist)
- Suspicious mail and unknown powder issues

- Emergency notification and reporting
- Resource availability hq/area/district in large scale incidents

Day three

8:00am-12:00noon

- Detail Position for security person
- ASAP review and web page for FY07 – will there be any changes to question or levels assessed
- HQ security requirements for next year
- FSS discussion
- OMCs
- SCO training
- Security programs (stop signs, badges, etc)
- Area plant security reviews and capital projects

NOTES FROM SECURITY MEETING

A powerpoint presentation was given to the EP Managers for the Security portion of the meeting. A copy of that presentation is attached.

SLIDE 1 – Detail positions NTE 2 Years District Security Control Officers

- A great deal of discussion occurred concerning this topic. Rick informed the group that for several months no one at the area or even Hqtrs could answer if the hours even existed. After contacting several Area Security Coordinators from around the country Rick obtained a spreadsheet from 2005 that outlined the number of hours (1830) transferred to each area for the purpose of security.
- Mr. Bradbury asked the group why they would need these hours. After continued discussion the consensus of the group stated that they would like someone to assist them with the security duties in their district.
- Mr. Bradbury stated that he would speak with Mr. Becker about these hours and what the plans were concerning them and get back to the group after their meeting.

SLIDE 2 – 3 ASAP Reviews in FY 06

- Rick stated that one of the biggest problems he saw while conducting ASAPs concerned the Security Folders. It seems that the offices have them but the information inside them is non-existent or outdated.

SLIDE 4 – Showed the top 5 deficiencies for the Capital Metro Area

- Personal Items
- I.D. Badges
- Key Inventory
- Registration Issues
- Access Control
- Rick stated that each performance cluster may have different top 5 deficiencies but this was Cap Metro's top 5.

SLIDE 5 – Shows the average ASAP score for each performance cluster

- Also shows the number of deficiencies for each question by performance cluster.

SLIDE 6 – Pie graph that breaks each question down by percentages

- This graph correlates with the information listed in slide 5

SLIDE 7 – ASAP Management Web Page

- National Program
- Monthly Update
- Rick stated that the numbers on the monthly updates should match the information listed on the National ASAP Web Page. Unfortunately this was not happening and needed to be corrected.

SLIDE 8 – District Information

- This slide show the discrepancies from the monthly spreadsheet to Web Page.
- Rick stated that the Greensboro and Greater South Carolina data may not be accurate because their data is not downloading to CAP METRO Datapage.

SLIDE 9 – ASAP Reviews FY 07

SLIDE 10 – Sample of suggested current ASAP for next Fiscal Year

- Discussion occurred about the sliding scale noted in questions 1,3 and 14. The group indicated that it did not like the proposed ASAP for FY 07.
- Rick stated that this proposal is still in discussion and more than likely would change before the beginning of the new Fiscal Year.


SLIDE 11 – ASAPs

- ASAP Reviews will remain the same next year.
- Level 20 and higher facilities will be reviewed in FY 07.


SLIDE 12 – Facility Security Surveys

SLIDE 13 – FSS Information

- Deadline for input in FY 07 is June 1st, 2007
- Clean up Database


 CAPITAL METRO OPERATIONS

Facility Security Surveys


 CAPITAL METRO OPERATIONS

ALL OFFICES ENTERED
Deadline - 6/1/07

CLEAN UP DATABASE
AMS Manager
Accurate Data Entered

 CAPITAL METRO OPERATIONS


OMC Reviews

 CAPITAL METRO OPERATIONS

SECURITY CONTROL OFFICERS


Properly Trained
SCD 1 and SCD 11 Training

Security Clearances
DO YOU HAVE ONE?

 CAPITAL METRO OPERATIONS

SECURITY PROGRAMS

Postal ID Badges
STOP Signs

 CAPITAL METRO OPERATIONS

