



February 21, 2008

WILLIAM P. GALLIGAN, JR.
SENIOR VICE PRESIDENT, OPERATIONS

SUBJECT: Management Advisory – St. Louis Equipment Preventive
Maintenance and Waste Disposal Follow-Up
(Report Number DA-MA-08-002)

This report presents the results of our review of equipment maintenance and waste disposal at the St. Louis Processing and Distribution Center (P&DC) (Project Number 08YG014DA000). This is a follow-up review to our September 2007 report¹ that examined employee allegations, made to the Postmaster General, that equipment maintenance completion rates were below standard. Our report corroborated those allegations and noted minor violations of environmental standards that management was in the process of mitigating. Our follow-up objective was to assess the progress St. Louis P&DC management made in addressing the recommendations in our prior report. See [Appendix A](#) for additional information on this review.

Conclusion

Our subsequent analysis indicates that for the equipment platforms measured, St. Louis P&DC management actions have resulted in preventive maintenance completion rates either at or above the national average. With respect to the minor environmental issues, St. Louis P&DC management worked with the Area Environmental Coordinator to resolve issues tracked in the Environmental Management Information System. As a result of these developments, we propose closing our initial recommendations. Please refer to [Appendix B](#) for a detailed analysis of this issue.

While we are not seeking a response, the U.S. Postal Service, Office of Inspector General (OIG) reviews each report and asserts appropriate exemptions under the Freedom of Information Act (FOIA). To assist the OIG in exercising its responsibilities under the FOIA, please identify any portions of this report that you believe may be exempt from disclosure under the FOIA. Please include a short justification for each such assertion.

¹ *St. Louis Equipment Maintenance and Waste Disposal*, Report Number DA-MA-07-002, dated September 13, 2007.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Miguel Castillo, Director, Engineering, or me at (703) 248-2100.

E-Signed by Darrell E. Benjamin, 
VERIFY authenticity with ApproveIt

Darrell E. Benjamin, Jr.
Deputy Assistant Inspector General
for Support Operations

Attachments

cc: Ed Gamache
Jo Ann Feindt
Jacqueline Krage
Danita Aquiningoc
Ivonne Gonzalez
Arthur Doscher
Katherine S. Banks

APPENDIX A: ADDITIONAL INFORMATION

BACKGROUND

In April 2007, the Postmaster General [REDACTED] the St. Louis P&DC was not completing preventive maintenance on mail processing equipment and plant personnel were inappropriately disposing of hazardous waste. The Postal Service initially investigated these allegations, made observations, and recommended corrective actions. The U.S. Postal Service Office of Inspector General (OIG) also evaluated these allegations and reported the results to St. Louis P&DC management.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to assess the progress St. Louis P&DC management made in addressing the recommendations in our September 2007 audit report. To accomplish our objective we:

- Interviewed St. Louis P&DC and Great Lakes Area personnel
- Analyzed equipment preventive maintenance completion rates at the St. Louis P&DC
- Reviewed Great Lakes Area environmental reports.

We conducted the review from January through February 2008 in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Inspections*. We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our objective.

PRIOR AUDIT COVERAGE

Report Title	Report Number	Final Report Date
<i>St. Louis Equipment Maintenance and Waste Disposal</i>	DA-MA-07-002	September 13, 2007

Our audit corroborated the allegation that the St. Louis P&DC was not performing preventive maintenance of mail processing equipment at the recommended intervals. Specifically, the St. Louis P&DC preventive completion rates² were below both the national average and the Postal Service's national maintenance completion rate goal of 95 percent. In addition, Great Lakes Area environmental personnel were working with plant management to correct the minor environmental violations identified. However, plant management had not set specific timeframes for these initiatives.

²The Postal Service has developed preventive maintenance routines and recommended intervals for each piece of equipment to ensure machine operating plans are met. They have also established completion rate goals of 95 percent for the preventive maintenance routines.

APPENDIX B: DETAILED ANALYSIS

Improvements in St. Louis P&DC Preventive Maintenance Completion Rates

Our follow-up analysis of preventive maintenance completion rates revealed the St. Louis P&DC generally met or exceeded national average completion rates. Chart 1 compares St. Louis P&DC equipment completion rates to national averages before and after our previous audit.

Chart 1 – Percent Differences: St. Louis P&DC Preventive Maintenance Completion Rates Compared to the National Average

Accounting Period (AP)	AFCS ³	AFSM 100 ³	DBCS ³
Prior To OIG Audit			
FY2007 AP01	-8%	13%	-7%
AP02	-6%	7%	-10%
AP03	-12%	-13%	-6%
AP04	-27%	-17%	-9%
AP05	-5%	-19%	-4%
AP06	-17%	-15%	-4%
AP07	-10%	-25%	-7%
AP08	-8%	-24%	-6%
AP09	0%	-40%	-10%
AP10	3%	-43%	-3%
After OIG Audit			
AP11	2%	-52%	-9%
AP12	2%	-44%	-3%
AP13	3%	-6%	1%
FY2008 AP01	0%	-5%	0%
AP02	2%	0%	1%
AP03	-1%	3%	1%

St. Louis P&DC management was able to increase preventive maintenance rates by:

- Holding maintenance managers and staff accountable for improving maintenance completion rates, while recognizing improvements;
- Monitoring preventive maintenance completion rates on a weekly basis, while ensuring maintenance policies for bypassed routes were followed; and
- Providing training to maintenance employees.

³ AFCS - Advanced Facer Canceler System
AFSM 100 - Automated Flats Sorting Machine 100
DBCS - Delivery Bar Code Sorter

Completion of preventive maintenance reduces machine downtime and contributes to meeting national targets for overnight service. We noted the St. Louis P&DC overnight service score increased a full percentage point on average for Quarter 1, fiscal year 2008 (95.4 percent) as compared to the same period last year (94.4 percent).

Environmental Abatement

Management assigned a primary person at the St. Louis P&DC the responsibility of ensuring compliance with environmental policies. As shown in [Appendix C](#), environmental issues and plans tracked in the Environmental Management Information System revealed that St. Louis P&DC management addressed all nine conditions the Area Environmental Coordinator identified.

**APPENDIX C: ST. LOUIS P&DC ENVIRONMENTAL COMPLIANCE REVIEW
CORRECTIVE ACTION PLAN**

Environmental Observation	Recommended Action	Facility Response	Completion Date
The containers used for storing the oil are not labeled "Used Oil."	All containers used for storing used oil are labeled with the words "Used Oil."	Labels placed on all used oil containers.	7/13/07
No notification was provided to the Environmental Protection Agency (EPA) when Robin air recovery units for refrigerants were purchased.	Submit certification form to the EPA and maintain a copy of it on site with refrigerant records.	Facility completed the form and forwarded it to the EPA.	8/31/07
Various manifests did not have facility owner/operator certification for receiving hazardous waste.	Establish a system for tracking manifests to ensure timely receipt of a signed copy of the manifest.	To date, all manifests have been received.	9/19/07
The facility is not conducting specific hazardous waste training.	Provide employees with hazardous waste training and maintain documentation.	Hazardous waste management training was provided to employees on all three tours.	8/31/07
The facility manages used lamps as universal waste.	Facilities should not manage used lamps as universal waste. Training should be given to personnel responsible for managing and handling used lamps.	Training has been initiated for personnel handling used lamps.	9/20/07
There was no documentation on file to indicate that employees who handle oil have received the required annual training.	Give oil-handling personnel annual training, document the training, and maintain documentation with the facility's plan.	Employees were trained to handle oils.	7/11/07
The facility could not produce the completed monthly inspection checklist.	Maintain a copy of the completed inspection checklist with the plan.	A copy of the completed checklist will be retained in the plan.	7/6/07
There was no documentation on file to indicate the effluent discharge has been tested for oil/grease.	It is recommended that the facility sample the effluent discharge in the sanitary sewer system for oil/grease and maintain test results in environmental files.	A sample was taken and analyzed. Testing results indicated discharge was below limitation.	9/18/07
Drum labeled "Hazardous Waste Polychlorinated Biphenyls (leaking)" was a mixture of rags, ballasts and batteries.	Keep the drum closed. Do not store ballast for more than 1 year. Inspect the drum on a monthly basis to ensure none of the ballasts leak.	Certificate of Recycling obtained. No testing was required. Employee training has been initiated.	8/27/07