

March 29, 2002

PATRICK R. DONAHOE
CHIEF OPERATING OFFICER AND
EXECUTIVE VICE PRESIDENT

SUZANNE F. MEDVIDOVICH
SENIOR VICE PRESIDENT, HUMAN RESOURCES

SUBJECT: Management Advisory – Postal Service’s
Biohazard Command Center Efforts and
Contingency Planning
(Report Number EM-MA-02-001)

This report presents the results of our self-initiated review of the Postal Service's biohazard command center efforts and contingency planning (Project Number 02XG004CA000). Our objectives were to evaluate the Postal Service's testing and decontamination command center efforts in response to anthrax contamination in the mail system, and to assess the contingency plans/emergency preparedness for possible future biohazard issues of this nature.

Results in Brief

We generally found that the Postal Service’s testing and decontamination efforts in response to the anthrax contamination were effective and that the efforts for future preparedness are appropriate. We commend the Postal Service’s quick response in deploying contractors to potential anthrax-contaminated facilities in order to minimize exposure to employees, and for the creation of the Unified Incident Command Center as a temporary solution for coordinating anthrax sampling, testing, and decontamination. The Postal Service successfully acquired expertise from, and partnered with, many federal and private entities to combat the effects of these attacks.

However, during our review we noted some opportunities for improvement. Specifically, the Postal Service did not provide adequate oversight of contractors, and did not identify a coordinator to implement contingency plans for biohazard emergencies or identify clear milestones for completion of these plans.

Summary of Recommendations	We recommend management establish a policy that would prohibit a non-Postal Service project manager from assigning work while also competing for the same work; designate a permanent Postal Service coordinator or entity to implement biohazard contingency policies; and develop and monitor contingency planning milestones.
Summary of Management's Comments	Management agreed with these recommendations.
Overall Evaluation of Management's Comments	Management's comments are responsive to our recommendation.
Background	<p>In the Fall of 2001, the Postal Service's mail system was contaminated by anthrax enclosed in letters. As part of its immediate response to the threat, the Postal Service contracted with various private sector vendors, either through a General Services Administration or Postal Service contract, to procure testing and decontamination services. Faced with the challenge of combating the anthrax threat and contamination at Postal Service facilities, the Postal Service sought assistance from many federal and private entities, such as the Environmental Protection Agency, the Centers for Disease Control, and the American Public Health Laboratories.</p> <p>The Postal Service also created a Unified Incident Command Center to ensure continuity of operations for the testing and decontamination of Postal Service facilities. Collectively, the individuals in this command center worked around the clock to help sustain the sanctity of the nation's mail. The Postal Service incorporated the expertise of these individuals, and individuals from additional entities, in the creation and issuance of the <u>Interim Guidelines for</u></p>

Sampling, Analysis, Decontamination, and Disposal of Anthrax for United States' Postal Service Facilities.

Beginning October 26, 2001, the Unified Incident Command Center operated 24 hours a day 7 days a week for 2 months; and then 12 hours a day 7 days a week until it disbanded operations on February 22, 2002.

Postal Service management has also taken steps to respond to future biohazard attacks through the creation of a cross-functional committee, the Mail Security Task Force Workgroup. This workgroup is comprised of seven subgroups that included:

- Contingency Planning System-wide
- Safety and Security in the Workplace Environment
- Mailroom Security
- Communicating and Messaging
- Mail Preparation
- Mail Screening
- Surface Transportation Security

Each group was required to provide presentations to the Postal Service steering committee, and analyses in written reports to the chief inspector, due February 28, 2002, for final review and consideration. These were completed as of the date of this review.

Objectives, Scope, and Methodology

Our objectives were to: (1) evaluate the Postal Service's testing and decontamination command center efforts in response to anthrax contamination in the mail system, and (2) assess the contingency plans/emergency preparedness for possible future biohazard issues of this nature. To meet these objectives, we interviewed officials at the Postal Service, United States Army Corps of Engineers, members of the United States' National Response Team,¹ and contractors. We reviewed the Postal Service's agreements with five contractors responsible for the testing and decontamination of anthrax at Postal Service facilities and private mailrooms, and assessed command project management responsibilities. We also reviewed applicable

¹ The National Response Team is comprised of representatives from various federal agencies, and was chartered to advise the Federal Emergency Management Agency in times of disasters.

policies, emergency guidelines, and the memorandum of agreement between the United States Army Corps of Engineers and the Office of Inspector General (OIG). Our review was conducted from November 2001 through March 2002, in accordance with the President's Council on Integrity and Efficiency, Quality Standards for Inspections. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

Prior Audit Coverage

We did not identify any prior audits or reviews related to the objectives of this review.

Operational Contract Oversight

Postal Service management did not provide adequate oversight of the contractors at the Unified Incident Command Center. Specifically, one contractor in the Unified Incident Command Center was given the authority to provide direction to other contractors while also competing for, and performing, the same work. The lack of separation of duties can allow for a conflict of interest or the appearance of impropriety. Additionally, all contractor representatives on-site at the Unified Incident Command Center were delegated contract administration duties by collaboratively assigning the testing workload.

Independent oversight of contracting activities is critical to ensuring that the Postal Service receives those services in the manner specified in the contract. One component of oversight is the separation of duties, which is a sound business practice for proper program management and contract oversight, and is used throughout private industry and the federal government. We recognize the Postal Service's need to hire external expertise for consultation, however, contractors performing this consulting function should not also compete for the biohazard work. The lack of oversight and separation of duties, with regard to these activities, may have given the appearance of conflicts of interest.

Recommendation	<p>We recommend the chief operating officer and executive vice president, in coordination with the senior vice president, Human Resources:</p> <ol style="list-style-type: none">1. Establish policy that would prohibit a non-Postal Service project manager from assigning work while also competing for the same work.
Management's Comments	<p>Management agreed with this recommendation.</p>
Evaluation of Management's Comments	<p>Management's comments are responsive to our recommendation.</p>
Contingency Plans/Emergency Preparedness	<p>We noted there were no milestones for the implementation of the contingency plans and that confusion existed concerning who was responsible for ensuring implementation of these plans. The Postal Service, through a contingency planning subgroup, is creating strategic emergency response plan templates and guidance; however, these documents lack specific milestones.</p> <p>The contingency planning subgroup's mission was to review existing contingency plans across all Postal Service functions, evaluate whether they are current and effective, and ensure the plans' integration into comprehensive system-wide plans. In addition, this subgroup was tasked to design new agency-wide templates for emergency responses and recommend new processes, as appropriate, based on experiences with recent events. This subgroup is also currently creating guidance, entitled Contingency Planning System Wide.</p> <p>During the course of our review, the chief operating officer, and executive vice president, informed us that he would initially take ownership of the Mail Security Task Force Team. We believe designating a permanent centralized coordinator or entity to review and implement contingency plans agency wide is important to ensure continued progress is made on addressing preparedness for</p>

biohazard emergencies. Further, the development and publication of milestones for contingency planning policies is a critical component to future success.

Recommendations

We recommend the chief operating officer and executive vice president, in coordination with the senior vice president, Human Resources:

2. Designate a permanent centralized Postal Service coordinator, or an entity, to be responsible for the implementation of agency-wide contingency policies for biohazard emergencies.
3. Develop, publish, and monitor milestones to implement contingency planning policies to ensure completion is performed expeditiously.

**Management's
Comments**

Management agreed with these recommendations.

**Evaluation of
Management's
Comments**

We view management's comments as responsive to our recommendations.

We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions, please contact me at (703) 248-2300.

John M. Seeba
Assistant Inspector General
for Financial Statements

cc: James J. Rowan, Jr.
Dennis M. Baca
Samuel M. Pulcrano
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APPENDIX. MANAGEMENT'S COMMENTS

PATRICK R. DONAHOE
CHIEF OPERATING OFFICER
AND EXECUTIVE VICE PRESIDENT



March 29, 2002

JOHN SEEBA
ASSISTANT INSPECTOR GENERAL
FOR FINANCIAL STATEMENTS

SUBJECT: USPS Response to OIG Transmittal of Draft Management Advisory—
Postal Service's Command Center Efforts and Contingency Planning
(Report Number EM-MA-02-DRAFT)

As discussed at our March 27 meeting, we have completed our review of the subject Draft Management Advisory and are in agreement with the following recommendations:

Recommendation #1, made to the chief operating officer and executive vice president, in conjunction with the senior vice president, Human Resources: Establish policy that would prohibit a non-Postal Service project manager from assigning work while also competing for the same work.

Recommendations #2 and #3, made to the chief operating officer and executive vice president, in conjunction with the senior vice president, Human Resources: Designate a permanent centralized Postal Service coordinator, or an entity, to be responsible for the implementation of agency-wide contingency policies for biohazard emergencies. Develop, publish, and monitor milestones to implement contingency planning and policies to ensure completion is performed expeditiously.

A handwritten signature in black ink, appearing to read "Patrick R. Donahoe".

Patrick R. Donahoe

cc: Ms. Medvidovich
Ms. Duchek