



April 28, 2005

MICHAEL L. GOODWIN  
MANAGER, SOUTHEAST FACILITIES SERVICE OFFICE

SUBJECT: Management Advisory – Environmental Remediation Project at the  
Pompano Beach Auxiliary Vehicle Maintenance Facility  
(Report Number FA-MA-05-001)

This report presents the results of our review of the environmental remediation project at the Pompano Beach Auxiliary Vehicle Maintenance Facility (VMF), Pompano Beach, Florida (Project Number 05XG010FA000). This time-sensitive issue came to our attention during liaison meetings with the Southeast Facilities Service Office (FSO), who expressed concern that a June 2004 request for additional funding for this federal-, state-, and county-mandated project lacked approval as of January 2005. The FSO asked the Office of Inspector General (OIG) to help determine why the funding had not been approved. In cooperation with the Southeast FSO and Southeast Area personnel, we researched the funding delay and delinquent payment of the annual licensing fees associated with the project. Our cooperative effort resolved the funding delay and helped the Postal Service avoid up to \$25,000 per day in potential fines as well as any potential negative publicity that may have resulted from failure to comply with regulatory requirements. The potential fines resulting from noncompliance with statutory requirements represent funds put to better use and will be reported as such in our Semiannual Report to Congress (see Appendix A).

### **Background**

Environmental testing that followed the July 1998 removal of an underground storage tank at the Pompano Beach Auxiliary VMF identified soil and water contamination at the site. To address this issue, the Postal Service secured the services of an environmental consultant and active remediation at the site began on September 24, 2001. On May 29, 2003, the site entered the post-remediation monitoring phase. The second post-active remediation quarterly report submitted to the Broward County Department of Planning and Environmental Protection on February 17, 2004, indicated contaminant concentrations had rebounded to levels above Florida's groundwater cleanup target levels. As a result, on March 17, 2004, the Broward County Department of Planning and Environmental Protection issued a letter requiring the Postal Service to resume active remedial system operation and maintenance and groundwater sampling from the entire well network.

Consequently, the environmental consultant revised the scope of work to include the additional state-mandated requirements and submitted the proposal to the Southeast FSO facilities environmental specialist on April 13, 2004. The estimated cost for the change in scope was approximately \$50,000. According to the specialist, the FSO requested funding to cover the revised scope of work in June 2004. However, as of January 2005, the request had not been approved.

The next quarterly monitoring report was due to the Broward County Department of Planning and Environmental Protection by April 1, 2005. Without funding, the Postal Service could not procure the additional services required to comply with the statutory requirements. Noncompliance with the requirements could result in significant fines as well as lead to negative publicity for the Postal Service. In their response to the draft report, management stated that the required reports were completed and submitted to Broward County on March 31, 2005, thus avoiding any fines.

### **Objective, Scope, and Methodology**

The objective of this review was to evaluate both the status of funding for the environmental remediation project and compliance with applicable laws and regulations. To accomplish our objective, we reviewed documents related to the existing environmental remediation project at the Pompano Beach Auxiliary VMF. We also conducted interviews with Postal Service officials from the Southeast FSO and the Southeast Area. Although we relied on data obtained from Facilities Management System Windows (FMSWIN), we did not test the validity of the data and controls over the system.

We conducted our review from January through April 2005, in accordance with the President's Council on Integrity and Efficiency, Quality Standards for Inspections. We discussed our observations and conclusions with appropriate management officials on February 10, 2005, and included their comments, where appropriate.

### **Prior Audit Coverage**

We did not identify any prior audits related to the objective of this review.

### **Results**

Funding for the ongoing Pompano Beach Auxiliary VMF environmental remediation project was almost exhausted and, as of January 2005, additional funding requested in June 2004 for the project had not been approved. Without funding, the Postal Service could not procure the additional services required to comply with federal-, state-, and county-mandated environmental remediation requirements. Specifically, the Postal Service needed these services to comply with the order to resume active remediation and groundwater sampling from the entire well network. The next quarterly monitoring

report was due to the Broward County Department of Planning and Environmental Protection by April 1, 2005.

We reviewed the project files and the FMSWIN tracking system, but were unable to locate documentation for the funding request. Postal Service personnel informed us that the request was inadvertently deleted in error from the FMSWIN system. We brought this issue to the attention of officials at the Southeast Area office, Southeast FSO and South Florida District office, and they agreed that environmental remediation issues are a high priority of the Postal Service and the project must be funded. During our review, the Southeast FSO prepared a request for additional funding for the project, which the Southeast Area vice president approved on February 7, 2005. Our cooperative effort helped the Postal Service avoid up to \$25,000 per day in potential fines and any negative publicity that might have resulted (see Appendix A). The additional funding allowed the Postal Service to comply with the state-mandated reporting requirement date of April 1, 2005, and avert potential fines.

We also noted that the annual fee for the Environmental Assessment Remediation License was paid on January 19, 2005, even though it was due on December 17, 2004. Broward County requires an annual fee for review of Postal Service documents pertaining to the ongoing groundwater contamination remediation project and the review fee must be paid until the site is clean, all the monitoring wells are closed, and Broward County issues a "No Further Action" notice. Postal Service personnel informed us that the last two payments of the review fees associated with this project have been delinquent. Postal Service FSO and area officials agreed that the Postal Service needs a tracking system to monitor this expense to ensure prompt payment.

Postal Service Handbook RE-6, Facilities Environmental Guide, November 2004, requires the Postal Service to comply with all federal laws and regulations developed under the Clean Water Act, the Oil Pollution Act, and all state and local requirements regarding control and abatement of water pollution. Management Instruction AS-550-95-9, Underground Storage Tank Management, states "the Postal Service is required to pay reasonable applicable permit fees as long as they are not discriminatory—that is, if all entities, including state agencies, must pay comparable fees."

The Environmental Protection Agency's (EPA) underground storage tank (UST) regulations require the responsible parties to clean up contaminated UST sites to restore and protect groundwater resources. Subtitle I of the Resource Conservation and Recovery Act (RCRA) grants EPA's authority for assessing civil penalties for violations of UST requirements. RCRA also authorizes the EPA to take enforcement actions and assess penalties against violators of requirements promulgated under Subtitle I. RCRA Section 9006 authorizes the EPA to issue administrative orders requiring compliance with UST regulations within a reasonable specified time period. The EPA may initiate judicial enforcement actions to compel compliance with Subtitle I's statutory and regulatory requirements. Under such actions, the EPA is authorized to

seek judicial penalties of up to \$25,000 for each day of continued noncompliance with an administrative order. Subtitle I of RCRA allows EPA-approved state UST programs to operate in lieu of the federal program if such programs contain requirements for UST systems that are "no less stringent" than the federal requirements and for which there is "adequate enforcement" of compliance. Most states, including Florida, have developed and implemented their own comprehensive UST programs.

### **Recommendations**

We recommend the manager, Southeast FSO, direct personnel to:

1. Coordinate with the contracted environmental consultant to confirm submission of required reports by April 1, 2005, or, if necessary, request an extension from Broward County.
2. Coordinate with the Southeast Area to establish a procedure to monitor and track regulatory actions and costs for the environmental remediation project.

### **Management's Comments**

Management agreed with the recommendations and stated that the required reports were completed and submitted to Broward County on March 31, 2005, thus avoiding any fines. Management also stated that the Southeast FSO will take the lead in developing a tracking system for all on-going underground storage tank monitoring activities involving regulatory compliance with state and local entities. The tracking system will be completed within 90 days after issuance of the final audit report. Management's comments, in their entirety, are included in Appendix B of this report.

### **Evaluation of Management's Comments**

Management's comments are responsive to recommendations 1 and 2, and actions taken and planned should correct the issues identified in the finding.

We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions or need additional information, please contact Janet Sorensen, Audit Manager, or me at (703) 248-2300.

Colleen A. McAntee  
Deputy Assistant Inspector General  
for Field Operations

Attachments

cc: Patrick R. Donahoe  
Rudolph K. Umscheid  
William J. Brown  
Steven R. Phelps

**APPENDIX A. DESCRIPTION OF MONETARY IMPACT**

Finding		Funds Put to Better Use	
Recommendation No.	Title		
1	Coordinate with the contracted environmental consultant to confirm submission of required reports by April 1, 2005, or, if necessary, request an extension from Broward County	\$25,000	
Totals		\$25,000	
Description		The Postal Service could avoid up to \$25,000 per day in potential fines and any negative publicity that may have resulted from a failure to file required reporting.	
Calculation of basis		The OIG and Postal Service management officials agreed that limiting the monetary benefits claimed to the maximum daily fine of \$25,000 represents a conservative estimate of fines.	
Implementation costs		There are no implementation costs.	

## APPENDIX B. MANAGEMENT'S COMMENTS

Southeast Facilities Service Office



April 14, 2005

Colleen A. McAntee  
Deputy Assistant Inspector General  
for Field Operations

Subject: Draft Management Advisory – Environmental Remediation Project at the  
Pompano Beach Auxiliary Vehicle Maintenance Facility  
(Report Number FA-MA-05-DRAFT)

We have reviewed the subject report and concur with the findings. It is difficult to determine amount of cost avoidance in this case, but it is safe to say that the potential existed for a maximum penalty of \$25,000 per day.

Recommendations:

**Coordinate with the contracted environmental consultant to confirm submission of required reports by April 1, 2005, or, if necessary, request an extension from Broward County.**

Management agrees with the recommendation. Required reports were completed and submitted to Broward County on March 31, 2005, thus avoiding any fines.

**Coordinate with the Southeast Area to establish a procedure to monitor and track regulatory actions and cost for the environmental remediation project.**

Management agrees with the recommendation. The Southeast Facilities Service Office will take the lead in developing a tracking system for all on-going underground storage tank monitoring activities involving regulatory compliance with State and local entities. The tracking system will be completed within 90 days after issuance of your final report.

Please let us know if we can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. L. Goodwin".

Michael L. Goodwin

Cc: Rudy Umscheid, VP Facilities

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