



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Facility Condition Reviews – Great Lakes Area

Audit Report

Report Number
SM-AR-16-010

September 2, 2016



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UNITED STATES POSTAL SERVICE

Highlights

Twenty-four (75 percent) had potential OSHA violations.

Background

The U.S. Postal Service has more than 30,000 leased and owned retail facilities nationwide. About 3,840 of these facilities are in the Great Lakes Area. The Post Office lobby is the principal business office of the Postal Service. The lobby's appearance directly affects the Postal Service's image because it is the only close-up view of postal operations for many customers. The Postal Service must maintain a safe environment for both employees and customers and follow safety laws set forth by the Occupational Safety and Health Administration (OSHA).

Our objective was to determine if Postal Service management adhered to building maintenance, safety, and security standards, and employee working condition requirements at retail facilities. We reviewed 32 facilities in the Great Lakes Area and assessed items related to building safety, security and maintenance, customer complaints, workplace environment, and violence. We also assessed whether each facility was handicap accessible.

This is the second in a series of audits assessing retail facility conditions nationwide.

What The OIG Found

The Postal Service must improve adherence to building maintenance, safety and security standards, and employee working condition requirements at its retail facilities. We reviewed 32 facilities and found:

- Eighteen (56 percent) had building safety and security issues;
- Nineteen (59 percent) had building appearance issues;
- Sixteen (50 percent) did not maintain a customer complaint log or monitor how promptly complaints are resolved;
- Sixteen (50 percent) did not display workplace environment posters such as informing employees what to do when injured at work;
- Eight (25 percent) did not display workplace violence posters related to proper conduct on Postal Service property; and
- Twenty-four (75 percent) had potential OSHA violations.
- All facilities complied with handicap accessibility requirements.



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We recommended management develop an action plan to address all building maintenance, safety, security, workplace environment, and workplace violence policy issues identified during our review.

These conditions occurred because of competing priorities and local management's failure to focus on cleaning and general maintenance and repairs. In addition, postmasters or facility managers were unaware they needed to perform housekeeping inspections and personnel at some leased facilities were unaware that they must call the Facilities help desk to report maintenance issues. Management did not address other deficiencies due to budget constraints or the property owner's refusal to perform requested repairs.

Attention to these areas will reduce the Postal Service's exposure to OSHA fines and penalties; poor employee morale and increased turnover; risk of injuries to customers and employees; and related costs such as workers' compensation claims, loss of work and productivity, and lawsuits. Poorly maintained and unappealing lobbies can also reduce brand loyalty, which impacts revenue.

Local management began taking corrective action by immediately addressing certain deficiencies brought to their attention during site visits, such as displaying missing posters,

unblocking exits, and securing unlocked vehicles. In addition, the Postal Service temporarily closed one of its facilities to address deficiencies observed during our review.

What The OIG Recommended

We recommended management develop an action plan to address all building maintenance, safety, security, workplace environment, and workplace violence policy issues identified during our review. We also recommended management enforce the requirement to perform housekeeping inspections; and provide training to improve building maintenance, housekeeping, safety and security standards, management of local customer complaints, and the display of required posters.

In a July 2016 report on facility conditions in the Capital Metro Area, we recommended management develop a process to improve coordination among Facilities personnel, managers, and property owners to timely resolve repair issues. This recommendation is still open; therefore, we are not making a recommendation to address the issue in this report.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 2, 2016

MEMORANDUM FOR: JAKKI KRAGE STRAKO
VICE PRESIDENT, GREAT LAKES AREA

TOM A. SAMRA
VICE PRESIDENT, FACILITIES

NANCY L. RETTINHOUSE
VICE PRESIDENT, EMPLOYEE RESOURCE MANAGEMENT

ROBERT CINTRON
VICE PRESIDENT, NETWORK OPERATIONS

KELLY SIGMON
VICE PRESIDENT, RETAIL AND CUSTOMER
SERVICE OPERATIONS

E-Signed by Keshia L. Trafton
Verify authenticity with E-Sign Desktop

FROM: Keshia L. Trafton
Acting Deputy Assistant Inspector General
for Supply Management and Human Resources

SUBJECT: Audit Report – Facility Condition Reviews –
Great Lakes Area (Report Number SM-AR-16-010)

This report presents the results of Facility Condition Reviews – Great Lakes Area (Project Number 16BG005SM000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lucine M. Willis, acting director, Supply Management and Facilities, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Findings

The Post Office lobby is the principal business office of the Postal Service and is the only close-up view of postal operations for most customers. Therefore, its appearance directly affects the Postal Service's public image. The Postal Service must maintain a safe environment for both employees and customers.

Introduction

This report presents the results of our self-initiated audit of facility conditions in the Great Lakes Area (Project Number 16BG005SM000). Our objective was to determine if U.S. Postal Service management adhered to building maintenance, safety, and security standards and employee working condition requirements at retail facilities. See [Appendix A](#) for additional information about this audit.

The Post Office lobby is the principal business office of the Postal Service and is the only close-up view of postal operations for most customers. Therefore, its appearance directly affects the Postal Service's public image. The Postal Service must maintain a safe environment for both employees and customers. It must also follow federal safety laws set forth by the Occupational Safety and Health Administration (OSHA). The Postal Service also follows general policies and procedures regarding safety and security and the appearance of lobbies and facilities. It has more than 30,000 leased and owned retail facilities nationwide, about 3,840 of which are in the Great Lakes Area.

In September 2015, the U.S. Postal Service Office of Inspector General (OIG) reported on poor working conditions at a Post Office in New Mexico.¹ As a result of the unacceptable conditions found at this office, the OIG is conducting a national series of retail facility condition audits. This is the second in a series of audits that focus on conditions related to building maintenance; safety and security; customer complaints; workplace environment and violence; and handicap accessibility. As part of this audit, we visited 22 statistically sampled and 10 judgmentally selected facilities.² During our review, we received allegations of potential asbestos at the Madison, WI, Processing and Distribution Center. We will address those concerns in a separate review.

¹ *Working Conditions at the [redacted] Post Office* (Report Number [HR-MA-15-004](#), dated September 2, 2015).

² We judgmentally selected 10 facilities based on referrals from employees and customers, Hotline complaints, or work performed by other OIG teams.

These conditions occurred because of competing priorities and local management's failure to focus on cleaning and general maintenance and repairs.

Summary

The Postal Service must improve adherence to building maintenance, safety, and security standards and employee working condition requirements at retail facilities. During our facility reviews, we found the following conditions:³

- Eighteen facilities (56 percent) had issues related to building safety and security, such as unlocked vehicles and facilities and uncovered electrical sockets in lobbies.
- Nineteen facilities (59 percent) had building appearance issues, including unsanitary conditions, mold, roof leaks, and walls that were partially painted, stained, or had chipped paint or plaster or holes.
- Sixteen facilities (50 percent) did not maintain a customer complaint log or monitor whether complaints were resolved timely.
- Sixteen facilities (50 percent) did not display workplace environment posters, such as informing employees of what to do when injured at work.
- Eight facilities (25 percent) did not have workplace violence posters related to proper conduct on Postal Service property.
- Twenty-four facilities (75 percent) had potentially finable OSHA violations, such as cracked asbestos tiles, blocked exits, signs of rodents, bug infestation, and non-serviced fire extinguishers.
- All facilities complied with handicap accessibility requirements.

These conditions occurred because of competing priorities and local management's failure to focus on cleaning and general maintenance and repairs. In addition, postmasters or facility managers were not aware of the requirement to perform housekeeping inspections and personnel at some leased facilities were unaware that they must call the Facilities help desk to report maintenance issues. Other deficiencies were not addressed due to budget constraints or the property owner's refusal to perform requested repairs.

In general, local management lacked focus on and concern for health, safety, and security issues; monitoring local customer complaints; and ensuring required posters are displayed at facilities. Attention to these areas would improve employee morale and reduce employee turnover. Increased focus would also reduce the risk of injuries to customers and employees and related costs, such as workers' compensation claims, loss of work and productivity, lawsuits, and OSHA fines and penalties. Poorly maintained and unappealing lobbies can also reduce brand loyalty, which impacts revenue.

Local management began taking corrective action to address certain deficiencies brought to their attention during site visits by displaying missing posters, unblocking exits, and locking unsecured vehicles. In addition, one facility was temporarily closed due to the severity of deficiencies observed during a site review.

Building Security, Safety, and Maintenance

The Postal Service must improve the security, safety, and maintenance of its retail facilities in the Great Lakes Area.

³ Some facilities may have more than one issue cited.

During our site visits, we assessed the exterior and interior of 32 postal facilities and observed the following:

Building Security

The Postal Service must improve security at its facilities. Specifically:

- Seven of the 32 facilities we reviewed (22 percent) did not secure all doors and lock all postal vehicles.
 - OIG auditors were able to access two facilities through the rear of the building. At one location, the clerk stated she thought she locked the door behind her and, at another, a clerk stated that the doors are usually locked, but a United Parcel Service driver had just left and postal personnel neglected to ensure the doors were locked (see Figure 1).
 - Six vehicles were unlocked after normal business hours — three at one facility, two at another and one at a third facility — but none of them contained mail.
 - At one facility, the lock for the security gate at the retail counter window did not work and was secured with a c-clamp (see Figure 2).

Management is responsible for providing maximum protection for Postal Service employees, funds, and property. Postal Service policy states that employees must firmly adhere to the door locking policy.⁴

Figure 1: Unlocked Back Door



Source: OIG photograph taken February 17, 2016, at Main Office – La Rose, IL.

Figure 2: C-Clamp Securing Retail Counter



Source: OIG photograph taken March 2, 2016, at Main Office – Lake George, MI.

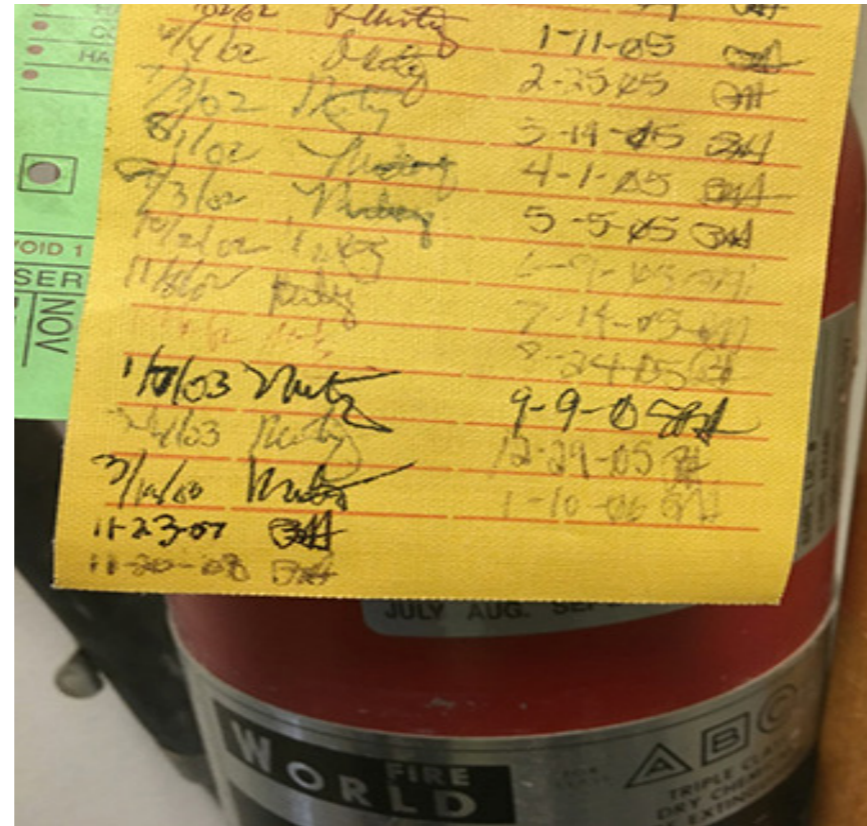
⁴ Handbook PO-209, *Retail Operations Handbook*, Section 6-11.3.6.1, Securing Doors, dated October 2012, requires employees to firmly adhere to the policy of locking doors. Management is responsible for ensuring compliance to protect Postal Service employees, funds, and property.

Building Safety

The Postal Service can also improve safety at its facilities. Specifically:

- Eleven facilities (34 percent) had safety hazards such as blocked doors and trip hazards. Three of the 11 facilities had fire extinguishers that were not serviced monthly, as required.⁵
 - One fire extinguisher had not been serviced since 2008 (see Figure 3).
 - One facility had a deteriorating deck and deteriorating steps.
 - Two facilities had blocked exits, asbestos in the information technology room (room was quarantined due to the asbestos), and light fixtures that were not secured to the ceiling (Figure 4).
- Eleven facilities (34 percent) had missing or burned out bulbs or exposed wires. The lighting inside or outside the facility was insufficient, making the work area dark or the facility potentially unsafe⁶ (see Figure 5 and 6).

Figure 3: Fire Extinguisher Not Serviced



Source: OIG photograph taken March 2, 2016, at Main Office – Lake George, MI.

Figure 4: Blocked Door



Source: OIG photograph taken March 2, 2016, at Main Office – Fenton, MI.

⁵ Occupational Safety and Health Standards, Section 1910.157 – Portable Fire Extinguishers.

⁶ Handbook AS-503, *Standard Design Criteria*, Section 5-3.1.3, July 17, 2010; and Handbook RE-5, *Building and Site Security*, Section 2-3.2.1, September 2009.

We found 91 potentially finable OSHA violations at 24 of the 32 facilities visited.

Figure 5: Missing Bulbs



Source: OIG photograph taken March 7, 2016, at Baden Station – St. Louis, MO.

Figure 6: Exposed Wires



Source: OIG photograph taken March 9, 2016, at Main Office – Dawson, IL.

We found 91 potentially finable OSHA violations⁷ at 24 of the 32 facilities visited. These violations included:

- Locked or blocked emergency exits;
- Sanitary issues relating to leaking plumbing fixtures and roofs;
- Trip hazards;
- Asbestos and suspected mold;
- Exposed electrical outlets and electrical boxes;
- Fire extinguishers not serviced monthly;
- Exposed furnace flame or boiler;
- Inadequate lighting; and
- Missing required OSHA posters.

⁷ This footnote is for all bulleted items. *Occupational Safety and Health Standards*, General Industry – Section 1910; Exits - Section 1910.35; Sanitation – Section 1910.141; Trip Hazards – Section 1910.22; Asbestos and Mold – Sections 1910.1001 and 1910.1000; Electrical and Lighting – Section 1910.303; Fire Extinguishers – Section 1910.157; HVAC/Furnace – Section 1910.269; OSHA Posters – Section 1910.1200(a).

The Postal Service is required to maintain a safe environment for both employees and customers. In addition, OSHA requires employers to provide a safe and healthful workplace free of recognized hazards. Postal facilities with OSHA violations may jeopardize the health, safety, and well-being of postal employees and customers. It is the responsibility of the postmaster or postal facility manager to ensure that custodial maintenance is satisfactory.⁸

Based on the 51 potentially finable OSHA violations we found at the 22 statistically selected facilities,⁹ we projected there are 8,905 potentially finable violations across the 3,840 retail facilities in the Great Lakes Area. If the violations found at the sampled facilities were found at the other retail facilities in the Great Lakes Area, the potential expected monetary value of these violations for the entire area, at the minimum fine of \$3,300¹⁰ per incident, would be \$29,386,500.

Building Maintenance

We determined the Postal Service must improve the maintenance of its retail facilities based on the following observations:¹¹

- Twelve facilities (38 percent) did not have a clean or well-maintained building. Issues identified include unsanitary conditions; the appearance of mold; signs of rodents; bug infestation; poor landscaping; foliage growing inside the facility; inoperable or stained toilets; deteriorating metal or wood on door frames; filthy exhaust or ventilation fans; cobwebs; dust on fixtures (such as ceiling fans and lights); exposed furnace fire; and broken air conditioners (see [Figures 7 and 8](#)).
- Fifteen facilities (47 percent) needed repair and maintenance of paint, plaster, walls, floors, and ceilings. At one facility, the flooring in the carrier section was in disrepair, with about 4 by 3 feet of missing flooring. Other issues included roof leaks; walls that were either partially painted, stained from a roof leak, or had chipped paint or plaster or holes; ceiling tiles that were stained, missing, or damaged; and floors that needed to be repaired, cleaned, or polished (see [Figures 9 and 10](#)).
- Seven facilities (22 percent) did not have appealing lobbies. The lobby areas of various facilities had overflowing trashcans, debris on the floor, holes in the walls, broken light fixtures, and stained or chipped flooring and ceiling tiles. One facility had several hampers stacked throughout the lobby.
- Four facilities (13 percent) needed landscaping maintenance and removal of old or unused equipment. Two facilities had equipment both inside and around the perimeter of the facility while the other two facilities had dead bushes and trash behind the unit.
- Parking spaces at four facilities (13 percent) were not clearly marked and facility signage was not visible. At one facility the “Reserved for U.S. Mail Vehicles” parking sign was severely rusted.

⁸ Handbook MS-47, *Housekeeping Postal Facilities*, Section 111, June 1, 1983.

⁹ We did not include the 40 potentially finable OSHA violations we found at our judgmentally selected sites.

¹⁰ OSHA's minimum fine is \$3,000; however, a 10 percent increase is added for history or repeat violations. To be conservative, the amount used for expected monetary value of these violations is the minimum plus the 10 percent repeat violation escalation, or \$3,300.

¹¹ Some facilities had multiple building appearance issues.

Figure 7: Deteriorating Door Frame



Source: OIG photograph taken February 17, 2016, at Hegewisch Station – Chicago, IL.

Figure 9: Missing Ceiling Tile



Source: OIG photograph taken February 17, 2016, at Main Office – Attica, IN

Figure 8: Unsanitary Toilet



Source: OIG photograph taken February 18, 2016, at Main Office – Elm Grove, WI.

Figure 10: Warped Stairs



Source: OIG photograph taken February 17, 2016, at Main Office – Greenfield, IN.

At one facility, we found numerous issues pertaining to building safety and maintenance, such as plumbing issues; signs of rodents; stained walls, ceilings, and floors; peeling paint; loose floor tiles; and improperly stored hazardous materials.

At one facility, we found numerous issues pertaining to building safety and maintenance, such as plumbing issues; signs of rodents; stained walls, ceilings, and floors; peeling paint; loose floor tiles; and improperly stored hazardous materials. The sidewalk, ramp, and road were cracked and uneven. This issue was reported in eFMS in April 2014, and in January 2015, the postmaster and landlord held discussions to determine whether the landlord or city was responsible for the repair. In February 2015, the Postal Service decided to close the issue until it determines who is responsible for repairing the sidewalk. The issue is still unresolved.

The other issues we identified at this facility were not always reported in the electronic Facility Maintenance System (eFMS).¹² In addition, the requests we found in eFMS were not always completed. For example, in 2015 there were three requests to repair the furnace and roof, and an assessment of structural integrity of the building; and in 2016 there was one request to repair and replace a broken sink and toilet. Management had not addressed any of these requests at the time of our review. Postal policy requires postal employees to promote safe housekeeping at all Postal Service operations.¹³

We informed Postal Service management of the issues found during our site visit and, due to their severity; management closed the facility while the issues were addressed. The conditions related to building safety and maintenance occurred because:

- Postmasters or facility managers were not aware of the requirement to perform housekeeping inspections. The current policy¹⁴ requires all facilities to perform semiannual inspections; however, this requirement had not been implemented at retail facilities at the time of our review. Until this policy is fully adopted, retail facilities are required to adhere to the previous version of the policy,¹⁵ which is more than 20 years old and references some Postal Service groups that no longer exist.
- Personnel at some leased facilities were unaware that they must call the Facilities help desk to report maintenance or repair issues and, instead, contacted the landlord directly. As a result, there were no records of the deficiencies reported in the eFMS. If deficiencies are not reported in eFMS, appropriate follow-up with the lessor cannot be performed.
- Some deficiencies at both Postal Service owned and leased facilities were previously reported in eFMS. But, they were not addressed due to budget constraints, uncertainty as to who was responsible for repairs, or the landlord's refusal to make repairs. In addition, repairs needed at owned facilities may not have been approved if they did not meet the criteria of safety, security or serviceability.¹⁶
- Due to the limited hours of operation and no custodial services at remotely managed post offices (RMPO), clerks did not always maintain a clean work environment. RMPOs are budgeted hours to clean the facility on a weekly basis. Depending on the size of the facility, hours can range from 1-8 eight per week. RMPO managers did not always ensure clerks cleaned the facilities, so they focused more on service than facility condition.

¹² A Postal Service system used to report maintenance issues.

¹³ Handbook EL-801, *Supervisor's Safety Handbook*, Section 8-10.1, May 2014.

¹⁴ Handbook MS-47, *Facility Cleaning*, Section 12.5, TL-5, June 27, 2014.

¹⁵ Handbook MS-47, *Housekeeping Postal Facilities*, Section 510, TL-3, June 1, 1983.

¹⁶ Criteria used by the Repairs and Alterations group to effectively identify and prioritize workload to develop timely, quality, and cost-effective solutions in meeting postal operation's needs.

Without a log, it is difficult to determine whether customer complaints are being addressed in a timely manner or if they are ever resolved.

The Post Office lobby provides customers with their first and most lasting impression of the Postal Service; therefore, its appearance, convenience, and efficiency directly affect the Postal Service's public image. In addition, Postal Service guidance instructs employees to promote clean housekeeping throughout the building and the surrounding area.

In our prior report on facility condition reviews in the Capital Metro Area, we recommended management revise current policies to improve coordination among Facilities personnel, facility managers, and lessors to resolve issues and make timely repairs before they escalate, resulting in unsafe conditions for both employees and customers. This recommendation is still open; therefore, we will not make a recommendation to address these areas in this report.

Customer Complaints

The Postal Service needs to improve procedures for monitoring local customer complaints. We found 16 facilities (50 percent) did not maintain a customer complaint log and eight facilities (25 percent) did not monitor the timeliness of initial contact or final responses to customers. These deficiencies occurred because staff could not locate the customer complaint log, were unaware of the requirement to maintain a log, did not receive any complaints, did not handle complaints timely, or RMPO staff forwarded complaints to management at the Administrative Post Office.¹⁷

The *Postal Operations Manual* requires facilities to maintain a customer complaint log and respond to complaints within a specified timeframe.¹⁸ Without a log, it is difficult to determine whether customer complaints are being addressed in a timely manner or if they are ever resolved. This could negatively impact the Postal Service's goodwill and brand.

In a previous OIG report,¹⁹ the OIG noted that Consumer and Industry Affairs²⁰ does not have visibility into customer complaints made at local post offices because postmasters are not required to record local complaints in the Enterprise Customer Care (eCC) database and are responsible for addressing complaints made directly to their facilities. We recommended management update the policy to require local postmasters to record local complaints in the eCC database and include that information in customer complaint performance reports.

Management planned to address the recommendation by piloting a program where a local Post Office would enter customer complaints into the eCC database using a tablet. After which, they planned to develop a business case for senior management to review and decide on the next steps, with a target implementation date of September 30, 2015. However, in June 2016, the OIG closed the recommendation as not implemented because the Postal Service, instead, distributed a management instruction to require complaints presented at a post office, station, or branch by a customer or via walk-in to be documented on the customer complaint control log.

Workplace Environment and Violence Policies

The Postal Service must improve displaying of required information relating to workplace environment, emergency preparedness, and violence policies. Twenty-four facilities (75 percent) did not display workplace environment posters and nine facilities

¹⁷ The Administrative Post Office is responsible for overseeing the RMPO.

¹⁸ *Postal Operations Manual*, Section 164.4, requires postmasters and station or branch managers to maintain one or more customer complaint control logs. In addition, Section 165.1 requires the Postal Service to make initial customer contact within 1 business day of receiving a complaint and issue a final response within 3 business days.

¹⁹ *Deputy Postmaster General's Use of Data* (Report Number [SM-AR-15-002](#), dated March 15, 2015).

²⁰ Responsible for Postal Service customer interaction and support from small businesses, individual consumers, large corporations, and commercial mailers.

Management stated they would promptly display all posters received from district management or headquarters.

(28 percent) did not display workplace violence posters related to proper conduct on Postal Service property.²¹ Specifically, we observed the following:

- Fourteen facilities (44 percent) did not display Poster CA-10, *What a Federal Employee Should Do When Injured at Work*.²²
- Ten facilities (31 percent) did not display the OSHA posters 3165, *Job Safety and Health Protection* (in English), or 3167 (in Spanish).²³
- Seven facilities (22 percent) did not display *Zero Tolerance Policy and Reporting Procedures*.²⁴
- Two facilities (6 percent) did not display Poster 7, *Rules and Regulations Governing Conduct on Postal Property*.²⁵
- Three facilities (9 percent) did not display the OIG poster,²⁶ though it is not required.
- All facilities had emergency numbers by each phone or an alarm system.

The *Postal Operations Manual* and *Supervisor's Safety Handbook* require management to post workplace environment information. For the facilities that did not display Poster 7 and *Zero Tolerance Policy and Procedures*, staff members were not aware that they were missing the poster and local management did not provide oversight to ensure all appropriate forms were displayed. Not displaying the required posters may leave employees unaware of what to do in the event of an emergency or when injured and of their rights and responsibilities regarding the zero tolerance policy.

At the conclusion of each site visit, OIG auditors provided copies of the required posters to those facilities that did not have them. Local management took immediate corrective action and placed the posters in areas visible to both the public and employees. Regarding the zero tolerance policy, we instructed them to contact their district manager to obtain a signed copy to post. Management stated they would promptly display all posters received from district management or headquarters.

Handicap Accessibility

All facilities we visited complied with handicap accessibility requirements. At one location the automated handicap accessible doors were out of service. While automatic doors are not required by Americans with Disabilities Act (ADA) standards, functioning handicap accessible doors would provide greater accessibility. The manager was not aware of the problem until our site visit and stated that a request was made to address the issue. The Postal Service should continue its efforts to promote accessibility to employees and customers with disabilities.

21 Some facilities were missing multiple posters.

22 U.S. Department of Labor – Office of Workers' Compensation, Division of Federal Employees Compensation.

23 The OSHA poster outlines management and employee responsibilities and rights under OSHA.

24 *Threat Assessment Team Guide*, Publication 108, dated May 2015, requires the *Zero Tolerance Policy and Reporting Procedures* poster to be issued to employees by Quarter 2 of each fiscal year and posted in a conspicuous place. The poster identifies employee rights and management responsibilities relating to a work environment that is free of harassment and other inappropriate conduct such as discrimination.

25 *Postal Operations Manual*, Issue 9, Section 124, dated July 2002, provides rules and regulations for conduct on all real property under the charge and control of the Postal Service. Section 124.1 requires Poster 7 to be displayed in a conspicuous place on all such property.

26 OIG's *How to Report Fraud, Waste, and Abuse* poster.

Recommendations

We recommend the vice president, Great Lakes Area, in coordination with the vice president, Facilities:

1. Develop an action plan to address all building maintenance, safety, security, workplace environment, and workplace violence policy issues identified during our review. This plan should include a timeline for when items will be completed.

We recommend the vice president, Great Lakes Area, in coordination with the vice president, Network Operations, and the vice president, Retail and Customer Service Operations:

2. Enforce the requirement of Handbook MS-47, *Housekeeping Postal Facilities*, to have all facility personnel perform housekeeping inspections, as required, and designate officials to ensure inspections are performed.

We recommend the vice president, Great Lakes Area, in coordination with the vice president, Employee Resource Management:

3. Coordinate training for retail facilities to reinforce Postal Service policies and procedures relating to:
 - Maintenance and housekeeping standards to improve the customer retail experience.
 - Safety standards to prevent injuries to employees and customers and to reduce the Postal Service's exposure to Occupational Safety and Health Administration fines.
 - Security standards of facilities, yards, and vehicles to protect employees, Postal Service property, and mail.
 - Maintenance of customer complaint logs so customer complaints are recorded, tracked, and resolved timely.
 - Consistent display of required posters so they are available to employees.

Management's Comments

Management agreed with our recommendations but disagreed with the methodology used to determine the other impact related to physical safety and security concerns.

Regarding recommendation 1, management agreed to develop an action plan to address all building maintenance, safety, security, workplace environment, and workplace violence policy issues at the facilities identified in the report. The plan will include a projected timeline for repairing items that requires ordering parts and materials and securing a contractor to facilitate repairs through the Postal Service's facilities group. The target implementation date is October 31, 2016.

Regarding recommendation 2, management will reinforce existing policies and procedures with all site managers and reissue the cleaning standards in Handbook MS-47 to offices with career custodial staff. For offices with contract cleaners, management will publish the contractual requirements and emphasize the importance of ensuring these requirements are met. Management will also issue guidance to all supervisors and managers to enforce Postal Service policies and processes related to safety expectations, security procedures, using and maintaining customer complaint logs, and posting of required information, such as Job Safety and Health Protection and Zero Tolerance Policy and Reporting Procedures. The target implementation date is October 31, 2016.

Regarding recommendation 3, management will reinforce current policies and procedures with respect to maintenance and housekeeping to those managers responsible for retail facilities. Management will provide guidance and assistance to managers, supervisors, postmasters, and OICs to ensure all required safety training at retail units is completed and documented. Management will also issue guidance to supervisors and managers on security procedures and requirements and provide training on customer complaint logs. The target implementation date is October 31, 2016.

Management disagreed with the method the OIG used to determine the impact to physical safety and security and questioned the qualifications of OIG personnel who performed the audit. Management contended the auditors have not been officially trained in OSHA compliance and arbitrarily assessed whether the issues discovered were citable OSHA violations.

Management stated the report was written to indicate the 51 documented issues were, without question, violations and contended that many of them could have been remediated on site and would not lead to a citation or fine. Management also stated that using the percentage of occurrences as a factor and applying it to over 3,840 facilities, exaggerates the number of fines that might be applied to Postal Service rented or owned facilities. Management further stated that the OIG did not take into account other considerations, such as actions a lessor may have taken or is planning to take to rectify situations that would mitigate or eliminate possible OSHA citations.

See [Appendix C](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report and corrective actions should resolve the issues identified in the report.

Regarding the other impact, the OIG calculated it using sound methodology and a valid statistical sample of retail facilities in the Great Lakes Area. The auditors did not arbitrarily assess whether an issue they discovered could be considered a citable OSHA violation, but based assessments on criteria OSHA has used in the past to determine comparable violations and levy fines against the Postal Service for similar issues. Further, we did not state the 51 documented issues were, without question violations, but, instead, noted the issues were "potential" violations.

Management stated that a large majority of the issues could have been remediated on site and would not lead to a citation or fine; however, these issues had not been addressed at the time of our review and there is no guarantee they would have been remediated at the time of an OSHA inspector's review. Further, we used a very conservative approach in our calculations by using the minimum OSHA fine amount and removing costs associated with potential damage to property, physical injury to employees or customers, poor employee morale, increased employee turnover; and lawsuits or workers' compensation claims.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. No recommendations should be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Background

The Postal Service has more than 30,000 retail facilities nationwide. The majority of these properties — about 25,000 — are leased and some have been occupied for more than 100 years. The Great Lakes Area has 3,840 retail facilities – about 2,855 of them are leased and about 974 are owned.²⁷ The Postal Service is responsible for maintaining owned facilities, while the owners of leased properties are responsible for some building maintenance, as specified in individual lease agreements. The Post Office lobby is the principal business office of the Postal Service and is the only close- up view of postal operations for many customers; therefore, its appearance, convenience, and efficiency directly affect the Postal Service’s public image.

The Postal Service is required to maintain a safe environment for both employees and customers. In addition, like any other employer, the Postal Service must follow federal safety laws set forth by OSHA. The Postal Service also follows general policies and procedures regarding safety and security and the housekeeping and appearance of its lobbies and facilities.

In September 2015, the OIG issued a management alert that identified poor working conditions at a Post Office in New Mexico. We found problems with heating and air conditioning, lighting, and electrical and plumbing systems, as well as deteriorating building conditions. Management agreed with our recommendations to resolve the identified problems, conduct periodic observations and develop an action plan, and provide safety training to employees. As a result of the unacceptable conditions found at that Post Office, the OIG is conducting a series of facility condition reviews at retail facilities nationwide.

Objective, Scope, and Methodology

Our objective was to determine if Postal Service management adhered to building maintenance, safety and security standards, and employee working condition requirements at retail facilities.

To accomplish our objective we:

- Statistically sampled 22 facilities in eight districts in the Great Lakes Area.
- Conducted unannounced site visits during February and March 2016, at all 22 statistically selected facilities; and visited 10 additional facilities based on work conducted by OIG auditors from other directorates, referrals, and hotline complaints (see [Table 1](#)).
- Used a checklist²⁸ that focused on facility appearance, safety, and security; customer complaints; workplace environment and violence; and handicap accessibility.
- Provided a copy of the completed checklist to the area comptroller and local management.
- Interviewed facility managers and Postal Service personnel about inspections, policies and procedures, and other matters relating to facility management.
- Reviewed facility repair and maintenance requests entered into the eFMS; facility inspections captured in the Infrastructure Condition Assessment Model (ICAM)²⁹ database; and safety inspections conducted by Employee Resource Management.
- Analyzed OSHA violations to project the potential impact to the Postal Service based on prior fines.

²⁷ The remaining properties are either General Services Administration property, military property, or another federal property.

²⁸ The OIG created the checklist during the *Facility Condition Reviews - Capital Metro Area* audit.

²⁹ ICAM is the system for recording and maintaining inspections.

Table 1: Facilities Visited in the Great Lakes Area

District	Leased/ Owned	Unit Name	City, State
Greater Indiana	Owned	Main Office	Helmsburg, IN
Greater Indiana	Owned	Main Office	Rossville, IN
Greater Indiana	Owned	Main Office	Greenfield, IN
Greater Indiana	Owned	Main Office	Attica, IN
Greater Indiana	Leased	Main Office	Darlington, IN
Greater Indiana	Owned	Main Office	Crawfordsville, IN
Chicago	Leased	Hegewisch Station	Chicago, IL
Central Illinois	Owned	P&DF	Peoria, IL
Central Illinois	Leased	Main Office	La Rose, IL
Lakeland	Leased	Main Office	Elm Grove, WI
Chicago	Leased	M Station	Chicago, IL
Greater Michigan	Leased	Main Office	Luzerne, MI
Detroit	Owned	Main Office	Fenton, MI
Greater Michigan	Leased	Main Office	Lake George, MI
Lakeland	Leased	Main Office	Argonne, WI
Lakeland	Leased	Main Office	Brantwood, WI
Greater Michigan	Leased	Main Office	Engadine, WI
Gateway	Leased	Main Office	Dawson, IL
Gateway	Leased	Main Office	Shelbyville, MO
Gateway	Leased	Main Office	Portland, MO
Gateway	Leased	Baden Station	St. Louis, MO
Gateway	Leased	Manchester Branch	Ballwin, MO
Gateway	Leased	Main Office	*Cottleville, MO
Lakeland	Leased	Main Office	*Elk Grove, IL
Lakeland	Owned	Main Office	*Arlington Heights, IL
Gateway	Owned	Main Office	*St. Charles, MO
Gateway	Owned	Main Office	*Wentzville, MO
Greater Indiana	Leased	Main Office	*Charlottesville, IN
Lakeland	Leased	Main Office	*Neenah, WI
Chicago	Owned	Main Office	*Cary, IL
Chicago	Owned	Daniel Doffyn	*Chicago, IL
Gateway	Leased	Main Office	*Pacific, MO

Source: OIG statistically and judgmentally selected sample from the Postal Service's eFMS.

*Judgmentally selected facilities.

We conducted this performance audit from February through September 2016, 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 25, 2016, and included their comments where appropriate.

We obtained facility information from the eFMS and compared a statistical sample of retail facilities to the ICAM database and mapping applications to verify the facilities' existence. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Facility Condition Reviews – Capital Metro Area</i>	SM-AR-16-009	7/18/2016	None

Report Results: Our report found the Postal Service must improve adherence to building maintenance, safety, and security standards; employee working condition requirements at its retail facilities. Unsafe work conditions can effect employee morale and increase employee turnover. In addition, the Postal Service must follow federal safety laws and is subject to OSHA safety inspections and fines. If the violations found at the sample facilities were found at the other retail facilities in the Capital Metro Area, their potential monetary value, would be \$18,611,450. We recommended management develop an action plan to address all building maintenance, safety, and security issues identified during our review. We also recommended management provide training to improve building maintenance, cleanliness, safety and security standards, management of local customer complaints, and the display of required posters. Finally, we recommended management develop a process to improve coordination among Facilities personnel, facility managers, and landlords to timely resolve repair issues and reassess the safety inspection process to include a review of facility security, maintenance, repair, and cleanliness issues. Management agreed with our recommendations.

<i>Working Conditions at the [REDACTED] Post Office</i>	HR-MA-15-004	9/22/2015	None
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Report Results: Our report found that working conditions at the [REDACTED] Post Office were unacceptable. Heating and air at the facility had been inadequate for 6 years; and we found issues with lighting, electrical wiring, plumbing, and bathroom fixtures; cracked windows; water damage; and a cockroach infestation. We recommended management resolve building and equipment conditions that require repair or maintenance, establish procedures for the manager, Post Office Operations, to conduct periodic observations at the Post Office to assess working conditions and create an action plan to resolve any issues that could affect employee health and safety, and provide Safety Toolkit training to facility coordinators. Management agreed with the recommendations.

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Deputy Postmaster General Use of Data</i>	SM-AR-15-002	3/19/2015	None
<p>Report Results: Our report found the deputy postmaster general can improve the use of customer complaint data to manage the customer experience and enhance access to government relations information affecting the Postal Service. Specifically, Consumer and Industry Affairs did not have visibility into customer complaints made at local post offices and postmasters were not required to record local complaints into the Postal Service's customer complaint database. We recommended, among other things, policy updates to require local postmasters to record local complaints in the eCC database and inclusion of that information in customer complaint performance reports. Management agreed to implement the recommendations.</p>			
<i>Retail Customer Experience Program</i>	MS-AR-13-010	7/9/2013	\$54.5
<p>Report Results: Our report found the Postal Service has an opportunity to improve the effectiveness of its Retail Customer Experience (RCE) Program by placing a greater emphasis on customer satisfaction and revenue generation. The program scoring system did not sufficiently factor in customer satisfaction and revenue growth variables. As a result, the OIG estimated the Postal Service could generate \$15.4 million in additional revenue in FY 2014 if it placed greater emphasis on revenue generation and customer satisfaction variables in the RCE Program's scoring system. Management disagreed with the recommendation; however, they agreed to evaluate the RCE Program, assess the value it generates, and review wait-time-in-line criteria.</p>			

District	Greater Indiana							Chicago				Greater Michigan			Central Illinois		Lakeland							Detroit	Gateway									Total				
Facility	Helmsburg, IN	Rossville, IN	Charlottesville, IN	Greenfield, IN	Attica, IN	Darlington, IN	Crawfordsville, IN	Chicago, IL (Hege-wisch)	Chicago, IL (M Station)	Cary, IL	Chicago, IL (Daniel Doffyn)	Luzerne, MI	Lake George, MI	Engadine, MI	Peoria, IL	La Rose, IL	Elm Grove, WI	Argonne, WI	Brantwood, WI	Arlington Heights, IL	Neenah, WI	Elk Grove, IL	Fenton, MI	Dawson, IL	Shelbyville, IL	Portland, MO	St. Louis, MO (Baden)	Ballwin, MO	Cottleville, MO	St. Charles, MO	Wentzville, MO	Pacific, MO	No Issues	Deficiency	N/A or Not Observed	Deficiency Percentage		
Other																																						
Is the facility handi-cap accessible?	✓	✓	D	✓	✓	✓	✓	✓	✓	✓	D	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	30	2	0	6
Totals																																						
No Issue	11	16	6	12	15	16	17	10	6	13	3	17	11	15	15	15	10	18	16	18	15	16	15	10	14	14	14	17	14	6	4	12						
Deficiency	5	2	11	8	5	2	3	10	10	6	17	0	3	3	5	2	6	0	1	1	3	4	4	7	3	4	4	1	0	3	3	6						
Not Applicable or Not Observed	4	2	3	0	0	2	0	0	4	1	0	3	6	2	0	3	4	2	3	1	2	0	1	3	3	2	2	2	6	11	13	2						

✓ – No deficiency
 X¹ – Not applicable
 D – Deficiency
 X² – Not observed

Appendix C: Management's Comments



August 22, 2016

SHERRY FULLWOOD
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to OIG Audit Report – Facility Condition Reviews – Great Lakes Area (Project Number 16BG005SM000)

Thank you for the opportunity to respond to the OIG Facility Condition Reviews in the Great Lakes Area. The Great Lakes Area generally agrees with the recommendations made during this audit as they pertain to building maintenance and renewed training to emphasize the importance of keeping a safe and clean working environment. Headquarters facilities, Employee Resource Management, Retail and Customer Service Operations and Network Operations also agree with the recommendations noted.

Regarding the Other Impacts as outlined in the addendum to the audit, the Great Lakes Area disagrees with the methodology used to determine the impacts and the qualifications of the OIG personnel that performed the audits. We contend the auditors were not officially trained in OSHA compliance and arbitrarily assessed whether an issue they discovered could be considered a citable OSHA violation.

As this report has been written to indicate that the 51 documented issues were without question violations, we contend that this would not be the case in many of the situations shown and that a large majority of the issues could have been remediated on site and would not lead to a citation or fine. Further, the calculation that uses the percentages of occurrences as a factor, when applied to 3,840 facilities, grossly exaggerates the level of any fines that might be applied to Postal Service rented or owned facilities. This methodology makes assumptions that do not account for variances in facility size and assumes all facilities have the same rate of issues. Larger facilities have custodians and easier access by Field Maintenance Operations. Other considerations, such as steps a lessor may have taken, or is planning to take, to rectify some of the situations outlined in the report that would mitigate or eliminate a possible OSHA citations or fine should an official OSHA representative visit a facility, were not taken into consideration.

Some narrative in the report refers to "suspected mold" and other passages simply refer to "mold". We note that mold was not verified to have been factually tested as part of the site visits. The report identifies instances of "inadequate lighting" but we again note that no measurements of actual lighting were completed as part of the site visits.

Recommendation #1

Develop an action plan to address all building maintenance, safety, security, workplace environment, and workplace violence policy issues identified during our review. This plan should include a timeline for when items will be completed.

Management Response / Action Plan:

The Great Lakes Area agrees with this recommendation. The Great Lakes Area, working with the domiciled facilities group, will develop an action plan to address all outstanding building maintenance issues in the facilities identified in this report. This plan will include safety, security, and workplace environment issues in these facilities. The plan will include a projected timeline for the repair of items which require the ordering of parts, materials and securing a contractor to facilitate repairs through the Postal Service facilities group.

Responsible Official(s):

Pamela Cunningham, Manager, Human Resources, Great Lakes Area
Michelle Rajzer, Manager Facilities Customer Relations (A), Great Lakes Area
John Moy, Manager, Maintenance Operations, Great Lakes Area

Target Implementation Date:

October 31, 2016

Recommendation #2

Enforce the requirement of Handbook MS-47, *Housekeeping Postal Facilities*, to have all facility personnel perform housekeeping inspections, as required, and designate officials to ensure inspections are performed.

Management Response / Action Plan:

Great Lakes Area agrees with this recommendation. The Great Lakes Area will reinforce existing policies and procedures with all site managers. The cleaning standards in the MS-47 will be reissued to offices with career custodial staff. For offices with contract cleaners, Great Lakes Area will publish the contractual requirements, with emphasis to installation heads, the importance of ensuring these requirements are met. We will issue guidance to all supervisors and managers to enforce Postal Service policies and processes related to safety expectations that focus on preventing employee and customer injuries as well as the elimination of safety hazards. We will give guidance on security procedures and requirements for facilities, yards, and vehicles to protect our employees and property. The use and maintenance of customer complaint logs and the posting of required information, such as *Job Safety and Health Protection* in English and Spanish and *Zero Tolerance Policy and Reporting Procedures*, will be reinforced.

This guidance will be in the form of a series of letters from the Area Vice President to be disseminated and distributed to all Great Lakes Area District Managers, Senior

Plant Managers, and Executive Postmasters. The letters will require each District within Great Lakes Area to certify that the policies and procedures have been shared with all supervisors and managers and that all posting requirements have been met as well as all required logs created and maintained.

Responsible Official(s):

John Moy, Manager, Maintenance, Great Lakes Area
Gary Myrick, Manager Safety, Great Lakes Area
Michael McInturf, Manager Marketing, Great Lakes Area

Target Implementation Date:

October 31, 2016

Recommendation #3

Coordinate training for retail facilities to reinforce Postal Service policies and procedures relating to:

- Maintenance and housekeeping standards to improve the customer retail experience.
- Safety standards to prevent injuries to employees and customers and to reduce the Postal Service's exposure to Occupational Safety and Health Administration fines.
- Security standards of facilities, yards, and vehicles to protect employees, Postal Service property, and mail.
- Maintenance of customer complaint logs so customer complaints are recorded, tracked, and resolved timely.
- Consistent display of required posters so they are available to employees.

Management Response / Action Plan:

The Great Lakes Area agrees with this recommendation and will implement by reinforcing our current policies and procedures with respect to maintenance and housekeeping standards to those managers responsible for our retail facilities. The Great Lakes Area will provide guidance and assistance to managers, supervisors, postmasters and OIC's to ensure all required safety training in retail units is completed and documented. Area and District Safety will use the PEG audit process, and Learning Management System (LMS) training records to identify training needs. Installation heads or other responsible parties will be notified of the required training and medium necessary for completion. Once training is completed, hard copy or LMS records will be kept as applicable. This initiative will also include messaging to the field of safety related poster/posting requirements and District certifications that all required posters are displayed and available for employees.

We will issue guidance to our supervisors and managers on security procedures and requirements for facilities, yards, and vehicles to protect employees, Postal Service property, and mail. We will provide training on customer complaint logs so customer complaints are recorded, tracked, and resolved timely. We will also review and update the Managers Guide for customer complaint logs as necessary with any updates or changes communicated to the field.

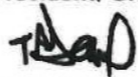
Responsible Official(s):

Pamela Cunningham, A/Manager, Human Resources, Great Lakes Area
Gary Myrick, Manager, Safety, Great Lakes Area
Michelle Rajzer, A/Manager, Facilities Customer Relations, Great Lakes Area
John Moy, Manager, Maintenance Operations, Great Lakes Area
Michael McInturf, Manager, Marketing, Great Lakes Area


Target Implementation Date:

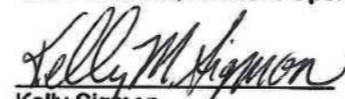
October 31, 2016


Jacqueline Krage Strako
Vice President, Great Lakes Area


Tom A. Samra
Vice President, Facilities


Nancy L. Rettinhouse
Vice President, Employee Resource Management


Robert Cintron
Vice President, Network Operations


Kelly Sigmon
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cc: Sally K. Haring, Manager, Corporate Audit and Response Management



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