



**OFFICE OF  
INSPECTOR GENERAL**  
UNITED STATES POSTAL SERVICE

**Badges for  
Postal Service  
Contractors**

**Audit Report**

Report Number  
HR-AR-15-004

March 6, 2015





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

## Highlights

***Facility officials did not always comply with contractor badge requirements and controls were not adequate to ensure the program was effectively managed.***

***Twenty-nine of the 47 facilities (62 percent) did not have standard operating procedures. The remaining 18 facilities' procedures did not sufficiently explain how to administer the program.***

## Background

The U.S. Postal Service must maintain public trust and the security of its employees, mail, and assets. Contractors handle and transport mail and provide other services such as custodial services and information technology at about 30,000 Postal Service facilities. Contractors are required to have valid badges and must visibly display them while officially on duty. The U.S. Postal Inspection Service provides technical guidelines for the badge program while Postal Service district managers administer and oversee it.

This report is a follow-up to our report, *Security Clearances for Postal Service Contract Drivers* (Report Number HR-AR-15-001, dated November 20, 2014). Our objectives were to determine whether the Postal Service issued contractor badges in accordance with agency guidelines and assess internal controls over contractor badges.

## What The OIG Found

Postal Service personnel at eight of 18 judgmentally selected facilities did not always comply with contractor badge requirements and controls were not adequate to ensure the program was effectively managed. Specifically, 13 of 49 contractors we observed (27 percent) had expired badges and three of 49 (6 percent) did not visibly display their badges.

In addition, at two other facilities, U.S. Postal Service Office of Inspector General auditors were able to access work areas without displaying badges and facility employees did not challenge them. Finally, we received 47 responses from 63 judgmentally selected facilities to our inquiry about standard operating procedures for administering the badge program. Twenty-nine of the 47 facilities (62 percent) did not have procedures. The remaining 18 facilities' procedures did not sufficiently explain how to administer the program.

These conditions occurred because Postal Service and Postal Inspection Service officials did not provide consistent guidance and oversight over the program. In addition, responsible personnel were not sufficiently trained to ensure they understood their roles and responsibilities. Insufficient controls over the program could impact the safety and security of employees, customers, mail, and assets; and harm the Postal Service brand.

## What The OIG Recommended

We recommended management revise national policy to ensure responsible personnel develop comprehensive standard operating procedures, provide formal training, and establish an oversight process to strengthen controls of the contractor badge program.

# Transmittal Letter




OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

March 6, 2015

**MEMORANDUM FOR:** GUY J. COTTRELL  
CHIEF POSTAL INSPECTOR

DAVID E. WILLIAMS  
CHIEF OPERATING OFFICER AND  
EXECUTIVE VICE PRESIDENT

E-Signed by Janet Sorensen  
VERIFY authenticity with eSign Desktop  


**FROM:** Janet M. Sorensen  
Deputy Assistant Inspector General  
For Revenue and Resources

**SUBJECT:** Audit Report – Badges for Postal Service Contractors  
(Report Number HR-AR-15-004)

This report presents the results of our audit of Badges for Postal Service Contractors (Project Number 14YG017HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monique P. Colter, director, Human Resources and Support, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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# Findings

**Thirteen of 49 contractors we observed (27 percent) had expired badges and three of 49 (6 percent) did not visibly display their badges.**

## Introduction

This report presents the results of our audit of Badges for Postal Service Contractors (Project Number 14YG017HR00). This report is a follow-up to our report, *Security Clearances for Postal Service Contract Drivers* (Report Number HR-AR-15-001, dated November 20, 2014). Our objectives were to determine whether the U.S. Postal Service issued contractor badges in accordance with Postal Service requirements and assess controls over the contractor badge process.

The Postal Service must maintain public trust and the security of its employees, mail, and assets. Contractors handle and transport mail and provide other services such as custodial services and information technology at about 30,000 Postal Service facilities. Contractors are required to have valid badges and must visibly display them while officially on duty. Postal Service district managers administer the contractor badge program<sup>1</sup> and the U.S. Postal Inspection Service provides technical guidelines and manages the ePhysical Access Control System (ePACS).<sup>2</sup> The Postal Inspection Service also provides procedures for screening highway transportation contractors and their personnel to determine whether they are eligible to access the mail and mail processing facilities.

## Conclusion

Postal Service personnel at eight of 18 judgmentally selected facilities did not always comply with contractor badge requirements and controls were not adequate to ensure effective program management. Specifically, 13 of 49 contractors we observed (27 percent) had expired badges and three of 49 (6 percent) did not visibly display their badges.

In addition, at two other facilities, U.S. Postal Service Office of Inspector General (OIG) auditors were able to access work areas without displaying badges and without challenge from facility employees. Finally, we received 47 responses from 63 judgmentally selected facilities to our inquiry about standard operating procedures (SOP) for administering the badge program. Twenty-nine of the 47 facilities (62 percent) did not have procedures. The remaining 18 facilities' SOP were not consistent and did not sufficiently explain how to administer the contractor badge program.

These conditions occurred because Postal Service and Postal Inspection Service officials did not provide consistent, clear, and complete guidance for issuing contractor badges and managing the badge program. In addition, responsible personnel were not sufficiently trained to ensure they understood their roles and responsibilities. Further, there was not adequate oversight to ensure responsible personnel administered the contractor badge program effectively. Insufficient controls over the contractor badge program could impact the safety and security of employees, customers, mail, and assets; and could harm the Postal Service brand.

## Contractor Badges

Postal Service officials at eight of 18 judgmentally selected facilities<sup>3</sup> did not always comply with requirements<sup>4</sup> for managing contractor badges. Contractors are required to have valid badges<sup>5</sup> and must visibly display them while on official duty. At the eight facilities we found that:

<sup>1</sup> *Administrative Support Manual (ASM)*, Section 277.233, July 1999, updated through November 28, 2013; Handbook AS-805, *Information Security*, Section 7-2.7, March 2014; and Management Instruction (MI) MI PO-530-2009-4, *Screening Highway Transportation Contractor Personnel*, September 2009.

<sup>2</sup> ePACS provides centralized management and oversight of the building access control mechanisms (such as control panels, card readers, door strikes, and turnstiles).

<sup>3</sup> Facilities visited included P&DCs, post offices, vehicle maintenance facilities, international service centers (ISC), customer care centers, and district offices.

<sup>4</sup> ASM, Section 277, *Identification Security*, July 1999, updated through November 28, 2013; Handbook AS-805, March 2014; and MI PO-530-2009-4, September 2009.

<sup>5</sup> A valid badge must contain a photograph of the contractor and cannot be expired.

**This report has not yet been reviewed for release under FOIA or the Privacy Act. Distribution should be limited to those within the Postal Service with a need to know.**

**Twenty-nine of 47 facilities  
(62 percent) responding to our  
request for SOP stated they did  
not have them in place.**

- Thirteen of 49 contractors (27 percent) had expired badges.
- Three of 49 contractors (6 percent) did not visibly display their badges, as required.

At the ██████████ Processing and Distribution Center (P&DC), management stated that responsible personnel only issued badges to contractor supervisors. Postal Service supervisors escorted non-supervisory contract employees and periodically monitored them. Management stated they were not aware of the requirement to issue badges to all contractors.<sup>6</sup> We did not note any exceptions during our observations of contractors. In addition, at the ██████████ Network Distribution Center (NDC), management stated they issue contractor badges at the verbal request of a Postal Service employee. Managers stated they were not aware of the requirement to complete an official badge request form<sup>7</sup> and did not receive guidance from district officials about this requirement.

Also, OIG auditors were able to access the ██████████ P&DC and the ██████████ NDC facilities and workroom areas without displaying official identification and without challenge from facility personnel. We briefed ██████████ P&DC and ██████████ NDC officials regarding this matter and they conducted stand-up talks to ensure employees were aware that contractors and employees must visibly display valid badges while on duty. See [Appendix B](#) for a complete list of facilities.

### Standard Operating Procedures

Controls over the contractor badge process were not adequate to ensure effective management of the program. Twenty-nine of 47 facilities<sup>8</sup> (62 percent) responding to our request for SOP stated they did not have them in place. Of the 18 facilities with SOP, the ██████████ P&DC was the only one that provided guidance on oversight and accountability of the contractor badge program; however, none of the 18 facilities' SOP provided sufficient guidance for issuing, tracking, and monitoring contractor badges. For example:

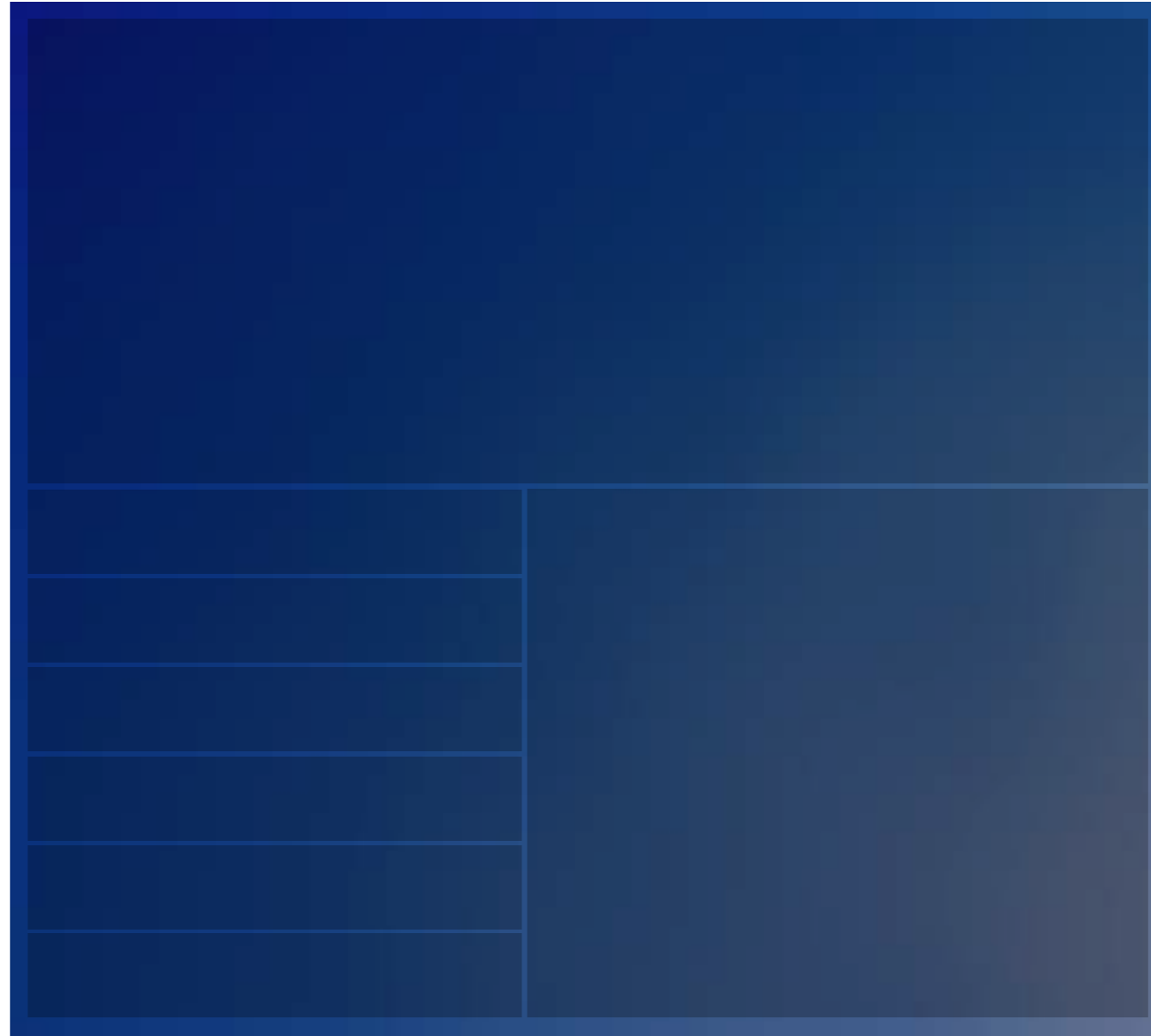
- None of the 18 facilities' SOP had procedures to ensure all contractors received a badge and were properly briefed on the applicable badge policy.
- Six of 18 facilities' SOP (33 percent) had no processes to ensure all contractor badges were current, valid, and visibly displayed while on duty.
- Thirteen of 18 facilities' SOP (72 percent) had no procedures for replacing lost, stolen, or forgotten badges.
- Twelve of 18 facilities' SOP (67 percent) had no procedures for collecting contractor badges upon project completion.
- Seventeen of 18 facilities' SOP (94 percent) had no procedures for conducting periodic inventories of badges.
- Sixteen of 18 facilities' SOP (89 percent) had no procedures for safeguarding badges to prevent unauthorized use.

<sup>6</sup> ASM Sections 277.233 and 277.241.

<sup>7</sup> Facility Access or Identification Badge (New or Replacement) Request Form for Contractors.

<sup>8</sup> We sent a survey requesting information about contractor badge procedures to 63 Postal Service district offices and facilities. We received 47 responses representing seven Postal Service areas of operation and 42 districts (16 did not respond). See [Appendix C](#) Appendix C for details.

**Postal Service and Postal Inspection Service officials did not require district managers and facility officials to maintain SOP for contractor badge programs.**



These conditions occurred because Postal Service and Postal Inspection Service officials did not provide consistent guidance and oversight over the program.<sup>9</sup> For example, there were no recordkeeping or accountability requirements in the SOP. Postal Service officials could not provide the number of contractors' badges issued and a complete listing of the names of badge recipients. Also, policies did not clearly define roles and responsibilities or specify who was responsible for program oversight. Further, the requirement to conduct periodic program reviews or self-assessments only applied to surface transportation contractors and did not include contractors performing other services. See [Appendix D](#) for additional policy analysis.

In addition, Postal Service and Postal Inspection Service officials did not require district managers and facility officials to maintain SOP for contractor badge programs. Some Postal Service district offices and facilities had SOP, but the Postal Inspection Service did not help develop or review them. According to the Government Accountability Office (GAO), control activities, such as establishing policies, procedures, and techniques that enforce management's directives, help ensure that appropriate actions are taken.<sup>10</sup>

<sup>9</sup> ASM, Section 277, Identification Security; Handbook AS-805; and MI PO-530-2009-4. The ASM and Handbook AS-805 are issued by the Postal Service and MI PO-530-2009-4 is issued by the Postal Inspection Service.

<sup>10</sup> GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

***The Postal Service and Postal Inspection Service did not provide oversight to ensure responsible personnel managed the contractor badge program effectively.***

***Insufficient controls over the contractor badge program increase risks to the Postal Service and its brand, and could impact the safety and security of employees, customers, mail, and assets.***

Postal Service facilities had inconsistent procedures. For example, the [REDACTED] District Office shredded badges after contract work was completed and the [REDACTED] District Office did not. In addition, the [REDACTED] P&DC was the only facility where Human Resources approved contractor badge requests. [Appendix E](#) provides examples of the different processes postal facilities use to issue contractor badges.

Responsible personnel received inadequate or no training on managing contractor badges to ensure they understood their roles and responsibilities. Specifically, 11 of 23 managers and supervisors (48 percent) stated they did not receive sufficient training and six of 23 (26 percent) stated they did not receive any training on how to administer contractor badges.

The Postal Service and Postal Inspection Service did not provide oversight to ensure responsible personnel managed the contractor badge program effectively. Seven of 47 Postal Service officials surveyed (15 percent) stated they provided oversight; however, we reviewed their SOP and five of seven (71 percent) did not show evidence of program oversight. Additionally, there is no clear guidance on who should oversee the program. For example:

- The ASM<sup>11</sup> requires district managers to issue badges but does not require district managers to provide district-wide oversight of the program.
- The ASM and AS-805 state that the Postal Inspection Service is responsible for providing guidelines and technical guidance for the badge program; however, Postal Inspection Service officials stated they did not have administrative responsibility or program oversight.<sup>12</sup>

In addition, the Postal Service and Postal Inspection Service did not track and monitor issuance of badges. Officials could not provide a complete list of badges issued to all contractors. The Postal Service has several methods to store contractor badge data. The data is maintained electronically in the ePACS and managed by the Postal Inspection Service. In addition, contractor badge data is maintained locally at the issuing facility in various legacy<sup>13</sup> systems or manually.

Insufficient controls over the contractor badge program increase risks to the Postal Service and its brand, and could impact the safety and security of employees, customers, mail, and assets. Control activities include approvals, authorizations, verifications, maintenance of security, and the creation and maintenance of related records that provide evidence of and document the execution of these activities.<sup>14</sup>

Clear, concise, and documented SOP can ensure effective and efficient management of the badge process. Training requirements that include periodic refresher training on the badge process would help ensure responsible personnel understand their roles and responsibilities for administering badges. National oversight of the contractor badge program would require providing facilities with the basic components that must be included in SOP. This would help effectively manage the program and strengthen control and accountability. See [Appendix C](#) for a comprehensive listing and analysis of SOP.

<sup>11</sup> ASM Section 277.233.

<sup>12</sup> We identified two facilities where the Postal Inspection Service had administrative responsibilities and provided program oversight.

<sup>13</sup> Legacy systems refer to outdated computer systems, programming languages, or application software used instead of available upgraded versions.

<sup>14</sup> GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).



# Recommendations

***We recommend management develop comprehensive policies for managing contractor badges, provide formal training, and establish an oversight process to strengthen controls of the contractor badge program.***

We recommend the chief postal inspector, in coordination with the chief operating officer and executive vice president:

1. Revise national policy to ensure responsible personnel develop comprehensive and uniform standard operating procedures to manage contractor badges, including procedures for issuing, tracking, and monitoring badges.
2. Provide formal training, including periodic refresher training, to responsible personnel to ensure they understand their roles and responsibilities for managing contractor badges.
3. Establish an oversight process to strengthen controls and accountability of the contractor badge program to ensure it is effectively managed.

## Management's Comments

Management agreed with the findings and recommendations in the report.

Regarding recommendation 1, management stated they will develop a plan to revise national policy to ensure uniform standard operating procedures for contractor badge issuance, tracking, and monitoring. The target implementation date is February 29, 2016.

Regarding recommendation 2, management stated they will update existing courses or create new training to ensure managers understand their roles and responsibilities for managing contractor badges. The target implementation date is February 29, 2016.

Regarding recommendation 3, management stated they will develop an oversight process for contractor badges. The target implementation date is December 31, 2015.

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

## Evaluation of Management's Comments

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

The OIG considers all recommendations significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the Postal Service provides written confirmation that the recommendations can be closed.

# Appendices

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## Appendix A: Additional Information

### Background

The Postal Service must maintain public trust and the security of the mail as well as ensure confidence in the reliability and integrity of contractors performing services. Contractors work in airports, mail processing plants, post offices, fuel sites, and other postal facilities. They handle and transport mail and provide plumbing, electrical, and information technology services that give them access to about 30,000 Postal Service facilities.

The Postal Service is responsible for administering contractor badges and the Postal Inspection Service provides guidance and technical guidelines for the program. Postal Service contractors must visibly display their badges while employed and on official duty. Postal Service Supply Management is responsible for ensuring contractors meet the terms and conditions of the contract. Network Operations is responsible for administering transportation networks, including contractors that provide air, highway, rail, and water modes of transportation.

The ASM provides guidance, policies, procedures, and requirements related to contractor access controls, highway contract routes, and non-postal contractor employee identification. Every postal employee, contractor, and temporary employee, including casual employees, must visibly display a valid photo identification badge. Contractors and their employees must display proper identification badges when they transport mail or have access to postal operational areas. District managers are responsible for issuing employee identification cards to postal and contract employees.

### Objectives, Scope, and Methodology

Our objectives were to determine whether contractor badges were issued in accordance with Postal Service requirements and assess controls over the contractor badge process.

The scope of this review included fieldwork at Postal Service and Postal Inspection Service Headquarters and in the [REDACTED] districts.

To accomplish our objectives we:

- Reviewed applicable policies and procedures related to the contractor badge process.
- Judgmentally selected 18 facilities from four districts in the Southern and Great Lakes areas of operation because they had the highest number of badges issued electronically.
- Judgmentally surveyed personnel at 63 district offices and facilities to obtain and review current contractor badge SOP.
- Interviewed Postal Service and Postal Inspection Service officials responsible for managing contractor badges to gain an understanding of their roles and responsibilities.
- Conducted observations and spot checks of contractors entering Postal Service facilities to assess controls.

- Reviewed training records to determine if responsible personnel received sufficient training to perform their roles and responsibilities.
- Assessed internal controls and identified control weaknesses within the badge process.

We conducted this performance audit from May 2014 through March 2015, 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on January 29, 2015, and included their comments where appropriate.

We assessed the reliability of the Postal Service's Learning Management System training records by reviewing existing information about the data and interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

### **Prior Audit Coverage**

We issued an earlier report titled *Security Clearances for Postal Service Contract Drivers* (Report Number HR-AR-15-001, dated November 20, 2014) and found that Postal Service personnel, including contract drivers, did not always comply with security clearance requirements, and controls over the process were not adequate. Specifically, contract drivers did not always have a valid security clearance and were not always re-screened every 4 years, as required. We recommended management establish formal procedures to track and monitor security clearances and notify appropriate personnel when clearances are not renewed. We also recommended management establish mandatory training requirements and a formal oversight process for contracting officers to validate contract drivers have security clearances when renewing contracts. Management agreed with the findings and recommendations.

## Appendix B: Judgmentally Selected Postal Service Facilities

To assess controls, we judgmentally selected 18 facilities from four districts in the Southern and Great Lakes areas of operation because they had the most contractor badges issued electronically.

	Facility Name	Postal Service Area	Postal Service District	Did Not Comply with Contractor Badge Procedures
1	[REDACTED]	Great Lakes	Chicago	
2	[REDACTED]	Great Lakes	Chicago	X
3	[REDACTED]	Great Lakes	Detroit	
4	[REDACTED]	Great Lakes	Detroit	X
5	[REDACTED]	Great Lakes	Detroit	
6	[REDACTED]	Great Lakes	Detroit	X
7	[REDACTED]	Great Lakes	Detroit	X
8	[REDACTED]	Great Lakes	Detroit	
9	[REDACTED]	Great Lakes	Detroit	X
10	[REDACTED]	Great Lakes	Detroit	X
11	[REDACTED]	Great Lakes	Detroit	X
12	[REDACTED]	Great Lakes	Detroit	
13	[REDACTED]	Southern	Dallas	X
14	[REDACTED]	Southern	Dallas	
15	[REDACTED]	Southern	Fort Worth	
16	[REDACTED]	Southern	Fort Worth	
17	[REDACTED]	Southern	Fort Worth	
18	[REDACTED]	Southern	Fort Worth	

15 The [REDACTED] P&DC contractor badge program is managed by the Postal Inspection Service. The Postal Service manages the contractor badge program for the other 17 facilities.

**Appendix C:  
Contractor Badge  
Standard Operating  
Procedure Analysis**

	Facility Name	Postal Service Area	Postal Service District	Maintained SOP	SOP Provided Sufficient Guidance	SOP Contained Accountability Requirements
1	[REDACTED]	Capital Metro	Atlanta	Yes	No	No
2	[REDACTED]	Capital Metro	Atlanta	No	N/A	N/A
3	[REDACTED]	Capital Metro	Baltimore	No	N/A	N/A
4	[REDACTED]	Capital Metro	Capital	Yes	No	No
5	[REDACTED]	Capital Metro	Greater South Carolina	No	N/A	N/A
6	[REDACTED]	Capital Metro	Greensboro	No	N/A	N/A
7	[REDACTED]	Capital Metro	Mid-Carolina	No	N/A	N/A
8	[REDACTED]	Capital Metro	Northern Virginia	No	N/A	N/A
9	[REDACTED]	Eastern	Tennessee	No	N/A	N/A
10	[REDACTED]	Great Lakes	Gateway	Yes	No	No
11	[REDACTED]	Great Lakes	Chicago	No	N/A	N/A
12	[REDACTED]	Great Lakes	Greater Michigan	No	N/A	N/A
13	[REDACTED]	Great Lakes	Central Illinois	Yes	No	No
14	[REDACTED]	Great Lakes	Lakeland	Yes	No	No

	Facility Name	Postal Service Area	Postal Service District	Maintained SOP	SOP Provided Sufficient Guidance	SOP Contained Accountability Requirements
15	[REDACTED]	Great Lakes	Detroit	Yes	No	No
16	[REDACTED]	Northeast	Albany	Yes	No	No
17	[REDACTED]	Northeast	Greater Boston	No	N/A	N/A
18	[REDACTED]	Northeast	Caribbean	No	N/A	N/A
19	[REDACTED]	Northeast	Long Island	No	N/A	N/A
20	[REDACTED]	Northeast	New England	Yes	No	No
21	[REDACTED]	Northeast	New York	Yes	No	No
22	[REDACTED]	Northeast	Northern New Jersey	Yes	No	No
23	[REDACTED]	Northeast	Westchester	No	N/A	N/A
24	[REDACTED]	Pacific	Sacramento	No	N/A	N/A
25	[REDACTED]	Pacific	Sierra Coastal	No	N/A	N/A
26	[REDACTED]	Southern	Alabama	No	N/A	N/A
27	[REDACTED]	Southern	Arkansas	Yes	No	No
28	[REDACTED]	Southern	Gulf Atlantic	Yes	No	No

	Facility Name	Postal Service Area	Postal Service District	Maintained SOP	SOP Provided Sufficient Guidance	SOP Contained Accountability Requirements
29	[REDACTED]	Southern	Houston	No	N/A	N/A
30	[REDACTED]	Southern	Jacksonville	No	N/A	N/A
31	[REDACTED]	Southern	Louisiana	Yes	No	No
32	[REDACTED]	Southern	Mississippi	Yes	No	No
33	[REDACTED]	Southern	Oklahoma	Yes	No	Yes
34	[REDACTED]	Southern	Rio Grande	Yes	No	No
35	[REDACTED]	Southern	South Florida	No	N/A	N/A
36	[REDACTED]	Western	Dakotas	No	N/A	N/A
37	[REDACTED]	Western	Seattle	No	N/A	N/A
38	[REDACTED]	Western	Mid-America	No	N/A	N/A
39	[REDACTED]	Western	Mid-America	No	N/A	N/A
40	[REDACTED]	Western	Mid-America	No	N/A	N/A
41	[REDACTED]	Western	Mid-America	No	N/A	N/A
42	[REDACTED]	Western	Mid-America	No	N/A	N/A



	Facility Name	Postal Service Area	Postal Service District	Maintained SOP	SOP Provided Sufficient Guidance	SOP Contained Accountability Requirements
43	[REDACTED]	Western	Portland	No	N/A	N/A
44	[REDACTED]	Western	Alaska	No	N/A	N/A
45	[REDACTED]	Western	Central Plains	Yes	No	No
46	[REDACTED]	Western	Salt Lake City	No	N/A	N/A
47	[REDACTED]	Western	Colorado-Wyoming	Yes	No	No
<b>TOTALS</b>						

Areas: 7 Districts: 42	Maintains SOP	SOP Provides Sufficient Guidance	SOP Has Accountability Requirements
	Yes: 18	Yes: 0	Yes: 1
	No: 29	No: 18	No: 17
	N/A: 0	N/A: 29	N/A: 29

Source: OIG analysis

## Appendix D: Contractor Badge Policy Analysis

We analyzed three Postal Service policies related to managing contractor badges—ASM Section 277, Identification Security, Handbook AS-805, and MI PO-530-2009-4. Specifically, we reviewed each policy to determine whether the instructions provided sufficient information about employee roles and responsibilities, program accountability, oversight and program review, and the role of the Postal Inspection Service. Our analysis revealed that policies did not provide clear, concise, and complete guidance. The information below highlights what each policy included, followed by a summary of what was missing from each policy.

ASM	Handbook AS-805	MI PO-530-2009-4
<b>Roles and Responsibilities</b>		
<p>The district manager is responsible for issuing Form 4098-F or equivalent photo identification (ID) card.</p>	<p>Manager or designee issues and controls temporary badges.</p>	<p>Administrative official obtains contractor screening information, supervises and administers performance of mail transportation by suppliers, and retrieves and destroys ID badges from separated contract employees.</p> <hr/> <p>The district manager or designee provides support to administrative official on day-to-day management of contract delivery operations.</p> <hr/> <p>Supplier is responsible for identifying to the administrative official individuals who require access to Postal Service facilities or the mail or who have authority to drive. Supplier is also responsible for recovering and returning ID badges.</p>

**Contractor Badge Program Accountability**

- |  |  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Maintain a register that shows the employee’s name and title, date of issuance, date of return, and the number of ID badge.</li> <li>• Access control identification badges controlled by a computer, must automatically record usage, capable of off-loading the recorded accesses.</li> </ul> | <ul style="list-style-type: none"> <li>• Manager or designee must make an unannounced verification of badges at least annually to ensure authenticity and to correct any badge discrepancies.</li> <li>• Employees must report lost or stolen badges immediately to the issuer of the badge</li> </ul> | <ul style="list-style-type: none"> <li>• Annotates both PS Forms 2025, Contract Personnel Questionnaire, to reflect the date the temporary ID badge is issued and retains one original PS Form 2025 for the file</li> <li>• Files are kept in alphabetical order by the contract employee’s last name and divided into active and inactive categories.</li> <li>• Pending clearance, highway transportation contractors receive a temporary badge. Once clearance is obtained, a non-Postal Service contract employee ID badge is issued.</li> </ul> |
|--|--|--|

**Oversight and Program Review**

No oversight or program review is stated in the policy.	No oversight or program review is stated in the policy.	No oversight or program review is stated in the policy.
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**Postal Inspection Service Role**

Provides guidelines for all Postal Service ID programs.	The chief postal inspector provides technical guidance on ID badges.	Reviews and screens information on highway transportation suppliers and their contractor personnel, as verified by administrative officials.
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**What is Missing From the Policy<sup>16</sup>**

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Does not specify who has overall program oversight.</li> <li>• PS Form 4098-F, Employee Identification, is outdated so not used by district managers</li> <li>• Roles and responsibilities not established or clearly defined for officials responsible for processing badges.</li> <li>• Does not specify who is responsible for maintaining register.</li> <li>• No requirement for a periodic review or self-assessment.</li> </ul> | <ul style="list-style-type: none"> <li>• Does not identify the manager responsible for issuing and controlling temporary badges.</li> <li>• Does not define roles and responsibilities.</li> <li>• Does not specify who has overall program oversight.</li> </ul> | <p>No requirement for periodic program review or self-assessment.</p> |
|---|---|---|

Source: Postal Service, OIG analysis.

<sup>16</sup> GAO, Standards for Internal Control in the Federal Government (GAO-14-704G, September 2014).

## Appendix E: Examples of Contractor Badge Standard Operating Procedures

Postal Service employees at district offices and postal facilities developed stand-alone SOP for managing contractor badges. The following are examples of three different contractor badge SOP the [REDACTED] and the [REDACTED] use. The differences among the SOP highlight the absence of clear guidance, which may result in potential inconsistencies with the application of the overall policy. For example, the [REDACTED] SOP provides for service talks for new contractors; however, the [REDACTED] and the [REDACTED] SOP do not list service talks as part of their process. National oversight of the contractor badge program would require providing facilities with the basic components required in each SOP, which would assist with effective program management.

- [REDACTED]
- Facility access is initiated by a Postal supervisor.
  - Postal Service supervisor completes Facility Access or ID Badge (new or replacement) Request Form for Contractors.
  - Supervisor forwards request form with official signature to badge issuing office for processing.
  - Contractors are escorted to badge issuing office to take photo.
  - Applicable badge data are entered into ePACS.
  - Contractor is issued badge.
  - Contract work is completed.
  - Postal Service supervisor validates all badges are collected.
  - Badges are deactivated and shredded.

- [REDACTED]
- Postal Service employee provided contractor service talk.
  - Contractor arrives at employee entrance, met by official or re-directed to maintenance unit entrance as appropriate.
  - Maintenance official verifies identification and complete log sheet.
  - Contractor issued badge.
  - Maintenance official provides safety training and explains local requirements.
  - Maintenance official escorts contractor to designated work area.
  - Monitor contractor work.
  - Contract work is completed.
  - Contractor is escorted by maintenance official to employee or maintenance entrance where badge is issued.
  - Badge is collected.
  - Contractor signs out.

- [REDACTED]
- Facility access is initiated by maintenance manager.
  - Maintenance manager completes an internal routing slip.
  - Routing slip is forwarded to human resources manager for signature.
  - Routing slip is forwarded to Postal Police Officer (PPO) supervisor or designee.
  - PPO input contractor's information in ePACS.
  - Contractors are escorted to badge issuing office to take photo. Identification is verified through driver license or passport.
  - Contract work is completed.
  - Supplier provides badges to maintenance manager.
  - Maintenance manager forwards badges to PPO office.
  - Badges are deactivated and shredded.

## Appendix F: Management's Comments



February 23, 2015

LORI LAU DILLARD  
DIRECTOR, AUDIT OPERATIONS

Subject: Badges for Postal Service Contractors  
(Report Number HR-AR-15-DRAFT)

Thank you for providing the Postal Service with the opportunity to review and comment on the recommendations contained in the draft audit report, Badges for Postal Service Contractors. Management is in general agreement with the findings and recommendations associated with the draft report and will address each separately below.

Management is committed to making improvements to current Postal Service contractor badging procedures and will establish a team, with representatives from various functional areas, to explore opportunities for enhancements. An action plan will be developed and implemented based upon the OIG's recommendations. Alternative technology solutions to current processes will be considered and are subject to availability of funds.

Recommendation 1: We recommend the chief postal inspector, in coordination with the chief operating officer and executive vice president:

Revise national policy to ensure responsible personnel develop comprehensive and uniform standard operating procedures to manage contractor badges, including procedures for issuing, tracking, and monitoring badges.

Management Response/Action Plan: Management agrees with this recommendation. Management will develop a plan to revise national policy to ensure uniform standard operating procedures for contractor badge issuance, tracking, and monitoring is developed.

Target Implementation Date: February 2016

Responsible Official: Inspector in Charge, Security and Crime Prevention, in coordination with Director, Emergency Preparedness.

Recommendation 2: We recommend the chief postal inspector, in coordination with the chief operating officer and executive vice president:

Provide formal training, including periodic refresher training, to responsible personnel to ensure they understand their roles and responsibilities for managing contractor badges.

Management Response/Action Plan: Management agrees with this recommendation. The Postal Service will explore options for training, whether updating existing courses or creating new training, to ensure managers understand their role and responsibility for managing contractor badges.

Target Completion Date: February 2016

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Responsible Official: Inspector in Charge, Security and Crime Prevention, in coordination with Director, Emergency Preparedness.

Recommendation 3: We recommend the chief postal inspector, in coordination with the chief operating officer and executive vice president:

Establish an oversight process to strengthen controls and accountability of the contractor badge program to ensure it is effectively managed.

Management Response/Action Plan: Management agrees with this recommendation. The Postal Service will develop an oversight process for contractor badges.

Target Completion Date: December 2015

Responsible Official: Inspector in Charge, Security and Crime Prevention, in coordination with Director, Emergency Preparedness.

If you have any questions about this response, please contact Patricia Armstrong at (202) 268-3422.



Guy J. Cottrell  
Chief Postal Inspector



David E. Williams, Jr.  
Chief Operating Officer

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