

**U.S. EPA  
Office of Inspector General**

**Observations at EPA Warehouse,  
Landover, MD**

Presented to Agency on May 16, 2013

Updated on May 31, 2013, for Public Release

## How We Got Involved

On December 20, 2012, the Office of Inspector General of the U.S. Environmental Protection Agency initiated a review of Contract No. EP-W-07-053.

As part of review, we evaluated the contractor's performance related to the contract requirements, including the warehouse functions.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



2

## Contract Background

- Contract EP-W-07-053 was awarded on May 3, 2007.
- Period of performance was 6/1/2007 through 5/31/2012.
- Additional Bridge Contracts were awarded extending the contract through 5/28/2013.
- Total costs invoiced from June 2007 through February 2013 were \$11,717,766.
- Of the total costs, \$5,285,570 (includes \$4,848,736 for labor and \$436,834 for equipment) is applicable to the warehouse.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



3

## Contract Background

- Warehouse functions include receiving, shipping/delivery, storage, property administration, disposal and accountability.
- The contractor is responsible for applying property decals to all accountable and sensitive EPA and leased property.
- The contractor is expected to maintain EPA's stock and inventory in accordance with the terms and conditions of the contract.



## Warehouse Background

- Warehouse is located at 8335 Ardmore Ardwick Road, Landover, Maryland 20785.
- An initial site visit was made on 2/13/2013 to tour the warehouse and generally discuss functions and operations.
- A second site visit was made on 2/22/2013 to take photos and video of the warehouse.
- A third site visit was made on 4/17-18/2013 to further discuss warehouse operations, conduct inventory testing, and document conditions at the warehouse.

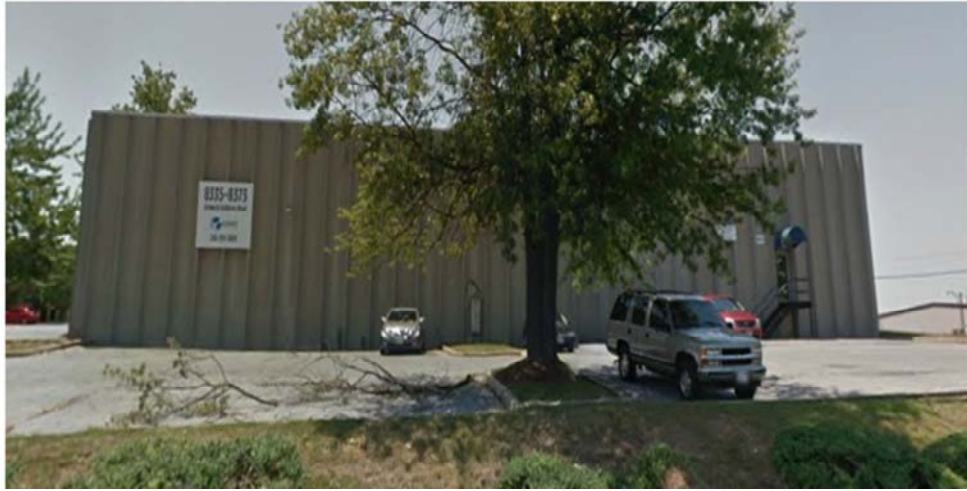


U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



5

## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

6

Photo facing front, bay doors are to the left other doors face the right open on to grass side.

# Warehouse Background

Space Plan for EPA Landover Warehouse,  
Ardwick Industrial Plaza, 8335-8361 Ardwick, Landover Maryland



1. This is GSA leased space
2. The overall square footage of the warehouse is 69,000 sq ft.
3. The square footage of office space in the warehouse is 60 ft x 30 ft.
4. There are no "bulk" or "bin" storage areas.
5. There are 49 storage racks (rows), 1,150 Sections of 8 ft x 5.5 ft.
6. The clearance between aisles measures 11 ft.
7. There are two secure area for sensitive items? Both are lockable cages. One measures 64 ft x 32 ft, the other 32 ft x 32 ft.
8. There are restroom facilities in the warehouse.
9. There is a break room in the warehouse. No appliances are provided, but may be made available from surplus inventory.
10. There is no GPP included on this contract. All warehouse equipment must be provided by the contractor.
11. The two bays in "Area C" are the loading dock.
12. Area "E" is currently being used by another contractor.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

7

The floor plan of the warehouse. Although the floor plan states the square footage is 69,000, the GSA bill state the square footage as approximately 70,000.

## Warehouse Background

- Approximately 70,000 square feet.
- Two secure areas for sensitive items.
- Break room is located in the front office complex.
- No other rooms, break areas or non-storage space areas are shown or identified on the space plan.





## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

9

This is the view from the office area of the warehouse. Racks on right contain letterhead.

## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

10

Surplus office furniture.

## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

11

Surplus office furniture.

## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

12

Surplus office furniture.

## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

13

Paper supplies/copy paper.

## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



14

Left hand side of open area.



## Warehouse Background



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

15

Recently arrived surplus stacked in middle of bay lane.

## Outline of Observations

- Inventory Record System.
- Warehouse Contents.
- Personal Use Items.
- Security Issues.
- General Warehouse Conditions.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



16



## Summary of Observations

- Warehouse recordkeeping system (Warehouse Management Module) is incomplete and inaccurate.
- System does not accurately reflect the warehouse's contents, condition and location; and includes no dollar value of the items, including new, surplus or storage items.
- Warehouse is not adequately maintained.
- Warehouse is operating as a long-term storage facility filled with a considerable amount of unusable, inoperable, and obsolete furniture and other items.



## Summary of Observations

- There does not appear to be an efficient rotation of paper stock, resulting in outdated, damaged and unusable paper, print shop materials and supplies.
- There does not appear to be an efficient use of warehouse labor and storage space.
- There does not appear to be an efficient purchasing policy for low-cost, easily obtainable items.
- Warehouse personnel are using items for personal use.
- We also identified potential fire and safety hazards, as well as security issues.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



18

## Summary: Inventory Record Keeping System

- Obtained “Rack Run” for items stored in cage and identified 11 items to test inventory recordkeeping system.
- We noted no exceptions with 5 of the 11 items.
- For the remaining 6 items we found that 4 items were not located in the cage as identified, 1 had an incorrect quantity, and 1 had incorrect serial numbers.
- We also noted many additional items stored in the cage that were not on the “Rack Run” listing.



## Cage Test



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

20

This is one of two secure, limited access, locked areas for storage. The sign affixed to cage states "Authorized Personnel Only!!! No Exceptions!!!"

## Cage Test

PO	End user	Received date	Description	Quantity	Customer	Comment
none	Mark	08/27/07	Findmro By Grainger		1 Mark	500 light bulbs
EP10H00787	J Dady	03/05/10	Carpet Adhesive	1 J Dady		1 pallet 4 cans of carpet adhesive Falm and hazardous
none	M Caraballo	12/06/11	Tanberg	1		VTC unit broken
none	B Randall	12/13/10	heater		8 B Randall	8 honeywell heaters found in cage
EPO8H008762	B Randall	02/06/08	Spot Cooler		5 B Randall	Used units in cage, new units located outside cage cost \$4,900 each
none	T Brown-Cook	09/14/10	Microwaves		6 T Brown-Cook	4 in cage record search indicated that 10 ordered, 6 shipped, serial no on shipped items incorrect.
EP13H000158	T Griner	04/16/13	Laptop Batteries		1 T Griner	1 box containing 20 batteries not Dell batteries trying to return
None	J Cambell	01/10/13	Chairs		6 J Cambell	used yellow evacuation chairs
EP12H000717	J Cambell	09/19/12	Chairs		3 J Cambell	Stryker rescue chairs \$3,000 a piece only located 2 one missing stored outside cage



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



21

The spreadsheet, prepared by the contractor, represents items located in the cage area. The comment represents the actual items found in the cage by the OIG for the corresponding item.

## Cage Test

In addition the following items were located in the cage but not on any listing:

- Commander Premium Power Control Center (Comp Power Supply)  
10 boxes @ 6 per box received 2001 (seen in gym).
- Records from Resource Management dated 1991.
- New desk top computer in box purchased in 2005.
- Used monitors.
- 7 boxes of EPA CFC Report with thousands of copies.
- ATM machine.
- 14 Dell monitors in original packaging 2/21/2003 Not in Rack Run.
- Just outside the cage were 52 more boxes of Commander units dated 3/6/2000.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



22

## Cage Test



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

23

Four microwaves located in cage.

## Cage Test



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

24

Serial numbers on remaining microwaves do not match the numbers listed on the inventory. The serial number shown is listed as being assigned out. Of the three remaining microwaves, two of the serial numbers were wrong.



## Cage Test



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



25

Serial numbers for Stryker evacuation chairs, worth approximately \$3,000 apiece. Agency ordered 56. The inventory records indicate 53 were shipped. Of the 3 remaining, only 2 were located.

## Cage Test



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

26

Portable air conditioning units listed as being in cage found outside cage. Each unit worth approximately \$5,000.

## Cage Test



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

27

Smaller unopened portable air conditioning units listed as being in cage but found outside cage. Records state they have been in the warehouse since February 2008.

## Summary – Warehouse Contents

- New Appliances.
- New Unused Furniture Purchased in 2008, 2009 and 2010.
- Building Materials (Carpet and Ceiling Tiles).
- Stationery and Office Supplies.
- Pianos.
- Band Instruments.
- Gold Embossed EPA Mugs.
- Archive Agency Files.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



28

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

29

Refrigerators received in 2007 in original wrapping.

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

30

Two other refrigerators in original wrapping.

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



31

Chairs ordered in 2008, 2009, and 2010 listed as surplus with no value assigned.



## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

32

Chairs ordered in 2008, 2009, and 2010 listed as surplus with no value assigned.



## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

33

Left : Carpet Tiles  
Right : Ceiling tiles

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

34

Racks of EPA letterhead.

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

35

Racks of EPA Folders.

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

36

Two upright pianos.

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

37

Another upright piano.

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

38

Band equipment found in cage.

## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

39

Gold rimmed award mugs.



## General Warehouse Conditions



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

40

Archived records dated 1992.



## Warehouse Contents



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

41

(Clockwise from upper left) Plastic trash cans, more plastic trash cans, broken chairs, plastic plants, lamps, 3-inch binders stored since 2009.

## Warehouse Contents/Excessive Purchasing



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

42

9 ½-by-12 inch brown Kraft envelopes some stored since 1998.

## Contents / Old Cubicle Units and Parts



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

43

Surplus cubicle parts.

## Personal Use Items / Cubicles

### Created Cubicles or Cubby Holes

- Created hidden spaces for employees that included television sets, refrigerators, radios, electric service provided by long extension cords, power strips, microwaves, furniture, chairs and couches. Loaded with personal items: photos, pin ups, calendars, clothing, books and magazines.
- All appliances and electrical items from warehouse inventory/surplus.
- All items are arranged so they are out of sight of camera.
- Represents security issue.
- Electrical cords and breaker overloads are a fire hazard.



## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

45

Cubicle 1 found in cage area. It faces the front of the cage but has a wall in front to keep passersby from seeing inside. It has TV/VCR/DVD player, power provided by extension cord, clothing, chair, and file cabinet.

## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

46

Cubicle 2 is behind cubicle 1 in the cage. It has a TV, refrigerator, power by extension cord, chairs, couch, carpet tiles, radio, lights, weights, and lamps. Cubicle partitions have been added to provide privacy.



## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

47

Cubicle 3 was outside of cage but hidden from view with pallets of recyclable material placed in front of a surplus medical screen.

## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



48

Another view of cubicle 3.



## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

49

TV attached to a wireless receiver in cubicle 3.

## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



50

Wall clock, refrigerator plugged in and in use, trash and food utensils found in cubicle 3.

## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

51

Personal effects and articles cut out and posted in cubicle 3.

## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

52

Cubicle 4 was located behind the second cage area. The cubicle was hidden from view behind a wall of gym lockers pushed up against it and located under a rack system. The cubicle contains a TV/VCR/DVD unit, a fan, power by extension cord, electric hair trimmer plugged in, and refrigerator.

## Personal Use Items / Cubicles



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

53

This door is near cubicle 1 and 2 and opens to the grass area. Power for cubicle 1 and 2 comes from extension cords and present a potential fire hazard.

## Personal Use Items / Gym

### Gym Equipment

- Surplus gym equipment has been moved and arranged to create a huge usable gym area for the employees. All weights, machines, benches, etc. are being used and are cleaned and well maintained.
- Gym area is in excess of 30 feet by 45 feet. Carpet tiles have been put on the floor in gym use area. Area has power from an extension cord and power strip, a radio stereo, and box of steno pads for recording workouts and information.
- All items from warehouse inventory.
- Fire hazard and insurance hazard if employees get hurt on site at gym, workers comp issues.
- Time management problems.



## Personal Use Items / Gym



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

55

Picture of gym area.



## Personal Use Items / Gym



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

56

Picture of gym area.



## Personal Use Items / Gym



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

57

Picture of gym area.

## Personal Use Items / Gym



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

58

Picture of gym area.

## Personal Use Items / Gym



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

59

Computer and other electrical equipment being used to provide music in gym area.

## Personal Use Items / Gym



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



60

At the end of the gym is a huge open area.

## Security/Safety Issues

- Personally Identifiable Information materials, archived files, enforcement files and other official agency records.
- Unsecured racks/poorly balanced racks.
- Used computers need to follow protocol.
- Staff knows where all of the cameras are.
- No schedule for reviewing tapes.
- Staff can enter/exit through bay doors w/o checking in.
- "Office" in middle of warehouse not on floor plan, away from camera.
- Propane stored in building/trucks in building at night/gas forklift in enclosed area.



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



61

## Security/Safety Issues



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

62

EPA Passports found in shredding area.

## Security/Safety Issues



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

63

Pallets are placed in potentially hazardous conditions. The pallets are hanging over the edge and may present potential safety issues.



## Security/Safety Issues



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

64

Old computers.



## Security/Safety Issues



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

65

Forklift driver's space with separate exit. Space not on floor plan.

## Security/Safety Issues



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL



66

Vehicles are parked in warehouse after work hours.

## General Warehouse Conditions

- Corroded doors and jambs.
- Dirt, dust, vermin feces.
- Surplus items and copy paper stored in different places.
- Old computer bags molding and rotting.
- Many items unsecured on pallets/bindings removed.
- Many boxes opened on pallets.



## General Warehouse Conditions



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

68

Old brown envelopes covered in rat feces and dirt.

## General Warehouse Conditions



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

69

Copy paper stored in various areas.

## General Warehouse Conditions



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

70

Additional copy paper opened and incorrectly stored.

## General Warehouse Conditions



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

71

Contents in cage. Contents include plastic trash cans, boxes of opened tape, archived files, and old cardboard.



## General Warehouse Conditions



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

72

Carpet tiles. The boxes appear to be collapsing. One of the boxes has been opened.