



OFFICE OF INSPECTIONS AND FORENSIC AUDITING  
OFFICE OF INSPECTOR GENERAL  
U.S. General Services Administration

**Evaluation of GSA Personal  
Property Management  
Division Operations at  
the Springfield, Virginia  
Warehouse**

**Report Number  
JE15-005  
July 28, 2015**



Results In Brief

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U.S. General Services Administration  
Office of Inspector General

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July 28, 2015

TO: THOMAS A. SHARPE JR.  
Commissioner  
Federal Acquisition Service (Q)

FROM: PATRICIA D. SHEEHAN  
Director  
Office of Office of Inspections and Forensic Auditing (JE)

SUBJECT: Evaluation of GSA Personal Property Management Division Operations at the  
Springfield, Virginia Warehouse  
Report Number: JE15-005

This report presents the results of our evaluation of GSA's Personal Property Management Division Operations at the Springfield, Virginia Warehouse. Instructions regarding the resolution process can be found in the email that transmitted this report.

Your written comments to the draft report are included in the Appendix of this report.

If you have any questions regarding this report, please contact me or any member of the evaluation team at the following:

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On behalf of the evaluation team, I would like to thank you and your staff for your assistance during this review.

1800 F St. NW, Washington, DC 20405

## Introduction

This report presents the results of our evaluation of the Federal Acquisition Service, Personal Property Management Division's (PPMD) warehouse operations in Springfield, Virginia. Our evaluation focused on the practices and procedures used to manage excess and surplus personal property at this warehouse facility. Our evaluation included testing and analyzing the management and operations of PPMD by conducting onsite inspections, observing customer transactions, and reviewing transaction documentation. The objective of the evaluation was to assess the adequacy of PPMD's physical and accounting controls for the safeguarding of personal property at the Springfield Warehouse.

## Results In Brief

Overall, the evaluation found that PPMD conducted its operations effectively; however, security controls could be strengthened. We found several external security control weaknesses that PPMD should work with the Public Buildings Service to strengthen in order to reduce the risk of deliberate or inadvertent loss of personal property. The evaluation also identified the need for improved communication among the Springfield warehouse facility stakeholders. Establishing a Facility Security Committee, and having PPMD actively participate, would be an effective avenue for remediating the following security control weaknesses identified during our evaluation:

- Security guards did not screen vehicles in accordance with security requirements;
- Post Orders did not contain any specific security requirements for the Springfield warehouse;
- Personally owned vehicle parked in the warehouse increases risk of opportunity theft, and;
- Video surveillance quality is poor and has unexplained recording gaps.

We also noted security control weaknesses that are under the purview of PPMD to remediate without involving the Facility Security Committee:

- PPMD's leased space has insufficient barriers to protect personal property from theft;
- Computers for Learning cage can be accessed through broken barbed wire, and;
- There is an inaccurate inventory count of foreign gifts.

## What the OIG Recommends

The OIG recommends a series of actions aimed at better securing the personal property in the care of PPMD. The OIG also recommends PPMD consider automating its current paper-driven inventory tracking system for high value property. The Federal Acquisition Service Commissioner agreed with our recommendations and initiated corrective actions. Management's comments can be found in their entirety in the Appendix.

## Background

PPMD distributes, donates, and sells federal excess and surplus personal property, with its operations located in GSA's Springfield, Virginia warehouse facility. Personal property is made available for donation to state agencies and non-profit organizations when it is not selected for transfer to another federal agency. If the property is not transferred or donated, but has been determined to have value (including scrap value), it is then offered for sale to the general public. Property that is determined not to have value is designated for abandonment or destruction, and is transported to a solid landfill site. As such, the Springfield warehouse operation is not a typical warehouse for the storage of property, but is rather a short-term or temporary holding facility for federal excess and surplus property.

GSA's Public Buildings Service manages the approximately one million square foot warehouse facility, which consists of eight sectioned bays. Federal Acquisition Service's PPMD leases bay 1 (partitioned into Bay 1A and 1B) from Public Buildings Service for its excess and surplus property operations, and Public Buildings Service leases the remaining seven bays to other Federal tenants. Uniformed guard services for the warehouse facility are provided by a private contractor through the Department of Homeland Security's Federal Protective Service.

## 1 Springfield warehouse facility does not have an established Facility Security Committee

The Springfield warehouse facility does not have an established Facility Security Committee, leading to security control weaknesses. The Department of Homeland Security's security standard "Facility Security Committees" (Jan. 1, 2012) requires that a Facility Security Committee be established to make security decisions for any facility with more than one federal tenant.<sup>1</sup>

The Facility Security Committee has responsibility for addressing facility-specific security issues and approving implementation of security countermeasures and practices recommended by the security organization (the Federal Protective Service). Implementation can combine operational and physical security measures based on the facility security level as well as the level of protection deemed appropriate and achievable for the facility.

The Facility Security Committee consists of representatives of all

federal tenants in the facility, the Federal Protective Service (the security organization for GSA owned and operated facilities), and the owning or leasing department or agency. Each federal tenant that pays rent on occupied space will have a seat and a vote on the Facility Security Committee, and the Facility Security Committee must meet annually, at a minimum. The Facility Security Committee must also meet when a need arises, as determined by the committee chairperson.

The senior representative of the primary tenant serves as the chairperson of the Facility Security Committee. The chairperson has responsibility for operations of the Facility Security Committee, such as scheduling meetings, setting meeting agendas, maintaining records, assigning tasks to other members for drafting plans, and coordinating with outside organizations. The OIG review team asked the highest ranking PBS and FAS officials at the warehouse facility, and neither knew of the Facility Security Committee.

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<sup>1</sup> To address issues identified after the Oklahoma City bombing, President Clinton established by Executive Order a permanent Interagency Security Committee, which DHS now chairs. The Interagency Security Committee has responsibility for addressing continuing government-wide security for federal facilities. The Interagency Security Committee requires that facilities with two or more federal tenants have a Facility Security Committee to make security decisions for the facility. Certain statutes and regulations authorize all federal departments and agencies to provide security for their facilities and employees. Aligned with this authority, each department and agency receives funding to provide security. Concurrent with the responsibility placed on every federal agency, 40 U.S.C. § 1315 requires the Department of Homeland Security (DHS) to protect the buildings, grounds, and property that the Federal Government or any government agency owns, occupies, or secures, as well as the persons on the property. Together with § 1315, the Presidential Policy Directive (PPD-21) and the National Infrastructure Protection Plan codify DHS's responsibility for establishing policy to enhance the protection and resilience of the Nation's critical infrastructure.

## 2 Security Guards did not screen vehicles in accordance with security requirements

The Federal Protective Service's written Post Orders, "Protective Security Officer Post Assignment Record," (November 19, 2013) require that guards ask the vehicle operator entering the Springfield facility to open the engine compartment hood and use an inspection mirror and portable lights to view the vehicle's undercarriage. Both the Post Orders and the Federal Protective Service 2008 Security Guard Information Manual require that the security guards inspect the vehicle's trunk and storage compartments. Moreover, the Security Guard Information Manual states that screening for visitors should occur 100% of the time.

The Federal Protective Service contract security guards are not screening all vehicles entering the Springfield facility in accordance with their Post Order and the Security Guard Information Manual. Our evaluation team experienced the screening process firsthand as we passed through the security checkpoint multiple times when entering the facility. The typical screening process involved the security guards asking for identification information without leaving the guard booth. On each visit we provided either our GSA Access Cards (HSPD-12) or state driver's licenses. We did not have to open our vehicle trunks or engine compartments for inspection on any visit.

We also conducted onsite observations of the warehouse facility on four separate days. We observed that the guards did not walk around the vehicles or look into car trunks and engine compartments. Moreover, they did not look into storage compartments of trucks. We also observed one instance where a privately owned vehicle was permitted to enter the facility without a guard recording information about the vehicle and visitor in the official logbook. In addition, when the customer service manager inquired on our behalf about mirrors for viewing vehicle undercarriages, a guard reported that they did not have that type of security equipment at the facility.

Our review of visitor logs over five days also found 13 instances where the guards' handwritten data entered into their gatehouse visitor logs was illegible and we could not determine the information recorded therein. The Post Orders provide that the guards must keep the logs in a legible manner. The Post Order states that, "Logs are official government documents and shall be kept in a professional manner, be legible at all times, and recorded accurately."

### 3 Post Orders did not contain any specific security requirements for the Springfield warehouse

The Post Orders are prepared on a standard Federal Protective Service form that provides no specificity to the operations at the Springfield warehouse. The security guards' Post Orders, dated November 19, 2013, under the subheading "Agency Specific Requirements," state: "Note: See Agency Specific Addendum." However, no such document exists. Public Buildings Service and PPM D stated that they have not provided any "Agency Specific Addendum" to the Federal Protective Service for incorporation into the security guards' Post Orders, nor were they ever asked to do so.

The lack of agency or facility specific guidance indicates the Post Orders are not appropriately tailored to the needs of the Springfield facility. As a result, the Federal Protective Service security guards apply security procedures at their discretion or on an ad hoc basis. The preparation of specific guidance applicable to the Springfield warehouse would clarify those security procedures that the Facility Security Committee deems essential from those that may be considered as unnecessary.

An established Facility Security Committee at the Springfield facility may permit the security guards to conduct random vehicle searches, instead of requiring a search of every vehicle, to include employees' vehicles.

### 4 Personally owned vehicle parked in warehouse increases risk of opportunity theft

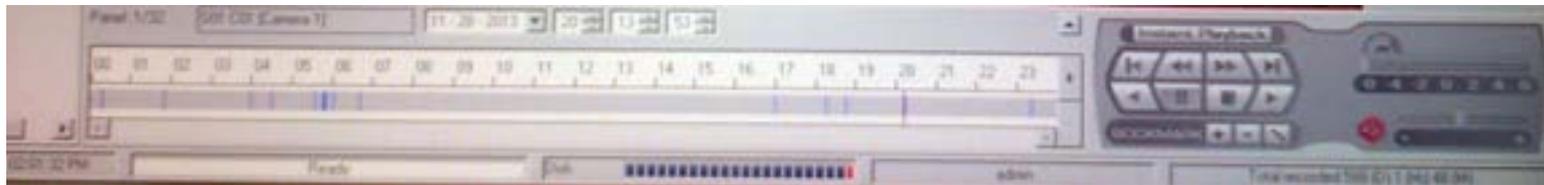
We raised a security concern with Public Buildings Service regarding a personally owned vehicle parked within the warehouse facility building, not outside in the employee parking lot. This scenario provides an opportunity risk to easily hide federal property within the vehicle. It was explained that the employee was permitted to regularly park the personally owned vehicle in the building due to personal safety concerns associated with an exceptionally early start time. This is an area where the Facility Security Committee could examine the issue of vehicles parked in the warehouse building during business hours.



Figure 1: Personally owned vehicle parked inside warehouse facility.

## 5 Video surveillance quality is poor and has unexplained recording gaps

We reviewed archived surveillance video at the GSA Springfield warehouse and found unrecorded gaps in the footage: one with major recording gaps and one with minor gaps. Public Buildings Service informed us that the video gapping occurs because the external surveillance cameras only record when motion is detected and the gaps indicate that no motion was detected. However, our comparison of external surveillance video to the security guard's sign-in/sign-out sheets indicated the surveillance video did not record at times when visitors entered or left the warehouse facility. Conversely, other surveillance video continuously recorded (no gapping) when the security guards visitor logs indicated only a few visitors arrived or left the facility.



*Figure 2: The thin blue vertical lines in the above 24 hour recording scale indicate when the camera was functioning. The gray areas in the scale indicate that no video surveillance was recorded.*



*Figure 3: The near solid blue areas on the 24 hour recording scale indicate a functioning video recording. The very thin gray vertical lines in the scale indicate when no video surveillance was recorded.*

In addition to the recording gaps demonstrated in Figure 2, we also found that the surveillance video, when functioning, to be of poor quality – containing grainy and unclear images at night. We were unable to identify who was walking about the facility or any vehicle details such as color, license plate, make or model from the surveillance video. As a result, we were unable to verify the effectiveness of the security guards' presence in limiting after-hour access to the warehouse, and we could not reconcile vehicle license plates to guard logs. Consequently, in the event of a theft, the surveillance video would be of limited use in identifying the perpetrators.<sup>2</sup>

## 6 PPMD's leased space has insufficient barriers to protect personal property from theft

We found no physical barriers between PPMD's space and the remaining warehouse space. The warehouse is internally sectioned into eight bays, with PPMD leasing bays 1A and 1B. PPMD controls visitor access to its bays during business hours using sign-in logs, visitor badges, and verbal challenges. However once entry has been made to the warehouse facility during business hours, there are not sufficient physical barriers, such as closed bay doors or fencing, securing PPMD's personal property from other tenants. We note that PPMD does not have authorization from the Public Buildings Service to close and secure overhead doors during business hours; however, PPMD

has the authority to implement security controls within their own warehouse space.

Closing and securing the internal overhead doors between PPMD's spaces and the rest of the warehouse facility would be an adequate physical barrier. However, according to the Public Buildings Service, these bay doors are left open during the day for Public Buildings Service access due to fire safety concerns with the 61-year-old wood-roofed facility, and temperature control for the comfort of the warehouse workers facility-wide.



Figure 4: Shows sample of roofing structure covering the entire one million square foot wood-framed facility.

<sup>2</sup> We note that the review of the available selected video footage did not reveal any improper or suspicious activity.

While some tenants have erected fencing, temporary walls, screening, and/or security cameras to secure entire areas within their portion of the warehouse, PPMD has only two fenced “cages” – one holding Computers for Learning IT equipment, and the other containing gifts to the United States from dignitaries. The weakness caused by inadequate physical barriers could be remedied by PPMD installing its own internal security measures.



*Figures 5 and 6: Examples of PPMD’s personal property not secured after hours -- bullet proof vests and office equipment.*

## 7 Computers for Learning cage can be accessed through broken barbed wire

In the case of the Computers for Learning cage, we noted broken barbed wire in the fencing that had not been repaired to deter after-hours access to the cage.<sup>3</sup>



Figure 7: Shows break in barbed wire fencing of the Computers for Learning cage.

<sup>3</sup>The Computers for Learning program evolved as a guide for implementing Executive Order 12999, *Educational Technology: Ensuring Opportunity for all Children in the Next Century*. The order encourages agencies, to the extent permitted by law, to transfer surplus computers and related peripheral equipment directly to schools and educational nonprofit organizations. The Computers for Learning website allows eligible recipients to view and select the computer equipment that federal agencies have reported as excess. A school is eligible to participate in the Computers for Learning program if the school is a public, private, or parochial school serving some portion of the prekindergarten through grade 12 population.

## 8 Inaccurate inventory count of foreign gifts

As a result of the sheer volume and the short period of time that personal property resides in the warehouse, PPMD does not maintain an inventory for the vast majority of individual personal property items. PPMD does maintain a manual (paper) inventory listing of property found in the foreign gifts cage, but a comparison of on-hand items observed in the foreign gifts cage to the PPMD inventory list disclosed several discrepancies. Several itemized entries on the inventory list were off by one number from the numbering of the physical tags. These discrepancies between labelling and inventory provide an opportunity for possible theft or loss going unnoticed.

The Federal Management Regulation *Disposition of Personal Property*, § 102-35.20, *What Definitions Apply to GSA's Personal Property Regulations?* states that accountable personal property “includes nonexpendable personal property whose expected useful life is two years or longer and whose acquisition value, as determined by the agency, warrants tracking in the agency's property records, including capitalized sensitive personal property.” Tracking involves maintaining an inventory that:

“includes a formal listing of all accountable<sup>4</sup> property items assigned to an agency, along with a formal process to verify the condition, location, and quantity of such items. This term may also be used as a verb to indicate the actions leading to the development of a listing. In this sense, an inventory must be conducted using an actual physical count, electronic means, and/or statistical methods.”<sup>5</sup>

system involves the Federal Acquisition Service creating a master system, which would include a module for PPMD’s inventory. The master system is currently in the planning phase, with a survey report of requirements for a fully integrated system due in August, 2015.

The Springfield warehouse is used as a temporary storage facility for personal property, it may be impractical to maintain a detailed real-time (automated) or a manual (paper) inventory record. However, using an automated system would be the most efficient and accurate way of conducting periodic inventory counts of high value property such as the foreign gifts.

PPMD reported having plans to implement an electronic inventory system, in phases. PPMD has an “interim” system, currently in test mode which will become fully operational at the beginning of fiscal year 2016. The interim system tracks excess property, but not surplus property (and therefore not foreign gifts). The second phase for implementing an electronic inventory

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<sup>4</sup> “Accountable” means the ability to account for personal property by providing a complete audit trail for property transactions from receipt to final disposition.

<sup>5</sup> 41 C.F.R. § 102-35.20 (defining Inventory).

## Conclusion

The nature of the Springfield warehouse as a temporary, rather than extended traditional storage facility, presents a greater potential of theft and loss of personal property due its high turnover and lack of periodic inventorying. Much of the personal property maintained at the Springfield warehouse is readily saleable on the open market due to its nature as general purpose office equipment. It is important that strong security controls are established to prevent unauthorized access by both the public and tenant agency personnel. Establishing a Facility Security Committee among all stakeholders will improve communication in order to effectively remediate the security control concerns outlined within this report.

## Recommendations

Recommendation 1: GSA should establish a Facility Security Committee at the Springfield warehouse facility.

Recommendation 2: PPMD should develop facility-specific security requirements and submit them to the Facility Security Committee for consideration as an Agency Specific Addendum for inclusion in the Federal Protective Service's Post Orders.

Recommendation 3: Surveillance cameras should clearly record critical identifying information, including vehicle license plates. Surveillance video should be monitored regularly to ensure that it is operating properly.

Recommendation 4: PPMD should consider additional internal physical security measures to adequately control access to personal property.

Recommendation 5: PPMD should consider automating its current paper-driven inventory tracking system for accessing and monitoring high value property inventory.

## Objectives, Scope, and Methodology

The objective of the evaluation was to assess the adequacy of PPMD's controls in order to safeguard personal property at its Springfield warehouse operations. Our evaluation was initiated in early FY2014, but was suspended several times due to emerging concerns having higher priority.

In order to accomplish our objective, we:

- Observed employees, security guards and visitors to the Springfield warehouse;
- Reviewed PPMD's policies and procedures;
- Tested PPMD's transactions and reviewed supporting records;
- Interviewed Federal Acquisition Service's PPMD, Federal Protective Service, and Public Buildings Service management;
- Reviewed prior OIG investigative findings;
- Observed cashiering controls for personal property sales;
- Validated property pick-up and drop-off transactions, and;
- Validated surplus sales transaction documentation.

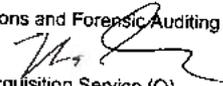
Our evaluation was conducted in accordance with the Council of Inspectors General on Integrity and Efficiency (CIGIE) "*Quality Standards for Inspection and Evaluations*."



GSA Federal Acquisition Service

July 22, 2015

**MEMORANDUM FOR** PATRICIA S. SHEEHAN  
 Director, Office of Inspections and Forensic Auditing (JE)

**FROM:** THOMAS A. SHARPE JR.   
 Commissioner, Federal Acquisition Service (Q)

**SUBJECT:** Response to Draft Report: "Evaluation of GSA Personal Property Management Division Operations at the Springfield, Virginia Warehouse," Job: JEF13-047-000

I am writing in response to your Memorandum for Alfonso J. Finley, the then Regional Commissioner, Federal Acquisition Service (FAS), National Capital Region, dated June 29, 2015, concerning the draft report entitled "Evaluation of GSA Personal Property Management Division Operations at the Springfield, Virginia Warehouse." By this memorandum you requested written comments on the draft report within thirty calendar days. Your draft report identified five recommendations, including four recommendations related to security of the Personal Property Management (PPM) Division operations and more broadly, the GSA warehouse facility in Springfield, Virginia. You also made a recommendation to automate the PPM Division inventory tracking functions.

FAS agrees with these findings and has begun working with the GSA Office of Mission Assurance (OMA), the office responsible for GSA security, on the four facility security recommendations (Recommendations 1, 2,3 and 4). OMA has already visited the warehouse facility and is coordinating with FAS, the Public Buildings Service, and the Department of Homeland Security, Federal Protective Service to develop a Joint Corrective Action Plan.

FAS also agrees with Recommendation 5 -- namely that "PPMD should consider automating its current paper-driven inventory tracking system for accessing and monitoring high value property inventory." The PPM Division is currently engaged in a Systems Modernization initiative in which implementing automated physical asset management and inventory controls are an integral part.

If you have any questions regarding these comments, please contact Mr. David Robbins, Director, Office of Personal Property Management, at [David.Robbins@gsa.gov](mailto:David.Robbins@gsa.gov)/ 703-605-5609 or Mr. Brett Armstrong, Deputy Associate Administrator, Office of Mission Assurance, at [Brett.Armstrong@gsa.gov](mailto:Brett.Armstrong@gsa.gov)/202-379-6134.

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