



Office of Audits
Office of Inspector General
U.S. General Services Administration

PBS Has Not Identified All High-Risk Uses of Space, Resulting in Potential Safety Risks

Report Number A210020/P/6/R22003
March 24, 2022

Executive Summary

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Why We Performed This Audit

In January 2020, we issued an audit report on GSA’s protection of child care centers in GSA-controlled buildings.¹ During that audit, we found that personnel in GSA’s Public Buildings Service (PBS) did not have a clear understanding of the fire protection and life safety requirements for the buildings we tested. As a result, we included this audit in our *Fiscal Year 2021 Audit Plan*.

We performed this audit to determine whether PBS is performing fire, safety, and health space evaluations on GSA-controlled (both owned and leased) space to identify all high-risk uses of space, in accordance with PBS Order 1000.4 CHGE 1, *Fire, Safety and Health (FSH) Space Evaluation Policy* (space evaluation policy).

What We Found

PBS plays a significant role in providing a safe and healthy environment for tenants, contractors, and visitors at over 9,000 federally owned and leased facilities nationwide. Some tenant agencies use the space in these facilities for high-risk purposes, such as laboratories, firing ranges, and explosive material storage, which present unique fire, safety, and health hazards. However, we found that PBS has not identified all high-risk uses of space under GSA control because it is not effectively managing the fire, safety, and health program. As a result, PBS has not taken measures to eliminate or mitigate potential fire, safety, and health hazards arising from high-risk uses of space, or identified and addressed all incompatible occupant activities.

What We Recommend

We recommend that the PBS Commissioner:

1. Revise and strengthen the space evaluation policy, including the permit referenced in “Appendix B. GSA Fire, Safety and Health (FSH) Program Potentially High Risk Use Permit,” by using plain language and better defining policy terms and conditions.
2. Implement a centralized recordkeeping location and format for the space evaluation policy permit, referenced in “Appendix B. GSA Fire, Safety and Health (FSH) Program

¹ *Child Care Centers in GSA-Controlled Buildings Have Significant Security Vulnerabilities* (Report Number A170119/P/6/R20001).

Potentially High Risk Use Permit,” to track and monitor PBS’s process of space evaluations.

3. Develop and implement a centralized tracking mechanism for all high-risk use space types in the PBS Real Estate Across the United States system.
4. Provide formal, standardized training to the Office of Facilities Management, the Office of Portfolio Management and Customer Engagement, and the Office of Leasing regarding the space evaluation policy and the offices’ respective roles and responsibilities.
5. Develop and implement appropriate internal controls to ensure program oversight of the space evaluation process.

The PBS Commissioner agreed with our recommendations. PBS’s response can be found in its entirety in ***Appendix E***.

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Introduction

We performed an audit of the GSA Public Buildings Service's (PBS's) evaluation and authorization process designed to identify, assess, and mitigate potentially high-risk uses within GSA-controlled space.

Purpose

In January 2020, we issued an audit report on GSA's protection of child care centers in GSA-controlled buildings. During that audit, we found that PBS personnel did not have a clear understanding of the fire protection and life safety requirements for the buildings we tested. As a result, we included this audit in our *Fiscal Year 2021 Audit Plan*.

Objective

The objective of this audit was to determine whether PBS is performing fire, safety, and health space evaluations on GSA-controlled (both owned and leased) space to identify all high-risk uses of space, in accordance with PBS Order 1000.4 CHGE 1, *Fire, Safety and Health (FSH) Space Evaluation Policy* (space evaluation policy).

See **Appendix A** – Objective, Scope, and Methodology for additional details.

Background

As landlord for the federal government, PBS is responsible for GSA-controlled space in over 9,000 buildings. In accordance with Section 19 of the Occupational Safety and Health Act of 1970, federal agencies are required to provide safe and healthy work environments for their employees.² PBS has an additional responsibility to ensure that GSA-controlled spaces are constructed, operated, and maintained in a safe and healthful manner.³ This includes the responsibility to ensure that any occupying entity in federally owned and leased space does not pose an unacceptable fire, safety, and health risk to other building occupants, contractors, the public, or property.

The majority of GSA-controlled space is used as general purpose office space. However, some tenant agencies require special-use space to conduct their missions, such as laboratories, firing ranges, and explosive material storage. This special-use space often presents unique fire, safety, and health hazards. Accordingly, it is critical that PBS takes proper measures to protect its facilities, GSA buildings, personnel, tenants, and visitors from these hazards.

² 29 U.S.C. 668.

³ 29 C.F.R. 1960, Subpart E.

Prior OIG Audit Finding and PBS's Subsequent Establishment of the Space Evaluation Policy

On June 26, 2015, we issued an audit memorandum in response to a hotline complaint that identified incompatible tenant groupings, improper explosives storage, and unresolved safety issues in several federal buildings throughout GSA's Heartland Region.⁴ Incompatible groupings are those that potentially place building tenants at risk for harm, including chemical and biological laboratories in office space, or child care centers present in the same buildings as explosive materials storage or laboratory space. We also noted that while federal regulation required an occupancy permit program, PBS had yet to develop or establish a program.⁵

In response to our audit memorandum, the then PBS Deputy Commissioner for the Heartland Region notified us that PBS planned to review and assess relevant existing policies to determine if there was a need to modify or create additional policies to address incompatible tenant groupings and storage of explosives. As a result of this assessment, on October 9, 2015, PBS issued the space evaluation policy.

The space evaluation policy established an evaluation and authorization process within PBS designed to identify, assess, and mitigate potentially high-risk uses of GSA-controlled space. The primary goal of the policy is to ensure that any high-risk uses of space do not pose an unacceptable risk to human health and safety. Under the policy, potential high-risk uses of space primarily include:

- Laboratories
- Firing ranges
- Storage of explosive materials including small arms ammunition and components

To identify, assess, and mitigate potentially high-risk uses of space, the space evaluation policy establishes a fire, safety, and health space evaluation and authorization process. According to the policy, this evaluation and authorization process must be: (1) initiated for all new or renewed space requests on or after October 9, 2015, and (2) completed prior to entering into or renewing an occupancy agreement (OA) between PBS and the tenant agency.⁶

⁴ *Review of Safety Issues in Lincoln, Nebraska, and St. Louis and Kansas City, Missouri* (Audit Memorandum Number A140134).

⁵ 29 C.F.R. 1960.34(a)(7).

⁶ An OA is an agreement of business terms between PBS and the tenant agency for a specific space assignment.

Roles and responsibilities. As shown in *Figure 1*, the space evaluation policy assigns responsibility for carrying out the evaluation and authorization process to multiple PBS components and the tenant agency.

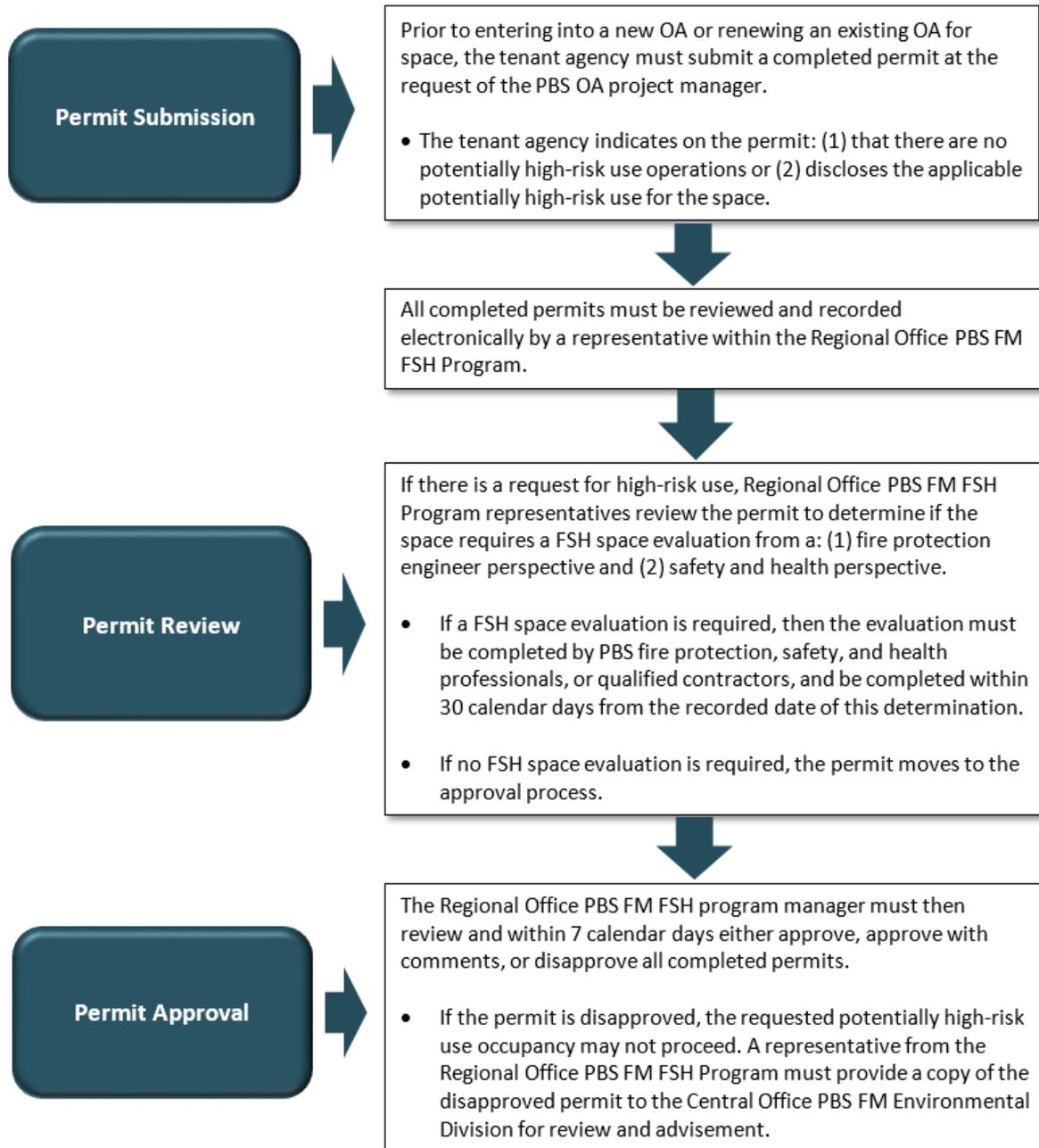
Figure 1 – Roles and Responsibilities for Space Evaluation

Central Office PBS Facilities Management (FM) Environmental Division	Regional Office PBS FM Fire, Safety, and Health (FSH) Program	PBS OA Project Manager*	Tenant Agency
<ul style="list-style-type: none"> • Provide policy development and oversee the program for the PBS space evaluation and authorization process. • Review all disapproved permits and provide technical advice and a recommended course of action to the Regional Office PBS FM FSH Program to resolve any outstanding issues concerning a disapproved permit. 	<ul style="list-style-type: none"> • Review, approve, and maintain permits. • Determine whether an FSH space evaluation is needed and perform compliance reviews and risk analyses. • Provide a recommended course of action for permits that are approved with comments or disapproved. 	<ul style="list-style-type: none"> • Ensure the tenant agency submits a permit to PBS, and that the permit is provided to the Regional Office PBS FM FSH Program for review and approval. • Coordinate and manage customer relationships where federal agencies or occupying entities may be affected by potentially high-risk use operations. 	<ul style="list-style-type: none"> • Complete and submit a permit for PBS review and approval. • Review and evaluate potentially high-risk uses, as part of the space evaluation and authorization process. Tenants must provide PBS with records related to chemical use and storage.

* PBS officials told us this position title does not exist and these duties would be performed by personnel responsible for working with the tenant agency to identify and finalize its space needs.

Evaluation and authorization process. As described in *Figure 2*, the evaluation and authorization process consists of three main steps for the permit process: submission, review, and approval.⁷

Figure 2 – Permit Submission, Review, and Approval Process



⁷ These steps are described in Section 2, *Fire, safety and health space evaluation and authorization process*, of the space evaluation policy.

PBS systems used for space information. As shown in *Figure 3*, PBS uses various systems to maintain and track building and space information relevant to fire, safety, and health hazards.

Figure 3 – PBS Systems Used for Space Information

PBS System	Description
Real Estate Across the United States (REXUS)	This system is used to access real estate property data and includes tools to manage projects, buildings, leases, and agency space assignments for GSA-controlled buildings.
OA Tool	This system is used to create an OA for a client agency. Examples of information included in this tool are space and parking used by the client agency, space costs, and rental rates.
Inventory Reporting Information System	This system is used to manage estimated repair and alteration costs for building projects, capture and feed key data elements to financial systems, and track the status of safety and risk deficiencies identified during safety inspections.
Electronic Spatial Management and Reporting Tool	This system is used to store, maintain, and organize space data and information, as well as assign spaces, floors, and buildings.

Results

PBS plays a significant role in providing a safe and healthy environment for tenants, contractors, and visitors at over 9,000 federally owned and leased facilities nationwide. Some tenant agencies use the space in these facilities for high-risk purposes, such as laboratories, firing ranges, and explosive material storage, which present unique fire, safety, and health hazards. However, we found that PBS has not identified all high-risk uses of space under GSA control because it is not effectively managing the fire, safety, and health program. As a result, PBS has not taken measures to eliminate or mitigate potential fire, safety, and health hazards arising from high-risk uses of space, or identified and addressed all incompatible occupant activities.

Finding – PBS has not identified all high-risk uses of space because it is not effectively managing the fire, safety, and health program; as a result, it has not been addressing the risks from hazardous tenant activities.

PBS has not identified all high-risk uses of space under GSA control. Without this information, PBS cannot take necessary measures to protect tenants, contractors, and visitors by addressing potential fire, safety, and health hazards and potential incompatible occupant activities. We found that these issues occurred because PBS does not have effective management and oversight of high-risk uses of space under its fire, safety, and health program.

PBS Did Not Identify and Mitigate High-Risk Uses of Space

As described below, PBS failed to identify and mitigate hazardous tenant activities because it did not obtain high-risk use permits from tenant agencies or maintain complete and accurate information about the use of its space.

PBS did not obtain high-risk use permits from tenant agencies. In accordance with the space evaluation policy, PBS is required to obtain a completed high-risk use permit from tenant agencies for each new or renewed OA. PBS is supposed to evaluate the permits to determine whether the tenant will use the space for hazardous activities and if it is necessary for PBS to implement safeguards to address and mitigate the risk.

However, PBS is not obtaining high-risk use permits from tenant agencies. We found that PBS obtained permits for only 5 of the 31 new or renewed OAs in our sample (16 percent). In addition, as shown in *Figure 4* on the next page, none of these five permits were obtained within the time frames established by PBS's space evaluation policy. On average, PBS did not collect these permits until 891 days, or nearly 2.5 years, after they were due from the tenant agency. In one instance, PBS took more than 4 years to obtain the required permit.

Figure 4 – High-Risk Use Permits Submitted

Region	Building Name	Tenant Agency	OA Number	OA Renewal Date	Tenant Agency Submitted Permit Date	Days Overdue
[Redacted]	[Redacted]	Military Enlistment Processing Command	AMO00051	7/1/2019	10/22/2020	479
		U.S. Department of State	AMO05590	3/1/2019	10/28/2020	607
		U.S. Immigration and Customs Enforcement	AMO04938	10/1/2017	10/9/2020	1,104
[Redacted]	[Redacted]	U.S. Drug Enforcement Administration	ACA00244	6/1/2017	6/24/2021	1,484
		U.S. Probation Office	ACA00236	5/1/2019	6/22/2021	783
Average Days Overdue						891

Through additional testing and discussions with Office of Facilities Management officials in PBS’s 11 regions, we also determined that 8 regions had not requested or collected high-risk use permits even though these officials were aware of the policy requirements. Although the other three PBS regions—the Southeast Sunbelt, Heartland, and Pacific Rim regions—had obtained some high-risk use permits, these permits were not fully compliant with PBS’s space evaluation policy. Specifically, since the policy went into effect on October 9, 2015:

- The Southeast Sunbelt Region obtained only one permit in 2017.
- The Pacific Rim Region obtained one permit in 2017 and three permits in June 2021.
- The Heartland Region obtained 40 permits through November 20, 2020.

Although the Heartland Region obtained the most permits over this time period, it did not use the high-risk use permit form required under the space evaluation policy. Instead, the Heartland Region developed and used its own permit form, which required additional information beyond that required in the space evaluation policy.⁹ Heartland Region officials told us that they developed the form because tenant agencies did not understand how to fill out the permit form included in the space evaluation policy.

PBS did not maintain complete and accurate information about the uses of its space. PBS’s information about potential high-risk use spaces is not complete and accurate. As a result, PBS cannot effectively address and mitigate risks arising from hazardous tenant activities.

⁸ Redactions in this report represent sensitive information related to federal building security.

⁹ See “Appendix B. GSA Fire, Safety and Health (FSH) Program Potentially High Risk Use Permit,” of the space evaluation policy.

During our site visits, we identified numerous data integrity issues. Out of the 31 spaces selected for our sample, PBS data identified 17 high-risk use spaces. However, we found that only 9 of these 17 spaces (53 percent) were accurately identified. For example, PBS data showed that space in the Federal Bureau of Investigation's (FBI's) [REDACTED] contained a laboratory. However, during our physical inspection of the space, we found that the laboratory was no longer present. FBI officials told us that the laboratory was moved to a different location several years ago.

Out of the 31 spaces selected for our sample, we also identified 14 spaces with high-risk use that were not identified in the PBS data. We found 13 spaces that included storage of small arms ammunition and components and 1 space that contained storage of explosive materials. All of these spaces were occupied by various law enforcement agencies.

Furthermore, during our site visits, we found the following five additional high-risk use spaces that were not identified in PBS data:

- Two spaces that contained small arms ammunition and components
- Two spaces that contained laboratories
- One space that contained both storage of explosive materials and small arms ammunition and components¹⁰

A complete listing of our findings is included in **Appendixes B and C**.

PBS officials acknowledged deficiencies in the reliability of fire, safety, and health data, noting that the data for the storage of explosives was incomplete and not captured consistently.

Without accurate and complete data, PBS cannot take necessary measures to eliminate or mitigate potential fire, safety, and health hazards present in GSA-controlled space. PBS's failure to identify these hazards also impedes its ability to identify and address potential incompatible occupant activities.

¹⁰ Subsequent to the completion of our audit testing, PBS cancelled the space evaluation policy and replaced it with PBS Order 1000.4A, *High Risk Operations*. Under the new policy, PBS no longer considers storage of small arms ammunition and components as one of the conditions that cause an incompatible occupancy.

We discuss PBS's new space evaluation policy in more detail in the *Conclusion* section of this report.

PBS Is Not Effectively Managing the Fire, Safety, and Health Program to Identify and Mitigate Hazards Arising from High-Risk Uses of Space

PBS's failure to obtain high-risk use permits resulted from its ineffective management and oversight of the fire, safety, and health program. We found that PBS is not providing the centralized oversight necessary to ensure hazards arising from high-risk uses of space are identified and mitigated. PBS's management of the program also suffers from inadequate training, the lack of a centralized system to track hazards, and vague policy.

We discuss these deficiencies in detail below.

Lack of centralized oversight. PBS is not providing the necessary oversight to ensure that its Office of Portfolio Management and Customer Engagement and Office of Leasing personnel fulfill their responsibilities to obtain high-risk use information from tenant agencies to complete the permit process. While PBS's Office of Facilities Management has overall responsibility for the space evaluation process, PBS places the responsibility of obtaining tenant agency high-risk use information on Office of Portfolio Management and Customer Engagement and Office of Leasing personnel.

As described above, we found that 8 of PBS's 11 regions had not requested or collected high-risk use permits even though Office of Facilities Management officials in these regions were aware of the policy requirements. Furthermore, no region had fully complied with the space evaluation policy. Based on the lack of high-risk use permits, it is evident that PBS does not have the oversight in place to ensure that each region complies with the space evaluation policy.

The PBS Facility Risk Management Division Director acknowledged that PBS is aware of its deficiencies surrounding implementation of the space evaluation policy. He also recognized that there is currently no tracking mechanism in place to ensure that all regions are implementing and complying with the policy.

Inadequate training. PBS's fire, safety, and health training for identifying and mitigating hazards arising from high-risk uses of space is inadequate. Although PBS provided training on the space evaluation policy when it was issued, we found that the PBS personnel responsible for initiating the permit process often were not aware of their roles and responsibilities under the policy.

PBS's Office of Facilities Management, Facility Risk Management Division provided nationwide training to PBS Office of Portfolio Management and Customer Engagement, Office of Leasing, and Office of Facilities Management staff. However, this training was only provided in December 2015 and January 2016 following the issuance of the space evaluation policy. Only 1 of the 10 PBS OA representatives we interviewed recalled receiving this training.

Our review of the training given in 2015 and 2016 found that it included information that contradicted the space evaluation policy. For example, the training inaccurately provided that the scope of the policy was limited to owned space. PBS was not focusing on leased space at the time because:

- Leased buildings are privately owned and must undergo an inspection by the local authorities to assess compliance with applicable building and fire codes.
- GSA has no direct stake in the properties since GSA does not own them.
- The types of high-risk leased occupancies covered under the space evaluation policy are typically infrequent.

However, the space evaluation policy clearly provides that it is applicable to both owned and leased space with no exceptions as listed above.

Lack of a centralized database to track hazards. PBS's reliance on multiple systems to track high-risk uses of space impairs its ability to identify and mitigate fire, safety, and health hazards in GSA-controlled buildings.

As described in the *Background* section, PBS currently uses four main systems to track fire, safety, and health data. Because these systems do not interface with each other, it is difficult for PBS to track potential high-risk uses of space and to ensure that the data from these disparate systems is accurate and complete.

For example, we found that while PBS's REXUS tracks space types, such as laboratories, child care centers, and general storage, it does not track firing ranges and storage of explosives, including small arms ammunition and components. PBS officials told us that firing ranges are tracked in a separate system called the Electronic Spatial Management and Reporting Tool. Tracking different types of spaces in different systems increases the likelihood of inaccurate reporting, due to the possibility of the varying systems not being updated concurrently or in a timely fashion.

Vague space evaluation policy. We found that the space evaluation policy contains ambiguous terms and poorly defined criteria.

- **Ambiguous terms** – PBS's space evaluation policy includes multiple ambiguous terms. For example, we found that the definition of what is deemed "high-risk use" is too broad. Although the policy lists multiple categories of potential high-risk uses of space, it does not describe the actual conditions that need to be present for a space to be identified as high-risk.

For example, the policy outlines "storage of small arms ammunition and components" as a potentially high-risk use; however, it does not provide guidance specifying the

amount of ammunition present in a space to qualify it as a high-risk use. In addition, the term “small arms ammunition and components” is not clearly defined.

We also found that the use of the term “laboratory” in the policy was too ambiguous. The policy does not define what constitutes a laboratory; yet on the permit the tenant agency is asked to describe the type of laboratory.

For example, PBS’s data from REXUS showed that space occupied by the Bureau of Reclamation in the [REDACTED] contained a laboratory. However, as shown in *Figure 5*, we found that the tenant used the space to take identification photos using digital photography equipment. We did not identify the presence of any photo developing or processing materials that would have qualified the space as a laboratory under PBS’s internal guidance.¹¹

Figure 5 – Space with Digital Photography Equipment¹²



In a similar example, we found that the FBI’s space in the [REDACTED] was incorrectly classified in REXUS as high-risk laboratory space. Based on our observations, the FBI used the space for computer analyzing equipment and seized information technology equipment. However, the space was not high-risk because it did not contain flammable or hazardous materials typically associated with a scientific laboratory.

¹¹ PBS’s Office of Portfolio Management and Customer Engagement, *National Business Space Assignment Policy*, July 2017.

¹² Photograph taken by the audit team, June 22, 2021.

- **Poorly defined criteria** – GSA is responsible for establishing an occupancy permit program to regulate the types of activities occurring in facilities to avoid incompatible groupings, such as a chemical or biological laboratory in office space.¹³ The space evaluation policy was developed to meet this requirement. However, the policy does not describe what would be considered acceptable or unacceptable conditions for adjacent tenants. It also does not clarify how far apart a tenant with a high-risk use space needs to be from other tenants. We found that this lack of clarity in the policy has led to instances of high-risk operations being located next to office space or child care centers.

For example, the [REDACTED] contains a U.S. Department of Agriculture laboratory, which includes three chemical storage areas that house multiple flammable substances. Other tenants use office spaces on the same floor. In addition, a child care center is located in the same building, three floors below the floor containing the laboratory.¹⁴ Because the space evaluation policy does not specify acceptable or unacceptable conditions for adjacent tenants, these tenants at the [REDACTED] remained in place. However, a U.S. Department of Agriculture official stated that they will be relocating to a new building because other tenants are uncomfortable about their proximity to the laboratory.

Clear policies are critical for ensuring that personnel understand their roles and responsibilities so that they can successfully carry out their duties and fulfill a program’s mission. However, as described above, PBS’s space evaluation policy is often vague and unclear.

In summary, PBS is not effectively managing its fire, safety, and health program to identify and mitigate hazards arising from high-risk uses of space. As a result, GSA buildings, personnel, tenants, and visitors may be at risk. To address these deficiencies, PBS should take comprehensive actions to ensure that PBS staff and tenants follow its space evaluation policy. PBS should also track information on high-risk uses of space in a consolidated database or system. Additionally, PBS should continue its efforts to revise and strengthen its space evaluation policy by using plain language.

¹³ 29 C.F.R. 1960.34(a)(7).

¹⁴ The child care center in this building is currently inactive due to the coronavirus pandemic.

Conclusion

PBS plays a significant role in providing a safe and healthy environment for tenants, contractors, and visitors at over 9,000 federally owned and leased facilities nationwide. Some tenant agencies use the space in these facilities for high-risk purposes, such as laboratories, firing ranges, and explosive material storage, which present unique fire, safety, and health hazards. However, we found that PBS has not identified all high-risk uses of space under GSA control because it is not effectively managing the fire, safety, and health program. As a result, PBS has not taken measures to eliminate or mitigate potential fire, safety, and health hazards arising from high-risk uses of space, or identified and addressed all incompatible occupant activities.

Overall, we found that PBS's failure to obtain high-risk use permits was caused by a lack of centralized oversight, inadequate training, disparate data, and vague policy. In an initial step to improve the program, PBS cancelled its existing space evaluation policy on October 6, 2021, and replaced it with PBS Order 1000.4A, *High Risk Operations*. The new policy establishes a high-risk operations assessment and control process intended to avoid incompatible groupings between occupancies within a GSA-controlled facility.

Although the new policy was issued after the completion of our fieldwork, we performed a limited assessment of the policy and determined that portions of it are vague—a problem that limited the effectiveness of PBS's prior space evaluation policy. For example, the new policy requires that PBS conduct compliance reviews of documents, including client project agreements and facility survey and inspection records “at least biannually,” but does not specify how PBS will ensure compliance. Additionally, while the new policy more clearly defines “high risk operations,” it does not specify how co-location of tenants that use space for these purposes with other building occupants would create incompatible groupings.

A complete list of our initial concerns with PBS's new policy is included in **Appendix D**. Notwithstanding these concerns, PBS's efforts to strengthen its fire, safety, and health policy are positive steps toward improving program oversight. PBS should continue to improve this policy and should also implement a centralized recordkeeping location, develop a tracking mechanism to record all potentially high-risk use space types, and provide training.

Recommendations

We recommend that the PBS Commissioner:

1. Revise and strengthen the space evaluation policy, including the permit referenced in “Appendix B. GSA Fire, Safety and Health (FSH) Program Potentially High Risk Use Permit,” by using plain language and better defining policy terms and conditions.
2. Implement a centralized recordkeeping location and format for the space evaluation policy permit, referenced in “Appendix B. GSA Fire, Safety and Health (FSH) Program

Potentially High Risk Use Permit,” to track and monitor PBS’s process of space evaluations.

3. Develop and implement a centralized tracking mechanism for all high-risk use space types in the PBS REXUS system.
4. Provide formal, standardized training to the Office of Facilities Management, the Office of Portfolio Management and Customer Engagement, and the Office of Leasing regarding space evaluation policy and the offices’ respective roles and responsibilities.
5. Develop and implement appropriate internal controls to ensure program oversight of the space evaluation process.

GSA Comments

The PBS Commissioner agreed with our recommendations. PBS’s response can be found in its entirety in **Appendix E**.

Audit Team

This audit was managed out of the Heartland Region Audit Office and conducted by the individuals listed below:

Michelle Westrup	Regional Inspector General for Auditing
Jay Fisher	Audit Manager
Katina Luke	Auditor-In-Charge
Kyle Clay	Auditor
Carolina Malespín Torres	Auditor

Appendix A – Objective, Scope, and Methodology

Objective

We performed an audit of the evaluation and authorization process PBS designed to identify, assess, and mitigate potentially high-risk uses within GSA-controlled space. This audit was included in our *Fiscal Year 2021 Audit Plan*. The objective of this audit was to determine whether PBS is performing fire, safety, and health space evaluations on GSA-controlled (both owned and leased) space to identify all high-risk uses of space, in accordance with PBS Order 1000.4 CHGE 1, *Fire, Safety and Health (FSH) Space Evaluation Policy* (space evaluation policy).

Scope and Methodology

We evaluated PBS's policies, procedures, and internal controls related to the fire, safety, and health space evaluation policy.

To accomplish our objective, we:

- Reviewed the PBS space evaluation policy, as well as GSA policies and procedures related to space evaluations of GSA-controlled space, including potentially high-risk use permits;
- Reviewed PBS's data for GSA's inventory of 9,265 buildings as of December 17, 2020;
- Requested and reviewed PBS's data for high-risk use spaces containing firing ranges, laboratories, storage of explosives (including small arms ammunition and components), and child care centers as of January 29, 2021;
- Reviewed fire protection and life safety surveys for sampled buildings;
- Assessed PBS's data reliability and validity through interviews, data analysis, inquiries, and site inspections for sampled buildings;
- Interviewed PBS property managers, PBS OA representatives, and tenant agency representatives for the sampled buildings and associated spaces; and
- Conducted interviews with PBS national and regional fire protection personnel.

Data Reliability

We assessed the reliability of data through data reconciliation and reports from PBS's REXUS and OA Tool systems, reviewed user manuals, conducted site visits, and interviewed agency program officials. We determined that the data was sufficiently reliable for the purposes of this audit.

Appendix A – Objective, Scope, and Methodology (cont.)

Sampling

We summarized PBS's data for high-risk use spaces by total building personnel by GSA region. We focused on the four regions with the highest total number of building personnel and OAs that were new or renewed during the period October 9, 2015, through October 31, 2020. For those four regions, we selected the top three buildings containing a high-risk use space, based on total building personnel (a sample of 12 buildings out of 222 buildings with high-risk use from the four regions). These buildings constituted our initial sample, which included 17 high-risk use spaces (out of 326 total spaces for the buildings selected) based on PBS data:

- 4 high-risk use spaces for the National Capital Region;
- 4 high-risk use spaces for the Great Lakes Region;
- 5 high-risk use spaces for the Pacific Rim Region; and
- 4 high-risk use spaces for the Heartland Region.

We expanded the sample by judgmentally selecting 14 additional spaces not identified with high-risk uses per PBS data, totaling 31 spaces for physical inspection via site visits. The refined sample included:

- 2 additional spaces, totaling 6 spaces for the National Capital Region;
- 4 additional spaces, totaling 8 spaces for the Great Lakes Region;
- 4 additional spaces, totaling 9 spaces for the Pacific Rim Region; and
- 4 additional spaces, totaling 8 spaces for the Heartland Region.

Internal Controls

We assessed internal controls significant within the context of our audit objective against GAO-14-704G, *Standards for Internal Control in the Federal Government*. The methodology above describes the scope of our assessment and the report finding includes any internal control deficiencies we identified. Our assessment is not intended to provide assurance on GSA's internal control structure as a whole. GSA management is responsible for establishing and maintaining internal controls.

Compliance Statement

We conducted the audit between November 2020 and August 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

Appendix B – High-Risk Use Spaces

Region	Location	Agency Name	High-Risk Use Space Identified (Note 1)	High-Risk Use Space Verified by OIG (Note 2)
[REDACTED]	[REDACTED]	Federal Bureau of Investigation	Laboratory	No
		U.S. Immigration and Customs Enforcement	Laboratory	No
			N/A	Note 3
	U.S. Secret Service	N/A	Note 3	
	[REDACTED]	U.S. Pretrial Services Office	Laboratory	Yes
		U.S. Marshals Service	N/A	Note 3
	[REDACTED]	Military Enlistment Processing Command	Laboratory	Yes
		U.S. Immigration and Customs Enforcement	N/A	Note 3
		U.S. Department of Homeland Security (DHS) Federal Protective Service	N/A	Note 3
	[REDACTED]	[REDACTED]	U.S. Marshals Service	Firing Range
N/A				Note 4
U.S. Secret Service		N/A	Note 3	
[REDACTED]		Military Enlistment Processing Command	Laboratory	Yes
		U.S. Department of State	N/A	Note 3
		U.S. Immigration and Customs Enforcement	N/A	Note 3
[REDACTED]		U.S. Department of Agriculture Natural Resources Conservation Service	Laboratory	Yes
		National Park Service	Laboratory	Yes
		U.S. Marshals Service	N/A	Note 3

Appendix B – High-Risk Use Spaces (cont.)

Region	Location	Agency Name	High-Risk Use Space Identified (Note 1)	High-Risk Use Space Verified by OIG (Note 2)
I	[REDACTED]	Federal Bureau of Investigation	Laboratory	No
		U.S. Drug Enforcement Administration	N/A	Note 3
		U.S. Probation Office	N/A	Note 3
	[REDACTED]	Bureau of Reclamation	Laboratory	No
		U.S. Fish and Wildlife Service	Laboratory	Yes
	[REDACTED]	U.S. Pretrial Services Office	Laboratory	No
		U.S. Marshals Service	Firing Range	Yes (Note 3)
		U.S. Probation Office	N/A	Note 3
	T	[REDACTED]	U.S. Department of Veterans Affairs Administration Service	Laboratory
			N/A	Note 3
[REDACTED]		Federal Bureau of Investigation	Laboratory	No
			Firing Range	Yes (Note 3)
[REDACTED]		U.S. Food and Drug Administration	Laboratory	No

Notes:

1. High-risk use space included in our audit sample that was identified in PBS’s REXUS or Electronic Spatial Management and Reporting Tool. “N/A” indicates the PBS data did not show a high-risk use for the space.
2. “Yes” indicates that we confirmed the high-risk use space during a site inspection. “No” indicates that the high-risk use space previously identified in PBS data was not present.
3. During the site inspection, we found storage of small arms ammunition and components not previously identified in PBS data.
4. During the site inspection, we found storage of explosives not previously identified in PBS data.

Appendix C – Additional High-Risk Use Spaces Found (Note 1)

Region	Location	Agency Name	High-Risk Use Space Found
[REDACTED]	[REDACTED]	DHS Federal Protective Service	Storage of Small Arms Ammunition and Components and Explosive Materials
[REDACTED]	[REDACTED]	U.S. Department of Veterans Affairs	Laboratory
[REDACTED]	[REDACTED]	U.S. Probation Office	Laboratory
[REDACTED]	[REDACTED]	DHS Federal Protective Service	Storage of Small Arms Ammunition and Components
[REDACTED]	[REDACTED]	DHS Federal Protective Service	Storage of Small Arms Ammunition and Components

Note:

1. During site inspections, we found additional high-risk use spaces that were not included in our audit sample or previously identified in PBS’s REXUS or Electronic Spatial Management and Reporting Tool.

Appendix D – Concerns with PBS Order 1000.4A, High Risk Operations

After making PBS aware of the deficiencies in the space evaluation policy during the course of our audit, PBS cancelled the space evaluation policy and replaced it with PBS Order 1000.4A, *High Risk Operations*, effective October 6, 2021. The new policy lists some of PBS’s planned actions, which directly correlate to the issues identified during our fieldwork. These identified issues, PBS’s planned actions, as well as some initial concerns we have based upon our review of the new policy are shown below.

Issue Identified during Fieldwork	PBS’s Planned Actions According to PBS Order 1000.4A, <i>High Risk Operations</i>	Initial Concerns
Lack of Centralized Control and Oversight	Section 7(e), <i>Program Audit</i> , states the PBS Office of Facilities Management, Facility Risk Management Division will review records at least biannually to ensure compliance with the new policy.	The policy does not provide detail on how PBS will ensure all regions are following the policy. For example, it does not mention how PBS will ensure that high-risk operation forms are completed for each new or renewed space request.
Inadequate Training	Section 7(f), <i>Responsibilities</i> , states the Central Office PBS Office of Facilities Management is responsible for providing national guidance and training in support of this policy.	The policy does not detail how often training will be provided or who will be required to receive this training.
Lack of a Centralized Database to Track Hazards	Section 7(d), <i>Recordkeeping</i> , states completed GSA Form 12002, <i>High Risk Operation</i> , will be retained in Kahua, the current central repository for all customer space projects.	The policy also states that all high-risk operation documentation for existing occupancies will be retained with other facility survey results. Therefore, it is not clear if the Kahua system will electronically track all high-risk use space types or interface with existing PBS systems.
Vague Space Evaluation Policy	Section 5, <i>Definitions</i> , limits the definition of what is considered “high risk operations” to: (1) high-risk laboratories; (2) explosive materials storage; and (3) firing ranges, including shoot houses. The new policy removed the storage of small arms ammunition and components as a potential high-risk use.	While the policy notes that incompatibility only applies to multi-tenant facilities, the definition for incompatible groupings remains vague as it does not identify the type of tenants that would lead to incompatible groups or specify acceptable or unacceptable conditions for adjacent tenants. In addition, the policy does not provide any definition or guidance on explosive materials storage or firing ranges, such as acceptable or unacceptable quantities or location parameters.

Appendix E – GSA Comments

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Public Buildings Service

March 4, 2022

MEMORANDUM FOR: MICHELLE L. WESTRUP
REGIONAL INSPECTOR GENERAL FOR AUDITING
HEARTLAND REGION AUDIT OFFICE (JA-6)

FROM: NINA M. ALBERT
COMMISSIONER 
PUBLIC BUILDINGS SERVICE (P)

SUBJECT: Response to the Office of Inspector General (OIG) Draft
Report, *PBS Has Not Identified All High-Risk Uses of Space,
Resulting in Potential Safety Risks (A210020)*

Thank you for the opportunity to comment on the subject audit report. We reviewed the report and agreed with the recommendations. The health and safety of occupants at facilities under the jurisdiction, custody, or control of GSA is of utmost importance to me, and I appreciate the Office of Inspector General's (OIG) attention to this matter.

The Public Buildings Service (PBS) Office of Facilities Management (OFM) offers the following technical comments:

1. Throughout the draft report, several references are made to the storage of small arms ammunition being one of the conditions that cause an incompatible occupancy. While this was correct under the old space evaluation policy, this condition was removed in the new policy developed during the performance of this audit because the mere existence of small arms ammunition in a building does not represent an incompatible occupancy. While the OIG acknowledged this change, it did so in the last sentence of the report's last page in Appendix D. PBS OFM requests that this acknowledgement also be included in the body of the report, so that future readers of the report are clearly informed that the storage of small arms ammunition no longer creates an incompatible occupancy.
2. On page 13 of the draft report, the OIG acknowledges that, during the course of this audit, PBS canceled its existing space evaluation policy and put in place a new one. PBS OFM requests that this acknowledgement be mentioned earlier in the report, prior to the Conclusion section, so that future readers of the report are clearly informed of PBS's efforts to proactively address findings anticipated in this audit. The new space evaluation policy was issued in October 2021, and to date, approximately 529 PBS associates across the Offices of Portfolio Management and Customer Engagement, Leasing and OFM have been trained. Recorded sessions were prominently placed on the homepage of the Facility Risk

U.S. General Services Administration
1800 F Street NW
Washington DC 20405-0002
www.gsa.gov

Appendix E – GSA Comments (cont.)

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Management website within GSA Insite, for all to see at their convenience. Additionally, OFM partnered with the Office of Portfolio Management and Customer Engagement to create High-Risk Operations fact sheets and talking points documents, to be used by PBS in discussions with customer agencies, to further socialize the policy.

If you have any questions, please contact Andrew Heller, Assistant Commissioner, Office of Facilities Management, at (202) 501-0772.

Appendix F – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

PBS Commissioner (P)

PBS Deputy Commissioner (PD)

Chief of Staff (PB)

Deputy Chief of Staff (PB)

Assistant Commissioner for Strategy & Engagement (PS)

Assistant Commissioner for Facilities Management (PM)

Director, Facility Risk Management (PMG)

Industrial Hygienist, Facility Risk Management (PMG)

Acting Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)