



OFFICE OF INSPECTOR GENERAL

Evaluation Report

2013-AE-B-016

# The Board Should Improve Procedures for Preparing for and Responding to Emergency Events

September 30, 2013

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
CONSUMER FINANCIAL PROTECTION BUREAU

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## Abbreviations

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|               |  |
|---------------|--|
| Board         | Board of Governors of the Federal Reserve System |
| CLT           | Crisis Leadership Team                           |
| CST           | Crisis Support Team                              |
| LEU           | Law Enforcement Unit                             |
| OEP           | Occupant Emergency Plan                          |
| OIG           | Office of Inspector General                      |
| PA            | Public Address                                   |
| Reserve Bank  | Federal Reserve Bank                             |
| Safety Bureau | Safety and Emergency Preparedness Bureau         |

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# ***Executive Summary:***

## **The Board Should Improve Procedures for Preparing for and Responding to Emergency Events**

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### **Purpose**

Our objectives were to evaluate the Board of Governors of the Federal Reserve System's (Board's) policies and procedures for responding to unexpected emergency events and to assess communications protocols for processing and disseminating information to Board staff during such emergencies.

### **Background**

The Board has a crisis management structure in place and procedures to prepare for and respond to emergency events. Key components of the crisis management structure are the Crisis Leadership Team (CLT), which ensures the continuity of Board operations and essential functions, and the Crisis Support Team (CST), which manages the actual emergency.

During an emergency, the Law Enforcement Unit (LEU) Chief, serves as the CST lead and incident commander. Floor wardens assist the LEU during emergencies by ensuring that employee evacuations are quick, orderly, and safe. The LEU's Safety and Emergency Preparedness Bureau (Safety Bureau) performs considerable planning and other activities to prepare for emergencies, including conducting annual floor warden training. The Safety Bureau also prepares the Board's Occupant Emergency Plan (OEP), which describes the roles and responsibilities for employees, contractors, and visitors, as well as the responsibilities for components of the crisis management structure.

### **Findings**

We found that drills and exercises to prepare for emergencies did not fully incorporate all components of the OEP. The CLT did not convene during drills to make critical decisions to ensure that Board operations and essential functions continued with minimal disruption, and employees were not fully accounted for after the drills. In addition, tabletop exercises, an emergency preparedness best practice, were not routinely performed, because there is no requirement to perform such practices. Incomplete drills and the absence of full-scale tabletop exercises to supplement the drills decrease the likelihood of appropriate responses to emergencies.

In addition, we found that the floor warden program has challenges with respect to recruiting and retaining volunteers, and floor wardens are not completing annual training. As the program is currently functioning, the Board lacks assurance that there will be a sufficient number of trained floor wardens available during actual emergencies to assist in the safe, orderly movement of employees, including those who require assistance due to physical limitations.

Finally, we found that the Board does not have the ability to send public address announcements to employees working in leased office space because the buildings lack such a system. Employees may receive crucial information via telephone, intranet, e-mail, text, or word of mouth. This limitation increases the risk that employees may not receive the appropriate instructions simultaneously and in a timely manner and may make uninformed decisions that could place them in harm's way.

### **Recommendations**

We made seven recommendations to improve the Board's emergency preparedness. We recommend that the CLT convene during evacuation drills, employees be accounted for after an emergency, and full-scale tabletop exercises be conducted as an additional training tool. We also recommend that floor wardens complete annual training, division directors be required to recruit floor wardens, and that the floor warden roster be kept up to date. Finally, we recommend that all Board employees working in leased office spaces receive critical information simultaneously and in a timely manner. In comments to a draft of our report, management generally concurred with our recommendations.

Access the full report: [http://www.federalreserve.gov/oig/files/FRB\\_Emergency\\_Preparedness\\_Procedures\\_full\\_Sep2013.pdf](http://www.federalreserve.gov/oig/files/FRB_Emergency_Preparedness_Procedures_full_Sep2013.pdf)

For more information, contact the OIG at 202-973-5000 or visit <http://www.federalreserve.gov/oig>.

## Summary of Recommendations, OIG Report No. 2013-AE-B-016

| Rec. no. | Report page no. | Recommendation   | Responsible office      |
|----------|-----------------|--|-------------------------|
| 1        | 7               | Require the Crisis Leadership Team to convene in evacuation drills, regardless of duration.  | Chief Operating Officer |
| 2        | 7               | Develop a Board policy for approval by the Executive Committee of the Board that requires each division to account for employees immediately after drills and emergencies.   | Management Division     |
| 3        | 7               | Develop specific procedures for full-scale tabletop exercises, conduct tabletop exercises, and develop a formal process for reporting the results to the Executive Committee of the Board for review.  | Management Division     |
| 4        | 11              | Regularly provide records of completed floor warden training to all Board division directors and emphasize to them the need to have trained floor wardens to assist in evacuations.  | Management Division     |
| 5        | 11              | Develop a Board policy for approval by the Executive Committee of the Board that requires Board division directors to <ol style="list-style-type: none"><li>recruit floor wardens from their own divisions to fill floor warden vacancies.</li><li>enforce floor warden training compliance.</li></ol> | Management Division     |
| 6        | 11              | Ensure that the Law Enforcement Unit reconciles the floor warden roster with Board personnel records and Safety Bureau training records on a biannual basis.   | Management Division     |
| 7        | 13              | Establish a mechanism by which Board employees working in leased office space will receive critical information simultaneously and in a timely manner.   | Management Division     |

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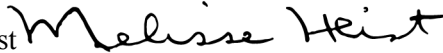


OFFICE OF INSPECTOR GENERAL  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
CONSUMER FINANCIAL PROTECTION BUREAU

September 30, 2013

**MEMORANDUM**

**TO:** Michell Clark  
Director, Management Division  
Board of Governors of the Federal Reserve System

**FROM:** Melissa Heist   
Associate Inspector General for Audits and Evaluations

**SUBJECT:** OIG Report No. 2013-AE-B-016: *The Board Should Improve Procedures for Preparing for and Responding to Emergency Events*

Attached is the Office of Inspector General's report on the subject evaluation. We conducted this review to evaluate the Board of Governors of the Federal Reserve System's (Board's) policies and procedures for responding to unexpected emergency events and to assess communication protocols for processing and disseminating information to Board staff during such emergencies.

We provided you with a copy of our draft report for review and comment. In your response, included as appendix C, you described actions to implement our recommendations.

We appreciate the cooperation that we received from the Safety and Emergency Preparedness Bureau during our evaluation. Please contact Timothy Rogers, Senior OIG Manager, or me if you would like to discuss this report or any related issues.

Attachment

cc: Donald Hammond, Chief Operating Officer  
David Capp, Management Division  
William Mitchell, Division of Financial Management

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# Introduction

## Objectives

Our objectives were to evaluate the Board of Governors of the Federal Reserve System's (Board's) policies and procedures for responding to unexpected emergency events and to assess communication protocols for processing and disseminating information to Board staff during such emergencies.

To accomplish our objectives, we reviewed Board procedures and external guidance for responding to emergency events, we interviewed Board safety and emergency personnel, and we reviewed the responses to a survey that we sent to all Board staff designated as volunteer floor wardens. In addition, we visited three Federal Reserve Banks (Reserve Banks) and one federal financial regulatory agency to discuss their emergency preparedness procedures and identify potential best practices. Additional details on our scope and methodology are discussed in appendix A.

## Background

The Board has a crisis management structure and procedures on preparing for and responding to emergencies caused by fire, acts of terrorism, or acts of nature. The Board's crisis management structure comprises senior officials and key employees who work to ensure the safety of Board staff during an emergency and to continue providing critical central bank services to the U.S. financial system and economy. The Board's procedures include an Occupant Emergency Plan (OEP), provided to each employee, which describes the roles and responsibilities for employees, contractors, and visitors, as well as the responsibilities for components of the crisis management structure.

The Board's emergency response to the magnitude 5.8 earthquake that affected the greater Washington, DC, area in August 2011 resulted in a problematic evacuation of all Board-owned and -leased office space.<sup>1</sup> Board personnel responsible for overseeing emergency response and employee safety assessed the challenges that occurred during this emergency, as well as the Board's readiness for similar emergencies. As a result, the Board identified opportunities to improve its response to emergencies, including providing employees timely and appropriate instructions during emergencies, and initiated actions to address the problems and improve the Board's response during future evacuations.

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1. At the time of our review, the Board-owned spaces were the Martin Building, the Eccles Building, and the New York Avenue building, and the Board-leased space was at International Square.

## ***The Board's Crisis Management Structure***

The Board's crisis management structure includes the Crisis Support Team (CST), the Crisis Leadership Team (CLT), and the Administrative Governor (figure 1). The CST manages the actual emergency and assesses the impact on employees, facilities, and information. The CST has six components that provide information and assistance to the CLT. Five of the six components are part of the Management Division:

**Law Enforcement Unit (LEU) Chief**—Serves as the CST lead, incident commander, and principal point of contact with local police, fire, and other emergency responders; makes the initial decision about whether to evacuate the buildings or shelter in place.

**Safety and Emergency Preparedness Bureau (Safety Bureau)**—Provides onsite technical expertise during emergency incidents.

**Internal Communications**—Develops, coordinates, and disseminates information regarding the emergency to employees in a timely manner.

**Facility Services**—Secures building systems and structures and provides technical assessments of any physical damage.

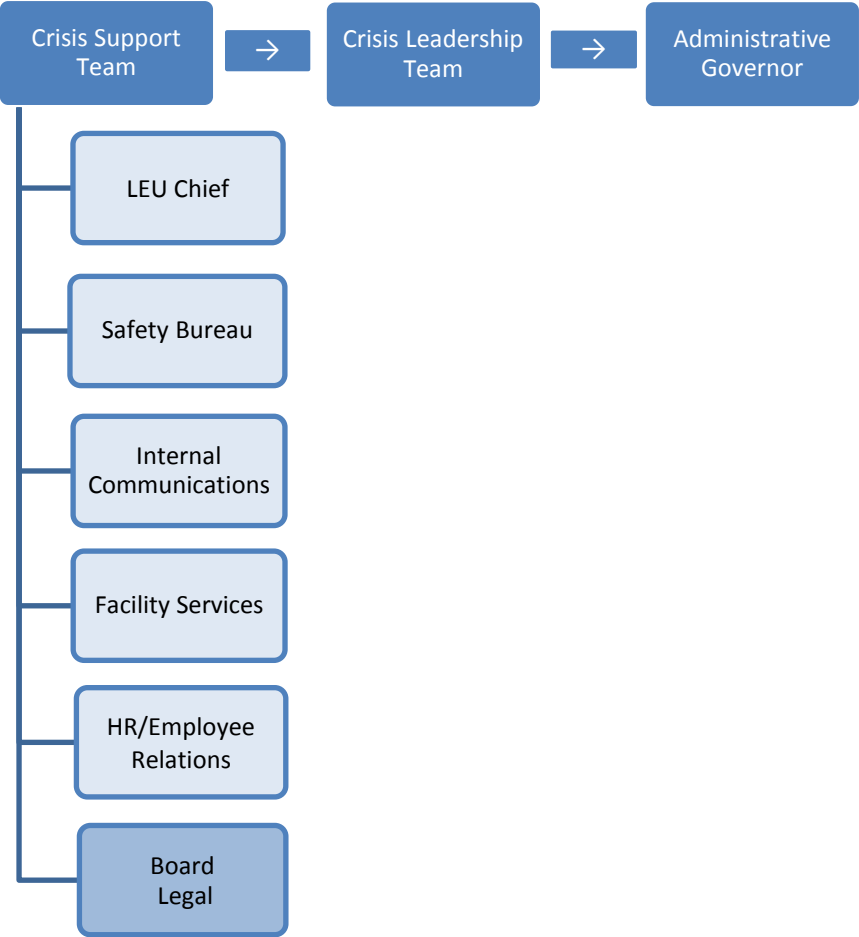
**Human Resources/Employee Relations**—Following an emergency, accounts for those Board employees who were on duty at the time an emergency began by collecting and reconciling information from all division coordinators.

The sixth component of the CST is the Board's Legal Division, which advises the CST and the CLT of the potential ramifications of actions and decisions made during emergencies.

The CLT is chaired by the Chief Operating Officer and consists of eight senior Board officials. When the CLT convenes, it assesses the emergency situation and advises the Administrative Governor regarding the need to (1) deploy critical personnel to alternate facilities, (2) initiate contingency plans to minimize disruption of critical Board functions, and (3) communicate certain decisions throughout the Federal Reserve System.



**Figure 1: The Board’s Crisis Management Structure**



In support of the crisis management structure, the Safety Bureau also performs considerable planning and other activities to prepare for emergencies, as follows:

- recruits volunteers to act as floor wardens during emergencies
- provides annual floor warden training
- posts safety and emergency information to the Board’s Emergency Preparedness website
- initiates evacuation drills
- evaluates drill performance to identify opportunities for improvement and reports the results to the LEU Chief and other stakeholders

In addition, the Safety Bureau is responsible for maintaining the most current version of the Board’s OEP on the Emergency Preparedness website.

## ***The Board's OEP and Emergency Preparedness Website***

The Board's OEP describes the protocol and procedures for preparing for and responding to an emergency. The OEP includes procedures that describe the circumstances in which employees should either evacuate buildings or shelter in place and procedures to protect occupants during emergencies caused by fire, acts of nature (e.g., earthquakes, tornadoes), and acts of terrorism (e.g., bomb threats, use of chemical or biological weapons). The OEP also requires the Human Resources/Employee Relations function of the CST to "collect and reconcile accountability for Board employees immediately following any evacuation or shelter-in-place event" and to report this employee information "to the CLT through the CST lead."

The OEP suggests that employees familiarize themselves with the Board's emergency procedures. As described in the OEP, employees are responsible for the following:

- participating in drills and training
- responding to alarms and public address (PA) announcements
- following the directions of emergency response personnel
- being familiar with at least two evacuation routes from their normal work areas
- being familiar with primary and alternate assembly areas
- knowing the floor wardens for their floor
- assisting visitors in the event of an emergency
- knowing the location of emergency equipment
- reporting emergencies to the Board's LEU Control Center

Typically, the OEP is activated in part or in full when an emergency situation occurs by (1) an employee calling 911 or reporting an emergency directly to the LEU by calling the Board's emergency phone number, (2) an announcement by the media or other outside source of an emergency situation or threat, or (3) an activation of the fire alarm system.

In addition to reading the OEP, employees should familiarize themselves with emergency procedures by reading safety-related information published by the Safety Bureau on the Board's Emergency Preparedness website. The website contains maps of evacuation assembly locations, employees' responsibilities during an emergency, emergency phone numbers, and the latest version of the OEP. The information on the Emergency Preparedness website is also useful as a supplement to the floor wardens' annual training.

### **Floor Wardens**

The OEP also describes the responsibilities of the volunteer floor wardens. Floor wardens assist the LEU during emergencies to ensure that evacuations are quick, orderly, and safe. Floor wardens should receive annual training, wear a yellow identification vest during drills and emergencies, know the location of stairwells and refuge areas on their assigned floor, and control the movement of employees in stairwells. In an emergency, floor wardens may direct employees to evacuate via the appropriate stairwell, or they may advise employees to shelter in place. In addition, floor wardens are required to ensure that all offices and spaces have been completely evacuated, and they may need to assist in evacuating employees with disabilities or special needs.

The Board has a framework to ensure that each division has trained floor wardens to assist the LEU during drills and emergencies. The Safety Bureau maintains a roster of floor warden names,

floor location, and contact information. According to the OEP, floor wardens should attend training each year; the Safety Bureau conducts formal classroom training annually and hosts online training on its website to enable floor wardens to satisfy the annual training requirement.

# Finding 1: Drills and Exercises to Prepare for Emergencies Did Not Incorporate All Components of the OEP

We found that drills and exercises designed to practice appropriate emergency responses need improvement. All of the drills that we evaluated did not fully incorporate all components of the OEP. The CLT did not convene during drills to make critical decisions regarding Board operations and essential functions because the CST did not advise it to do so. Further, the OEP requires Employee Relations to collect and reconcile accountability for all Board employees immediately following an emergency; however, employees were not accurately accounted for after drills because there is no official procedure explaining how that accounting should be accomplished. Finally, although the OEP does not require the Board to engage in tabletop exercises to prepare for emergencies, we have identified such exercises as a best practice. Incomplete drills and the absence of full-scale tabletop exercises to supplement the drills decrease the likelihood of appropriate responses to emergencies.

## **Crisis Leadership Team Did Not Convene**

The CLT members did not convene during any of the four evacuation drills conducted during our review period. Drills were conducted in May 2012 at each of the three Board-owned buildings, and another evacuation drill was conducted in October 2012 in the building where the Board leases workspace for over 650 of its employees. We found that the CLT did not convene during any of the evacuation drills because the CST did not advise it to do so. Members of the CST stated that during the October 2012 evacuation, the CLT was not advised to convene because the drill was unannounced and of such short duration that there was insufficient time for the CLT to convene. We also found that the four newest members of the CLT have never convened during a full-scale evacuation drill. To increase the effectiveness of the Board's evacuation drills, the CLT should convene during these exercises so it will be better prepared to assess the Board's ability to continue essential functions in the event of a real emergency.

## **Employees Were Not Fully Accounted For**

Employee Relations did not perform a full accounting of employees who were on duty during the 2012 drills. In addition to the floor wardens' responsibility for ensuring that offices and conference rooms are evacuated during emergencies, an accounting of employees helps assure the CST that all who were in the building prior to an evacuation or a shelter in place are safe. According to the OEP, Employee Relations should account for Board employees immediately following any evacuation or shelter-in-place event and report the information to the CST. Employee Relations relies on representatives within each Board division to confirm that their employees are accounted for, but it has not developed formal Board-wide procedures specifying how the representatives are to report this information.

The Safety Bureau's evaluation of the May 2012 evacuation drill identified the accounting for employees as an ongoing problem and stated that the issue was being addressed by the LEU, the Safety Bureau, and Employee Relations. Similarly, in its evaluation of the October 2012 evacuation drill, the Safety Bureau reported that Employee Relations did not receive headcounts

from three Board divisions. The report noted that one division was unaware of its responsibility to provide this information and did not specify why the two other divisions did not provide an accounting. The Safety Bureau stated that it planned to conduct a follow-up meeting with Employee Relations to determine the status of the accountability procedure.

Evacuation drills reinforce employees' awareness of evacuation routes, emergency exits, and safe assembly areas. These drills also provide the Safety Bureau an opportunity to evaluate the evacuation process and make suggestions for improvement to the CST and others within the crisis management structure. Industry best practices suggest that conducting full-scale evacuation drills is an effective means of preparing staff for emergencies. To increase the effectiveness of the Board's evacuation drills, formal guidance on conducting and reporting headcounts immediately following emergencies should be issued to all Board divisions.

## **Board-Wide Tabletop Exercises Were Not Performed**

The Board does not routinely conduct full-scale tabletop exercises, and there is no formal reporting protocol designed to notify senior leadership of the results of such exercises. Tabletop exercises are scenario-based discussions among crisis management personnel and other emergency preparedness staff about the various types of potential threats and unexpected emergencies. Each of the three Reserve Banks we visited conducts tabletop exercises periodically as a best practice to supplement its evacuation and shelter-in-place drills and to evaluate readiness for a comprehensive list of emergency scenarios, including an office fire, a violent protest, a disgruntled armed tenant, a water main break, a fuel spill, a bomb threat, or a chemical or biological attack. At the conclusion of these exercises, Reserve Bank emergency preparedness personnel prepare a written report and submit the results to senior officials and managers. The Board could improve its emergency preparedness by adopting tabletop exercises as a best practice and submitting the results to the Executive Committee of the Board for review.

## **Recommendations**

We recommend that the Chief Operating Officer

1. Require the CLT to convene in evacuation drills, regardless of duration.

We recommend that the Director of the Management Division

2. Develop a Board policy for approval by the Executive Committee of the Board that requires each division to account for employees immediately after drills and emergencies.
3. Develop specific procedures for full-scale tabletop exercises, conduct tabletop exercises, and develop a formal process for reporting the results to the Executive Committee of the Board for review.

## Management's Response

The Director of the Management Division's response addressed the intent of recommendation 1. In his response, the Director stated that the CLT currently participates in all emergency drills and does not believe it is practical or even feasible for the CLT to muster in a single location for all drills or emergencies, particularly for events at New York Avenue or International Square. The Director also indicated that it is the Chief Operating Officer's role to convene the CLT when he determines that decisions concerning lengthy building evacuations are required. The Director indicated that several drill options are under discussion that would involve partial mustering of the CLT depending on the location, severity, and Board impact of a scenario. In addition, the Management Division will coordinate with the Chief Operating Officer to develop an annual program that includes the opportunity for the CLT and other groups to participate in emergency exercises.

The Director of the Management Division concurred with recommendation 2, with modifications. The Director stated that a written employee accountability procedure has been finalized by Human Resources. The Deputy Director responsible for Human Resources will present this document to the Director as a policy recommendation for approval consistent with the Board's delegations of authority.

The Director of the Management Division concurred with recommendation 3. The Director indicated that the Safety Bureau will develop a tabletop exercise program to include an annual schedule of events as well as a process and parameters for reporting exercise findings. This program will be designed to test the existing emergency plans, assist in the development of new or revised emergency plans, and focus on the operational response to unexpected incidents.

## OIG Comment

In his response to recommendation 1, the Director of the Management Division did not consider it practical or feasible for the CLT to muster in a single location. However, the Director agreed to develop an annual program that includes an opportunity for the CLT to participate in emergency exercises. This action addresses the intent of our recommendation.

The actions described by the Director are responsive to the recommendations in this finding. We plan to follow up on the Management Division's actions to ensure that the recommendations are fully addressed.

## Finding 2: The Floor Warden Program Has Recruitment, Training, and Retention Challenges

We found that the floor warden program should be administered more effectively. The floor warden program has challenges with respect to recruiting and retaining volunteers, and floor wardens are not completing annual training. According to the OEP, floor wardens are responsible for attending annual training; however, we found that two-thirds of active floor wardens had not completed training during the past year. Further, floor wardens are not actively recruited within the division hierarchy; employees interested in volunteering to become a floor warden are encouraged to contact their division continuity coordinator, division administrator, or the Safety Bureau. We noted that the Safety Bureau did not routinely reconcile the roster; therefore, it could not accurately determine compliance with training requirements and did not identify vacancies for the purposes of soliciting additional volunteers. As the floor warden program is currently functioning, the Board cannot be assured that there will be an adequate number of trained floor wardens during emergencies to assist in the safe, orderly movement of employees, including those who require assistance due to physical limitations.

### All Floor Wardens Did Not Attend Annual Training

Our inspection of the Safety Bureau's training records from October 2012 showed that only 49 of 144 floor wardens (34 percent) completed the annual training. However, we could not determine how many floor wardens were considered active and should have attended the annual training class because the names on the floor warden roster did not reconcile with those on the Safety Bureau's training records.<sup>2</sup> Further, we did not find evidence to indicate that those who did not complete the classroom training reviewed the OEP or the Emergency Preparedness website.<sup>3</sup> The Safety Bureau's ability to maintain accurate records—and thereby track floor warden attendance at annual training—is compromised when volunteers and division administrators fail to notify the Safety Bureau that a floor warden has resigned from the program, transferred divisions, or separated from the Board.

Each floor warden is responsible for attending annual training. As outlined in the OEP, floor wardens perform several duties during drills and emergencies to assist the LEU. Floor wardens (1) supervise and control the flow of employees to ensure that evacuations are orderly, speedy, and safe; (2) assist employees with special needs to the nearest designated refuge; and (3) check all offices and unoccupied space to determine whether evacuations are complete. During annual

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2. To determine the number of active floor wardens during 2012, we reconciled the floor warden roster of 158 to Board personnel records. Seven of the 158 wardens had separated from the Board; another 3 were no longer listed in their respective divisions. Moreover, the Safety Bureau's record of training showed that there were only 144 floor wardens.
  3. We conducted our own survey of floor wardens. Seventy-three of the 153 who received our survey responded. Sixteen of the 73 (22 percent) stated that they had never read the OEP.

training, floor wardens are reminded of their general duties and responsibilities, and they receive instruction in the following subjects:

- hazard awareness
- appropriate response procedures
- the use of fire extinguishers
- the use of automated external defibrillators
- first aid and cardiopulmonary resuscitation techniques

A low annual training participation rate raises concerns that all floor wardens may not be fully capable of assisting the LEU during emergencies. Several floor wardens we spoke with said that they did not attend training because the timing of the training was not convenient. The Safety Bureau stated to us that several efforts are underway to encourage floor warden training. For example, in addition to classroom training, online training is available and can be completed at the floor warden's convenience. Classroom sessions are announced on the Board's internal webpage (*Inside the Board*), and e-mail reminders are sent to floor wardens regarding any upcoming training. The Safety Bureau also stated that as a follow-up measure, floor wardens who miss training are contacted to determine whether they are interested in remaining in the floor warden program. According to Safety Bureau personnel, it is important to have as many floor wardens as possible, even if they do not attend training.

The Board should place greater emphasis on training to ensure that floor wardens are able to assist in the safe, orderly evacuation of employees. Several of the external sites we visited provide training more frequently and incorporate managers into the training process. For example, one Reserve Bank offers classroom training sessions quarterly to give the floor wardens scheduling options. Another Reserve Bank's emergency preparedness staff monitors rates of floor warden participation in classroom training on a quarterly basis and circulates reports on this participation to division management as well as to senior officers. In the event that a division has a low training participation rate, the emergency preparedness staff advises the division to appoint a replacement floor warden. Adopting a similar approach at the Board may result in a larger percentage of the floor warden roster attending annual training.

## **Floor Warden Retention Is a Challenge**

The Safety Bureau's reliance on volunteers and referrals may not ensure a sufficient number of floor wardens to provide effective assistance to the LEU during drills and emergencies. The Safety Bureau solicits volunteers through the Board's Emergency Preparedness website and relies on other floor wardens to recruit volunteers. Although we did not find evidence to indicate that the Board lacks a full complement of floor wardens, the Safety Bureau reported that floor warden retention has been, and continues to be, a challenge.

Each division within the Board should actively recruit floor wardens for its work space. During our external site visits, we learned that division management assists emergency preparedness staff with recruiting and retaining floor wardens. Division managers at one location assess their own need for floor warden coverage and assign primary and back-up wardens. Managers at other locations incorporate floor warden activities into the individual's training plan, and they have a floor warden application process through which managers approve an application and provide schedule flexibility so that floor wardens can attend training. A proactive approach to recruiting floor wardens will help ensure that there will be a sufficient number of trained floor wardens available during actual emergencies.



## Recommendations

We recommend that the Director of the Management Division

4. Regularly provide records of completed floor warden training to all Board division directors and emphasize to them the need to have trained floor wardens to assist in evacuations.
5. Develop a Board policy for approval by the Executive Committee of the Board that requires Board division directors to
  - a. recruit floor wardens from their own divisions to fill floor warden vacancies.
  - b. enforce floor warden training compliance.
6. Ensure that the LEU reconciles the floor warden roster with Board personnel records and Safety Bureau training records on a biannual basis.

## Management's Response

The Director of the Management Division concurred with recommendation 4. The Director stated that the Safety Bureau will develop a training compliance report specific to the floor warden program and disseminate that report twice annually.

The Director of the Management Division concurred with recommendation 5. He indicated that the policy codifying the floor warden program to include participation from each division and an emphasis on training will contribute to a robust emergency preparedness program. The Director added that a policy will be developed that will be applicable to all divisions and will ask division directors to appoint adequate floor wardens and enforce training.

The Director of the Management Division concurred with recommendation 6. The Director stated that floor warden roster updates will be coordinated twice annually to coincide with the dissemination of the training compliance report referenced in the response to recommendation 4.

## OIG Comment

In our opinion, the actions described by the Director of the Management Division are responsive to our recommendations. We plan to follow up on the Management Division's actions to ensure that the recommendations are fully addressed.

## Finding 3: The Board Cannot Send Voice Announcements Simultaneously to All Employees in Leased Office Space

The Internal Communications unit does not have the ability to send PA announcements to the 650-plus Board employees working in leased office space. These employees can receive crucial information via telephone, intranet, e-mail, or word of mouth. According to the OEP, communication is of the utmost importance during an emergency event. To ensure the safety of all personnel, emergency instructions must be relayed to employees in a direct and simple manner so that every individual understands and acts in accordance with prescribed procedures. The OEP requires all occupants to evacuate when a fire alarm sounds. During a shelter in place emergency, guidance may be provided to employees by e-mail, text, word of mouth, telephone call, *Inside the Board* notifications, or PA announcements. In Board-owned buildings, the PA system is connected to amplified loudspeakers strategically located throughout the buildings. However, the Board cannot communicate with its employees in leased office space by PA system because the buildings lack such a system. This limitation increases the risk that employees will not receive the appropriate instructions in a timely manner, leading them to potentially make uninformed decisions that could place them in harm's way.

### Emergency Communications to Employees in Leased Space Are Limited

Employees in leased space may not receive emergency messages simultaneously and in a timely manner. Internal Communications uses several methods to communicate instructions to Board employees working in leased office space during an emergency:

- push alerts to employees via the Board's intranet
- broadcast e-mails<sup>4</sup>
- voice announcements to floor wardens utilizing a group paging feature on the telephone system and through standard office phones located in the safe haven areas of the leased space that can be used as an announcement system
- e-mail, text messages, and voicemail to employees sent via a vendor-provided high-speed emergency notification system, which may include specific instructions or contact numbers for additional information

Several factors restrict the effectiveness of these communication channels. Employees who move about during the workday and are away from their desks when an e-mail, voicemail, or intranet message is sent may not receive the message right away. All employees do not have a Board-issued mobile telephone. The group paging feature has a capacity limitation that does not allow a simultaneous notification to all employees. Further, if the telephones in the safe havens are in use while an announcement is made, the message will not be heard.

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4. Internal Communications used this method to notify all Board employees when the National Weather Service issued a tornado warning in September 2012.

PA announcements are an effective method of notifying a large number of employees because these announcements do not rely on employees having immediate access to e-mail, telephone, or a computer. However, there is no PA system in Board-leased space. Employees in leased space who are away from their workspace when emergency instructions are given may only receive such instructions by word of mouth. This method of receiving information could cause employees to make uninformed decisions during emergencies that could place them in harm's way. For instance, employees may evacuate the building when the more appropriate response would be to shelter in place, as was the case during the 2011 earthquake.

## **Recommendation**

We recommend that the Director of the Management Division

7. Establish a mechanism by which Board employees working in leased office space will receive critical information simultaneously and in a timely manner.

## **Management's Response**

The Director of the Management Division concurred with recommendation 7. The Director stated that the division's Facility Services Space Planning Office is working with the design team for 1801 K Street to incorporate a stand-alone PA system into the build-out of the new space. The Board will also design and submit a proposal to incorporate installation of a PA system in the Board-occupied spaces of International Square. Further, additional options are being explored, such as the feasibility of a scrolling banner on personal computers and/or the use of the network telephone system.

## **OIG Comment**

In our opinion, the actions described by the Director of the Management Division are responsive to our recommendation. We plan to follow up on the Management Division's actions to ensure that the recommendation is fully addressed.

# Appendix A

## Scope and Methodology

Our objectives were to evaluate the Board's policies and procedures for responding to unexpected emergency events and to assess communication protocols for processing and disseminating information to Board staff during such emergencies. To accomplish our objectives, we completed the following steps:

- We reviewed relevant Board documents, including the OEP, the Board's *Continuity of Operations Plan*, Safety Bureau evaluations of evacuation drills, written employee comments provided after emergency events, and other relevant materials.
- We conducted interviews with Board employees who were responsible for implementing the Board's OEP, including officers and employees in the LEU, Internal Communications, the Intelligence Coordination and Continuity Programs, and Employee Relations.
- We developed interview questions and interviewed officials of the Federal Reserve Banks of San Francisco, Chicago, and Minneapolis, and the Federal Deposit Insurance Corporation in the Washington, DC, area.
- We reviewed applicable sections of the Federal Continuity Directive 1; the Council of Inspectors General on Integrity and Efficiency's *An IG's Guide to Evaluating Agency Emergency Preparedness*, the Federal Protective Service's *Secure Facilities, Safe Occupants*, and the National Institute of Standards and Technology's *Final Report on the Collapse of the World Trade Center Towers*.

We also created and sent surveys to all floor wardens listed on the Board's Emergency Preparedness website to determine the floor wardens' level of training and emergency preparedness. For additional details on this survey, see appendix B.

We conducted our fieldwork from April 2012 to January 2013. We performed our review in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of Inspectors General on Integrity and Efficiency.

# Appendix B

## Floor Warden Survey Results

In December 2012, we developed a nine-question survey for floor wardens covering topics dealing with floor warden training and emergency preparedness. The survey also provided space for optional comments. We used the floor warden roster on the Board's Emergency Preparedness website to distribute the survey. The roster included 158 floor wardens, but we found that 7 of those employees no longer worked at the Board. Of the 7 former employees, 2 had transferred to Reserve Banks; therefore, their e-mail addresses were still active and they received the survey. In total, we distributed 153 surveys. The compiled responses from the 73 floor wardens who responded are shown below.

| Questions  | Number | Percent |
|--|--------|---------|
| <b>What building do you work in?</b>   |        |         |
| Martin/Eccles  | 39     | 53      |
| New York Avenue  | 10     | 14      |
| Leased office space  | 24     | 33      |
| <b>Are you familiar with the contents of the Board's Occupant Emergency Plan?</b>                                |        |         |
| Yes  | 57     | 78      |
| No   | 16     | 22      |
| <b>How would you rate the quality of information in the Occupant Emergency Plan?</b>                             |        |         |
| More than adequate   | 13     | 18      |
| Generally adequate   | 43     | 59      |
| Less than adequate   | 1      | 1       |
| Never read it  | 16     | 22      |
| <b>Have you completed floor warden training presented by the Emergency Preparedness Bureau in the last year?</b> |        |         |
| Yes, and I have worked at the Board for <b>over</b> a year   | 47     | 64      |
| Yes, and I have worked at the Board for <b>less</b> than a year  | 2      | 3       |
| No, and I have worked at the Board for <b>over</b> a year  | 23     | 32      |
| No, and I have worked at the Board for <b>less</b> than a year   | 1      | 1       |
| <b>Have you been involved in any of the drills listed below in the last year?</b>                                |        |         |
| Yes, a fire drill  | 34     | 47      |
| Yes, a shelter in place  | 1      | 1       |
| Yes, a fire drill <b>and</b> a shelter in place  | 21     | 29      |
| No   | 17     | 23      |

|   |    |    |
|---|----|----|
| <b>Do you know where all of the exit routes on your floor are located?</b>  |    |    |
| Yes   | 67 | 92 |
| No  | 6  | 8  |
| <b>Have you walked down all of the emergency stairs to the exit doors on the street level from your work place?</b> |    |    |
| Yes   | 51 | 70 |
| No  | 22 | 30 |
| <b>Do you feel that there is enough floor warden coverage in your area of the floor?</b>                            |    |    |
| Yes   | 59 | 81 |
| No  | 14 | 19 |
| <b>Do you feel comfortable with your duties to be a floor warden?</b>   |    |    |
| Yes   | 60 | 82 |
| No  | 13 | 18 |

# Appendix C

## Management's Response

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Management Division

### MEMO

DATE: September 27, 2013

TO: Melissa Heist, Associate Inspector General for Audits and Evaluations

FROM: Michell Clark, Director, Management Division *Michell Clark*

CC: Don Hammond, Chief Operating Officer

SUBJECT: Response to OIG Draft Report of September 10, 2013, *The Board Should Improve Procedures for Preparing for and Responding to Emergency Events*

We appreciate the opportunity to comment on the draft report of the OIG's review of the Board's policies, procedures, and communications protocols for responding to unexpected emergency events. Thank you for the time and effort that OIG has afforded this important topic.

I have discussed the draft report and its recommendations with Don Hammond, COO, and Management Division staff including David Capp, Deputy Director, Management Division; Curtis Eldridge, Chief, Law Enforcement Unit; Tim Markey, Manager, Board Internal Communications; Katherine Perez, Assistant Chief, Law Enforcement Unit; and Andrew Rahaman, Ed.D, Manager, Safety and Emergency Preparedness Bureau. Below are the Management Division's responses to the seven recommendations to the OIG Draft Report.

#### **OIG Finding 1: Drills and Exercises to Prepare for Emergencies Did Not Incorporate All Components of the OEP**

*Recommendation 1: Require the Crisis Leadership Team to convene in evacuation drills, regardless of duration.*

The Crisis Leadership Team (CLT) currently participates in all emergency drills. However, we do not believe it is practical or even feasible for the CLT to muster in a single location for all drills or emergencies, particularly for events at New York Avenue or International Square.

The Law Enforcement Unit (LEU) and the Crisis Support Team (CST) are able to utilize the emergency blast dial conferencing system to coordinate its efforts with the CLT members. As such, CLT members will be advised to muster for drills in their designated areas or an alternate location, and those who are unavailable to convene in a single location will participate via blast dial.

It is the COO's role to convene the CLT when he determines that decisions concerning lengthy building evacuations are required. We are currently discussing several drill options that would involve partial mustering of the CLT depending on the location, severity, and Board impact of a scenario. In addition, the Management Division will coordinate with the COO to develop an annual program that includes the opportunity for the CLT, CST, and other groups to participate in emergency exercises.

*Recommendation 2: Develop a Board policy for approval by the Executive Committee of the Board that requires each division to account for employees immediately after drills and emergencies.*

We concur with this recommendation with modifications. A written employee accountability procedure has been finalized by Human Resources. The Deputy Director responsible for Human Resources will present this document to the Management Division Director as a policy recommendation and we will follow the Board's normal approval process. The Executive Committee of the Board (ECB) has the opportunity to review and provide input on new policies and procedures, but it is not a decision-making body. New policies and procedures such as this change will be approved consistent with the Board's Delegations of Authority.

*Recommendation 3: Develop specific procedures for full-scale tabletop exercises, conduct tabletop exercises, and develop a formal process for reporting the results to the Executive Committee of the Board for review.*

We concur with this recommendation. Tabletop exercises play a critical role in the preparedness process, and we currently incorporate these as part of emergency preparedness planning on an as-needed basis without a set schedule or reporting requirement. Pursuant to this recommendation, the LEU Safety Bureau will develop a tabletop exercise program to include an annual schedule of events as well as a process and parameters for reporting exercise findings. This program will be designed to test the existing emergency plans, assist in the development of new or revised emergency plans, and focus on the operational response to unexpected incidents.

**OIG Finding 2: The Floor Warden Program Has Recruitment, Training, and Retention Challenges**

*Recommendation 4: Provide records of completed floor warden training to all Board division directors and emphasize to them the need to have trained floor wardens to assist in evacuations.*

We concur with this recommendation. The LEU Safety Bureau will develop a training compliance report specific to the floor warden program and disseminate that report twice annually.



*Recommendation 5: Develop a Board policy for approval by the Executive Committee of the Board that requires Board division directors to:*

- a. recruit floor wardens from their divisions to fill floor warden vacancies.*
- b. enforce floor warden training compliance.*

We concur with this recommendation. Policy codifying the floor warden program to include participation from each division and emphasize training will contribute to a robust emergency preparedness program. We will develop a policy that will apply to all divisions asking division directors to appoint adequate floor wardens and enforce training.

As noted in the response to Recommendation 3, the ECB is not a decision-making body, but will have the opportunity to review and provide input on the new policy.

*Recommendation 6: Ensure that the Law Enforcement Unit reconciles the floor warden roster with Board personnel records and Safety Bureau training records on a biannual basis.*

We concur with this recommendation. Updates will be coordinated twice annually to coincide with the dissemination of the training compliance report referenced in the response to Recommendation 4.

**OIG Finding 3: The Board Cannot Send Voice Announcements Simultaneously to All Employees in Leased Office Space**

*Recommendation 7: Establish a mechanism by which Board employees working in leased office space will receive critical information simultaneously and in a timely manner.*

We concur with this recommendation. The Facility Services Space Planning Office is working with the design team for 1801 K Street to incorporate a stand-alone PA system into the build-out of the new space. We also will design and submit a proposal to incorporate installation of a PA system in the Board-occupied spaces of International Square.

In the interim, the LEU and Internal Communications will continue to utilize the group page; conference blast dial; and the e-mail and text message functions of the Twenty-First Century Communications system to disseminate emergency messages to the entire Board population. Additional options are being explored, such as the feasibility of a scrolling PC banner and/or the use of the network telephone system.



## OFFICE OF INSPECTOR GENERAL

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
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