

Hi, Fred Nelson for Community Comment,

According to Snopes dot com the Postal Service reported to Congress in Twenty Twelve that six hundred plus buildings are earmarked for disposal with forty buildings up for sale to help reduce its deficit. In the year Twenty Eleven, the CB Richard Ellis Group, now the CBRE Group, the world's largest commercial real estate services firm, was awarded an exclusive contract to sell Postal Service properties for a commission of two to six percent. In June of Twenty Thirteen the U.S.P.S Office of Inspector General issued an audit report stating that "outsourcing real estate management services to one supplier is a fundamental change from how the Postal Service previously managed its real estate portfolio". The report points out several conflict of interest concerns: Maximum contract values are not listed. The contracting officer did not properly approve contract payments or appoint contracting officer's representatives to monitor contract performance or ensure services were provided making it difficult for the Postal Service to determine if the outsourcing effort will be effective in reducing costs. Other concerns exist because the contractor provides a range of property values to negotiate a lease and receives commission from the lessor based on the property value negotiated. The contractor acts on behalf of the Postal Service in negotiating a lease and the contractor can also represent the lessor. The Postal Service established a targeted incentive for reduced lease rates but in the first year of the contract did not meet the target. In addition, Facilities Officials did not establish a maximum contract amount, posing the risk of escalating contract costs. Officials increased contract funding from Two Million to Six Million Dollars and as of February of this year, contract payments exceeded Three Million. In fiscal year Twenty Twelve, employees not appointed contracting officer's representatives, certified One point Seven Million Dollars for invoices, including One point One Million for services requested and certified by the same individual, which presents an increased risk of fraud. All this adds up to an increased risk to the Postal Service's finances and reputation. The word now is that fifty six buildings are up for sale which equates to approximately Nineteen Billion Dollars. CBRE Group stands to make a profit somewhere in the neighborhood of Nine Hundred Fifty Million to One point One Billion. Oh! by the way; the chairman of CBRE Group (the largest commercial real estate firm in the world) is Richard Blum. Recognize the name? He is the husband of our illustrious U.S. Senator from California, Diane Feinstein. Small world isn't it?

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