



AUDIT REPORT

Mail Delivery Issues – Montbello Station, Denver, CO

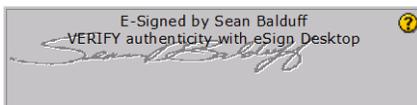
December 19, 2019





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MEMORANDUM FOR: HUMBERTO TRUJILLO, JR.
MANAGER (A), COLORADO WYOMING DISTRICT



FROM: Sean Balduff
Director, Delivery and Retail Response Team

SUBJECT: Audit Report – Mail Delivery Issues – Montbello Station,
Denver, CO (Report Number 20-078-R20)

This report presents the results of our audit of mail delivery issues at the Montbello Station, Denver, CO.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Sherry Hilderbrand, Operations Manager, at shilderbrand@uspsig.gov, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Vice President, Delivery and Retail Operations
Vice President, Area Operations

Background

This report presents the results of our self-initiated audit of mail delivery issues at the Montbello Station, Denver, CO (Project Number 20-078) in the Colorado/Wyoming District of the Western Area. We conducted the audit to provide U.S. Postal Service management with timely information on potential operational risks at the Montbello Station.

The Montbello Station has 45 delivery routes (19 city and 26 rural) delivered by 66 carriers (27 city and 39 rural). We selected the Montbello Station based on our analysis of city carriers returning after 6:00 p.m. data from the Enterprise Data Warehouse (EDW).¹

The U.S. Postal Service Office of Inspector General (OIG) obtained and analyzed operational indicators for the workload and workforce of Montbello Station for fiscal years (FY) 2018 and 2019. As outlined in [Table 1](#), we identified:

- Increases in possible deliveries.²
- Decreases in mail volume arriving in delivery point sequence (DPS)³ and from the Flats Sequencing System⁴ (FSS).
- An increase in mail volumes requiring manual sortation by carriers, known as cased volume.⁵
- An increase in the number of packages.
- An increase in overtime workhours.

¹ EDW provides a single repository for managing the Postal Service's corporate data assets and a common source of accurate corporate data across organizations to a wide variety of users.

² Cumulative number representing sum of total daily deliveries for a calendar year.

³ DPS is letter mail sorted in delivery sequence order.

⁴ FSS volume is flat mail sorted in delivery sequence order.

⁵ Cased volume is letter and flat mail a carrier manually sorts in address order to the carrier route line of travel.

Table 1. Montbello Station Operational Indicators

	FY 2018	FY 2019	Increase (Decrease)
Possible Deliveries	10,177,085	10,792,242	615,157
DPS Volume	10,553,682	10,526,347	(27,335)
FSS Volume	16,841	1,092	(15,749)
Cased Volume (Carrier)	2,890,348	3,041,674	151,326
Package Volume (Total)	2,009,214	2,300,382	291,168
Carrier Overtime Workhours	14,315	15,859	1,544

Source: OIG analysis of operational indicators from eFlash.

Objective, Scope, and Methodology

Our objective was to assess mail delivery services at the Montbello Station in Denver, CO. To accomplish our objective, we analyzed delivery metrics such as carriers return to office time, mail dispatches from plants, Distribution Up-Time (DUT), and the number of routes and carriers to assess performance of delivery operations. During our site visit on October 22 and 23, 2019, we observed delivery unit operations and interviewed delivery unit personnel and unit management to verify data and identify causes for carriers returning to the unit after 6:00 p.m. We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left”⁶ area and interviewed unit management to verify data and identify causes for improper scans. We also reviewed arrow lock key security procedures.

We relied on computer-generated data from the EDW, Product Tracking and Reporting system, and Scan Point Management System (SPMS). We did not test the validity of controls over these systems; however, we verified the accuracy of the data by testing the completeness and reasonableness of the data, observing operations at the unit, and interviewing Postal Service officials knowledgeable about the data. We determined that the data was sufficiently reliable for the purposes of this report.

We conducted this performance audit from October through December 2019 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 findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on November 21, 2019 and included their comments where appropriate.

Finding #1: Delayed and Undelivered Mail

Mail was not always delivered on selected routes at the Montbello Station. Based on our observations and analysis, we identified mail and packages for three city routes that were not delivered on October 21, 2019, the day it was committed (scheduled) for

⁶ The area of a postal facility where letters or packages that the carriers were unable to deliver are stored for customer pickup.

delivery (see Figure 1). Further, mail for one of the routes we identified was left in the delivery vehicle overnight (see Figure 2).

Figure 1. Undelivered Mail



Source: OIG audit team on October 22, 2019.

Figure 2. Undelivered Mail in Vehicle



Source: OIG audit team on October 22, 2019.

Using Postal Service conversion factors, we estimated there were 9,931 pieces of undelivered mail on October 21, 2019 (see [Table 2](#)).

Table 2. Undelivered Mail

Mail Type	Number of Feet	Average Pieces per foot	Total Number of Pieces
Letters	30	227	6,810
Flats	26	115	2,990
Packages	N/A	N/A	131
Total			9,931

Source: OIG analysis is based on Postal Service conversion factors in Customer Services Daily Reporting System (CSDRS)⁷ Guidelines.

The station manager stated the mail was not delivered for the following reasons:

- City Route 35: The regular carrier did not finish delivering the mail due to workhour restrictions. Available carriers attempted to deliver the mail but were told to return to the office.
- City Route 37: The regular carrier was bitten by a dog. Available carriers attempted to deliver the mail but were told to return to the office.
- Auxiliary Route 23: The station manager was delivering the mail when he returned to the station for an emergency. He left the mail in the vehicle with the expectation that the mail would be delivered by available carriers.

Postal Service policy⁸ states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. Any committed mail not processed and taken out for delivery on the day of receipt is delayed.

We also observed delayed mail for three different package customers. Specifically, there were:

- Three containers of parcels for a package customer that should have been forwarded to a different delivery unit but had not been processed in several days.
- Three containers of postage due mail for a package customer that had not been processed in several days. Management stated the postage due employee had recently retired and they were trying to hire someone.
- Six containers of parcels for a package customer that required all packages to be sorted and placed in sacks. We identified pieces as old as October 7, 2019. Management stated the process was very time consuming and they did not have adequate staffing.

⁷ CSDRS is a delivery unit based system that provides a snapshot of the daily condition of the mail at the point in time when the carriers have departed for the street and provides a formal delayed mail reporting tool.

⁸ Delivery Unit Service Talk-Committed Mail & Color Code Policy for Marketing Mail, February 2019.

According to Postal Service policy,⁹ managers must review all communications that may affect the day’s workload, and be sure replacements are available for unscheduled absences. Further, they must develop contingency plans for situations that may interfere with normal delivery service.

Recommendation #1: We recommend the **Manager, Colorado/Wyoming District**, instruct the **Postmaster, Denver and Montbello Station management**, to develop an action plan to ensure all mail is being delivered in a timely manner.

Finding #2: Carriers Returning after 6:00 p.m.

We determined that city carriers at the Montbello Station were returning to the office after 6:00 p.m. Specifically, for the timeframe of July to September 2019, about 26 percent of city carriers at the Montbello Station returned to the office by 6:00 p.m., 43 percent returned by 7:00 p.m., 70 percent returned by 8:00 p.m., and 89 percent returned by 9:00 p.m. (see Table 3). The Postal Service’s goal is to have 100 percent of the carriers returning to the office by 6:00 p.m.¹⁰

Table 3. City Carriers Returning by 6:00 p.m.

Month	% of Carriers Returning by 6:00 p.m.	% of Carriers Returning by 7:00 p.m.	% of Carriers Returning by 8:00 p.m.	% of Carriers Returning by 9:00 p.m.
July	24%	45%	69%	93%
August	23%	33%	57%	84%
September	30%	51%	82%	91%
Average	26%	43%	70%	89%

Source: OIG analysis of City Carriers Returning After 6 p.m. data from EDW-Delivery Data Mart.

This condition occurred for the following reasons:

- **Staffing Shortage:** The station has eight city carrier and three clerk vacancies. Staffing shortages create additional workload on carriers. For example, carriers are given pivots¹¹ on other routes and case multiple routes before casing and delivering their assigned route. Additionally, we observed management working outside of their crafts to sort and distribute the mail to carriers. Management stated they also deliver mail due to the shortage of city carriers.

⁹ Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

¹⁰ *Staffing and Scheduling Tool, Function 4 Applications User Guide*, 2016.

¹¹ Pivoting is a method of using the undertime of one or several carriers to perform duties on a temporary vacant route or to cover absences.

- **Late start time:** Management stated they start city carriers at 9:00 a.m. and Rural Carriers at 8:30 or 9:00 a.m. which can cause carriers to return to the office after 6 p.m.
- **Delayed Mail Sortation:** Carriers have to wait on parcels and other mail to be sorted to their routes. During a 34-day period ending October 7, 2019, SPMS showed that all 30 DUT scans were late or missing (28 late, 2 missing). The scans ranged from 7 minutes to 3 hours 54 minutes late.
- **Late Arriving Mail from Processing Centers:** Management stated mail often arrives late to the station. During our observations, the 6:45 a.m. truck arrived at 8:25 a.m. with about 7 feet of working letters. Further, Express Mail often arrived after 11 a.m.
- **Poor Performance by Delivery Personnel:** Management also stated delivery personnel are not meeting Postal Service productivity goals for sorting and casing mail. Based on data from the Postal Service's Customer Service Variance (CSV) model, the unit was below its productivity targets. Clerks sorted letters at 3 feet per hour (target is 8 feet per hour) and flats at 2.72 feet per hour (target is 9.84 feet per hour).
- **Growth:** Package volume and possible deliveries are increasing, making some routes overburdened. While the station recently added three rural routes, no additional city routes have been added.

When carriers return after 6:00 p.m., customer service can suffer, and mail collected by the carriers may be sent late to the Processing and Distribution Center.

Recommendation #2: We recommend the **Manager, Colorado/Wyoming District**, develop an action plan to fill carrier and clerk vacancies for the Montbello station and review the City Carrier Associate and Rural Carrier Associate compliment and assign additional carriers if necessary to the station until vacancies can be filled.

Recommendation #3: We recommend the **Manager, Colorado/Wyoming District**, review and adjust mail arrival times and mail mix for the Montbello Station and the Denver Processing and Distribution Center to ensure distribution up time is being met.

Recommendation #4: We recommend the **Manager, Colorado/Wyoming District**, instruct unit management at the Montbello Station to reiterate Postal Service productivity goals to delivery personnel and monitor performance.

Finding #3: Unreported Delayed Mailpieces

Management did not always ensure all delayed mail was accurately reported. Based on our analysis of city delivery operations data, we determined that Montbello Station management did not accurately report mail flow issues and delayed mail during our site visit. Unit management stated they did not report delayed mail volume in CSDRS, the system used to record delayed mail, because the supervisor did not know how to use the system.

Managers are required¹² to report all mail in CSDRS that remains in a reporting unit after the carriers have left the office to begin their street duties. Inaccurate reporting of delayed mail in CSDRS provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues.

Recommendation #5: We recommend the **Manager, Colorado/Wyoming**, instruct unit management, to follow city delivery standard operating procedures for reporting delayed mail.

Finding #4: Package Delivery Scanning

We determined that employees were improperly scanning packages at the unit and not following package scanning and handling policies. We conducted observations on October 22, 2019, and judgmentally selected 103 packages that were at the unit before the carriers arrived for the day to review their scanning and tracking data. Of the 103 packages we identified, 82 were in the carrier cases and 21 were in the “Notice Left” area. We found that 62 of the 82 packages in the carrier cases and 10 of the 21 packages in the “Notice Left” area were missing a scan or had improper scans or handling. Specifically:

- Thirty-one packages did not have a stop-the-clock¹³ (STC) scan.
- Twenty-three packages had a “Delivered” scan.
- Ten packages were scanned “delivery exception, animal interference”. All ten scans occurred between 6:47 p.m. and 6:49 p.m. on October 21, 2019 with the same scanner. The packages were addressed to different addresses.
- Eight¹⁴ of the 21 packages in the “Left Notice” area should have been returned based on date. Specifically, six domestic mailpieces were older than 15 days and two international mailpieces were older than 30 days. Domestic mailpieces should be returned to the sender at the close of business of the 15th day and international mailpieces should be returned to the sender at the close of business of the 30th day.

¹² *Customer Service Daily Reporting System, Guidelines and Definitions*, September 2016.

¹³ A scan event that indicates that the Postal Service has completed its commitment as it applies to service measurement on a mailpiece.

¹⁴ This total includes one piece that was scanned “Delivered” and counted in a previous bullet.

- One package was scanned “No Authorized Recipient Available” on October 16, 2019 and had no additional scans until the day of our observations at which time it was delivered.

The package scanning issues occurred because local management did not adequately enforce scanning procedures. The Postal Service’s goal is to ensure mail is delivered to the correct address with proper service, which includes scanning every mailpiece ensuring 100 percent visibility throughout the process.

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand.

Recommendation #6: We recommend the **Manager, Colorado/Wyoming**, instruct the **Postmaster, Denver** and **Montbello Station management**, to follow city delivery standard operating procedures for package scanning and handling.

Finding #5 Accountable Items: Arrow Lock Keys and Voyager Fleet Card Management

Montbello Station management did not properly manage arrow lock keys¹⁵ or Voyager Fleet cards.¹⁶

Arrow Lock Keys

We conducted an inventory of the arrow lock keys at the unit and found that two keys were missing. Additionally, management did not maintain an arrow lock key inventory log, the arrow lock keys were not properly secured, and there were 16 non-postal keys on nine of the carrier key rings. This condition occurred because management did not provide sufficient oversight of the unit’s assigned arrow lock keys. Specifically:

- Management did not report the two keys as missing and order new keys because they did not know the key numbers.
- An arrow lock key inventory log was not maintained because the unit is part of a pilot program where accountable items are electronically recorded in the Point-of-Service One (POS ONE) system. However, management had not recorded the arrow lock keys in POS ONE.

¹⁵ Arrow lock keys are accountable items used to secure and service mail receptacles.

¹⁶ Each vehicle is assigned a Voyager card to purchase all commercial fuel required by that vehicle and any minor maintenance under \$300.

- The arrow lock keys were maintained in a cabinet with a broken lock. At the time of our visit, management had not ordered a new lock.
- The non-postal keys were kept on the arrow lock key rings primarily for entering mail rooms of apartment buildings. One carrier kept an extra key that a customer had given him to put packages in a lock box on her porch.

Postal Service policy states that lost or stolen arrow lock keys must be reported immediately to the inspector-in-charge, postmasters must keep accurate arrow lock key inventories,¹⁷ and accountable items must be protected at all times. In addition, carriers are prohibited from accepting keys for locks on private mail receptacles, buildings, or offices, except where an electromechanical door lock system or a key keeper box is in convenient reach of the door. Both devices must incorporate an arrow lock to access the key or device needed to enter the building.¹⁸ When there is insufficient oversight and supervision of accountable items such as arrow lock keys, there is increased risk of mail theft.

Voyager Fleet Card Management

Montbello Station management did not adequately secure Voyager Fleet cards. The cards were kept either in a plastic container with receipts attached or in an unsecured cabinet near the rear of the building. Management stated they were unaware the cards were accountable items since the carriers did not sign for them. Postal Service policy states that Voyager Fleet cards are accountable items and should be treated as such; and they should never be carried by off-duty personnel or left in unattended vehicles or other locations with unrestricted access.¹⁹ Without proper security of Voyager Fleet cards, management cannot prevent potentially fraudulent charges and unauthorized purchases to the Postal Service.

Recommendation #7: We recommend the **Manager, Colorado/Wyoming**, instruct unit management to follow the policy for updating the arrow lock key list and to secure Voyager Fleet cards.

¹⁷ *Administrative Support Manual* Issue 13, Sections 273.471 and 273.461, July 1999, updated through October 30, 2018.

¹⁸ *Postal Operations Manual*, Issue 9, Sections 126.24 and 632.21, July 2002, updated through August 30, 2019.

¹⁹ *Standard Work Instruction (Quick Reference): U.S. Bank Voyager Fleet Card Management for Site Managers*, January 8, 2019.

Management's Comments

Management agreed with the findings and recommendations in the report. See [Appendix A](#) for management's comments in their entirety.

Regarding recommendation 1, management stated they will instruct the office to use the Performance Enhancement Tool (PET) daily to get commitments from carriers and they will address poor performance. Management's target implementation date is January 18, 2020.

Regarding recommendation 2, management stated they recently converted 37 city carrier associates to full time regulars and hired two more postal support employees. Management also plans to hire six additional rural carrier associates and two additional clerks. Management plans to complete and evaluate this hiring by April 30, 2020.

Regarding recommendation 3, management stated they will review and adjust mail arrival times and mail mix on the Integrated Operating Plan/Mail Arrival Profile. Management stated through later communications that the target implementation date is January 18, 2020.

Regarding recommendation 4, management stated they posted and reviewed productivity goals with clerks and management on December 11, 2019.

Regarding recommendation 5, management stated they instructed all units to properly report any delayed mail in the CSDRS and the Change Suspension Discontinuance Center (CSDC) on December 5, 2019. Further, management stated they review the reports daily.

Regarding recommendation 6, management stated that they instructed all units in the district (Colorado/Wyoming) on proper scanning and delivery of packages on December 6, 2019.

Regarding recommendation 7, management stated they will retrain staff on the arrow lock key policy and instruct the unit to secure Voyager cards. Management's target implementation date is January 18, 2020.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report.

We reviewed evidence supporting management's actions for addressing recommendations 4 and 6. We found their actions to be sufficient to close these recommendations with the issuance of this report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1 through 3, 5, and 7 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendix A. Management's Comments



December 9, 2019

Lazerick C. Poland
Director, Audit Operations

SUBJECT: Mail Delivery Issues – Montbello Station, Denver, CO
DR-20-078

Recommendation 1: We recommend the **Manager, Colorado/Wyoming District**, to instruct the Postmaster, Denver, and Montbello Station management to develop an action plan to ensure all mail is being delivered in a timely manner.

Management Response/Action Plan:

The office will be instructed to use the City PET tool daily to get commitments from the carriers. Stationary events will be reviewed and poor performance will be addressed. Follow up will be completed by the MCSO to ensure compliance.

Target Implementation Date:

January 18, 2020

Responsible Official:

Montbello MCS
MCSO Denver

Recommendation # 2: We recommend the **Manager, Colorado/Wyoming District**, to develop an action plan to fill carrier and clerk vacancies for the Montbello station. In addition, review the City Carrier Associate and Rural Carrier Associate compliment and assign additional carriers if necessary to the station until vacancies can be filled.

Management Response/Action Plan:

Management agrees that there needs to be an appropriate number of carriers at the Montbello Station to ensure carriers return in a timely manner. We have been working on hiring to get Montbello staffed up. On 11/9/19 Denver converted 37 CCA's to full time regulars. This allowed Montbello to get to full complement of regular carriers:

- 2 CCA's on the rolls
- 0 vacant city routes
- 32 Rural Carriers and RCA's for 24 regular rural routes and 3 auxiliary routes. There are 10 RCA's on the roles. Our goal is to get to 70% RCA staffing which would give us 16 RCA's.



- Montbello earns 13 clerks and currently have 10 on the rolls. They have 2 jobs that are in the bidding process. If no one bids those positions, they will go residual and we would be able to convert PSE's into those positions. We have hired 2 more PSE's for this station to assist until these positions are filled.

Target Implementation Date:

We will re- evaluate after the Denver Cluster withholding process is complete, no later than April 2020

Responsible Official:

Montbello MCS
Denver SCSS

Recommendation # 3: We recommend the **Manager, Colorado/Wyoming District**, review and adjust mail arrival times and mail mix for Montbello Station and the Denver Processing and Distribution Center to ensure distribution up time is being met.

Management Response/Action Plan:

Management agrees that the IOP for the Montbello stations needs to be updated. The IOP/MAP is an agreement on mail arrival times and the make-up of the mail between the station, the plant and transportation.

Target Implementation Date:

January 18, 2019

Responsible Official:

MCSO Denver
Lead MDO
Transportation Manager

Recommendation # 4: We recommend the **Manager, Colorado/Wyoming District**, instruct unit management at the Montbello Station to reiterate Postal Service productivity goals to delivery personnel and monitor performance.

Management Response/Action Plan:

F-4 productivity goals have been posted in each distribution area in the station and reviewed with each clerk. The goals have been posted in each distribution area and expectations have been given to all EAS and clerks. We will review CSV weekly and follow up with the station to ensure they are meeting the goals.



Target Implementation Date:
December 11, 2019

Responsible Official:
MCS Montbello
MCSO Denver

Recommendation # 5: We recommend the **Manager, Colorado/Wyoming**, instruct unit management, to follow city delivery standard operating procedures for reporting delayed mail.

Management Response/Action Plan:
Management agrees. All units were instructed to properly report any delayed mail in CSDRS and CSDC. These reports are reviewed daily with the SOM's on the 11:00 daily telecom.

Target Implementation Date:
December 5, 2019

Responsible Official:
COWY District Manager
COWY Manager, Operation Programs Support

Recommendation # 6: We recommend the **Manager, Colorado/Wyoming**, instruct the **Postmaster, Denver** and **Montbello Station management**, to follow city delivery standard operating procedures for package scanning and handling.

Management Response/Action Plan:
Management agrees. All units in the district were instructed on proper scanning and delivering of packages.

Target Implementation Date:
December 9, 2019

Responsible Official:
COWY District Manager
COWY Manager, Operation Programs Support



Recommendation # 7: We recommend the **Manager, Colorado/Wyoming**, instruct unit management to follow the policy for updating the arrow lock key list and to secure Voyager Fleet cards.

Management Response/Action Plan:

Management agrees there needs to be accountability for arrow key's and Voyager cards. Montbello staff will be retrained on how to utilize the arrow key log and will send to their MCSO for validation daily. The unit will be instructed they are to secure the voyager cards and the MCSO will validate compliance.

Target Implementation Date:

January 18, 2020

Responsible Official:

Montbello MCS,
MCSO Denver

A handwritten signature in black ink, appearing to read "Humberto Trujillo, Jr.", written over a horizontal line.

HUMBERTO TRUJILLO, JR
Manager (A), Colorado Wyoming District CS

cc: Corporate Audit and Response Management
Kevin L. McAdams, Vice President, Delivery & Retail Operations
Gregory G. Graves, Vice President, Operations – Western Area
Felipe Flores, Manager, Operations Support / A
[REDACTED] Controller/A