

Office of Inspector General | United States Postal Service

Audit Report

Mail Delivery, Customer Service, and Property Conditions Review – North Milwaukee Station, Milwaukee, WI

Report Number 22-147-1-R22 | August 31, 2022





OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 31, 2022

MEMORANDUM FOR: SAMARAN S. REED
MANAGER, WISCONSIN DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is centered below the recipient information.

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Mail Delivery, Customer Service, and Property Conditions Review –
North Milwaukee Station, Milwaukee, WI (Report Number 22-147-1-R22)

This report presents the results of our audit of Mail Delivery, Customer Service, and Property Conditions – North Milwaukee Station, Milwaukee, WI.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Latrice Pope, Operational Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Chief Retail & Delivery Officer & Exec VP
Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, Central Area Retail & Delivery Operations

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the North Milwaukee Station in Milwaukee, WI (Project Number 22-147-1) in response to a request from Senator Tammy Baldwin asking for a review of delivery operations in the Milwaukee, WI area. The North Milwaukee Station is in the Wisconsin District of the Central Area and services ZIP Code 53209. This ZIP Code serves about 46,451 people and is considered to be an urban community.¹ We judgmentally selected the North Milwaukee Station based on the number of Stop-the-Clock (STC)² scans occurring at the delivery unit, rather than at the customer's point of delivery.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the North Milwaukee Station in Milwaukee, WI.

To accomplish our objective, we focused on four audit areas: delayed mail, package scanning, truck arrival scans, and property conditions. Specifically, we reviewed delivery metrics including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and distribution up-time.³ During our site visit we reviewed mail conditions; package and truck arrival scanning procedures; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the "Notice Left" area⁴ and interviewed unit management and employees. We discussed our observations and conclusions as summarized

in Table 1 with management on August 10, 2022, and included their comments where appropriate.

The North Milwaukee Station is one of four delivery units⁵ the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of June 27, 2022 that are serviced by the Milwaukee Processing and Distribution Center. We are issuing this interim report to provide the Postal Service with timely information regarding the conditions we identified at the North Milwaukee Station. We will issue a separate report⁶ that provides the Postal Service with the overall findings and recommendations for all four delivery units. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting mail delivery, customer service, and property conditions at the North Milwaukee Station. Specifically, we found issues with all four areas we reviewed (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Truck Arrival Scanning	X	
Property Conditions	X	

Source: Results of our fieldwork during week of June 27, 2022.

¹ We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information.

² A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include "Delivered", "Available for Pick-up", and "No Access."

³ Time of day that clerks have completed distributing mail to the carrier routes.

⁴ The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

⁵ The other three units were Waukesha Main Post Office, Waukesha, WI (Project Number 21-147-2); Dr. Martin Luther King Jr. Station, Milwaukee, WI (Project Number 22-147-3); and Bradley Carrier Annex, Milwaukee, WI (Project Number 22-147-4).

⁶ Project Number 22-147.

Finding #1: Delayed Mail

What We Found

On the morning of June 28, 2022, we identified about 2,451 pieces of delayed letter and flat mail at 34 carrier cases. In addition, management did not report this delayed mail in the Delivery Condition Visualization (DCV)⁷ system. See Figure 1 for examples of delayed mail found at carrier cases.

Figure 1. Examples of Delayed First-Class Mail at Carrier Cases



Source: OIG photos taken on June 28, 2022.

Why Did It Occur

Management did not verify that all mail was delivered and that the delayed mail was reported in the DCV system. Management stated that other assigned duties took priority, such as scheduling staff and preparing for meetings.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily. 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. Further, managers are required⁹ to report in the DCV system all mail that remains at a unit after the carriers have left for their street duties. In addition, much of the delayed mail we counted at the carrier cases should have been placed in the 3M case¹⁰ and throwback case¹¹ for further processing. During our audit, the station manager explained the policy for utilizing the 3M and throwback cases with the carriers.

Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. In addition, inaccurate reporting of delayed mail in the DCV system 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.

⁷ A tool for unit management to manually self-report delayed mail, which provides a snapshot of daily mail conditions at the point in time when carriers have departed for the street.

⁸ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

⁹ *Informed Visibility Delivery Condition Visualization User Guide*, March 2022.

¹⁰ A piece of equipment where carriers place missorted, missequenced, and missent mail to identify recurring errors.

¹¹ A piece of equipment used by carriers to deposit undeliverable as addressed mail.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 644 packages at the delivery unit between March and May 2022 (see Table 2). Further analysis of the STC scan data for these packages showed that 91.46 percent of them were scanned “Delivered”. This data excludes scans that could properly be made at a delivery unit, such as “Delivered - PO Box” and “Customer (Vacation) Hold” but, rather, represents scans performed at the delivery unit that should routinely be made at the point of delivery. In addition, we only included “Delivery Attempted – No Access to Delivery Location” scans performed Monday through Friday to avoid legitimate scans for businesses that are closed on weekends.

Table 2. STC Scans at Delivery Unit

STC Scan Type	March	April	May	Total	Percentage
Delivered	417	150	22	589	91.46%
Delivery Attempted – No Access to Delivery Location	16	10	15	41	6.37%
Delivery Exception – Animal Interference	0	5	3	8	1.24%
No Secure Location Available	2	0	2	4	0.62%
Receptacle Full / Item Oversized	0	2	0	2	0.31%
Total	435	167	42	644	100%

Source: OIG analysis of the Postal Service’s Product Tracking and Reporting (PTR) System data. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

In addition, on the morning of June 28, 2022, we selected 58 packages¹² to review and analyze scanning and tracking history.

Of the 58 sampled packages, 23 (39.66 percent) had improper or missing scans, including:

- Sixteen from the carrier cases had “Delivered” scans, which should only be performed when the package is successfully left at the delivery point. In addition, six of these 16 packages were from different carrier cases and received a manually keyed entry of “Delivered – PO Box” with the same scanner, which is an indication that an employee made these STC scans to prevent package scanning failures.
- Seven from the carrier cases were missing STC scans to let the customer know the reason for non-delivery.

Further, we found that 20 of the packages in the “Notice Left” area were not handled properly. Specifically, 17 of them were not returned to the sender, as required.¹³ These packages ranged from three to 102 days past their return dates. In addition, three package were scanned “Intercept”¹⁴ and should have been returned to the sender instead of being placed in the “Notice Left” area.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Management acknowledged that they should have scrutinized the packages left at the carrier cases and reviewed the packages at the “Notice Left” area more thoroughly. However, other duties took priority, such as addressing customer requests and developing a mail delivery plan for the day.

What Should Have Happened

Management should have monitored packages at the carrier case and “Notice Left” area and enforced compliance with Postal Service policies. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct

¹² We judgmentally selected 30 packages from the carrier cases before carriers arrived for the day and all 28 packages from the “Notice Left” area.

¹³ *Notice Left and Return Guidelines*, dated July 2007, states that domestic packages should be returned to the sender on the 15th calendar day after a notice is left and international packages should be returned to the sender on the 30th calendar day after a notice is left.

¹⁴ A scan event where the mailer has authorized the Postal Service to intercept a package before delivery and return it to the sender.

address with proper service,¹⁵ which includes scanning packages at the time and location of delivery.¹⁶ Packages in the “Notice Left” area should have been reviewed for second notices and returned to sender if they remained after the prescribed number of days.

Effect on the Postal Service and Its Customers

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.

¹⁵ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁶ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the North Milwaukee Station did not scan all incoming trailer/truck barcodes¹⁷ as required. We reviewed data related to morning truck arrival scans from March 1 to May 31, 2022, and found that employees did not perform an “arrive” scan for any of the 248 scheduled inbound mail deliveries. We also found during our observations on the morning of June 28, 2022, that employees were not scanning the incoming mail trucks upon arrival.

Why Did It Occur

Management stated they were not aware of the requirement to scan the trailer/truck barcode and did not instruct the station clerk to perform these scans. Therefore, they did not monitor scan performance data to ensure all trucks received an arrival scan.

What Should Have Happened

Management should have instructed employees to perform appropriate trailer/truck barcodes scans and enforced the requirement. They should also have conducted reviews to ensure that all expected truck scans were being performed. According to Postal Service policy,¹⁸ employees must scan the trailer barcodes on Postal Service trailer/trucks and Highway Contract Route trucks arriving at the delivery unit during local operating hours.

Effect on the Postal Service and Its Customers

When employees do not scan the truck barcode, the Postal Service does not receive timely transportation information and is unable to address issues that may be causing mail delays, which could affect customer service.

¹⁷ The trailer barcode on the back door and inside right and left walls of the trailer.

¹⁸ *United States Postal Service Standard Operating Procedure – Subject: Trailer Scans at the Delivery Units (DU)*.

Finding # 4: Property Conditions

What We Found

We found building maintenance, security, and safety issues at the North Milwaukee Station. Specifically, we identified:

- Several stained ceiling tiles in the workroom floor and PO Box area (see Figure 2);
- A cracked and damaged sidewalk near the customer parking lot (see Figure 3);
- A damaged gutter downspout in the carrier parking lot (see Figure 4);
- Inoperable front and rear security gates (see Figure 5 and Figure 6);
- Portable fire extinguishers with expired monthly and annual inspections (see Figure 7);

- Damaged exterior electrical outlets with exposed wires (see Figure 8);
- Multiple electrical devices plugged into one extension cord (see Figure 9);
- Excess equipment blocking a carrier door (see Figure 10); and
- Broken or missing safety mirrors over the carrier garage door (see Figure 11).

During our audit, management took corrective actions by replacing the stained ceiling tiles; repairing the cracked sidewalk, the damaged downspout, the rear security gate; completing the monthly fire extinguisher inspections and removing excess equipment that was blocking a carrier door.

Figure 2. Stained Ceiling Tiles



Source: OIG photos taken June 28, 2022.



Source: Postal Service photo provided August 12, 2022

Figure 3. Cracked Sidewalk



Source: OIG photos taken June 28, 2022.



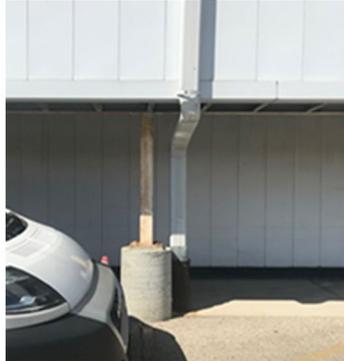
Source: Postal Service photo provided August 12, 2022

Figure 4. Damaged Downspout

Before



After



Source: OIG photo taken June 28, 2022.

Source: Postal Service photo provided August 12, 2022.

Figure 5. Inoperable Front Security Gate



Source: OIG photos taken June 28, 2022.

Figure 6. Inoperable Rear Security Gate

Before



After

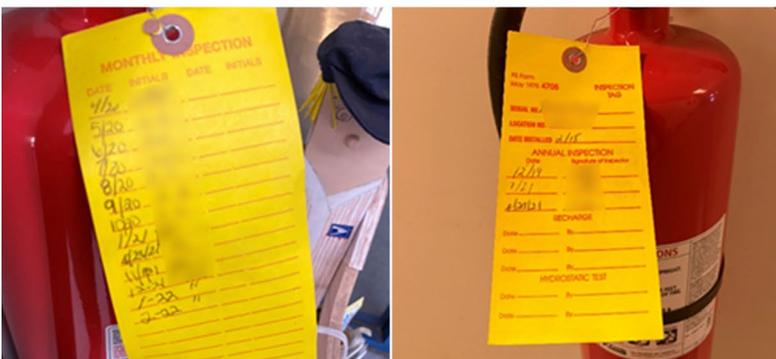


Source: OIG photos taken June 28, 2022.

Source: Postal Service photo provided August 12, 2022

Figure 7. Portable Fire Extinguishers With Expired Inspections

Before



After



Source: OIG photos taken June 28, 2022.

Source: Postal Service photo provided August 12, 2022

Figure 8. Damaged Exterior Outlets



Source: OIG photos taken June 28, 2022.

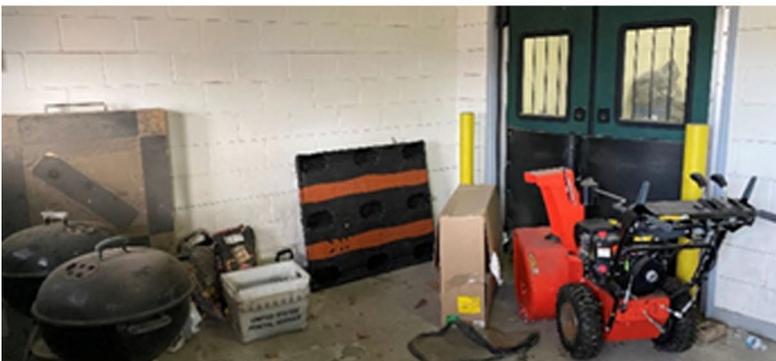
Figure 9. Excessive Electrical Plugs



Source: OIG photo taken June 28, 2022.

Figure 10. Equipment Blocking Door

Before



Source: OIG photo taken June 28, 2022.

After



Source: Postal Service photo provided August 12, 2022

Figure 11. Broken or Missing Safety Mirrors



Source: OIG photos taken June 29, 2022.

Why Did It Occur

Management did not take the necessary actions to ensure that all facility condition issues were corrected because they were addressing other repairs with higher urgency, such as a roof leak and a garage door that was stuck closed.

What Should Have Happened

Management should have provided sufficient oversight of facility maintenance; reported safety, maintenance, and security issues as they arose; and followed up to ensure the issues were addressed. The Postal Service is required to maintain a safe environment for employees and customers. In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe and healthy workplace free of recognized hazards.¹⁹

¹⁹ OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*.

Effect on the Postal Service and Its Customers

Management's attention to maintenance, safety, and security deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims, lawsuits, and OSHA penalties; and enhance the customer experience and Postal Service brand.

Management's Comments

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

Appendix A: Additional Information

We conducted this audit from June through August 2022 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. 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 believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We relied on computer-generated data from the PTR, DCV, and the Surface Visibility²⁰ database. Although we did not test the validity of the controls over these systems, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

²⁰ Surface Visibility collects end-to-end data by linking multiple scans of a single asset to create visibility data to support planning, management, and optimization of the surface network.

Appendix B: Management's Comments



August 19, 2022

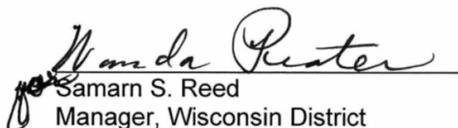
JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Mail Delivery, Customer Service, and Property
Conditions Review – North Milwaukee Station, Milwaukee, WI (Report
Number 22-147-1-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Mail Delivery, Customer Service, and Property Conditions Review –North Milwaukee, Milwaukee, WI*

Management agrees with the four findings— delayed mail, package scanning, truck arrival scanning and property conditions.

Management has begun taking steps to address the four findings.


Samarn S. Reed
Manager, Wisconsin District

cc: *Vice President, Area Retail & Delivery Operations*
Corporate Audit Response Management

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