



## AUDIT REPORT

# Mail Delivery Issues – Heritage Station, San Antonio, TX

November 21, 2018



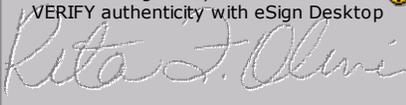
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Report Number DR-AR-19-002



November 21, 2018

**MEMORANDUM FOR:** STEVEN HERNANDEZ  
DISTRICT MANAGER, RIO GRANDE DISTRICT

E-Signed by Rita Oliver  
VERIFY authenticity with eSign Desktop   


**FROM:** Rita F. Oliver  
Director, Delivery, Retail & Vehicle Operations

**SUBJECT:** Audit Report – Mail Delivery Issues – Heritage Station, San Antonio, TX (Report Number DR-AR-19-002)

This report presents the results of our audit of Mail Delivery Issues at the Heritage Station, San Antonio, TX (Project Number 18RG016DR000).

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

Attachment

cc: Postmaster General  
Corporate Audit and Response Management

## Background

This report presents the results of our self-initiated audit to evaluate mail delivery issues on selected routes at the San Antonio – Heritage Station (Project Number 18RG016DR000). The Heritage Station is in the Rio Grande District of the Southern Area. We conducted the audit to provide U.S. Postal Service management with timely information on potential operational risks at the Heritage Station. See [Appendix A](#) for more information about this audit.

The Heritage Station has 117 delivery routes (33 city and 84 rural) and 192 carriers (47 city and 145 rural). We selected the Heritage Station to review because it had 2,113 customer cases in the Enterprise Customer Care<sup>1</sup> (eCC) application during FY 2018, Quarters (Q) 2 and 3. Some customer complaints related to mail theft, mail delivered to the wrong address, mail not received, or no key to access mailboxes. As of May 2018, the Heritage Station had the ninth largest number of cases nationwide.

## Finding #1: Mail Delivery Service Issues

Our audit results indicated mis-deliveries and no deliveries occurred on selected routes at the Heritage Station. Our analysis also showed 99 of the 117 routes at the Heritage Station had between one and 10 package-related eCC cases during this timeframe. In total, there were 1,692 eCC cases during FY 2018, Qs 2 and 3 related to mail delivery service issues, with the majority relating to packages (see Table 1).

**Table 1. Number of Mail Delivery Service eCC Cases**

Mail Delivery Service eCC Case Categories				Other eCC Cases	Total eCC Cases
Daily Mail Deliveries	Letter Carriers	Packages	Total		
231	136	1,325	1,692	421	2,113

Source: Postal Service Application System Reporting (ASR).

We determined that mail delivery service issues existed on routes because:

- Mail theft occurred at older less-secured Neighborhood Delivery and Collection Box Units<sup>2</sup> (NDCBU) needed replacement.
- Carriers did not leave Postal Service (PS) Form 3849, We ReDeliver for You! notifications for mail that could not be delivered that day to customers.

<sup>1</sup> The Postal Service creates a case in the eCC application for customer complaints received by letter, call, email, or visit. Customers also create cases in eCC if they submit their complaint through the Postal Service's website.

<sup>2</sup> Publication 32, *Glossary of Postal Terms*, defines a NDCBU as a centralized unit of more than eight individually locked compartments sized to accommodate the delivery of magazines, merchandise samples, and several days' accumulation of mail.

- Mail was delivered to the wrong address.
- Customers did not always have keys to access mailboxes.

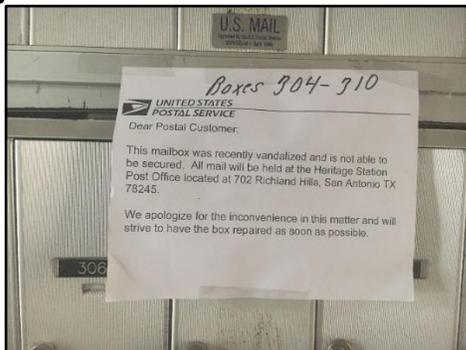
Managing delivery operations and other support operations can potentially improve mail delivery service on routes and, ultimately, increase customer satisfaction and enhance the customer experience.

### Mail Theft at Older Neighborhood Delivery and Collection Box Units

Customers' packages were stolen from older NDCBUs serviced by the Heritage Station. Per management, NDCBUs are not durable and are, therefore, easy to vandalize or pry open, resulting in numerous mail thefts, which management said is a huge problem in the San Antonio area.

When theft occurs, management stated customers will initiate a complaint stating they did not receive mail the Heritage Station shows as delivered. During our fieldwork, we observed broken and unsecured NDCBUs on a route serviced by the Heritage Station. The damaged NDCBUs prevented the carrier from delivering mail to customers (see Figure 1 and Figure 2).

**Figure 1. Postal Service Notification**



**Figure 2. Vandalized Apartment Boxes**



Source: OIG photographs taken September 11, 2018, in San Antonio, TX.

The Heritage Station management also informed us that mail is sometimes lost, with uncertainty as to where the loss occurred. When this happens, they provide a notification letter to the customer regarding the lost mailpiece and report the loss to the U.S. Postal Inspection Service<sup>3</sup> (USPIS). See [Appendix B](#) for a sample letter. Further, the Rio Grande District management informed the OIG that they initiated corrective action to reduce the number of mailbox thefts in the San Antonio area. Specifically, district management stated they are working with the USPIS to identify and replace older or damaged NDCBUs with newer, more secure mail receptacles. The corrective action complies with Postal Service policy,<sup>4</sup> which requires management to notify the

<sup>3</sup> USPIS investigates external postal-related criminal offenses, such as identity theft, postal robberies, and burglaries.

<sup>4</sup> *Postal Operations Manual* (POM), Section 632.627.

USPIS when mail is lost or stolen from receptacles. Management also stated that due to limited funding, they are prioritizing their replacement decisions based on the level of theft/crime in the surrounding areas and they plan to replace Cluster Box Units<sup>5</sup> (CBU) on routes serviced by the Heritage Station. The new CBUs are more secure than the older NDCBUs, which Postal Service policy no longer allows as replacements or at new installations.<sup>6</sup>

The OIG also learned of a February 2018 proposal from San Antonio City Council members to the City of San Antonio, Office of City Council, to create a *Mail Box Theft Task Force*<sup>7</sup> to review issues surrounding theft of mail from CBUs. Instead of creating a task force, during June 2018, management decided to make CBUs stronger and issue stiffer penalties for mailbox break-ins.<sup>8</sup> Based on district management's ongoing initiatives with USPIS to address and reduce mail theft in the San Antonio area, we are not making a recommendation on this issue. However, we made a referral to our Office of Investigations,<sup>9</sup> as appropriate, for the lost mail.

### Undelivered Mail Notifications

Regular and substitute<sup>10</sup> carriers did not always leave PS Forms 3849 at addresses where they were unable to deliver mail. Postal Service policy<sup>11</sup> requires carriers to leave the notification at the address when mail is held for the customer. This occurred because carriers did not always comply with PS Form 3849 notification procedures. Management said if there is not a secure location for delivering a package, the carrier will bring the package back to the post office and notify the customer it is available for pick-up. It is important for carriers to leave a PS Form 3849 notification at the address to ensure the customer is aware of the attempted delivery and has the necessary pick-up instructions. Additionally, if customers do not have a PS Form 3849, it is difficult for Postal Service employees to locate a package when a customer arrives for pick-up.

### Mis-Delivered Mail

Carriers sometimes delivered mail or packages to the wrong address. Management stated this happens with some of their carriers because they were unfamiliar with the delivery routes. When this happens, management uses scan data to determine the Global Positioning System location to track the address where the carrier delivered the mailpiece. They will subsequently attempt to retrieve the package and deliver it to the correct address. Delivery supervisors said they have discussed mis-delivered mail issues with their carriers, but they did not document their discussions to identify trends

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<sup>5</sup> Publication 32 defines a CBU as a centralized grouping of individually locked and keyed compartments or mailboxes.

<sup>6</sup> *Postal Bulletin* 22493, *Mailbox Improvement Week*, dated May 10, 2018.

<sup>7</sup> City of San Antonio website, "*Creation of a Mail Box Theft Task Force*" proposal document dated February 21, 2018.

<sup>8</sup> San Antonio local news station report titled "*City mailbox theft task force will not be created*," dated June 20, 2018.

<sup>9</sup> OI investigates internal crimes and frauds against the Postal Service, such as theft of mail by employees.

<sup>10</sup> City Carrier Assistants and Rural Carrier Associates.

<sup>11</sup> POM, Section 617.31.

and the need for further training. When carriers do not follow proper mail delivery procedures, it puts the mail at risk of being misdelivered.

### Customers Did Not Always Have Keys to Access Mailboxes

CBU replacement keys were not always available to allow customers access to their mail. Our analysis showed 135, or 6.4 percent, of the 2,113 eCC cases related to not having keys to obtain their mail. Management stated there was about a two-week delay for replacing keys for CBUs. During our observations, management showed us a four-page log of the CBU key replacement delay/backlog. The Postal Service is responsible for providing customers with keys to postal-owned CBUs. When there is damage to a CBU, a new resident moves in, or a new box is installed, Postal Service policy requires an immediate lock change.<sup>12</sup> Heritage Station management stated they cannot provide mailbox keys to customers until the San Antonio Post Office's maintenance staff re-key the CBUs.

**Recommendation #1:** We recommend the Manager, Rio Grande District, require Heritage Station management to provide refresher training to carriers on customer notification procedures for undelivered mail.

**Recommendation #2:** We recommend the Manager, Rio Grande District, require Heritage Station management to provide refresher training to carriers on proper mail delivery procedures.

**Recommendation #3:** We recommend the Manager, Rio Grande District, work with Heritage Station management to develop a solution for reducing the delays related to re-keying collection box units.

### Finding #2: Customers Not Satisfied with Complaint Resolutions

Management did not adequately address customer complaints, as the unit had 112 re-opened eCC cases during FY 2018, Qs 2 and 3. A case is re-opened when a customer is not satisfied with the resolution of their case.<sup>13</sup> Customers noted several reasons for re-opening their eCC cases, but the top five reasons are shown in Table 2.

<sup>12</sup> POM, Sections 632.22 and 841.51.

<sup>13</sup> A re-opened case occurs when the original case was not resolved successfully. A case can be re-opened through the Postal Service's website (<https://www.usps.com>), or by contacting the Customer Call Center or Consumer & Industry Contact Office associated with the local post office.

**Table 2. Top Five Reasons for Re-Opened eCC Cases**

Most Common Issues of Re-Opened Cases	Number of Cases Re-Opened
Missing Package Misdelivered Vendor Letter Issued	31
Change of Address	14
Missing Package Delayed Shipping	12
Parcel Locker Key	7
Missing Package GPS Shows Delivered Properly Vendor Letter Issued	5

Source: Postal Service Applications System Reporting (ASR).

In addition, our analysis showed 43 package-related cases management did not resolve within the Postal Service’s established timeframe of three business days.<sup>14</sup> The Postal Service’s goal is to have 90 percent of its cases resolved within one to three days, and the Rio Grande District’s goal is for re-opened cases not to exceed 3.4 percent.

District management informed us of their eCC monitoring initiatives that began in Spring 2017. The initiatives included daily reviews of eCC cases, weekly identification of customer contact trends, weekly identification of routes with the largest number of eCC cases, and weekly reviews of customer eCC survey comments. They indicated that they update the eCC data daily and post it on their website to make it available for view by postal facilities in the district. While the Heritage Station met the Postal Service’s 90 percent goal to resolve eCC cases within three days, it exceeded the district’s goal of 3.4 percent or less re-opened cases by 1.9 percent.<sup>15</sup>

This occurred because there was no customer complaint log or a process in place to record customer complaints received at the station. Additionally, Heritage Station management did not use the eCC trend reports available on the district’s website to identify routes, carriers or customers needing special attention due to repeated and re-opened customer complaints.

The Heritage Station has five supervisors who evenly distribute the total eCC cases among themselves each morning. Their goal is to either resolve the case or attempt to contact the customer by 1:00 p.m. If not resolved on the first day, it becomes a part of the eCC case distribution for the next day, resulting in the possibility that a different supervisor would work on resolving the case. Postal Service policy<sup>16</sup> sets forth the

<sup>14</sup> The Postal Service’s goal is to have 90 percent of its cases resolved within 1 to 3 days, also known as the Service Level Agreement.

<sup>15</sup> Customers re-opened 112 (5.3 percent) of the 2,113 eCC cases. The 5.3 percent, less the districts 3.4 percent goal, is 1.9 percent.

<sup>16</sup> Postal Service’s *Complaint Handling Guidelines for Residential and Small Business Customers*, dated July 2014.

appropriate method for handling customer complaints through the eCC process. The local post office is required to assign responsibility for checking eCC three times a day and contact customers within 24 hours to acknowledge the issue and proceed with resolution. In addition, complaints issued by phone or a walk-in are required to be logged into a Customer Complaint Control Log.

Complaint management is vital to the eCC resolution process and can increase customer loyalty and retention. As result of the 112 re-opened eCC cases, the Heritage Station incurred \$6,487 in additional processing costs.

**Recommendation #4:** We recommend the **Manager, Rio Grande District**, require Heritage Station management to maintain a customer complaint log to manage and timely resolve customer complaints.

**Recommendation #5:** We recommend the **Manager, Rio Grande District**, require Heritage Station management to use district trend reports to identify and provide training to carriers with repeat customer complaints.

### Other Matters – Unsecured Stamp Stock

Employees did not always properly secure and lock stamp stock. The inventory included cash, money orders, and stamp stock worth over \$15,000 (see Figure 3 and Figure 4). Physical access controls reduce the security risk to Postal Service employees and safe guarding controls reduces the potential for loss or misappropriation of assets. We brought these issues to management attention, who took immediate corrective action. Therefore, we are not making a recommendation on this issue.

**Figure 3. Unsecured Stamp Stock**



Source: OIG photograph taken September 11, 2018  
at Heritage Station.

**Figure 4. Unsecured Stamp Stock**



Source: OIG photographs taken September 11, 2018 at Heritage Station.

### **Management's Comments**

Management agreed with the findings and recommendations.

In response to recommendation 1, management agreed with the need to provide training on proper notification procedures for mail not delivered and document that all personnel received the training. Management stated they performed a stand-up talk regarding proper utilization and completion of PS Form 3849 and documented this on each employees' PS Form 2548, Individual Training Record. Additionally, management stated they will do a refresher talk on this matter quarterly to ensure that employees are aware of these requirements. Management completed this October 25, 2018.

In response to recommendation 2, management agreed with the need to provide all personnel with training on proper mail delivery procedures and document that all personnel received the training. Management stated they performed a stand-up talk regarding proper mail delivery procedures and documented this on each employees' PS Form 2548. Additionally, Management stated they will do a refresher talk on this matter quarterly to ensure that employees are aware of these requirements. Management completed this October 25, 2018.

In response to recommendation 3, management agreed with the need to develop a solution for reducing the days related to re-keying collection box units. Management stated the Manager, Customer Service, for Heritage Station will ensure that re-keying requests are submitted daily and that the changes are completed within 72 hours. Management completed this October 19, 2018.

In response to recommendation 4, management agreed with the need to maintain a complaint log to manage and timely resolve customer complaints. Management stated they have established a customer complaint log and process. Management completed this November 16, 2018.

In response to recommendation 5, management agreed with the need to have Heritage Station management use the district trend reports to aid in identifying carriers with repeat customer complaints for additional training. Management stated they have created individual tracking sheets for each carrier identified and are using them to track the types and frequency of complaints received. Management completed this October 1, 2018. See [Appendix C](#) for management's comments in their entirety.

### **Evaluation of Management's Comments**

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

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Based on the documentation provided by Rio Grande District management, we consider all recommendations closed with the issuance of this report.

## Appendix A: Additional Information

### Objective, Scope, and Methodology

Our objective was to evaluate mail delivery issues on selected routes at Heritage Station.

To accomplish our objective, we:

- Obtained and reviewed documentation and applicable policies and procedures related to delivery services at Heritage Station.
- Obtained and analyzed eCC data from the Postal Service's ASR for FY 2018, Qs 2 and 3.
- Selected the Heritage Station to review because it had 2,113 customer cases in the eCC application during FY 2018, Qs 2 and 3, which was the ninth largest number of cases nationwide.
- Conducted an unannounced site visit to Heritage Station to interview delivery unit personnel and observe delivery practices.
- Interviewed Rio Grande District and Heritage Station personnel to discuss local management initiatives or directives related to delivery concerns addressed by the customers serviced by the Heritage Station.

We relied on computer-generated data from the ASR. We did not test the validity of controls over this system; however, we verified the accuracy of the data by performing various tests and using reasonableness assertions, and interviewing knowledgeable Postal Service employees. We determined that the data were sufficiently reliable for the purposes of this report.

We conducted this audit from September through November 2018, 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 objective. We discussed our observations and conclusions with management on October 19, 2018, and included their comments where appropriate.

## Appendix B: Sample “Vendor Letter” for Customers

 UNITED STATES  
POSTAL SERVICE

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September 1, 2016

Name  
Address  
City

Dear Mr. Smith

This is in response to your recent inquiry concerning non-receipt of Delivery Confirmation package 9405 5102 0098 6073 5555 55 mailed to you in San Antonio TX.

I apologize for any inconvenience this matter has caused you. Our records indicate that this item was scanned as Delivered on 09/1/2016. We have conducted an extraordinary search for the missing package at the STATION NAME Post Office. Regrettably, the package was not found.

Postal officials at the local post office have been made aware of this issue and the information has been provided to management for further review and action.

Regrettably, there are no provisions for reimbursing you for your loss. By law, Postal Service liability is restricted to Registered, Insured, C.O.D, and Express Mail. Federal law 28 U.S.C. 2680(b) exempts the Postal Service from liability for claims arising out of the loss, miscarriage, or negligent delivery of mail matter.

Because of the nature of your inquiry, I am referring your correspondence to the Postal Inspection Service, which is the law enforcement arm of the United States Postal Service. Complaints alleging mail tampering or theft come under the exclusive jurisdiction of the Postal Inspection Service. If additional details are required, you will be contacted by a representative of the Postal Inspection Service.

Please accept our sincere apologies for any inconvenience you have incurred. This information may be used to notify your correspondent of our investigation. Past experience has shown many businesses will willingly review their customer's file and often replace an item when it is apparent the loss or theft of a package is not the fault of their customer.

Sincerely,

[Name]  
[Title]

Reference: [eCC Case Number]

Source: Postal Service Rio Grande District's website.

## Appendix C: Management's Comments

DISTRICT MANAGER, CUSTOMER SERVICE & SALES  
RIO GRANDE DISTRICT



November 16, 2018

Lazerick Poland  
Acting Director, Audit Operations  
U.S. Postal Service, Office of the Inspector General

Dear Mr. Poland:

This response is in reference to your recent draft audit report titled Mail Delivery Issues – Heritage Station, San Antonio, TX (Project Number 18RG016DR000, dated November 1, 2018).

After careful review of the draft provided, we concur with your findings and recommendations, implementation dates, and the monetary impact incurred by Heritage Station as a result of the additional processing costs due to reopened eCC Cases.

Accordingly, the following addresses the corrective action for each recommendation:

**Recommendation #1** - We recommend the Manager, Rio Grande District, require Heritage Station management to provide refresher training to carriers on customer notification procedures for mail not delivered.

Action taken: A stand-up talk was provided to the Heritage Station employees on October 25, 2018, in reference to proper utilization and completion of PS Form 3849, *We ReDeliver for You!*, and documented on PS Form 2548, *Individual Training Record*. We will continue to reissue the stand-up talk to all employees quarterly. Copies of the PS Form 2548 have been enclosed.

**Recommendation #2** - We recommend the Manager, Rio Grande District, require Heritage Station management to provide refresher training to carriers on proper mail delivery procedures.

Action taken: A stand-up talk was provided to the Heritage Station employees on October 25, 2018, in reference to proper mail delivery, and documented on PS Form 2548, *Individual Training Record*. We will continue to reissue the stand-up talk to all employees quarterly. Copies of the PS Form 2548 have been enclosed.

1 POST OFFICE DR  
SAN ANTONIO, TX 78284-9997  
210-368-5548  
FAX: 210-368-5511  
WWW.USPS.COM

- 2 -

**Recommendation #3** - We recommend the Manager, Rio Grande District, work with Heritage Station management to develop a solution for reducing the delays related to re-keying collection box units.

Action taken: Effective October 19, 2018, measures were implemented by the Heritage management team requiring that all mailbox key requests are submitted daily prior to close of business. A copy of the key orders are also sent to Heritage Station Manager Ayda Alderete daily, for validation. The unit is closely monitoring the turn-around time to ensure locks are changed out within 72 hours. Immediate follow up is conducted with maintenance if the 72-hour suspense is not met. Copies of the key logs dated October 19 through November 14, 2018, have been enclosed.

**Recommendation #4** - We recommend the Manager, Rio Grande District, require Heritage Station management to maintain a customer complaint log to manage and timely resolve customer complaints.

Action taken: The use of the Customer Complaint Log has been explained and provided to the unit for implementation effective today, November 16, 2018.

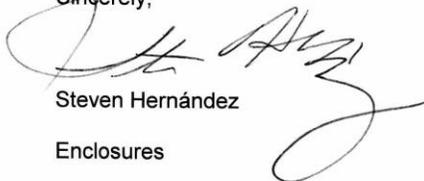
**Recommendation #5** - We recommend the Manager, Rio Grande District, require Heritage Station management to use district trend reports to identify and provide training to carriers with repeat customer complaints.

Action taken: Effective October 1, 2018, eCC Tracking Sheets were created for each opportunity carrier identified on the district trend reports to record the types of complaints that are being received. As additional complaints are recorded, they are addressed with the appropriate carrier. Copies of the eCC Tracking Sheets have been enclosed.

Upon further review of the draft, we were unable to identify any information for redaction in accordance with FOIA. This is also indicated on the completed FOIA Form included in our response package.

Thank you for your feedback and recommendations. Please be assured that all necessary measures will be taken to enhance our customers' experience by improving and sustaining performance.

Sincerely,



Steven Hernández

Enclosures