



AUDIT REPORT

Mail Delivery and Retail Services – ██████████ Branch, ██████████, MD

September 10, 2019



Report Number DRT-AR-19-019



September 10, 2019

MEMORANDUM FOR: WILLIAM D. MARTIN
DISTRICT MANAGER (A), BALTIMORE DISTRICT

E-Signed by Hilderbrand, Sherry
VERIFY authenticity with eSign Desktop
Sherry A. Hilderbrand

FROM: Sherry A. Hilderbrand
Director, Delivery and Retail Response Team

SUBJECT: Audit Report – Mail Delivery and Retail Services – [REDACTED]
Branch, [REDACTED] MD (Report Number DRT-AR-19-019)

This report presents the results of our audit of delivery and retail services at the [REDACTED] Branch, [REDACTED], MD (Project Number 19RG033DR000).

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

Attachment

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

Background

This report presents the results of our self-initiated audit of Mail Delivery and Retail Services – ██████████ Branch, ██████████, MD (Project Number 19RG033DRT000). The ██████████ Branch is in the Baltimore District of the Capital Metro Area. This audit was designed to provide U.S. Postal Service management with timely information on potential delivery and retail service risks at the ██████████ Branch.

The ██████████ Branch has 67 city routes delivered by 97 carriers (76 Full-Time Regulars and 21 City Carrier Associates). The branch also has 11 clerks (nine full time and two postal support employees) performing retail and customer service functions. We selected the ██████████ Branch based on our analysis of carriers returning to the office after 6:00 p.m. and Enterprise Customer Care¹ (eCC) data.

Objective, Scope, and Methodology

The objective of this audit was to assess mail delivery and retail services at the ██████████ Branch in ██████████, MD. To accomplish our objective, we analyzed delivery metrics such as mail arrival, distribution-up time (DUT), carriers return to office time, and the number of routes and carriers to assess performance of delivery operations. In addition, we analyzed eCC case data. During our site visit from July 16 through 17, 2019, we interviewed management and employees, conducted delivery and retail unit observations, reviewed scanning procedures on packages and letters², evaluated the process completed by delivery supervisory personnel in response to eCC cases³, and reviewed ██████████ security procedures.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW), eCC, and Scan Point Management System. Although we did not test the validity of controls over these systems, 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 the data were sufficiently reliable for the purposes of this report.

We conducted this audit from July through September 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 believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and

¹ eCC is a Postal Service software program to record and track customer complaints received by letter, phone, visit, or through the Postal Service's website.

² We only included Certified Mail[®] and Priority Mail Express[®]. Certified Mail provides the sender with a mailing receipt and, upon request, electronic verification of delivery or attempted delivery. Priority Mail Express is the Postal Service's fastest domestic service, with limited exceptions, available 365 days a year with a money-back guarantee.

³ Although there were eCC complaints related to retail services, we did not identify any significant issues during our retail services observation on July 16, 2019.

conclusions with management on August 12, 2019 and included their comments where appropriate.

Finding # 1: Unreported Delayed Mail

Employees at the [REDACTED] Branch did not follow procedures for identifying and reporting undelivered mail. Postal Service policy requires carriers to complete Postal Service (PS) Form 1571, Undelivered Mail Report, for mail not delivered and returned to the office.⁴ In addition, supervisors are to perform daily reviews of carrier cases (before they arrive) to identify undelivered mail.⁵

During our review, we identified a tray of undelivered mail at a carrier's case for Route [REDACTED]. Specifically, mail scheduled for delivery on July 16, 2019 was still at the carrier's case when we arrived on July 17, 2019 (see Figure 1). We also reviewed the Customer Service Daily Reporting System⁶ (CSDRS) and noted the delivery supervisor did not report the delayed mail volumes as required.⁷

Figure 1. Undelivered Mail at Carriers Case for Route [REDACTED]



Source: U.S. Postal Service Office of Inspector General (OIG) photo taken July 17, 2019.

These conditions occurred because the carrier did not notify the delivery supervisor of the undelivered mail after returning to the office on July 16, 2019. Additionally, the delivery supervisor did not review the carrier's case before the carrier arrived to work on July 17, 2019 to identify the undelivered mail. While they were aware of the procedures, they did not adhere to them. We notified branch management and they immediately began discussions for determining why the carrier did not deliver the mail and the appropriate corrective personnel actions to pursue.

⁴ Postal Service Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, paragraph 44.442.2

⁵ Postal Service Handbook M-39, *Management of Delivery Services*, paragraph 111.2.e.

⁶ CSDRS is the formal tool used to fulfill the critical delayed mail reporting requirements of U.S. Code Title 18.

⁷ CSDRS *Guidelines and Definitions*, dated September 2016.

Customers rely on timely and consistent mail delivery service. Additionally, 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 limits opportunities for corrective action.

Recommendation #1: We recommend the **Manager, Baltimore District**, instruct branch management to follow procedures for reviewing carrier cases to identify any undelivered mail.

Recommendation #2: We recommend the **Manager, Baltimore District**, instruct branch management to follow city delivery standard operating procedures for reporting delayed mail.

Finding # 2: City Delivery Carriers Returned after 6:00 p.m.

City delivery carriers at the [REDACTED] Branch did not meet the Postal Service's goal of 100 percent of the carriers returning to the office by 6:00 p.m.⁸ During the first three quarters of fiscal year (FY) 2019, on average only 29 percent of carriers returned by 6:00 p.m., 53 percent by 7:00 p.m., and 86 percent by 8:00 p.m. (see Table 1).

Table 1. [REDACTED] Branch City Delivery Carriers Return Times

FY 2019 Quarter (Q)	Percentage of Carriers Returning to the Office by		
	6:00 p.m.	7:00 p.m.	8:00 p.m.
Q1	23%	43%	72%
Q2	30%	57%	91%
Q3	35%	60%	94%
Average	29%	53%	86%

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

This condition occurred due to a lack of effective management oversight. Specifically, there are ongoing staff availability issues and insufficient dock loading space. Additionally, the branch manager stated there were no significant mail arrival delays from the processing center; however, we determined their DUTs were usually late.

- **Staff Availability.** The branch manager stated there are ongoing attendance issues for carriers and clerks, including a high use of the Family and Medical Leave Act⁹ (FMLA) entitlement. Additionally, the manager explained some carriers have delivery restrictions that limits what they can carry. The branch manager also explained they have 17 vacant routes due to carriers assigned to the branch, but not available to deliver mail for their routes.¹⁰ The delivery supervisor stated they split routes¹¹ daily to deliver mail for vacant routes and when carriers are out on unscheduled leave.

⁸ *Staffing and Scheduling Tool, Function 4 Applications User Guide*, 2016.

⁹ FMLA entitles eligible employees to take job-protected leave for specified family and medical reasons.

¹⁰ We reviewed the Postal Service's On-Rolls-Not-Available (ORNA) report, as of June 25, 2019, and it showed 18 carriers were in ORNA status due to reasons such as military leave, sick leave, injuries, and work limitations.

¹¹ Term Postal Service employees use when dividing an unstaffed route among multiple carriers. The carriers deliver mail for their regular route and for their portion of the unstaffed route.

Reduced staff availability to deliver mail increases the workload and delivery times for other carriers.

- **Insufficient Dock Loading Spaces.** The [REDACTED] Branch only has eight dock loading spaces available for their 67 routes (see Figure 2), and they share parking spaces with a co-located vehicle maintenance facility (VMF).

Figure 2. Eight Dock Loading Spaces



Source: OIG photo taken July 17, 2019.

The VMF uses the parking area immediately behind the branch's dock loading area (see Figure 3), and carriers park their delivery vehicles to the rear of the VMF (see Figure 4).

Figure 3. View of VMF in Rear



Source: OIG photos taken July 17, 2019.

Figure 4. Carriers' Parked Vehicles



The limited parking spaces causes carrier loading delays. During our site visit we observed carriers in their vehicles lined up in the parking area waiting for available parking spaces to load their vehicles (see Figure 5). The branch manager said carriers can wait 10 to 15 minutes in line to load their vehicles, depending on the vehicle loading speed of the carriers already at the dock. The wait-time leads to late departures, which contributes to carriers returning late to the office.

Figure 5. Carriers in Line Waiting for a Parking Space to Load Vehicles



Source: OIG photo taken July 16, 2019.

- **Late Distribution-Up-Time.** The [REDACTED] Branch did not always meet its goal of completing sortation to distribute mail to each delivery route by 8:30 a.m., known as the DUT. Specifically, during a 30-day period prior to our July 16, 2019 site visit, their DUT was late 75 percent of the time, ranging from 1 minute to 3 hours 35 minutes. The manager was not aware of the magnitude of late DUTs, but said they only have nine full time clerks to distribute mail to 67 routes. Also, sometimes clerks forget to record DUT. The manager and delivery supervisors adjusted carriers start time from 7:30 a.m. to 8:30 a.m. so the DUT could support the carriers leave time. However, the later carrier start-times contribute to late returns to the office.

Recommendation #3: We recommend the **Manager, Baltimore District**, instruct branch management to increase oversight over staff to ensure there is adequate route coverage, increased staff availability, reduced operational delays at loading docks, and distribution up-times are met.

Recommendation #4: We recommend the **Manager, Baltimore District**, instruct branch management to coordinate with vehicle maintenance facility personnel to increase the number of parking spaces available to carriers immediately behind the loading dock area during the morning vehicle loading times.

Finding # 3: Employees Improperly Scanned Packages

We determined that employees were improperly scanning packages and they were not following package scanning and handling policies. Specifically, we conducted an observation on July 16, 2019 and judgmentally selected 81 packages located at carrier cases and in the notice left area before carriers arrived for the day. We reviewed scanning and tracking data and determined 62 (77 percent) of the 81 packages had missing or improper scans. Specifically:

- Twenty-nine showed delivered scans¹² but were at the office.
- Nine showed scans of “Out for Delivery,” but were at the office.
- Nineteen did not have stop-the-clock scans.
 - Eighteen showed scans of “Delivery Status Not Updated”.
 - One showed a scan of “Sorting/Processing Complete” on June 18.
- Five had scans that were more than 15-days old and should be returned to sender.
 - Two showed a scan of “No Access”
 - One showed a scan of “No Authorized Recipient Available”
 - One showed a scan of “Receptacle Full/Item Oversized”
 - One showed a scan of “Insufficient Address”

The Postal Service’s goal is to make sure mail is delivered to the correct address with proper service, which includes scanning every mailpiece ensuring 100 percent visibility throughout the process.¹³

The package scanning issues occurred because local management did not adequately enforce scanning procedures. 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 #5: We recommend the Manager, **Baltimore District**, instruct unit management to ensure staff follow delivery standard operating procedures for scanning mail pieces.

¹² Scans included, Delivered-in/at Mailbox, Delivered-Front Door/Porch, Delivered-Left with Individual, Delivered to Original Sender, or Delivered.

¹³ Postal Service’s *Delivery Done Right* poster, *Delivering a Positive Customer Experience – Delivery Done Right* stand-up talk, and their *World Class Visibility – Scanning* fact sheet.

Finding # 4: Undeliverable Accountable Mail Not Returned to Sender

During our observations on July 16, 2019, we identified 280 Certified Mail and 12 Priority Mail Express pieces stored in a mail tray (see Figure 6) that carriers were not able to deliver, and customers did not claim. Postal Service guidance requires Certified Mail pieces to be returned to the sender on the 15th calendar day after a delivery attempt, and Priority Mail Express to be returned on the 5th calendar day.

Figure 6. Certified Mail and Priority Mailpieces



Source: OIG photo taken July 16, 2019.

We reviewed scanning and tracking data for the 280 Certified Mail pieces and determined 203 (82 percent) were held between two and 17 days beyond their 15-day authorized retention period. We could not review tracking data for the 12 Priority Mail Express pieces because the tracking numbers were old and no longer available to track. The clerks began taking action to return the mailpieces on July 17, 2019 after we notified management.

This condition occurred because management did not provide effective oversight to ensure clerks followed procedures for Certified Mail and Priority Mail Express. When employees do not follow procedures, there is an increased risk of customer dissatisfaction which may adversely affect the Postal Service brand.

Recommendation #6: We recommend the **Manager, Baltimore District**, instruct branch management to ensure staff follow delivery standard operating procedures for handling Certified Mail and Priority Mail Express.

Management's Comments

Management agreed with finding 1 and all six recommendations, but disagreed with certain aspects of findings 2, 3, and 4.

Regarding finding 1, management agreed and stated they took corrective action with local management.

Regarding finding 2, management stated the VMF does not park vehicles at the loading dock. Management stated they instructed personnel to prohibit vehicle drop-offs on the side of the VMF and to schedule vehicle deliveries after morning loading time. Management also stated that the OIG incorrectly reported that FMLA is for unpaid job-related leave but can also be for paid leave.

Regarding finding 3, management disagreed with the method the OIG used to determine the percentage of missing or improper scans. Management stated that instead of using a statistically valid method to perform random sampling, the OIG judgmentally selected samples to determine the percentages of missing or improper scans. Management said that creates a bias, which led to the extremely high percentages used in the report.

Regarding finding 4, management stated the policy for returning undeliverable certified articles can include returning the articles any time after 15 days. Management said they allows for the more cost-effective practice of selecting one day each week for returns.

Regarding recommendations 1, 2, and 6, management agreed and stated they conducted an in-depth review with the local management team on several topics, such as CSDRS Guidelines, proper use of PS Form 1571, Function 4 DUTs, and the distribution and redelivery second/final notice retention period. The Postal Service completed corrective action as of August 14, 2019.

Regarding recommendation 3, management agreed and stated they are working with the Baltimore postmaster, Labor Relations Manager, Health and Resource Management's Attendance Control Officer, and local management to address staffing concerns and provide guidance on appropriate actions for returning employees to work. Local management also participates in weekly teleconferences to discuss staffing issues and concerns. The Postal Service completed corrective action as of August 15, 2019.

Regarding recommendation 4, management agreed and stated they are working with the local VMF to ensure parking spaces closest to the delivery unit remain open for carriers use only. Management stated they are also investigating the possibility of returning city routes to a nearby station. The Postal Service completed corrective action as of August 14, 2019.

Regarding recommendation 5, management agreed and stated they conducted service talks station-wide on proper scanning requirements, delivery unit responsibilities, malfunctioning equipment, and acceptable barcodes and locations. The Postal Service completed corrective action as of August 18, 2019.

See [Appendix A](#) 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. We consider recommendations 1 through 6 closed with the issuance of this report.

Regarding management's comments to finding 2, the report discussed the shared parking spaces immediately behind the loading dock area, not the VMF parked vehicles at the loading dock. The OIG clarified footnote 9 regarding FMLA.

Regarding management's comments to finding 3, the OIG's methodology was to review scanning data for all packages found at carrier cases prior to their arrival to work on July 16, 2019. In addition, we selected a judgmental sample of packages on the notice left shelf. We do not agree that there is a bias in the sampling methodology, as we do not know the scan status of the packages until after we select them and check the status.

Regarding management's comments to finding 4, management stated their interpretation of the policy for returning undelivered certified mail can include returning the articles "*at any time after*" 15 days. We disagree with this interpretation of the policy which clearly states that undeliverable articles "*must be*" returned after 15 calendar days. Certified mail provides an affordable way for Postal Service customers to send critical business and legal documents using visibility and accountability options similar to more costly delivery options. The incorrect interpretation of policy would allow for the indefinite holding of certified mail and could potentially harm the Postal Service's brand.

APPENDIX A. MANAGEMENT'S COMMENTS



September 4, 2019

LAZERICK POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Draft Audit Report –Mail Delivery and Retail Services- [REDACTED]
Branch (Report Number DRT-AR-19-DRAFT)

Thank you for the opportunity to respond to the Office of Inspector General (OIG) draft audit report, "Mail Delivery and Retail Services- [REDACTED] Branch". Management does not agree with all of the findings noted in the audit report.

Regarding finding #1 management agrees with the finding and has taken appropriate action with site managers.

Regarding finding #2 related to insufficient dock space it was discussed in the exit conference that the [REDACTED] VMF does not park vehicles at the loading dock of the [REDACTED] Post office. The Vehicle Maintenance Facility (VMF) uses the lot on the side of the VMF. VMF personnel have been instructed not to allow contractors to drop off vehicles on this side of the VMF and all deliveries are to be scheduled after the morning load time.

Additionally the OIG cited a lack of management oversight for carriers returning after 6:00pm with one issue being staff availability. As indicated by the OIG, there are issues with many employees being covered by the Family and Medical Leave Act which protects the employee for up to twelve weeks in a year for scheduled or unscheduled leave, putting an additional burden on management to be able to staff appropriately. Footnote 11 in the report indicates FMLA is for "unpaid job-protected leave" however that is not the case. FMLA can be paid or unpaid, in which case many employees are willing to use any accrued sick leave or annual leave to take time off from work and still be compensated.

Regarding finding #3 related to improperly scanned packages, we disagree with the method used to determine percentages of missing or improper scans. The OIG does not utilize a statistically valid method to perform random sampling when conducting audits. Instead the auditors judgmentally select samples, a process that relies strictly on the qualifications of the person making the selection which in turn creates bias toward what is being chosen. This bias in turn leads to the extremely high percentages shown in the report. In fact the six week trend for Arrived At Unit/ Acceptable Delivery Event scans in [REDACTED] has increased over one point and is currently at 98.67%. While we strive for 100% proper scanning we do realize human error does exist and we continually provide guidance and training to our employees in an effort to reach that goal.

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Regarding finding #4 related to undeliverable accountable mail not returned to sender, the OIG states in the report that certified mail pieces are to be returned to the sender on the 15th calendar day after a delivery attempt. Our policy actually states the following in the Postal Operations Manual:

813.25 Notice of Arrival- The carrier must leave a notice of arrival on PS Form 3849 if the carrier cannot deliver the certified article for any reason. The article is brought back to the Post Office and held for the addressee. If the article is not called for within 5 calendar days, a final notice is issued. If the article is not called for or redelivery of the article is not requested, it must be returned **after** 15 calendar days, unless the sender specifies a fewer number of days on the mail piece. In all instances, electronic record management sites must scan/enter the mail piece barcode and enter the appropriate event code in the handheld scanner.

Interpretation of this policy can include at any time after the 15th day which would then allow for a more cost effective practice of selecting one day each week to do all returns instead of having to sort through all mail that may or may not have to be returned each day.

Management does agree with the recommendations as outlined in the audit per the responses below.

Recommendation #1

We recommend the Manager, Baltimore District, instruct branch management to follow procedures for reviewing carrier cases to identify any undelivered mail.

Management Response/Action Plan

Management agrees with this recommendation and has implemented by conducting an in-depth review with the local management team on: CSDRS Guidelines, Committed Mail and Color Code Policy for Marketing Mail, Proper Use of PS Form 1571, Customer Service Input Screen Flowchart, Customer 360 Quality Service Request Resolution Flowchart, Function 4 Distribution Up-times and Distribution Expectations, Redelivery Second/ Final Notice Retention Period and the Customer Service and Plant Integrated Operating Plan Agreement. Corrective action has been taken locally to address any specific issues discovered as a result of this audit.

Target Implementation Date

August 14, 2019

Responsible Official

Manager, Customer Service Operations

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Recommendation #2

We recommend the Manager, Baltimore District, instruct branch management to follow city delivery standard operating procedures for reporting delayed mail.

Management Response/Action Plan

Management agrees with this recommendation and has implemented by conducting an in-depth review with the local management team on: CSDRS Guidelines, Committed Mail and Color Code Policy for Marketing Mail, Proper Use of PS Form 1571, Customer Service Input Screen Flowchart, Customer 360 Quality Service Request Resolution Flowchart, Function 4 Distribution Up-times and Distribution Expectations, Redelivery Second/ Final Notice Retention Period and the Customer Service and Plant Integrated Operating Plan Agreement. Corrective action has been taken locally to address any specific issues discovered as a result of this audit.

Target Implementation Date

August 14, 2019

Responsible Official

Manager, Customer Service Operations
[REDACTED] Station Manager
Postmaster, Baltimore

Recommendation #3

We recommend the Manager, Baltimore District, instruct branch management to increase oversight over staff to ensure there is adequate route coverage, increased staff availability, reduced operational delays at loading docks, and distribution-up-times are met.

Management Response/Action Plan

Management agrees with this recommendation and is implementing by working with the Postmaster, Baltimore, MD, Labor Relations Manager, Manager, Health and Resource Management, Attendance Control Officer and local management to address staffing concerns and to provide guidance on appropriate action needed to return employees to work and be regular in attendance. Local management also participates in weekly vital few teleconferences on Tuesday's and Thursday's each week to discuss staffing issues and concerns.

Target Implementation Date

August 15, 2019

Responsible Official

Manager, Customer Service Operations
[REDACTED] Station Manager
Postmaster, Baltimore

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Recommendation #4

We recommend the Manager, Baltimore District, instruct branch management to coordinate with vehicle maintenance facility personnel to increase the number of parking spaces available to carriers immediately behind the loading dock area during the morning vehicle loading times.

Management Response/Action Plan

Management agrees with this recommendation and has implemented by working with local VMF personnel to ensure any parking spaces closest to the [REDACTED] delivery unit will remain open for carrier use only. Also, the Postmaster, Baltimore, is investigating the possible return of city routes to a nearby station that were moved to [REDACTED] several years ago as part of the Delivery Unit Optimization process. If approved, this would free up additional parking and help decrease congestion.

Target Implementation Date

August 14, 2019

Responsible Official

Manager, Customer Service Operations
[REDACTED] Station Manager
Postmaster, Baltimore

Recommendation #5

We recommend the Manager, Baltimore District, instruct unit management to ensure staff follow delivery standard operating procedures for scanning mail pieces.

Management Response/Action Plan

Management agrees with this recommendation and has implemented by conducting service talks station wide on proper scanning requirements, including delivery unit responsibilities, malfunctioning equipment and acceptable barcodes and locations.

Target Implementation Date

August 18, 2019

Responsible Official

Manager, Customer Service Operations
[REDACTED] Station Manager
Postmaster, Baltimore

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Recommendation #6

We recommend the Manager, Baltimore District, instruct branch management to ensure staff follow delivery standard operating procedures for handling Certified Mail and Priority Mail Express.

Management Response/Action Plan

Management agrees with this recommendation and has implemented by conducting an in-depth review with the local management team on: CSDRS Guidelines, Committed Mail and Color Code Policy for Marketing Mail, Proper Use of PS Form 1571, Customer Service Input Screen Flowchart, Customer 360 Quality Service Request Resolution Flowchart, Function 4 Distribution Up-times and Distribution Expectations, Redelivery Second/ Final Notice Retention Period and the Customer Service and Plant Integrated Operating Plan Agreement. Corrective action has been taken locally to address any specific issues discovered as a result of this audit.

Target Implementation Date

August 14, 2019

Responsible Official

Manager, Customer Service Operations
[REDACTED] Station Manager
Postmaster, Baltimore



William D. Martin, District Manager, Baltimore District

cc: Manager, Corporate Audit & Response Management