



March 13, 2008

MICHAEL J. NAPPI
EXECUTIVE DIRECTOR, INTERNATIONAL OPERATIONS

GERALD J. KUBICK
MANAGER, J. T. WEEKER INTERNATIONAL SERVICE CENTER

SUBJECT: Audit Report – Mail Condition Reporting at the J. T. Weeker International Service Center (Report Number NO-AR-08-001)

This report presents the results of our audit of mail condition reporting at the J. T. Weeker International Service Center (Chicago ISC) in Chicago, Illinois (Project Number 08XG003NO000). The report responds to a request from the Executive Director, International Operations, to determine if Web Mail Condition Reporting System (WebMCRS) information is timely, complete, and accurate. This is the fourth in a series of reviews addressing mail condition reporting at ISCs. Click [here](#) or go to [Appendix A](#) for additional information about this audit.



Conclusion

The Chicago ISC submitted mail condition reports on a timely basis. However, we found incomplete and inaccurate data in WebMCRS.

Timely Reporting

The Chicago ISC submitted mail condition reports timely. During our observations, management performed their respective mail condition counts between 5:30 a.m. and 6:30 a.m. Management provided counts to in-plant support by 6:30 a.m. for consolidation to WebMCRS by 7:00 a.m. As required, the reports were available by 7:30 a.m. daily for management to discuss any operational issues with headquarters executives.

Incomplete Reporting

The WebMCRS reports were incomplete as the Chicago ISC did not report mail volume in all respective categories. During observations we noted the daily work floor mail count volume was not reported as a line item in WebMCRS. For example, on November 5 and 7, 2007, the Chicago ISC reported “0” mailpieces under the plan failure category. However, the Chicago ISC should have reported a total of 13,518 mailpieces as plan failures. This occurred because in-plant support personnel did not follow the *webMCRS Training/User Guide*. Instead, they followed unofficial procedures for reporting mail volumes and only reported the mail volume counted in the “Comments” section of the WebMCRS report. As a result, management cannot make decisions based on WebMCRS data. Click here or go to [Appendix B](#) for our detailed analysis of this issue.

We recommend the Executive Director, International Operations, direct the Manager, Chicago International Service Center, to:

1. Provide Web Mail Condition Reporting System training to ensure in-plant support employees know how to report mail volumes in all required respective categories.

Management’s Comments

Management agreed with our finding and recommendation. The Executive Director, International Operations, directed the Chicago ISC Manager to provide WebMCRS training to employees involved in the reporting process. The Chicago ISC Manager subsequently indicated that he had implemented this recommendation. Management’s comments, in their entirety, are included in [Appendix C](#).

Evaluation of Management’s Comments

Management’s comments are responsive to the recommendation. Management’s actions should correct the issue identified in the report.

Inaccurate Reporting

The WebMCRS reports were inaccurate as the Chicago ISC underreported plan failures.¹ Personnel counting the mail identified the plan failure volume correctly when performing the daily mail counts. However, in-plant support recorded incorrect amounts into WebMCRS. For example, on November 8 and 9, 2007, the Chicago ISC reported 188 mailpieces as plan failures, whereas it should have counted and reported a total of 12,117 mailpieces. Thus, the report was understated by 11,929 mailpieces.

To confirm our observations on November 8 and 9, 2007, we looked at plan failure data reported over 40 days. During that time, the Chicago ISC reported 21,942 mailpieces as plan failures whereas the actual mailpieces totaled 367,631. (See Appendix B, Table 3). The actual amount represents over 17 times more than originally reported. Again, this occurred because in-plant support personnel followed unofficial procedures for reporting plan failures. Based on these procedures, in-plant support personnel reported the plan failure volume remaining at the end of the Management Operating Data System² (MODS) day (or 7:00 a.m.) rather than at the facility's clearance time. As a result, management cannot make decisions based on WebMCRS data. Click here or go to [Appendix B](#) for our detailed analysis of this issue.

We recommend the Executive Director, International Operations, direct the Manager, Chicago International Service Center, to:

2. Report all categories of mail volume according to instructions and definitions contained in the *webMCRS Training/User Guide*, dated September 2007.

Management's Comments

Management agreed with our finding and recommendation. On February 12, 2008, the Executive Director, International Operations, directed the Chicago ISC Manager to report all mail volume categories according to the instruction and definitions contained in the *webMCRS Training/User Guide*. The Chicago ISC Manager subsequently indicated that he had implemented this recommendation. Management's comments, in their entirety, are included in [Appendix C](#).

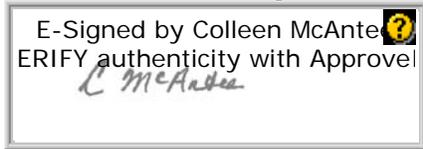
Evaluation of Management's Comments

Management's comments are responsive to the recommendation. Management's actions should correct the issue identified in the report.

¹ Plan Failure occurs when mail enters an operation prior to its Critical Entry Time (CET), but is not processed by the line operation clearance time (CT).

² MODS is a system for gathering, storing, and reporting data on workload and workhours.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Robert J. Batta, Director, Network Processing, or me at (703) 248-2100.



Colleen A. McAntee
Deputy Assistant Inspector General
for Mission Operations

Attachments

cc: Patrick R. Donahoe
Paul E. Vogel
John W. Holden
Katherine S. Banks

APPENDIX A: ADDITIONAL INFORMATION

BACKGROUND

The U. S. Postal Service's Global Business Unit is responsible for mail processing operations at ISCs. The Postal Service uses WebMCRS as a repository for information on the status of mail processing operations. WebMCRS provides information to management officials at all levels for analysis, forecasting, and planning. Specifically, WebMCRS reports the volume of mail on-hand and the volume of mail ready for processing. It also reports the volume of mail that has not met operational CT and/or service commitments, according to the facility's local operating plan. Personnel at the facility manually count the mail when possible or estimate the mail count and enter data in WebMCRS.³ Personnel should count all mail associated with the facility, regardless of the amount, in its respective WebMCRS category (on-hand, plan failure, late arriving, delayed processing, and delayed dispatch).

DEFINITIONS OF WebMCRS MAIL CATEGORIES

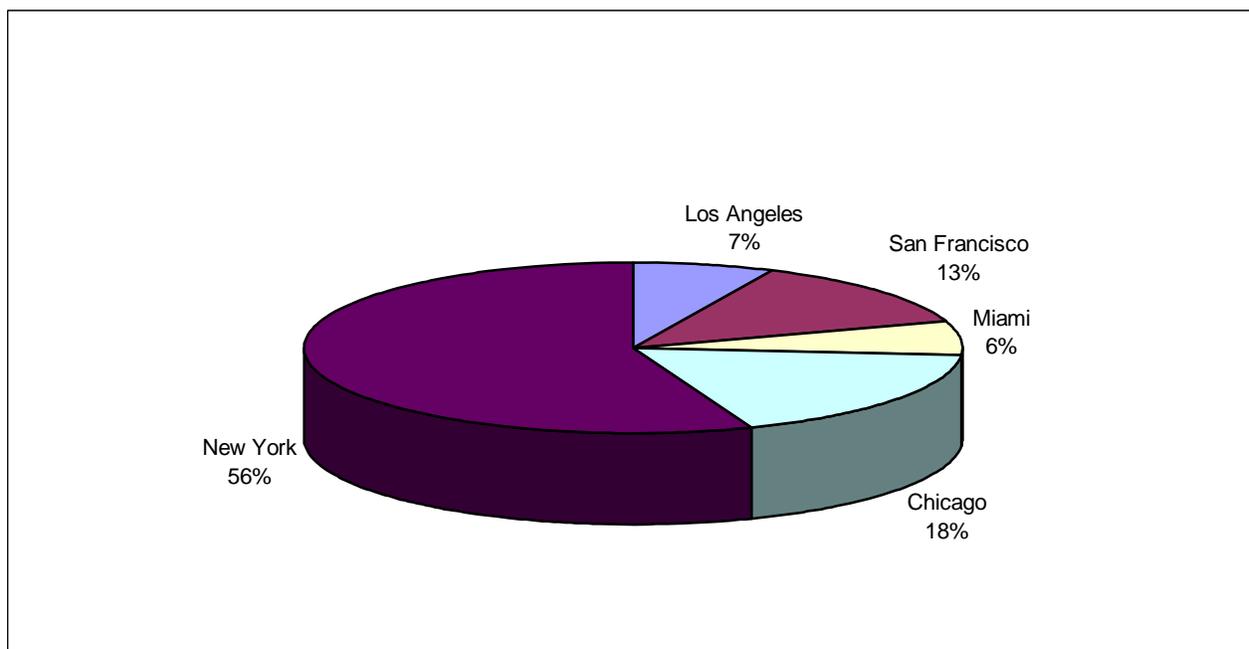
- **On-Hand Mail** – the total of all available mail at the beginning of the day, by designated operation within the facility, regardless of service commitment. Available mail includes, but is not limited to:
 - Mail in the vehicle yard.
 - Mail in transit between local or auxiliary processing facilities.
 - Mail at the receiving dock that is waiting to be unloaded or is in the process of being unloaded.
 - Mail on the workroom floor, in the staging and storage areas, or ahead of or in or between operations.
 - All managed mail or area distribution volume.
- **Plan Failure** – occurs when mail enters an operation prior to its CET, but is not processed by the line operation CT.
- **Late Arriving** – mail received after the facility CET for the corresponding service commitment, regardless of its processing status.

³ National standard conversion rates determine mail inventories. However, WebMCRS does not require conversion to mailpieces prior to input. Employees enter volume by container and mail type and the system automatically converts the inventory to mailpieces.

- **Delayed Processing** – occurs when mail that arrived at a facility prior to the CET was not processed and finalized in time to be dispatched on the designated Dispatch of Value (DOV) to meet the programmed delivery day. This includes mail recovered within the facility from downstream operations after CT that will not meet its intended service commitment.
- **Delayed Dispatch** – occurs when mail is processed and finalized but not dispatched on its designated DOV trip.

The Chicago ISC is one of five ISCs. It processed about 152 million first handling pieces (FHP)⁴ or about 18 percent of the total mail volume handled by all the ISCs in fiscal year (FY) 2007. See Chart 1 for details.

Chart 1. ISCs' Volume as a Percent of Total Mail Volume Handled - FY 2007



OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to assess the timeliness, completeness, and accuracy of mail condition data reported in WebMCRS for the Chicago ISC. To accomplish our objective we conducted interviews with managers and employees and analyzed the facility's performance to identify trends and potential issues. We also performed analytical procedures and observed mail condition counts. Further, we tested for timeliness by verifying whether mail condition information was available in accordance with

⁴ FHP – letters, flats, and parcels sorted in a local post office for the first time.

WebMCRS daily reporting requirements. We assessed completeness by determining whether facility personnel reported all available mail in all applicable WebMCRS categories. Finally, we assessed accuracy by determining whether the volume recorded in each category reflected the conditions at the facility.

We used computer-processed data from the WebMCRS Daily Facility Summary generated from October through November 2007. We did not test controls over this system. However, we checked the reasonableness of results by confirming our analyses and results with Postal Service managers and multiple data sources.

We conducted this performance audit from October 2007 through March 2008 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on December 26, 2007, and included their comments where appropriate.

PRIOR AUDIT COVERAGE

We previously audited mail condition reporting at three ISCs and found:

- San Francisco ISC reports were submitted timely, but the data was incomplete and inaccurate.
- Miami ISC reports were submitted timely and the data was generally complete and accurate, with some minor exceptions.
- Los Angeles ISC reports were accurate, complete, and timely. However, improvements could be made in the reporting of inbound parcels and plan failures for each processing operation.

Management concurred with all the report recommendations and their planned actions were responsive to the issues identified.

Report Title	Report Number	Final Report Date
<i>Mail Condition Reporting at the San Francisco International Service Center</i>	NO-AR-07-006	August 20, 2007
<i>Mail Condition Reporting at the Miami International Service Center</i>	NO-AR-07-009	September 20, 2007
<i>Mail Condition Reporting at the Los Angeles International Service Center</i>	NO-AR-07-010	September 24, 2007

APPENDIX B: DETAILED ANALYSIS

Incomplete Reporting

The mail condition reports were incomplete as the Chicago ISC did not report mail volume in all required categories. During our onsite observations between November 5 and 7, 2007, the Chicago ISC reported “0” under the plan failure category. However, the Chicago ISC should have reported a total of 13,518 mailpieces as plan failures (see Table 1). This occurred because in-plant support personnel did not follow the *webMCRS Training/User Guide*. Instead, they followed unofficial procedures for reporting mail volumes in a particular line item and reported the daily floor counts in the “Comments” section of WebMCRS rather than in the appropriate line item category.

As a result, management cannot rely on WebMCRS data in order to make operational and distribution decisions, identify problems with achieving operational targets or analyze operational trends. Furthermore, reporting in the “Comments” section may be misleading as it should contain additional explanatory information regarding an issue that was reported in a line item, not an actual mail count number.

Table 1. Unreported Plan Failures

Plan Failures	11-5-2007 Monday	11-6-2007 Tuesday	11-7-2007 Wednesday	Totals
Chicago ISC count at clearance time (midnight)	4,669	0	8,849	13,518
Reported in WebMCRS	0	0	0	0
Difference – incomplete reporting	4,669	0	8,849	13,518

Inaccurate Reporting

The WebMCRS reports were inaccurate as the Chicago ISC underreported plan failures. During on-site observations between November 8 and 9, 2007, the Chicago ISC reported 188 mailpieces as plan failures, whereas it should have counted and reported a total of 12,117 mailpieces. Thus, the report was understated by 11,929 mailpieces (see Table 2). The policy⁵ requires employees to count plan failure volume at midnight and enter it into the report by 7:00 a.m. Again, this occurred because in-plant support personnel followed unofficial procedures for reporting plan failures. Based on these procedures, in-plant support personnel reported the plan failure volume remaining at the end of the MODS day (7:00 a.m.) rather than at the facility’s clearance time of midnight. As a result, management cannot always rely on WebMCRS data in

⁵ The *webMCRS Training/User Guide*, dated September 2007, requires personnel to count all mail volume and report it in the respective WebMCRS categories on a daily basis.

order to make operational and distribution decisions, identify problems with achieving operational targets or analyze operational trends.

Table 2. Understated Plan Failures

Plan Failures	11-8-2007 Thursday	11-9-2007 Friday	Totals
Chicago ISC count at clearance time (midnight)	9,112	3,005	12,117
Reported in WebMCRS	80	108	188
Difference – inaccurate reporting	9,032	2,897	11,929



Illustration 1: Employee counting some of the 6,074 mailpieces of plan failure volume not reported on October 24, 2007 (October 23, 2007, at 10:53 p.m.).

We confirmed our observations by examining plan failure data over 40 days. The Chicago ISC reported 21,942 mailpieces as plan failures whereas the actual mailpieces totaled 367,631 (see Table 3). The actual amount represents over 17 times more than originally reported. We did not determine how long the Chicago ISC might have been substantially underreporting mail. As a result, management cannot rely on WebMCRS data in order to make operational and distribution decisions, identify problems with achieving operational targets or analyze operational trends.

Table 3. Reported Plan Failures Versus Actual Plan Failures

Date	Day of Week	Reported Plan Failure	Actual Plan Failure
1-Oct-07	Monday	2,956	3,439
2-Oct-07	Tuesday	0	1,146
3-Oct-07	Wednesday	0	5,272
4-Oct-07	Thursday	110	5,291
5-Oct-07	Friday	0	13,146
6-Oct-07	Saturday	0	3,671
7-Oct-07	Sunday	160	28,069
8-Oct-07	Monday	448	13,519
9-Oct-07	Tuesday	0	965
10-Oct-07	Wednesday	0	0
11-Oct-07	Thursday	64	6,293
12-Oct-07	Friday	3,622	14,986
13-Oct-07	Saturday	1,388	23,819
14-Oct-07	Sunday	3,368	16,505
15-Oct-07	Monday	0	7,385
16-Oct-07	Tuesday	0	452
17-Oct-07	Wednesday	0	19,349
18-Oct-07	Thursday	1,156	11,363
19-Oct-07	Friday	876	11,469
20-Oct-07	Saturday	1,259	6,698
21-Oct-07	Sunday	1,060	3,122
22-Oct-07	Monday	0	5,898
23-Oct-07	Tuesday	0	0
24-Oct-07	Wednesday	0	6,074
25-Oct-07	Thursday	1,408	23,092
26-Oct-07	Friday	998	10,088
27-Oct-07	Saturday	801	20,846
28-Oct-07	Sunday	820	15,963
29-Oct-07	Monday	0	9,236
30-Oct-07	Tuesday	0	0
31-Oct-07	Wednesday	0	13,068
1-Nov-07	Thursday	1,028	18,946
2-Nov-07	Friday	232	8,581
3-Nov-07	Saturday	0	8,163
4-Nov-07	Sunday	0	6,082
5-Nov-07	Monday	0	4,669
6-Nov-07	Tuesday	0	0
7-Nov-07	Wednesday	0	8,849
8-Nov-07	Thursday	80	9,112
9-Nov-07	Friday	108	3,005
Reported		21,942	
Should Have Reported			367,631

APPENDIX C. MANAGEMENT'S COMMENTS

EXECUTIVE DIRECTOR
INTERNATIONAL OPERATIONS



February 21, 2008

Johnson John
Acting Director
Audit Operations
1735 North Lynn Street
Arlington, VA 22209-2020

Subject: Draft Audit Report – Mail Condition Report at the J.T. Weeker (Chicago) International Service Center (Report Number NO-AR-08-DRAFT)

Mr. John,

In reference to the Mail Condition Audit at the J.T. Weeker (Chicago) International Service Center conducted by the Office of Inspector General, I have read the report and agree with its findings and recommendation.

I subsequently sent Mr. Kubick, Plant Manager, a management directive, dated February 12, 2008, instructing him to comply with complete and accurate reporting within WebMCRS as documented in the Draft Audit Report (Report Number NO-AR-08_DRAFT) noting my concurrence to the following:

- Provide WebMCRS training and ensure In-Plant Support employees know how to report mail volumes in all required respective categories.
- Report all categories of mail volume according to instructions and definitions contained in the WebMCRS Training/User Guide, dated September 2007.

Mr. Kubick's follow-up response received in my office on February 13, 2008 denotes the Chicago ISCs compliance (dated February 14, 2008) with MCRS Training Guide and new Headquarters instructions dated January 11, 2008.

This report contains no FOIA exempt information. Should you have any questions or concerns that you feel need further discussion, I am available at (202) 268-7198.


Michael J. Nappi
Executive Director
International Operations

Cc: Paul E. Vogel
File

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