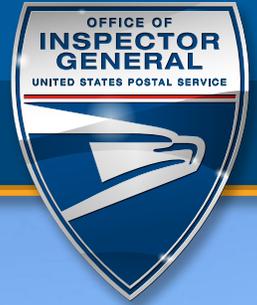


Mail Delivery, Customer Service, and Property Conditions Review – Flagler Station, Miami, FL

AUDIT REPORT

Report Number 23-050-3-R23 | April 10, 2023



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 10, 2023

MEMORANDUM FOR: MICHAEL V. VECCHITTO
ACTING MANAGER, FLORIDA 3 DISTRICT

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

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Mail Delivery, Customer Service, and Property Conditions
Review – Flagler Station, Miami, FL (Report Number 23-050-3-R23)

This report presents the results of our audit of Mail Delivery, Customer Service, and Property Conditions Review – Flagler Station, Miami, FL.

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

Attachment

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

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Flagler Station in Miami, FL (Project Number 23-050-3). The Flagler Station is in the Florida 3 District of the Southern Area and services ZIP Codes 33128, 33129, 33130, 33131, 33132, and 33136.¹ These ZIP Codes serve about 87,503 people in a predominantly urban area.² This delivery unit has 79 city routes. We judgmentally selected the Flagler Station based on the number of Customer 360³ and Informed Delivery⁴ contacts associated with the unit and Stop-the-Clock (STC)⁵ 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 Flagler Station in Miami, FL.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, truck arrival scans, arrow keys,⁶ 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.⁷ During our site visit we reviewed mail conditions; package and truck arrival scanning procedures; arrow key security 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" area⁸ and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 1 with

management on March 22, 2023, and included their comments where appropriate.

The Flagler Station is one of four delivery units⁹ the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of January 30, 2023, that are serviced by the Miami Processing and Distribution Center (P&DC). We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Flagler Station. We will issue a separate report¹⁰ 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 Flagler Station. Specifically, we found issues with all five 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	
Arrow Keys	X	
Property Conditions	X	

Source: Results of our fieldwork during the week of January 30, 2023.

¹ The unit also services ZIP Code 33101, which is mainly used for post office boxes.

² We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information. These six ZIP Codes are considered urban communities.

³ A cloud-based application which enables Postal Service employees to diagnose, resolve, and track customer inquiries.

⁴ Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mailpieces that were expected for delivery but have not arrived.

⁵ A scan event that indicates the U.S. 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."

⁶ A distinctively shaped key carriers use to open mail-receiving receptacles such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow keys are accountable property and are subject to strict controls.

⁷ Time of day that clerks have completed distributing mail to the carrier routes.

⁸ The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

⁹ The other three units are Allapattah Station (Project Number 23-050-1), Doral Branch (Project Number 23-050-2), and Princeton Branch (Project Number 23-050-4).

¹⁰ Project Number 23-050.

Finding #1: Delayed Mail

What We Found

On the morning of January 31, 2023, before carriers arrived at the unit, we identified 10,114 delayed mailpieces at 54 carrier cases.¹¹ This mail was not reported as undelivered in the Delivery Condition Visualization (DCV)¹² system. See Table 2 for the number of pieces for each mail type and Figure 1 for an example of delayed mail found at carrier cases.

Why Did It Occur

Unit management did not provide proper oversight to verify that all mail was cleared for delivery or properly reported as delayed mail in the DCV system. The customer service manager stated that the unit was experiencing a shortage of clerks to distribute mail to the carriers. She also stated that the delivery unit did not have enough arrow keys for all carriers on routes that required them for delivery. Specifically, the unit had 59 arrow keys to share among 75 carrier routes. This obstructed the delivery of mail because carriers use arrow keys to open mail receptacles.

What Should Have Happened

Management should have verified that all mail was processed and delivered daily and that the station had enough resources to deliver all the mail each day. Postal Service policy¹³ states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. In addition, management is required¹⁴ to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in the DCV system. Further, management must update the DCV system if volumes have changed prior to the end of the business day.

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.

Table 2. Type of Delayed Mail

Type of Mail	OIG Estimated Count of Delayed Mail
Letters	4,931
Flats	5,120
Packages	63
Totals	10,114

Source: OIG count of delayed mail pieces identified during our visit January 31, 2023.

Figure 1. Example of Delayed Mail at a Carrier Case



Source: OIG photo taken on January 31, 2023.

¹¹ OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.

¹² 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.

¹³ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁴ *Informed Visibility Delivery Condition Visualization User Guide*, September 2022.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 3,820 packages at the delivery unit between October and December 2022 (see Table 3). Further analysis of the STC scan data for these packages showed that about 91.51 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, represent 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.

In addition, on the morning of January 31, 2023, before carriers arrived for the day, we selected 60 packages¹⁵ to review and analyze scanning and tracking history. Thirty (24 from the carrier cases and six from the “Notice Left” area) of the 60 sampled packages were scanned “Delivered,” which should only occur when a package is successfully left at the delivery point.

We also identified handling issues with 28 (47.67 percent) of the 60 packages. Specifically, two packages from the carrier cases were scanned “Forwarded” but were not properly processed in the forwarding system. Further, 26 packages in the “Notice Left” area were not returned to the sender, as required.¹⁶ These packages ranged from 4 to 159 days past their return dates.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Management stated that they have several customers that pick up their mail at the delivery unit, which may have contributed to a higher scan percentage at the station.

Table 3. STC Scans at Delivery Unit

STC Scan Type	October	November	December	Total	Percentage
Delivered	880	1,111	1,505	3,496	91.51%
Delivery Attempted – No Access to Delivery Location	17	68	49	134	3.50%
No Authorized Recipient Available	25	28	51	104	2.72%
Receptacle Full / Item Oversized	4	3	18	25	0.65%
Reschedule to Next Delivery Day	4	5	13	22	0.58%
No Secure Location Available	3	5	13	21	0.55%
Refused	11	3	3	17	0.45%
Delivery Exception – Animal Interference	0	0	1	1	0.03%
Total	944	1,223	1,653	3,820	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.

*Total percentage does not equal 100 percent due to rounding.

¹⁵ We judgmentally selected 30 packages from the carrier cases and 30 packages from the “Notice Left” area.

¹⁶ *Notice Left and Return Guidelines*, dated July 2007, states that domestic packages should be returned to sender on the 15th calendar day after a notice is left and international packages should be returned to sender on the 30th calendar day after a notice is left.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,¹⁷ which includes scanning packages at the time and location of delivery.¹⁸ 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.

¹⁷ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁸ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the Flagler Station did not scan all incoming trailer/truck barcodes¹⁹ as required. We reviewed data related to morning truck arrival scans from October 1 to December 31, 2022 and found that employees did not perform scans for 555 of 556 (99.82 percent) scheduled trucks (see Table 4). During our observations on the morning of January 31, 2023, we observed clerks not scanning barcodes for several trucks arriving at the unit. Later that morning, we observed one clerk scanning a truck upon its arrival. The clerk stated that she recently transferred from another facility where they were trained to scan incoming trucks.

Why Did It Occur

Management did not monitor scan performance data to verify that all trucks received an arrival scan. The customer service manager stated that she knew about the requirement but was unaware that clerks were not scanning incoming trucks.

What Should Have Happened

Management should have reviewed truck arrival tracking reports to verify that employees were performing all expected truck scans. According to Postal Service Policy,²⁰ employees must scan the trailer barcode 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.

Table 4. Truck Arrival Scans from October through December 31, 2022

Month	Count of Inbound Trips	Count of Missed Scans	Percentage Missing
October	187	187	100.00%
November	181	181	100.00%
December	188	187	99.47%
Total	556	555	99.82%

Source: OIG analysis of data extracted from the Postal Service's Surface Visibility Web (SVWeb) System. SVWeb 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.

¹⁹ The trailer barcode on the back door and inside right and left walls of the trailer.

²⁰ United States Postal Service Standard Operating Procedure - Subject: Trailer Scans at the Delivery Units (DU).

Finding #4: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of January 31, 2023, we reviewed the unit's inventory log for arrow keys and conducted a physical inventory of keys at the unit. Management could not locate 17 of the 76 (22.37 percent) keys that were listed on the inventory log. Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service. We also identified one key at the unit that was not listed on the log.

While we observed a supervisor or clerk distributing keys to carriers during the morning, we found that carriers were not consistently signing the daily log to acknowledge the acceptance and return of their assigned keys. In addition, arrow keys were not always kept in a secure location. Specifically, we observed carriers leaving keys on an [REDACTED] upon their return in the evening (see Figure 2).

Why Did It Occur

Management did not provide sufficient oversight to verify that personnel properly managed and safeguarded arrow keys. The unit managers stated that they were aware of the policy to maintain an accurate arrow key log and properly account for arrow keys when they are assigned to carriers. However, due to staffing issues, they did not have enough clerks to maintain the key log and assist with carriers signing keys out. In addition, management explained that acquiring replacements for broken and lost keys is a lengthy process.

What Should Have Happened

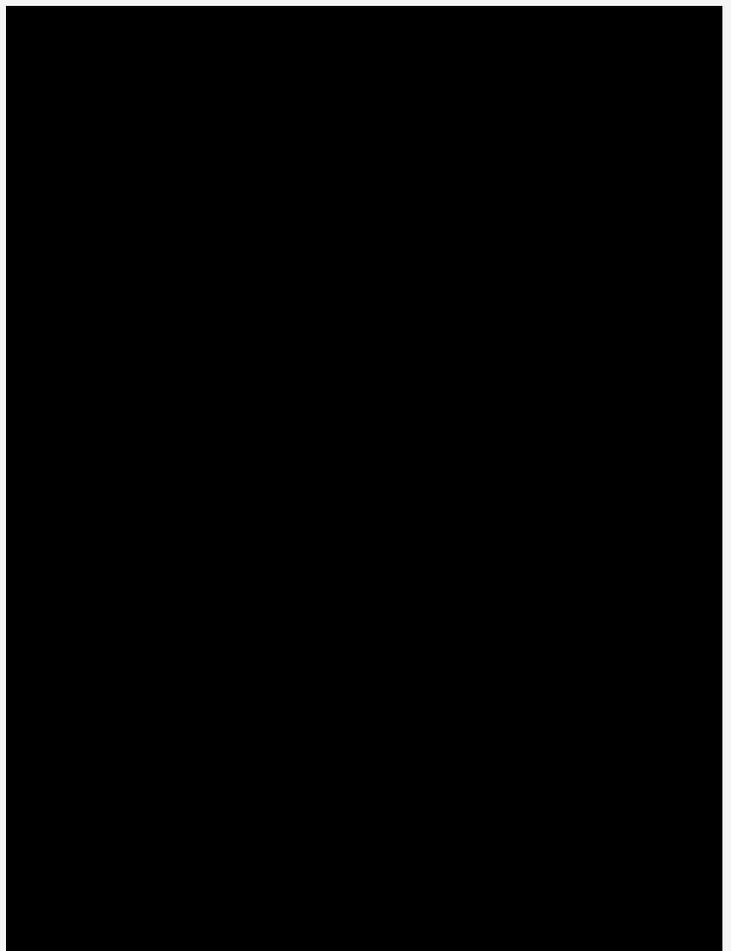
Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,²¹ management must keep an accurate inventory of all keys and conduct a semiannual physical survey of all building keys. Missing keys must be reported to the U.S. Postal Inspection Service. In addition, policy²² states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location and a supervisor

or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items such as arrow keys, there is increased risk of mail theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail.

Figure 2. Example of Unsecured Arrow Keys



Source: OIG photo taken on January 31, 2023.

²¹ *Administrative Support Manual Issue 13, Sections 273.461, 273.464, and 273.471, July 1999 - updated through March 31, 2022.*

²² *Standard Work: Arrow Key Accountability, January 2022 and USPS Arrow Key Standard Work, January 2022.*

Finding # 5: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Flagler Station, including:

- Five blocked fire extinguishers.
- Missing annual and monthly fire extinguisher inspections.
- Stained ceiling tiles throughout the facility (see Figure 3).
- A leak in the electronics room (see Figure 4).
- An unsecured swing door in the lobby (see Figure 5).
- A broken handrail in the dock area (see Figure 6).
- A damaged wall and detached electrical socket in the workroom (see Figure 7).

Why Did It Occur

Management did not take the necessary actions to verify that facility condition issues were consistently identified and corrected. Management stated they were unaware of some of the issues and were more focused on delivering mail.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities; reported safety, maintenance, and security issues as they arose; and followed up to verify 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.²³

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.

Figure 3. Example of Stained Ceiling Tiles



Source: OIG photo taken on January 31, 2023.

Figure 4. Leak in Electronics Room



Source: OIG photo taken on January 31, 2023.

²³ OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*.

Figure 5. Unsecured Swing Door in Lobby



Source: OIG photo taken on January 31, 2023.

Figure 6. Broken Handrail in Dock Area



Source: OIG photo taken on January 31, 2023.

Figure 7. Damaged Wall and Detached Electrical Socket in Workroom



Source: OIG photo taken on January 31, 2023.

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 January through April 2023 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 assessed the reliability of PTR, DCV, SVWeb, and electronic Facilities Management System²⁴ 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.

²⁴ A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs, and alteration contracts, along with real estate contracts.

Appendix B: Management's Comments



March 29, 2023

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response - Mail Delivery, Customer Service, and Property Conditions Review – Flagler Station, Miami, FL (Project Number 23-050-3-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Mail Delivery, Customer Service, and Property Conditions Review – Flagler Station, Miami, FL*.

Management agrees with the five findings in the report on delayed mail, package scanning, truck arrival scanning, arrow keys and property conditions.

Management has begun taking steps to address the five findings.

Delayed Mail: A standard operating procedure and standard work instructions are already established. Local management will be retrained on how to properly identify, and record delayed and curtailed mail.

Package Scanning: Management will retrain applicable employees on the standard operating procedure for property scanning and handling packages. Management will conduct daily reviews to ensure compliance.

Truck Arrival Scanning: Management will retrain applicable personnel on the standard operating procedure for scanning and recording trip arrival times and review the daily trip arrival log for compliance.

Arrow Keys: Management at the Flagler Station will adhere to the standard operating procedure for Arrow Key management including updating key logs, reporting missing arrow keys to the US Postal Inspection Service, and ensuring arrow keys are verified and secured daily. Management will also be in the process of acquiring replacements for broken keys.

Property Conditions: Five of the seven property conditions sited in the report have been fixed and pictures provided as verification. Work orders have been submitted for the remaining issues.

E-SIGNED by Michael.V Vecchitto
on 2023-03-29 06:14:15 CDT

Michael Vecchitto
District Manager, Florida 3 District

***cc: Vice President, Area Retail & Delivery Operations (Southern)
Manager, Corporate Audit Response Management***

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