

Bywater Station in New Orleans, LA: Delivery Operations

AUDIT REPORT

Report Number 23-113-1-R23 | August 17, 2023



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 17, 2023

MEMORANDUM FOR: JULIA G. WILBERT
ACTING MANAGER, LOUISIANA DISTRICT

A handwritten signature in black ink, reading "Joseph E. Wolski", is centered below the memorandum header.

FROM: Joseph E. Wolski
Director, Field Operations

SUBJECT: Audit Report – Bywater Station in New Orleans, LA: Delivery Operations
(Report Number 22-113-1-R23)

This report presents the results of our audit of mail delivery, customer service, and property conditions review at the Bywater Station in New Orleans, LA.

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

Attachment

cc: Postmaster General
Chief Retail & Delivery Officer & Executive 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
Corporate Audit and Response Management

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Bywater Station in New Orleans, LA (Project Number 23-113-1). The Bywater Station is in the Louisiana District of the Southern Area and services ZIP Codes 70116, 70117, and 70177.¹ These ZIP Codes serve about 39,567 people and in a predominantly urban area.² This delivery unit has 32 city routes. We judgmentally selected the Bywater Station based on the number of Customer 360³ inquiries, Informed Delivery⁴ contacts, and stop-the-clock (STC)⁵ scans performed at the unit.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Bywater Station in New Orleans, LA.

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 July 31, 2023, and included their comments, where appropriate.

The Bywater Station is one of five delivery units⁹ the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of June 12, 2023, that are serviced by the New Orleans Processing and Distribution Center. We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Bywater Station. We will issue a separate report¹⁰ that provides the Postal Service with the overall findings and recommendations for all five 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 Bywater 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 June 12, 2023.

1 The unit also services ZIP Code 70177, 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 Census Bureau information. Of the 39,567 people living in these ZIP Codes, 100 percent are considered urban communities.
3 A cloud-based application that 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 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 four units were the Carrollton Station, New Orleans, LA (Project Number 23-113-2); Central Carrier Station, New Orleans, LA (Project Number 23-113-3); Elmwood Branch, New Orleans, LA (Project Number 23-113-4); and Lake Forest Station, New Orleans, LA (Project Number 23-113-5).
10 Project Number 23-113.

Finding #1: Delayed Mail

What We Found

On the morning of June 13, 2023, we identified about 11,612 delayed mailpieces¹¹ at 13 carrier cases, the hot case,¹² and on the workroom floor.¹³ Specifically, we identified about 8,109 letters, 3,470 flats, and 33 packages. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)¹⁴ system. See Table 2 for the number of pieces for each mail type and Figures 1 and 2 for examples of delayed mail found at carrier cases, the hot case area, and on the workroom floor.

Table 2. Type of Delayed Mail

Type of Mail	Carrier Cases	Hot Case Area	Workroom Floor	OIG Estimated Count of Delayed Mail
Letters	4,381	608	3,120	8,109
Flats	330	19	3,121	3,470
Packages	6	0	27	33
Totals	4,717	627	6,268	11,612

Source: OIG count of delayed mailpieces identified during our visit on June 13, 2023.

Figure 1. Examples of Delayed Mail in Carrier Cases and the Hot Case



Source: OIG photos taken on June 13, 2023.

Figure 2. Examples of Delayed Mail on Workroom Floor



Source: OIG photo taken on June 15, 2023.

Why Did It Occur

Delayed mail occurred because unit management was new and acting supervisors were not fully trained on how to effectively oversee mail operations. The unit manager stated that she had only been at the unit a short time; the manager was assigned to the unit in March, had been on extended leave from April 17 through May 2023, and was still assuming her new responsibilities. Also, the acting supervisors were not aware that delayed mail should be reported in the DCV system.

What Should Have Happened

Management should ensure supervisors are adequately trained to perform their expected duties. Postal Service policy¹⁵ 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, managers are required¹⁶ to report all mail in the delivery unit after the carriers have left

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

¹² A case designated for final withdrawal of mail as carriers leave the office.

¹³ Workroom floor refers to the unit's undeliverable mail, return to sender, and change of address working area.

¹⁴ 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.

¹⁵ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁶ *Informed Visibility Delivery Condition Visualization User Guide*, September 2022.

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.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 659 packages at the delivery unit between February and April 2023 (see Table 3). Further analysis of the STC scan data for these packages showed that 96.21 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. For example, between February and April 2023, a carrier scanned 447 packages at the unit for one business address.

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	634	96.21%
Delivery Attempted – No Access to Delivery Location	17	2.58%
Receptacle Full / Item Oversized	5	0.76%
No Secure Location Available	2	0.30%
Delivery Exception – Animal Interference	1	0.15%
Total	659	100%

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

In addition, on the morning of June 13, 2023, before carriers arrived for the day, we selected 38 packages¹⁷ to review and analyze scanning and tracking history. Of the 38 sampled packages, 20 (52.63 percent) had missing or improper scans, including:

- Nine (two from the carrier case and seven from the “Notice Left” area) were scanned away from the delivery points. These packages were scanned between 0.2 and 1.8 miles away from the delivery point.
- Seven from the “Notice Left” area were missing STC scans to let the customer know the reason for non-delivery.
- Four (three from the carrier cases and one from the “Notice Left” area) were missing an “Arrival-at-Unit” scan, which is required for performance measurement.

Further, we identified handling issues with packages in the “Notice Left” area. Ten packages were not returned to the sender as required.¹⁸ These packages ranged from one to 55 days past their return dates.

Why Did It Occur

The manager stated that she did not monitor and enforce proper package scanning procedures and had not yet fully trained the acting supervisors how to do so because she was new and still assuming her new responsibilities.

The 10 packages were not returned because management did not effectively staff the “Notice Left” area. The unit manager stated that she should have assigned more than one clerk to the “Notice Left” area to ensure full coverage.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance, including verifying all packages were scanned at the delivery point and not at the delivery unit. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,¹⁹ which includes scanning packages at the time and location of delivery.²⁰ Packages in the “Notice Left” area should have been reviewed

¹⁷ We reviewed all eight packages from the carrier cases and judgmentally selected 30 packages from the “Notice Left” area.

¹⁸ *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.

¹⁹ *Delivery Done Right the First Time* stand-up talk, March 2020.

²⁰ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

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 the Postal Service brand.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the Bywater Station did not scan all incoming trailer/truck barcodes²¹ as required. We reviewed data related to morning truck arrival scans from February 1 through April 30, 2023, and found that employees did not perform a scan for any of the 294 scheduled incoming trucks. During our observations on the morning of June 13, 2023, we observed that employees were not scanning the incoming mail trucks.

Why Did It Occur

The acting AM supervisor and early morning clerk did not know incoming trailer/truck barcodes needed to be scanned, and the manager stated she did not monitor and enforce truck scanning because she was new and still assuming her duties.

What Should Have Happened

Management should have performed reviews of truck arrival tracking reports to verify that employees were performing all expected truck scans and enforced the requirement. According to Postal Service policy,²² 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 truck barcodes, 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.

²¹ The trailer barcode on the back door and inside right and left walls of the trailer.

²² *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 arrow keys. During our fieldwork observations, we found 22 of the 26 keys listed on the inventory log. We also found six keys that were not listed on the inventory log. Further, management could not provide documentation supporting they had reported the four lost keys to the Postal Inspection Service.

During our fieldwork observations, we observed that the arrow keys were kept in a secured location. In the morning, before leaving for the street, the carriers properly signed out their arrow keys on the inventory log and upon their return to the unit, they handed their keys to the PM supervisor who maintained the inventory log and placed the keys back into the secured location.

Why Did It Occur

The new unit manager knew the arrow key log needed to be updated but did not know how to do so. She stated that she assigned the task before going on leave, but the acting supervisors were also new, and she did not follow up upon her return to the unit.

What Should Have Happened

Management should have updated the arrow key inventory and reported lost keys to the Inspection Service. According to Postal Service policy,²³ management must keep an accurate inventory of all keys. Missing keys must be immediately reported to the Postal Inspection Service.

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.

²³ 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 and maintenance issues at the Bywater Station.

Building Safety:

- All fire extinguishers on-site were missing updated monthly inspections.
- A cracked window on the workroom floor (see Figure 3).

Figure 3. Cracked Window on Workroom Floor



Source: OIG photo taken on June 14, 2023.

Property Maintenance:

- Crumbling concrete base near the dock (see Figure 4).
- Graffiti on the front, retail side of the facility (see Figure 5).

- A toilet in the women's bathroom not working and blocked off.

Figure 4. Crumbling Concrete Base Near Dock



Source: OIG photo taken on June 15, 2023.

Figure 5. Graffiti on the Front, Retail Side



Source: OIG photo taken on June 15, 2023.

Why Did It Occur

Management did not provide proper oversight. Management did not take the necessary actions to verify that property condition issues were corrected because they were not aware of all the issues. Also, the unit manager stated that the graffiti on the front, retail side of the facility, is a recurring issue and has been a challenge to prevent. In addition, management stated that they do not routinely tour the facility to look for property conditions issues as their priority is to make sure the mail gets delivered. Additionally, the facility has a full-time custodian, and management stated that they depended on the custodian to be aware of and repair minor things.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up for completion. 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.²⁴

Effect on the Postal Service and Its Customers

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

Management Actions

During our audit, management at the Bywater Station took corrective action by providing a work order for the cracked window on the workroom floor.

Management's Comments

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

²⁴ Occupational Safety and Health Act of 1970 and Postal Service Handbook EL-801, *Supervisor's Safety Handbook*.

Appendix A: Additional Information

We conducted this audit from June through August 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.

In planning and conducting the audit, we obtained an understanding of the delivery operations internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies that were significant within the context of our objectives.

We assessed the reliability of PTR, DCV, Surface Visibility Web,²⁵ and electronic Facilities Management System²⁶ data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

²⁵ Surface Visibility web 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.

²⁶ 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



August 8, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Bywater Station in New Orleans, LA: Delivery Operations
(Report Number 23-113-1-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Bywater Station in New Orleans, LA: Delivery Operations*.

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: Management will train required personnel on how to accurately report delayed mail in DCV. Additionally, management created a checklist to use during reviews to ensure all committed mail is delivered daily.

Package Scanning: Management at all the units completed "Scanning Integrity Play" training in HERO. Bargaining staff completed scanning integrity training through a series of twelve service talks. Additionally, management created a checklist to use during reviews to ensure all packages are scanned accurately.

Truck Arrival Scanning: All required personnel completed "Bundle Visibility" training of which management documented on PS Form 2548. Additionally, management created a checklist to use during reviews to ensure all trucks are scanned properly.

Arrow Keys: The office will be trained on Standard Work and operating procedures for Arrow Key Management including updating key logs and reporting missing arrow keys to the USPS Inspection Service. Additionally, management created a checklist to use during reviews to verify compliance with arrow key policy.

Property Conditions: Two of the five property conditions have been fixed and work orders submitted for the remaining three.

E-SIGNED by Julia G Wilbert
on 2023-08-07 13:33:42 CDT

Julia G. Wilbert
Acting Manager, New Orleans District

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

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