

Carrollton Station in New Orleans, LA: Delivery Operations

AUDIT REPORT

Report Number 23-113-2-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 "Sean Balduff", is centered below the memorandum header.

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Carrollton Station in New Orleans, LA: Delivery
Operations (Report Number 23-113-2-R23)

This report presents the results of our audit of mail delivery, customer service, and property conditions review at the Carrollton 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 Valeta Bradford, 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 Carrollton Station in New Orleans, LA (Project Number 23-113-2). The Carrollton Station is in the Louisiana District of the Southern Area and services ZIP Codes 70118 and 70125.¹ These ZIP Codes serve about 47,721 people in an urban area.² This delivery unit has 42 city routes. We judgmentally selected the Carrollton Station based on the number of Customer 360 (C360)³ inquiries, Informed Delivery⁴ contacts, undelivered route information, 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 Carrollton 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 from June 13-15, 2023, 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 Carrollton 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 Carrollton 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 Carrollton Station. Specifically, we found issues with all five of the 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 provides PO Box service for ZIP Codes 70178 and 70185.

2 We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on Census Bureau information. These ZIP Codes 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 mailpiece. 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 Bywater Station, New Orleans, LA (Project Number 23-113-1); 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).

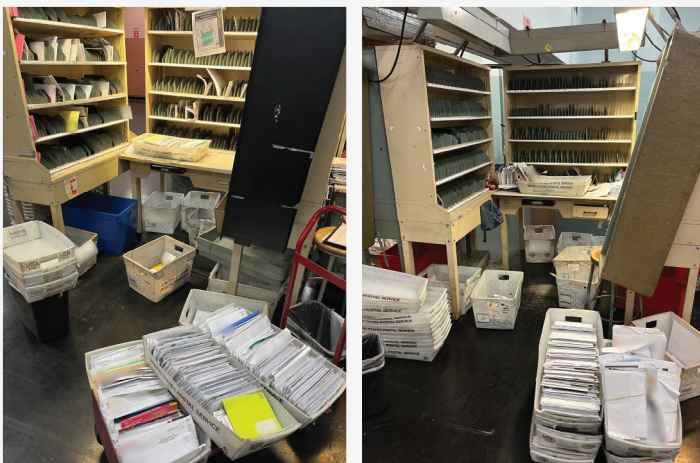
10 Project Number 23-113.

Finding #1: Delayed Mail

What We Found

On the morning of June 13, 2023, we identified about 7,475 delayed mailpieces at 16 carrier cases. Specifically, we identified about 5,718 letters and 1,757 flats.¹¹ In addition, management did not report any of this mail as undelivered in the Delivery Condition Visualization (DCV)¹² system. See Figure 1 for examples of delayed mail found at carrier cases.

Figure 1. Examples of Delayed Mail in the Carrier Cases



Source: OIG photos taken on June 13, 2023.

Why Did It Occur

Management stated there were several unscheduled absences on Saturday, June 10, 2023, causing mail delivery to be behind on Monday, June 12, which led to the delayed mail we identified on Tuesday, June 13. In addition, management stated that due to the extreme heat, carriers are working more slowly and may not finish their routes prior to being called back to the office. Carriers are generally called back to the office around 8 p.m. due to safety concerns in the area. At 7:43 p.m. on the evening prior to our visit, management sent a message through the package

scanners stating that carriers should be heading back to the office.

Management did not report the delayed mail because the PM supervisor was not trained on how to enter delayed mail into the DCV system.

What Should Have Happened

Management should have provided the station with enough resources to deliver all the mail each day. Postal Service policy¹³ states that managers must review all communications that may affect the day's workload and be sure that replacements are available for unscheduled absences and develop contingency plans for situations that may interfere with normal delivery service. In addition, Postal Service policy¹⁴ states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Further, managers are required¹⁵ to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV and must update DCV 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 DCV 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.

¹¹ Count of mail included individual piece counts and OIG estimates 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 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

¹⁴ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁵ *Informed Visibility Delivery Condition Visualization User Guide*, March 2023.

Finding #2: Package Scanning

What We Found

Employees improperly scanned 226 packages at the delivery unit between February 1 and April 30, 2023 (see Table 2). Further analysis of the STC scan data for these packages showed that 58.85 percent of them were scanned “Delivery Attempted – No Access to Delivery Location.” This data does not include scans that could properly be made at a delivery unit, such as “Delivered – PO Box” and “Customer (Vacation) Hold,” but rather, represents scans performed at the delivery unit that should routinely be made at the point of delivery.

Table 2. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivery Attempted – No Access to Delivery Location	133	58.85%
Delivered	70	30.97%
Receptacle Full / Item Oversized	13	5.75%
Delivery Exception – Animal Interference	10	4.42%
Total	226	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.

In addition, on the morning of June 13, 2023, before carriers arrived for the day, we selected 37 packages¹⁶ to review and analyze scanning and tracking history. Of the 37 sampled packages, 15 (40.54 percent) had missing or improper scans. Specifically:

- Five from the “Notice Left” area did not have an STC scan to let the customer know the reason for non-delivery.

- Four from the “Notice Left” area had “Delivered” scans, which should only be performed when the package is successfully left at the delivery point.
- Three from the “Notice Left” area were scanned “Receptacle Full/Item Oversized” at the unit, rather than the delivery point.
- Two from the carrier cases were scanned “Missent” even though they were addressed to customers of Carrollton Station. Missent should be used when packages are sent to a unit in error and need to be returned to the plant.
- One from the “Notice Left” area did not have an Arrival at Unit scan, which is required for performance measurement.

In addition, we identified handling issues with four (10.81 percent) of the 37 sampled packages, including:

- Three from the “Notice Left” area were scanned either “No Such Number” or Address Unknown” and should have been returned to the sender.
- One from the carrier case that was scanned “Delivery Attempted – No Access to Delivery Location” and should have been moved to the “Notice Left” area.

Further, 18 of the 30 packages in the “Notice Left” area were not returned to the sender, as required.¹⁷ These packages ranged from one to 94 days past their scheduled 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, as they were more focused on window operations, dealing with customers, and mail delivery. In addition, there was no clerk assigned to regularly monitor the “Notice Left” area.

¹⁶ We reviewed all seven packages from the carrier cases and judgmentally selected 30 packages from the “Notice Left” area.

¹⁷ *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, 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,¹⁸ which includes scanning packages at the time and location of delivery.¹⁹ Packages in the "Notice Left" area should have been reviewed for second notices and returned to the 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.

¹⁸ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁹ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the Carrollton Station did not scan all incoming trailer/truck barcodes²⁰ as required. We reviewed data related to morning truck arrival scans from February 1 to April 30, 2023, and found that employees did not perform a scan for 121 of 204 (59.31 percent) scheduled incoming trucks (see Table 3).

Table 3. Truck Arrival Scans

Month	Count of Inbound Trips	Count of Missed Scans	Percentage Missing
February	64	38	59.38%
March	75	48	64.00%
April	65	35	53.85%
Total	204	121	59.31%

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.

Why Did It Occur

Management did not provide oversight of truck arrival scanning. Specifically, management was not aware of the reports available for monitoring truck scanning performance. In addition, the clerk primarily responsible for receiving mail from the trucks was aware of the requirement to scan the trucks but was sometimes busy with other tasks, such as sorting the mail. The clerk who filled in when the regular clerk was off on Tuesdays was not aware of the requirement to scan the trucks.

What Should Have Happened

Management should have instructed employees to perform the truck scans as required, and performed reviews of truck arrival tracking reports to verify that employees were performing all expected truck scans. According to Postal Service policy,²¹ 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.

²⁰ The barcode on the back door and inside right and left walls of the trailer.

²¹ 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 June 15, 2023, we reviewed the unit's inventory log for arrow keys and conducted a physical inventory of keys at the unit. We found five of the 32 keys located at the unit were not listed on the inventory log and nine of the 36 keys listed on the inventory log could not be located. Unit management could not provide any documentation that the missing keys had been reported to the U.S. Postal Inspection Service and did not know if prior management had reported them as missing.

In addition, arrow keys were not always kept secure. Specifically, we observed that the arrow key [REDACTED] was left unattended with the key left in the lock several times throughout our visit. The [REDACTED] was left on the workroom floor overnight, rather than being locked in the vault. We also determined unit management did not always verify that all arrow keys were returned and accounted for each evening.

Why Did It Occur

Unit management did not prioritize the proper management of the arrow keys. Specifically, the station manager stated that she had only been at the station since February and was more focused on mail delivery. In addition, the arrow key [REDACTED] was left unsupervised because the PM supervisor was unaware that leaving the keys unattended was a security concern. While he was aware of the procedures for accounting for the keys each evening, he missed signing off on the inventory log some nights because of other responsibilities, such as closing out the retail window. Also, the PM supervisor stated that there was no closing clerk in the evening to assist him with the arrow key check-in process.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,²² management

must keep an accurate inventory of all keys. Missing keys must be immediately reported to the Postal Inspection Service. In addition, policy 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.

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 issues at the Carrollton Station, including missing monthly and annual inspections for all five fire extinguishers and one blocked electrical panel (see Figure 2). We did not identify any security or maintenance issues in the facility during our review.

Figure 2. Blocked Electrical Panel



Source: OIG photo taken on June 14, 2023.

Why Did It Occur

Management did not take the necessary actions to verify that facility condition issues were corrected. The station manager stated that district personnel completed a safety inspection at the unit in May 2023, and noted the out-of-date fire extinguisher inspections. She was planning to have them inspected but forgot. In addition, she was not aware of the blocked electrical panel.

What Should Have Happened

Management should have provided sufficient oversight of facility maintenance; reported safety issues as they arose; and followed up to ensure resolution. 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.

Management's Comments

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

²³ Occupational Safety and Health Act of 1970 and 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 our 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, 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 that 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



August 8, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Carrollton Station in New Orleans, LA: Delivery Operations
(Report Number 23-113-2-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Carrollton 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, reporting missing arrow keys to the USPS Inspection Service, and ensure arrow keys are verified and secured daily. Additionally, management created a checklist to use during reviews to verify compliance with arrow key policy.

Property Conditions: The two property conditions identified have been fixed.

E-SIGNED by Julia.G Wilbert
on 2023-08-07 13:34:12 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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