

Lake Forest Station in New Orleans, LA: Delivery Operations

AUDIT REPORT

Report Number 23-113-5-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 – Lake Forest Station, New Orleans, LA: Delivery
Operations (Report Number 23-113-5-R23)

This report presents the results of our audit of mail delivery, customer service, and property conditions review at the Lake Forest 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 Monica Brym, 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 Lake Forest Station in New Orleans, LA (Project Number 23-113-5). The Lake Forest Station is in the Louisiana District of the Southern Area and services ZIP Codes 70126, 70127, 70128, and 70129. These ZIP Codes serve about 70,893 people in a predominantly urban area.¹ This delivery unit has 37 city routes and 2 rural routes. We judgmentally selected the Lake Forest Station based on the number of Customer 360² inquiries, Informed Delivery³ contacts, undelivered route information, and stop-the-clock (STC)⁴ scans performed at the unit.

Objective, Scope, and Methodology

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

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, truck arrival scans, arrow keys,⁵ 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.⁶ 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" area⁷ 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 Lake Forest Station is one of five delivery units⁸ 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 (P&DC). We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Lake Forest Station. We will issue a separate report⁹ 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 Lake Forest 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 We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on Census Bureau information. Of the people living in these ZIP Codes, about 69,549 (98.10 percent) are considered living in urban communities and about 1,344 (1.90 percent) are considered living in rural communities.
2 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
3 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.
4 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."
5 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.
6 Time of day that clerks have completed distributing mail to the carrier routes.
7 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
8 The other four units were the Bywater Station, New Orleans, LA (Project Number 23-113-1); Carrollton Station, New Orleans, LA (Project Number 23-113-2); Central Carrier Section, New Orleans, LA (Project Number 23-113-3); and Elmwood Branch, New Orleans, LA (Project Number 23-113-4).
9 Project Number 23-113.

Finding #1: Delayed Mail

What We Found

On the morning of June 13, 2023, we identified about 8,985 pieces of delayed mail at 29 carrier cases. Specifically, we identified about 7,919 letters and 1,066 flats.¹⁰ In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)¹¹ 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 did not provide adequate oversight to verify that all mail was delivered on time and delayed mail was reported in the DCV system. Management stated that the station had higher than normal mail volumes on Monday, June 12, the day

before our visit, and attempted to address the higher volume by increasing the number of split routes that day.¹² However, management still had to call some carriers back that evening for safety reasons before they could complete all deliveries on their route. The station manager also stated that the evening supervisor was not properly trained on how to report delayed mail data in the DCV system.

What Should Have Happened

Management should have ensured all mail was delivered daily and any delayed mail was reported properly in the DCV system. Postal Service policy¹³ states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. In addition, managers are 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 and 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.

¹⁰ 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*.

¹¹ 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.

¹² A route where the mail is split up and assigned to multiple carriers.

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

¹⁴ *Informed Visibility Delivery Condition Visualization User Guide*, March 2023.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. Employees scanned 122 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 54.10 percent of them were scanned “Delivered.” 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
Delivered	66	54.10%
Delivery Attempted - No Access to Delivery Location	48	39.34%
No Secure Location Available	6	4.92%
Receptacle Full / Item Oversized	1	0.82%
Delivery Exception - Animal Interference	1	0.82%
Total	122	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 60 packages¹⁵ to review and analyze scanning and tracking history. Of the 60 sampled packages, 15 (25 percent) had improper or missing scans including:

- Twelve packages (eight from the carrier cases and four from the “Notice Left” area) had “Delivered” scans, which should only be performed when the package is successfully left at the delivery point.

- Two packages from the carrier cases were scanned “Delivery Attempted – No Access to Delivery Location,” but were scanned between 0.2 and 1.2 miles away from the delivery point.
- One package from the “Notice Left” area was missing an “Arrival-at-Unit” scan, which is a required scan for performance measurement.

In addition, we identified handling issues with three of the 60 packages (5 percent), including:

- Two packages from the carrier case were scanned “Insufficient Address” and should have been returned to the sender.
- One package from the carrier cases was scanned “Returned to the Post Office for Address Verification” on May 27, 2023, 3.8 miles away from the delivery location, and should have been returned to the sender.

Further, 19 packages of the 30 packages in the “Notice Left” area were not returned to the sender, as required.¹⁶ These packages ranged from two to 90 days past their scheduled return dates.

In addition to our sample of 60 packages from the carrier cases and “Notice left” area, we also found 37 packages in the unit’s package sorting bins with “Delivered” scans from the prior day. Nineteen of these packages were scanned after business hours as “Delivered” with an in-office scanner. Of the remaining 18 packages, one was scanned “Delivery Attempted” and 17 were scanned “Delivered” between 0.2 to 5.1 miles away from their delivery points. Seven of these 18 were rescanned “Delivered” by an in-office scanner. These improper “Delivered” scans may be an indication that unit employees were attempting to prevent package scanning failures.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling

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.

procedures. Regarding the overdue packages in the “Notice Left” area, management stated they were short three clerks due to retirement and transfers, and the remaining clerks have been focused on other duties, such as window customer service and mail and package sorting. We analyzed vacancy data and verified that the unit had three clerk vacancies during our visit.

Additionally, some carriers stated that supervisors improperly scanned packages at the unit as “Delivered, Individual Picked Up at Postal Facility” when packages were still in the unit. The Station Manager was unaware of the improper scans made at the unit by supervisors, particularly those scanned in the evening hours. She acknowledged that the package scans completed in the office should only be for “Business Closed” or “Hold” requests.

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 the 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 Lake Forest Station did not scan incoming trailer/truck barcodes¹⁹ 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 all 662 scheduled incoming trucks (see Table 3). During our visit on the morning of June 13, 2023, we observed that employees did not scan the incoming trucks.

Table 3. Truck Arrival Scans

Month	Count of Inbound Trips	Count of Missed Scans	Percentage Missing
February	202	202	100%
March	235	235	100%
April	225	225	100%
Total	662	662	100%

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 was not aware of the requirement to scan the truck/trailer barcodes and had not instructed the clerks to do so. The station manager stated that clerks used to scan the truck/trailer barcodes as required; however, last year they found out that truck drivers had to perform similar scans upon their arrival. Management thought that the truck drivers’ scans replaced the requirement for the unit to scan arriving trucks. Therefore, they stopped enforcing the requirement and did not monitor scan performance data to ensure all trucks received an arrival scan.

What Should Have Happened

Management should have knowledge of truck arrival scanning policies and instructed employees to perform the truck scans, as required. In addition, management should have conducted reviews to ensure 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.

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 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 six of the 25 keys located at the unit were not listed on the inventory log, and eight of the 27 keys listed on the inventory log could not be located. Unit management did not report any missing keys to the U.S Postal Inspection Service. Management completed the most recent certification of arrow keys on March 20, 2023.

We also found that the arrow keys were not always secured. For example, three of the keys located at the unit were found unsecured in the [REDACTED]. In addition, we observed arrow keys left unattended in a [REDACTED] on the workroom floor throughout our visit. Management informed us that the keys were usually secured in the vault room. However, we also observed the vault room open and unattended at various occasions during our visit.

Why Did It Occur

Management did not properly manage and safeguard arrow keys because of insufficient oversight and lack of resources. Specifically, the station manager stated that a new supervisor had not been properly trained and was unaware of the arrow key procedures. In addition, unit management stated that being short-staffed by three clerks contributed to the lapse in arrow key accountability and security.

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 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.

²¹ 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 Lake Forest Station.

Property Safety:

- A large fan blocked an Inspection Service door.
- Three of 13 fire extinguishers were missing monthly inspections, and two other fire extinguishers were missing annual inspections.
- Mail carts, supervisors' desks, and miscellaneous materials were blocking three fire extinguishers.
- A light pole in the customer parking lot had exposed electrical wiring (see Figure 2).
- Electrical cords were daisy chained on top of a carrier case and on the workroom floor.
- A handicap ramp had crumbling asphalt (see Figure 3).

Figure 2. Light Pole in Customer Parking Lot with Exposed Wiring



Source: OIG photo taken on June 14, 2023.

Figure 3. Handicap Ramp with Crumbling Asphalt



Source: OIG photo taken on June 14, 2023.

Property Security:

- The employee parking lot did not have a posted sign stating that vehicles may be subject to search.
- One area of the security fencing was missing barbed wire.
- The interior lobby glass door did not properly close and could not be locked (see Figure 4).

Figure 4. Unlockable Lobby Door



Source: OIG photo taken June 14, 2023. .

Property Maintenance:

- A railing on the loading dock was damaged with exposed metal edges (see Figure 5).
- A stop sign exiting the employee parking lot was twisted and leaning.
- An exterior storage room door was rusted and damaged (see Figure 6).

Figure 5. Damaged Loading Dock Railing



Source: OIG photo taken on June 14, 2023.

Figure 6. Rusted Equipment Storage Door



Source: OIG photo taken on June 14, 2023.

Why Did It Occur

Management did not provide proper oversight and take the necessary actions to verify that property condition issues were corrected. Management stated they were unaware of the issues we identified, and they do not routinely walk around the facility to look at property conditions. The facility has a full-time custodian, and management said they depend on the custodian to report property condition issues.

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.²²

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.

²² 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, SVWeb, and electronic Facilities Management System²³ 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.

²³ 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: Lake Forest Station in New Orleans, LA: Delivery Operations (Report Number 23-113-5-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Lake Forest 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: Seven of the nine property conditions have been fixed and work orders have been submitted for the remaining two.

E-SIGNED by Julia G Wilbert
on 2023-08-07 13:35:06 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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