

# Oak Forest Station, Houston, TX: Delivery Operations

## AUDIT REPORT

Report Number 23-151-2-R24 | November 28, 2023



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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November 28, 2023

**MEMORANDUM FOR:** DAVID W. CAMP  
MANAGER, TEXAS 2 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 – Oak Forest Station, Houston, TX: Delivery Operations  
(Report Number 23-151-2-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the Oak Forest Station in Houston, TX.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Valeta Bradford, Audit 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

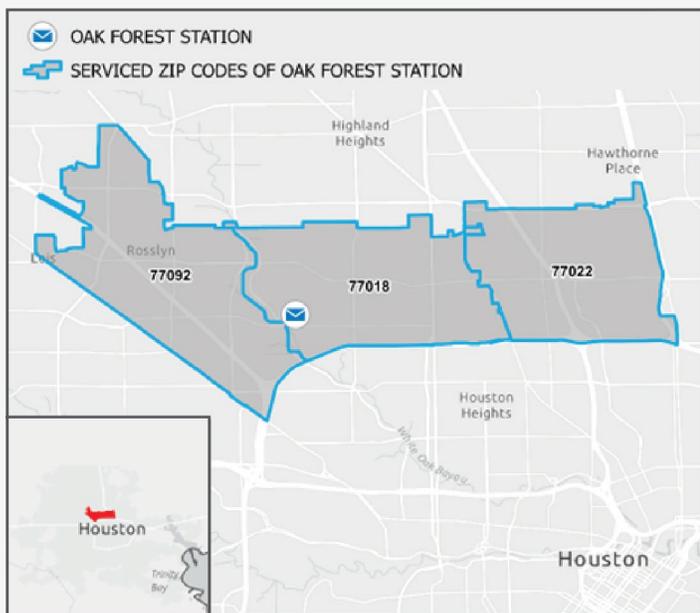
# Results

## Background

The U.S. Postal Service’s mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Oak Forest Station in Houston, TX (Project Number 23-151-2). The Oak Forest Station is in the Texas 2 District of the Southern Area and services ZIP Codes 77018, 77022, and 77092 (see Figure 1). These ZIP Codes serve about 88,631 people in an urban area.<sup>1</sup>

**Figure 1. ZIP Codes Serviced by the Oak Forest Station**



Source: OIG.

- 1 We obtained ZIP Code information related to population and urban/rural classification from the 2020 Census Bureau information.
- 2 The other two units were the Fairbanks Station, Houston, TX (Project Number 23-151-1) and the Conroe Post Office, Conroe, TX (Project Number 23-151-3).
- 3 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
- 4 A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
- 5 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.
- 6 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.”
- 7 First mile failures occur when a mail piece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.

This delivery unit has 68 city routes. The Oak Forest Station is one of three delivery units<sup>2</sup> the OIG reviewed during the week of September 11, 2023, that are serviced by the North Houston Processing and Distribution Center (P&DC).

We assessed all units serviced by the North Houston P&DC based on the number of Customer 360<sup>3</sup> (C360) delivery-related inquiries,<sup>4</sup> Informed Delivery<sup>5</sup> contacts, stop-the-clock (STC)<sup>6</sup> scans performed away from the delivery point, and undelivered route information between May 1 and July 31, 2023. We also reviewed first and last mile failures<sup>7</sup> between April 29 and July 28, 2023.

We judgmentally selected the Oak Forest Station primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. The unit was also selected based on first and last mile failures and undelivered route information. See Table 1 for a comparison of some of these metrics between the unit and the rest of the district.

**Table 1. Delivery Metric Comparison Between May 1 and July 31, 2023**

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	2.1	1.6
Informed Delivery Contacts	18.2	11.2

Source: OIG analysis of Postal Service’s C360 and Informed Delivery.

## Objective, Scope, and Methodology

Our objective was to evaluate delivery operations and property conditions at the Oak Forest Station in Houston, TX.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,<sup>8</sup> carrier complement and timekeeping, 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, carrier complement and timekeeping, and distribution up-time.<sup>9</sup> During our site visit we observed mail conditions; arrow key security procedures; timekeeping documentation; and unit safety, security, and maintenance conditions.

We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left” area<sup>10</sup> and interviewed unit management and employees. We discussed our observations and conclusions, as summarized in Table 2, with management on October 30, 2023 and included their comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Oak Forest Station. We will issue a separate report<sup>11</sup> that provides the Postal Service with the overall findings and recommendations for all three delivery units. See [Appendix A](#) for additional information about our scope and methodology.

## Results Summary

We identified issues affecting delivery operations and property conditions at the Oak Forest Station. Specifically, we found issues with all five areas reviewed.

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Arrow Keys	X	
Carrier Complement and Timekeeping	X	
Property Conditions	X	

Source: Results of our fieldwork during the week of September 11, 2023.

We did not identify any issues with carrier complement. We determined that all carriers assigned to the unit had reported to work between May 6 and July 28, 2023. However, we did identify issues with timekeeping management (see [Finding #4](#)).

<sup>8</sup> 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.

<sup>9</sup> Time of day that clerks have completed distributing mail to the carrier routes.

<sup>10</sup> The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

<sup>11</sup> Project Number 23-151.

# Finding #1: Delayed Mail

## What We Found

On the morning of September 12, 2023, we identified about 7,926 delayed mailpieces that were located at the supervisor's desk, carrier cases, and Post Office (PO) Box section. Specifically, we identified 6,795 letters, 966 flats, and 165 packages.<sup>12</sup> In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)<sup>13</sup> system. See Table 3 for the location of each mail type and Figures 2 and 3 for examples of delayed mail found at Oak Forest Station.

Table 3. Types of Delayed Mail Identified

Type of Mail	Supervisor's Desk	Carrier Cases	P.O. Box Section	OIG Count of Delayed Mail
Letters	925	4,394	1,476	6,795
Flats	111	470	385	966
Packages	115	39	11	165
<b>Totals</b>	<b>1,151</b>	<b>4,903</b>	<b>1,872</b>	<b>7,926</b>

Source: OIG count of delayed mailpieces identified during our visit on September 12, 2023.

Figure 2. Examples of Delayed Mail



Source: OIG photos taken on September 12, 2023.

Figure 3. Examples of Delayed Mail at the PO Box Section



Source: OIG photos taken on September 12, 2023.

## Why Did It Occur

Management did not provide adequate resources and oversight to verify that all mail was delivered, and any delayed mail was reported in the DCV system. Specifically, management stated that due to vehicle maintenance, the unit is frequently short six to eight vehicles a day, resulting in some carriers sharing vehicles. In addition, new carriers took longer to deliver the mail since they were not familiar with the route. Further, management instructed carriers that were out after dark to return to the office without delivering all the mail, due to safety concerns. The PM supervisor also stated that he did not report the delayed mail in the DCV system because he was not authorized to do so without the station manager's approval, and he was unable to contact the station manager that evening.

## What Should Have Happened

Management should have provided the station with enough resources to deliver all the mail each day. Postal Service policy<sup>14</sup> states that managers must review all communications that may affect the day's workload and be sure that replacements are available for unscheduled absences. Management

<sup>12</sup> Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.  
<sup>13</sup> 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.  
<sup>14</sup> Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

must also develop contingency plans for situations that may interfere with normal delivery service. In addition, Postal Service policy<sup>15</sup> 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 required<sup>16</sup> 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. Management must also 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.

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

<sup>16</sup> *Informed Visibility Delivery Condition Visualization User Guide*, March 2023.

# Finding #2: Package Scanning

## What We Found

Employees improperly scanned packages at the delivery unit, scanned packages away from the intended delivery point, and improperly managed packages at the unit.

We reviewed package scanning data that occurred at the unit and removed any potentially accurate scans performed.<sup>17</sup> In total, employees improperly scanned 661 packages at the delivery unit between May and July 2023 (see Table 4). Further analysis of the STC scan data for these packages showed that about 76 percent of them were scanned “Delivered.”

**Table 4. STC Scans at Delivery Unit**

STC Scan Type	Count	Percentage
Delivered	505	76.4%
Delivery Attempted – No Access to Delivery Location	86	13.0%
Delivery Exception – Animal Interference	64	9.7%
No Secure Location Available	4	0.6%
Receptacle Full / Item Oversized	2	0.3%
<b>Total</b>	<b>661</b>	<b>100%</b>

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.

We also reviewed 13 scans occurring away from the delivery unit and over 1,000 feet<sup>18</sup> from the intended delivery point between May and July 2023 (see Table 5). We removed scans that could have been performed within policy, such as animal interference and unsafe conditions. Further analysis of the STC scan data for these packages showed that about 92 percent of them were scanned “Delivered.”

17 This data does not include scans that could properly be made at a delivery unit, such as “Delivered – PO Box” and “Customer (Vacation) Hold.” Additionally, PO Box scans at the unit were only counted when the delivery point was an address away from the unit. This category does not include mail addressed for a PO Box.  
 18 Packages are expected to be scanned within a designated buffer distance from the delivery point. The Postal Service considers 900 feet or less an acceptable buffer. Therefore, the OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.  
 19 We judgmentally selected 23 packages from the carrier cases and 27 packages from the “Notice Left” area.

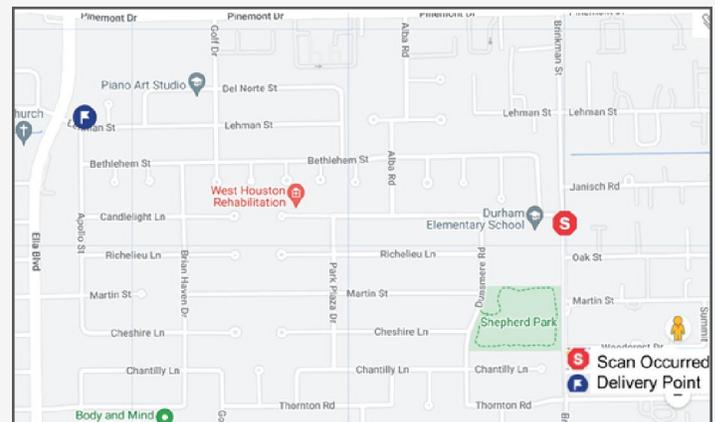
**Table 5. STC Scans Over 1,000 Feet Away from the Delivery Point**

STC Scan Type	Count	Percentage
Delivered	12	92.3%
Delivery Attempted – No Access to Delivery Location	1	7.7%
<b>Total</b>	<b>13</b>	<b>100%</b>

Source: OIG analysis of the Postal Service’s PTR System data.

For example, the map in Figure 4 below shows an instance where a carrier scanned a package as “Delivery Attempted – No Access to Delivery Location” 1.3 miles away from the delivery point.

**Figure 4. Scan Made Away from the Delivery Point**



Source: Postal Service Single Package Look Up.

We also found issues with scanning and handling of packages in the unit. On the morning of September 12, 2023, before carriers arrived for the day, we selected 50 packages<sup>19</sup> to review and analyze scanning and tracking history. Of the 50 sampled packages, 15 (30 percent) had improper scans or handling, including:

- Five packages from the carrier cases were scanned “Delivery Attempted – No Access to

Delivery Location.” These packages should have been placed in the “Notice Left” area.

- Four packages from the “Notice Left” area were scanned delivered, which should only be performed when a package is successfully left at the customer’s delivery address.
- Two packages (one from a carrier case and one from the “Notice Left” area) were scanned as “Returned to Post Office for Address Verification” and had been at the unit for five and 44 days respectively.
- Two packages from the carrier cases were scanned as “Forwarded” but were not placed in the designated area to be forwarded.
- Two packages from the “Notice Left” area were missing “Arrival at Unit” scans.

Further, 11 packages in the “Notice Left” area (including one listed above) were not returned to the sender, as required. These packages ranged from one to 93 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. Management stated they do not use scanning exception reports to monitor scanning procedures. Their focus is on package failures and district-issued integrity reports. Management stated that in June they had problems with some of their in-office scanners and on one occasion, borrowed a carrier scanner to scan 242 packages “Delivered” for a customer that picks up their mail at the unit. In addition, management did not assign a clerk to monitor the “Notice Left” section daily for packages that should be returned due to insufficient staffing. The unit had two vacant clerk bid positions, and another clerk was out due to injury.

### 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,<sup>20</sup> which includes scanning packages at the time and location of delivery.<sup>21</sup> 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.<sup>22</sup>

### 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 improve mail visibility, increase customer satisfaction, and enhance both the customer experience and the Postal Service brand.

<sup>20</sup> *Delivery Done Right the First Time* stand-up talk, March 2020.

<sup>21</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

<sup>22</sup> *Notice Left and Return Guidelines*, April 2016.

## Finding #3: Arrow Keys

### What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of September 14, 2023, we reviewed the unit's inventory log for arrow keys and conducted a physical inventory of keys at the unit. We found 18 of the 61 keys<sup>23</sup> located at the unit were not listed on the inventory log and 12 of the 55 keys listed on the inventory log could not be located. Unit management had not reported the missing keys to the U.S. Postal Inspection Service. In addition, arrow keys were not always kept secure. Specifically, we found six arrow keys in a supervisor's [REDACTED]. Further, unit management did not always verify that all arrow keys were returned and accounted for each evening.

### Why Did It Occur

Management did not provide sufficient oversight to properly manage and safeguard arrow keys. Specifically, the PM supervisors did not always sign off on PS Form 1106, Arrow Key – Daily Accountable Log, to signify that all keys were returned. Although PM supervisors were aware of their responsibility, other priorities, such as scheduling mail delivery and requesting vehicle maintenance, took priority. Management had not updated the arrow key log because they thought the spare collection keys did not have to be listed on the log. The manager, who was on a temporary assignment in the district, was not aware of the missing keys.

### What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>24</sup> management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the U.S. 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.

<sup>23</sup> Eleven of the 18 keys are specifically used for collection boxes and cannot be used by carriers to deliver mail.

<sup>24</sup> *Standard Work: Arrow Key Accountability*, January 2022 and *USPS Arrow Key Guidebook Standard Work Instructions*, August 2023.

# Finding #4: Timekeeping Management

## What We Found

We determined management did not complete and retain Postal Service (PS) Forms 2240, *Pay, Leave, or Other Hours Adjustment Request* for eight of 24 pay adjustments made between May 6 and July 28, 2023.

In addition, the station had 114 unresolved disallowed time occurrences for the same period. However, management did not complete PS Forms 1017-A, *Time Disallowance Record*<sup>25</sup> for these occurrences in the Time and Attendance Collection System<sup>26</sup> (TACS) and did not print and retain copies at the unit as required.

## Why Did It Occur

Management did not provide sufficient oversight over carrier timekeeping. Regarding payroll adjustments, the unit manager instructed supervisors to place payroll adjustment forms in each of the employee's file but did not follow up for compliance. In addition, unit management stated that they thought they were no longer required to retain hard copies of PS Forms 1017-A for disallowed time as the electronic copies were saved in TACS. Further, they stated that the incomplete entries were the result of forgetting to go back into the system to complete them.

## What Should Have Happened

Postal Service policy<sup>27</sup> states that pay adjustment certifications are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. Policy<sup>28</sup> further states that unit personnel must complete PS Forms 1017-A and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time.

## Effect on the Postal Service and Its Customers

When proper documentation of pay adjustments and time disallowance is not completed, management could incur excess administrative time. In addition, the Postal Service risks violation of the Fair Labor Standards Act<sup>29</sup> when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

<sup>25</sup> Form used only when a supervisor observes, or has reason to know, that an employee did not work, while "on the clock." The supervisor must document the basis for any such disallowance. These forms serve as a cumulative record of disallowed time.

<sup>26</sup> The system used by the Postal Service to automate the collection of employee time and attendance information.

<sup>27</sup> AdjustPay User Guide, Course No. 31202-25, updated February 9, 2017.

<sup>28</sup> Handbook F-21, *Time and Attendance*, February 2016.

<sup>29</sup> 29 USC § 201-219.

## Finding #5: Property Conditions

### What We Found

We found safety and maintenance issues at the Oak Forest Station, including:

#### Property Safety:

- All fire extinguishers were missing monthly and annual inspections.

#### Property Maintenance:

- The signage on the front of the building was missing letters.
- The P.O. Box area and retail lobby had burned out light bulbs (see Figure 5) and damaged countertops.
- The customer parking lot had broken curbs.
- The employee parking lot had broken curbs, a damaged driveway, and overgrown vegetation.
- The loading dock had broken safety poles (see Figure 6) and a non-functional door buzzer.
- The men's restroom floors were dirty, and the walls had broken and missing tiles.
- The women's locker room had damaged floor tiles (see Figure 7).
- The workroom area had missing and damaged ceiling tiles.

**Figure 5. Burned Out Light Bulbs in P.O. Box Area**



Source: OIG photo taken on September 13, 2023.

**Figure 6. Broken Safety Poles at Loading Dock**



Source: OIG photo taken on September 12, 2023.

**Figure 7. Damaged Floor Tiles in Women's Locker Room**



Source: OIG photo taken on September 14, 2023.

## Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. Specifically, management stated they were submitting PS Form 4805, *Maintenance Work Order Request*, to their former senior manager because they were not aware the requests should be submitted in the electronic Facilities Management System<sup>30</sup> (eFMS).

## 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 requires management to maintain a safe environment for employees.<sup>31</sup>

## 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 Occupational Safety and Health Administration penalties; and enhance the customer experience and Postal Service brand.

## Management's Comments

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

<sup>30</sup> 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.

<sup>31</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

# Appendix A: Additional Information

We conducted this audit from September through October 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 related to all three components that were significant within the context of our objective.

We assessed the reliability of PTR, DCV, TACS, and eFMS 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.

# Appendix B: Management's Comments



November 6, 2023

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Oak Forest Station, Houston, TX: Delivery Operations  
(Report Number 23-151-2-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Oak Forest Station, Houston, TX: Delivery Operations*.

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

Management has begun taking steps to address the five findings.

Management will implement a process to monitor for compliance with proper handling and recording of delayed mail, proper scanning, proper arrow key management and security, and documenting of disallowed time and unauthorized overtime.

District-level management will perform Gembas to monitor for compliance with delayed mail, package scanning, arrow key management, and timekeeping and take the appropriate action required for issues found.

*Arrow Keys:* In addition to Gembas, management will update the arrow key inventory log to reflect keys on hand. Missing keys will be reported to the U.S. Postal Inspection Service.

*Property Conditions:* Management has begun fixing the property conditions found during the audit. Work orders have been submitted for issues that must be addressed by other resources.

E-SIGNED by DAVID CAMP  
on 2023-11-06 14:42:31 EST

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David Camp  
Manager, Texas 2 District

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

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UNITED STATES POSTAL SERVICE



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