

Conroe Post Office, Conroe, TX: Delivery Operations

AUDIT REPORT

Report Number 23-151-3-R24 | November 28, 2023



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

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 – Conroe Post Office, Conroe, TX: Delivery Operations
(Report Number 23-151-3-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the Conroe Post Office in Conroe, 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.

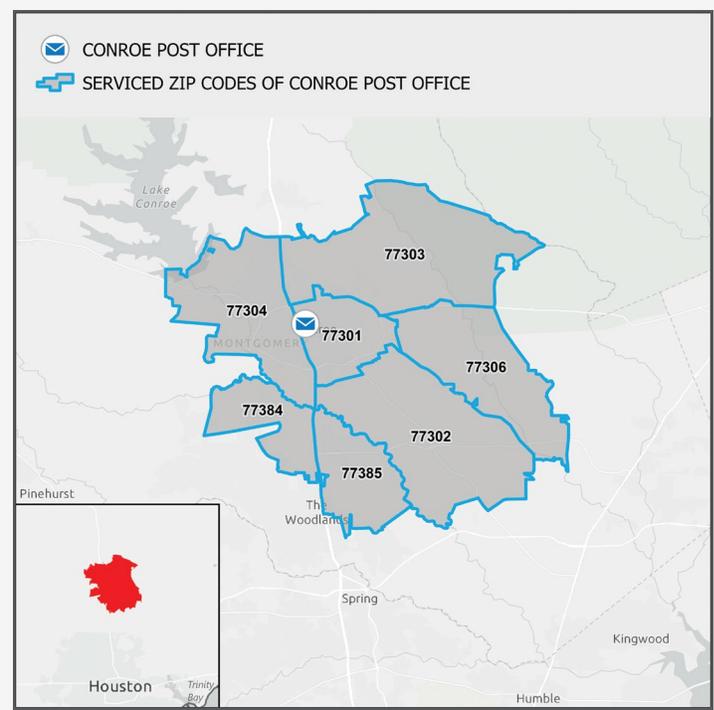
This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Conroe Post Office in Conroe, TX (Project Number 23-151-3). The Conroe Post Office is in the Texas 2 District of the Southern Area and services ZIP Codes 77301, 77302, 77303, 77304, 77306, 77384, and 77385 (see Figure 1). These ZIP Codes serve about 178,675 people in a predominantly urban area. Specifically, of the people living in these ZIP Codes, about 134,312 (75 percent) are considered living in urban communities and about 44,363 (25 percent) are considered living in rural communities.¹

This delivery unit has 111 rural routes and 20 city routes. The Conroe Post Office is one of three delivery units² 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 360³ (C360) delivery-related inquiries,⁴ Informed Delivery⁵ contacts, stop-the-clock (STC)⁶ 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 failures⁷ between April 29 and July 28, 2023.

We judgmentally selected the Conroe Post Office primarily based on the number of C360 inquiries related to delivery, Informed Delivery contacts, and STC scans performed away from the delivery point. The unit was also chosen based on first and last mile failures and undelivered routes. See [Table 1](#) for a comparison of some of these metrics between the unit and the rest of the district.

Figure 1. ZIP Codes Serviced by the Conroe Post Office



Source: U.S. Postal Service Office of Inspector General.

1 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
2 The other two units were the Fairbanks Station, Houston, TX. (Project Number 23-151-1) and the Oak Forest Station, Houston, TX. (Project Number 23-151-2).
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 mailpiece. Examples of STC scans include “Delivered,” “Available for Pick-up,” and “No Access.”
7 First mile failures occur when a mailpiece 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.

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	5.1	1.6
Informed Delivery Contacts	41.2	11.2
Scans Performed Away from Delivery Point	42.7	17.1

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service’s C360, Informed Delivery, and 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.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Conroe Post Office in Conroe, TX.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,⁸ 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.⁹ During our site visit we observed mail conditions; package scanning procedures; 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” area¹⁰ 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 Conroe Post Office. We will issue a separate report¹¹ 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 Conroe Post Office. Specifically, we found issues with all five areas we reviewed (See Table 2).

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](#)).

⁸ 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.
⁹ Time of day that clerks have completed distributing mail to the carrier routes.
¹⁰ The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
¹¹ Project Number 23-151.

Finding #1: Delayed Mail

What We Found

On the morning of September 12, 2023, we identified about 8,220 delayed mailpieces at 46 carrier cases and the hot case.¹² Specifically, we identified about 5,658 letters and 2,562 flats¹³ dated as far back as September 8, 2023. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)¹⁴ system. See Table 3 for the number of pieces for each mail type and Figures 2 and 3 for examples of delayed mail found at the hot case and carrier cases.

Table 3. Types of Delayed Mail Identified

Type of Mail	Carrier Cases	Hot Case	OIG Count of Delayed Mail
Letters	4,337	1,321	5,658
Flats	1,643	919	2,562
Totals	5,980	2,240	8,220

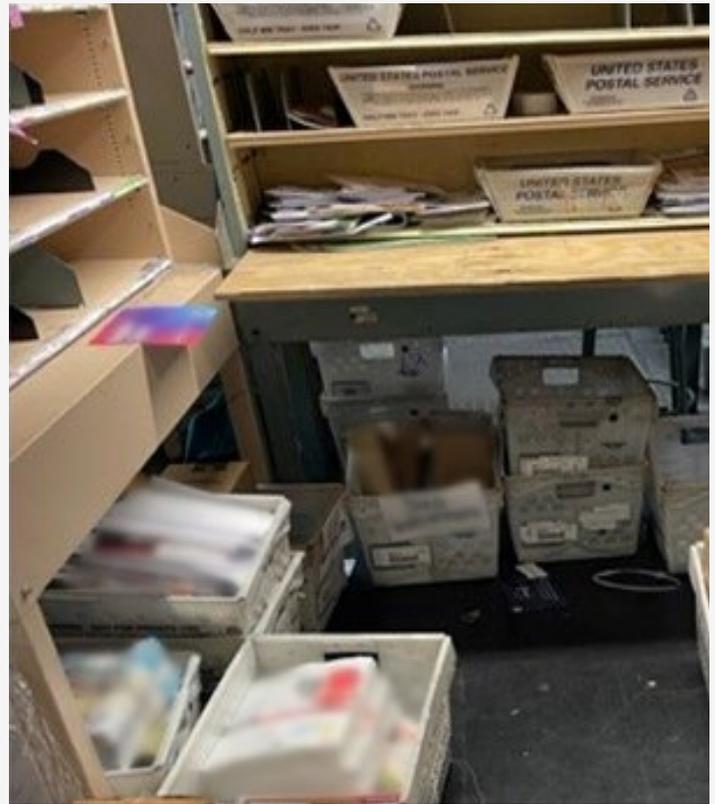
Source: OIG count of delayed mailpieces identified during our visit on September 12, 2023.

Figure 2. Delayed Mail at the Hot Case



Source: OIG photo taken September 12, 2023.

Figure 3. Example of Delayed Mail in the Carrier Cases



Source: OIG photos taken September 12, 2023.

Why Did It Occur

Management did not provide adequate oversight to verify that all mail was cleared from the unit and any delayed mail was reported in the DCV system. Specifically, the unit manager did not verify the supervisors were properly equipped and trained to review and report delayed mail. For example:

- On the evening of September 11, 2023, there was only one supervisor working and he stated he was overwhelmed with other duties.
- One supervisor stated she did not have access to DCV and had limited exposure to the system. She also stated she was still learning as she became a supervisor in July 2023.

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

¹³ 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*.

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.

- One supervisor stated he reported delayed mail in DCV only if the carrier brings him a PS Form 1571, *Undelivered Mail Report*, but had not provided the carriers any instructions on using the form.
- Supervisors were not monitoring carrier cases for deliverable mail not taken to the street or returned to the delivery unit.

The unit manager stated she had a supervisor shortage, but she was recently authorized to hire three more.

What Should Have Happened

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 for their street duties as either delayed or curtailed in DCV. Further, management 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.

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

¹⁶ *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.¹⁷ In total, employees improperly scanned 1,352 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 92 percent of them were scanned “Delivered.”

Table 4. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	1,245	92.1%
Delivery Attempted - No Access to Delivery Location	68	5.0%
Receptacle Full / Item Oversized	22	1.6%
No Authorized Recipient	5	0.4%
No Secure Location Available	5	0.4%
Delivery Exception - Animal Interference	5	0.4%
Refused	2	0.1%
Total	1,352	100%

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

We also reviewed 4,214 scans occurring away from the delivery unit and over 1,000 feet¹⁸ 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 99 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.

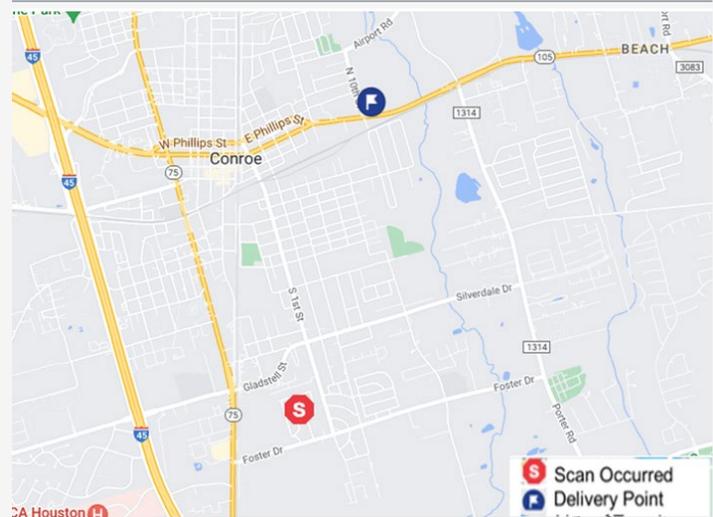
Table 5. STC Scans Over 1000 Feet Away From the Delivery Point

STC Scan Type	Count	Percentage
Delivered	4,150	98.5%
Delivery Attempted - No Access to Delivery Location	28	0.7%
Receptacle Full / Item Oversized	22	0.5%
No Authorized Recipient	12	0.3%
No Secure Location Available	2	<0.1%
Total	4,214	100%

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 3.2 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 at the unit. On the morning of September 12, 2023, before carriers arrived for the day, we selected 60 packages¹⁹ to review and analyze scanning and tracking history. Of the 60 sampled packages, 19 (32 percent) had improper scans or handling, including:

- Ten packages at the carrier cases were scanned “Delivered,” which should only be performed when a package is successfully left at the customer’s delivery address. In addition, six packages were scanned after 6:00 P.M.
- Five packages at the carrier cases were properly scanned on the street but were not placed in the designated area to be filed in the “Notice Left” section.
- Two packages at the carrier cases were scanned “Delivery Attempted – No Access to Delivery Location” but were scanned away from the delivery address.
- One package at a carrier case was scanned “Return to Sender” but was not placed in the designated area to be returned.
- One package from the “Notice Left” area did not include an “Arrival at Unit” scan.

Further, seven packages in the “Notice Left” area were not returned to the sender, as required. These packages ranged from two to 23 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. Specifically, the unit manager did not verify that supervisors were properly overseeing package scanning. For example:

- Carriers were not being provided with proper package scanning guidance.
- Supervisors were not reviewing undelivered mail the carriers brought back after returning from the street.
- Unit management did not monitor STC scanning reports to validate packages were scanned appropriately because they prioritized staffing over monitoring scan performance.

Furthermore, management explained that the high number of delivered scans occurred because in June 2023, the rural routes were reevaluated and resulted in several carriers resigning. Management further stated that there were a lot of pivoted and split routes during this time, causing an increase of improper scans on undelivered packages due to staffing constraints. In addition, the “Notice Left” clerk stated they review packages every week, but they did not return the packages timely due to an oversight.

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,²⁰ which includes scanning packages at the time and location of delivery.²¹ According to the redline process,²² all mail that was returned from the street is required to be identified with a PS Form 1571 and signed by the carriers and supervisors. In addition, 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.²³

¹⁹ We judgmentally selected 30 packages from the carrier cases and 30 packages from the “Notice Left” area.

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

²¹ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

²² Standard Operating Procedures, *Redline Policy*.

²³ *Notice Left and Return Guidelines*, April 2016.

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.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage arrow keys. On the morning of September 14, 2023, we reviewed the unit's inventory log²⁴ for arrow keys and conducted a physical inventory of keys at the unit. We found 40 of the 170 keys located at the unit were not listed on the inventory log, and 19 of the 149 keys listed on the inventory log could not be located. Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service and did not accurately update the arrow key inventory log. In addition, we found that there was no designated clerk to accept keys from carriers upon their return from their route.

Why Did It Occur

Management did not provide sufficient oversight to properly manage arrow keys. Specifically, management stated that the customer service supervisor verifies the arrow key inventory every month, and the morning clerk should inform management of any missing keys. However, management did not designate a clerk in the evening to confirm carriers were returning the keys. In addition, management stated she is aware of the policy to report missing keys to the U.S. Postal Inspection Service but did not due to an oversight.

What Should Have Happened

According to Postal Service policy,²⁵ 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.

²⁴ The Conroe Post Office uses RADAR to perform monthly inventories of the arrow keys.

²⁵ *Standard Work: Arrow Key Accountability*, January 2022, and *USPS Arrow Key Standard Work*, January 2022.

Finding # 4: Timekeeping Management

What We Found

We determined that management did not complete and retain PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request*, for two of three pay adjustments made between May 6 and July 28, 2023. Specifically, one pay adjustment form was missing, and the other form was missing the employee signature. In addition, the station had 19 disallowed time occurrences for the same period. However, management did not complete PS Forms 1017-A, *Time Disallowance Record*,²⁶ for 16 of the 19 occurrences and did not retain a copy of any of the 19 forms for these occurrences.

Why Did It Occur

The unit manager stated the missing forms and signature occurred due to an oversight. Specifically, she was not aware the supervisor who joined the Conroe Post Office in July 2023 had forgotten the process of retaining signatures or documenting the date the employee was notified on the forms because she had not done it in a while. In addition, the unit manager stated she did not know she still had to retain hard copies of the forms since the process is now electronic.

What Should Have Happened

Postal Service policy²⁷ 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 further states unit personnel must complete PS Form 1017-A entries 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, time disallowance, and unauthorized overtime is not completed, management could incur excess administrative time. In addition, the Postal Service risks violation of the Fair Labor Standards Act²⁸ when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

²⁶ 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.

²⁷ Handbook F-21, *Time and Attendance*, February 2016.

²⁸ 29 USC § 201-219.

Finding # 5: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Conroe Post Office, including:

Property Safety:

- The staircase handrail on the workroom floor was loose (see Figure 5).
- All fire extinguishers were missing their monthly inspections, and one extinguisher was blocked. During our audit, management conducted the monthly fire extinguisher inspections for September 2023 and unblocked the fire extinguisher.

Figure 5. Loose Handrail on Staircase

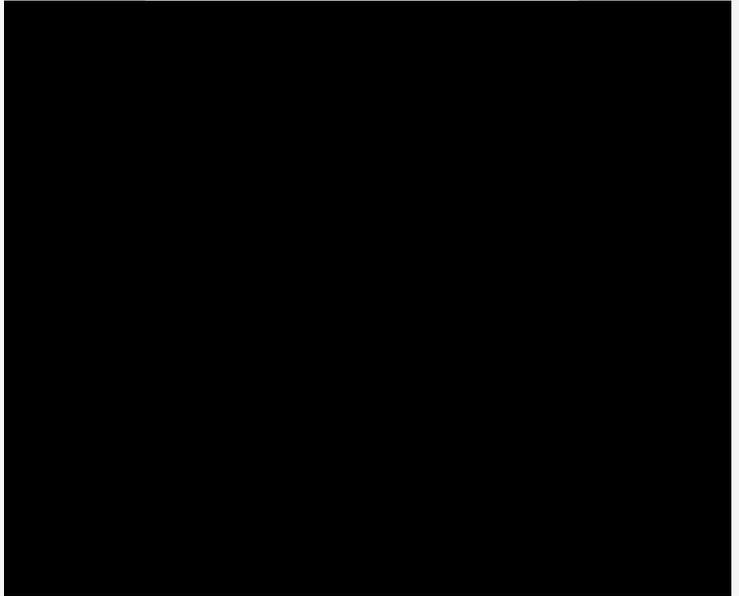


Source: OIG photo taken September 13, 2023.

Property Security:

- [REDACTED] (see Figure 6).
- [REDACTED] (see Figure 7).

Figure 6. [REDACTED]



Source: OIG photo taken September 13, 2023.

Figure 7. [REDACTED]



Source: OIG photo taken September 13, 2023.

Property Maintenance:

- There was a hole in the wall in the PO Box lobby area.
- The faucet in the men's restroom was not secured to the sink.
- The landscaping in the employee parking lot was overgrown and full of trash.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. Specifically, the unit manager stated she was not aware of the items we identified except for the hole in the wall. In addition, management stated that they have not had a designated safety captain since May 2021, and the employee filling in for the position stopped conducting observations because they were not given the time to do the job.

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.²⁹

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

²⁹ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*.

Appendix A: Additional Information

We conducted this audit from September through November 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 objectives.

We assessed the reliability of PTR, DCV, TACS, and electronic Facilities Management System³⁰ 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.

³⁰ 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



November 6, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Conroe Post Office, Conroe, TX: Delivery Operations
(Report Number 23-151-3-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Conroe Post Office, Conroe, 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 14:41:51 EST

David Camp
Manager, Texas 2 District

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

OFFICE OF
INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE



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