

Guaynabo Post Office in Guaynabo, PR: Delivery Operations

AUDIT REPORT

Report Number 24-079-3-R24 | May 22, 2024



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

May 22, 2024

MEMORANDUM FOR: CARLOS E. DEL TORO
MANAGER, PUERTO RICO DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is centered below the recipient information.

FROM: Sean Balduff
Director, Field Operations Central & Southern

SUBJECT: Audit Report – Guaynabo Post Office, Guaynabo, PR: Delivery
Operations (Project Number 24-079-3-R24)

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

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

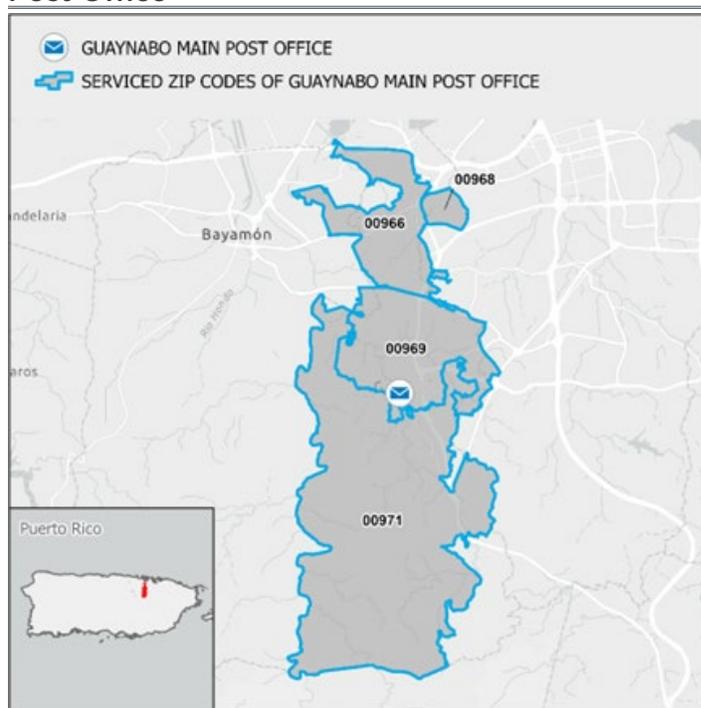
This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Guaynabo Post Office in Guaynabo, PR (Project Number 24-079-3). The Guaynabo Post Office is in the Puerto Rico District of the Southern Area and services ZIP Codes 00966, 00968, 00969, and 00971 (see Figure 1). These ZIP Codes serve 84,249 people in an urban area.¹

This delivery unit has 31 city routes and six contract delivery service (CDS)² routes. The Guaynabo Post Office is one of three delivery units³ the OIG reviewed during the week of March 18, 2024, that are serviced by the San Juan Mail Processing Annexes (MPAs) 2 and 3.

We assessed all units serviced by the San Juan MPAs 2 and 3 based on the number of Customer 360⁴ (C360) delivery-related inquiries,⁵ Informed Delivery⁶ contacts, Stop-the-Clock⁷ (STC) scans performed away from the delivery point, and undelivered route information between November 1, 2023 and January 31, 2024. We also reviewed first and last mile failures⁸ between November 4, 2023 and February 2, 2024.

We judgmentally selected the Guaynabo 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 route information. 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 Guaynabo Post Office



Source: OIG analysis of Zip Code data.

1 We obtained ZIP Code information related to population and urban classification from 2020 Census Bureau information.
2 Contract delivery service, formerly known as highway contract routes, are independent contractors required to provide the same services provided on either city routes or rural routes.
3 The other two units were the Bayamon Post Office, Bayamon, PR (Project Number 24-079-1) and the Toa Baja Post Office, Toa Baja, PR (Project Number 24-079-2).
4 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
5 A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
6 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.
7 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."
8 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 November 1, 2023 and January 31, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	6.9	4.3
Informed Delivery Contacts	4.8	2.3

Source: OIG analysis of Postal Service's C360 and Informed Delivery system data extracted on February 26, 2024.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Guaynabo Post Office, Guaynabo, PR.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,⁹ inaccurate 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.¹⁰ 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" area¹¹ and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on May 2, 2024, 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 Guaynabo Post Office. We will issue a separate report¹² that provides the Postal Service with the overall findings and recommendations for all three delivery units, as

well as the district. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations and property conditions at the Guaynabo Post Office. Specifically, we found issues with all five areas we reviewed (see Table 2). We also identified issues with contractor badges.

Table 2. Summary of Results

Audit Area	Deficiencies Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Arrow Keys	X	
Carrier Complement and Timekeeping	X	
Property Conditions	X	
Other: Contractor Badges	X	

Source: Results of our fieldwork during the week of March 18, 2024.

We did not identify any issues with carrier complement. However, we did identify issues with timekeeping management (see [Finding #4](#)).

⁹ 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.

¹⁰ Time of day that clerks have completed distributing mail to the carrier routes.

¹¹ The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

¹² Project Number 24-079.

Finding #1: Delayed Mail

What We Found

On the morning of March 19, 2024, we identified about 4,259 delayed mailpieces consisting of 3,907 letters and 352 flats located in 12 carrier cases. In addition, management did not accurately report this mail as undelivered in the Delivery Condition Visualization (DCV)¹³ system. Management reported 1,950 delayed letters from the previous day, representing about 46 percent of the delayed mail we identified at the unit. See Figure 2 for examples of delayed mail found at the carrier cases.

Figure 2. Examples of Delayed Mail in the Carrier Cases



Source: OIG photos taken on March 19, 2024.

Why Did It Occur

The delayed mail was caused by an increase in mail volume. Additionally, the supervisor stated he did not accurately report mail in the DCV system because he was delivering mail that day. Upon returning, he rushed to record the delayed mail before ending his workday and estimated incorrectly. In addition, carriers could not complete delivery of all mail because of the high volume of packages and management instructing them to work no more than 12 hours per day. Therefore, carriers were prioritizing package delivery over letters and flats. Management scheduled seven carriers to assist with the delivery of the high mail volumes. However, three were assigned to carrier routes due to unscheduled leave. This

resulted in four carriers assisting with delivery which still resulted in delayed mail.

We reviewed route adjustment data for the unit and determined that one route was last adjusted in 2009, others in 2019, and the rest in 2022. The average volume from each of the last route adjustments was only 40 packages per route. However, the delivery unit averaged 141 packages per route from January 6 to March 22, 2024, with one of the routes averaging 302 packages per day. This increase in package volume caused routes to routinely be in excess of their scheduled hours.

What Should Have Happened

Postal Service policy¹⁴ 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 required¹⁵ 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. Furthermore, management is required to perform route reviews at least annually, consisting of an analysis of workhours and mail volumes.¹⁶

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.

Postal Service Response

The Postal Service agreed with this finding. See [Appendix B](#) for management's comments in their entirety.

¹³ 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.

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

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

¹⁶ Handbook M-39, *Management of Delivery Services*, Section 21 – Advance Preparations, June 2019.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. We also found issues with employee barcode management.

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.¹⁷ In total, employees improperly scanned 74 packages at the delivery unit between November 2023 and January 2024 (see Table 3). Further analysis of the STC scan data for these packages showed that 64 percent of them were scanned “Delivered.”

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	47	63.5%
Delivery Attempted - No Access to Delivery Location	18	24.3%
No Secure Location Available	4	5.4%
Receptacle Full / Item Oversized	3	4.1%
Refused	2	2.7%
Total	74	100%

Source: OIG analysis of the PTR system data.

Further, on the morning of March 19, 2024, before carriers arrived for the day, we selected 60 packages¹⁸ to review and analyze scanning and tracking history. Of the 60 sampled packages, 8 (13 percent) had improper scans, including:

- Five packages from the carrier cases were scanned “Delivered,” which should only be performed when a package is successfully left at the customer’s delivery address.
- Two packages from the “Notice Left” area were scanned “Delivered at Front Desk/Receptionist/Mail Room,” which should only be performed when

a package is successfully left at the customer’s delivery address.

- One package from the carrier case was missing the STC scan to inform the customer of the status of their package.

In addition, employee barcodes were not always properly managed at the facility. Specifically, unit management left the list of employee barcodes on an unsecured shelf at the supervisor’s desk, which could allow employees to log into package scanners as someone else.

We also analyzed package scans performed over 1,000 feet away from the delivery point but could not perform an accurate review because the data was impacted by unique addressing issues in Puerto Rico. These include addressing standardization and geospatial identification issues. For example, the address [REDACTED] is the address for 14 different delivery points in a single ZIP Code. This can lead to inaccurate data showing a package was scanned away from the delivery point, even when it was appropriately scanned and delivered to the correct address.

District management began proactively working with Postal Service Headquarters and other federal agencies prior to our audit to improve the addressing standardization and certify delivery points across the Puerto Rico district.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning procedures. Management has a process in place for monitoring package scans, but the two evening supervisors were out working late delivering mail, which consumed most of their time and impacted their monitoring responsibilities.

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, P.O. 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 P.O. Box.

¹⁸ We judgmentally selected 30 packages from the carrier cases and 30 packages from the “Notice Left” area.

Regarding the unsecured employee barcode listing, the supervisor stated he normally secures the listing in a locked drawer at the supervisor's desk. He stated he was multitasking and mistakenly left the list laying on the shelf during our observations.

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,¹⁹ which includes scanning packages at the time and location of delivery.²⁰ In addition, management must protect sensitive information against theft and disclosure to unauthorized individuals.²¹

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. Securing employee sensitive information prevents the opportunity for theft or other non-authorized activities to occur.

Postal Service Response

The Postal Service agreed with this finding.

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

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

²¹ AS-805-C, *Information Security Requirements for All Personnel*, section 4. Protection of Critical and Sensitive Information, November 2021.

Finding #3: Arrow Keys

What We Found

Management did not properly manage arrow keys. On the morning of March 21, 2024, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)²² system and conducted a physical inventory of keys at the unit. We determined 41 of the 79 keys located at the unit were not listed on the inventory log and 6 of the 44 keys listed on the inventory log could not be located. Additionally, we found one broken arrow key, which was not reported on the RADAR inventory log. Further, management had not reported any of the six missing keys to the U.S. Postal Inspection Service.

Why Did It Occur

Management did not provide sufficient oversight to properly manage arrow keys. Specifically, the postmaster relied on the supervisor to input the results of a completed review and to report missing keys to the U. S. Postal Inspection Service. However, the postmaster did not follow-up to confirm the arrow key certification was done correctly.

What Should Have Happened

Management should have verified that arrow key certification procedures were properly followed. According to Postal Service policy,²³ management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the U.S. Postal Inspection Service. Further, broken keys must be updated on the RADAR inventory log.

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.

Postal Service Response

The Postal Service agreed with this finding.

²² The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

²³ USPS Arrow Key Guidebook Standard Work Instructions, updated August 2023.

Finding #4: Timekeeping Management

What We Found

We determined the unit had 16 disallowed time occurrences and five instances of unauthorized overtime between November 4, 2023 and January 26, 2024. However, management did not print and retain Postal Service (PS) Forms 1017-A, *Time Disallowance Record*,²⁴ or PS Forms 1017-B, *Unauthorized Overtime Record*,²⁵ for any of these occurrences. Further, management did not complete PS Forms 1017-A or 1017-B entries in the Time and Attendance Collection System (TACS).²⁶

Why Did It Occur

Unit management was not aware hard-copies of the PS Forms 1017-A and 1017-B were required to be retained locally since the forms were retained in TACS. Further, the postmaster prioritized other duties, such as mail delivery and employee discipline issues over timekeeping management.

What Should Have Happened

Postal Service policy²⁷ states unit personnel must complete PS Form 1017-A and PS Form 1017-B entries and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time or unauthorized overtime.

Effect on the Postal Service and Its Customers

When proper documentation for time disallowance and unauthorized overtime is not completed, management could incur additional managerial workhours. 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.

Postal Service Response

The Postal Service agreed with this finding.

24 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.

25 Managers and supervisors are required to complete a PS Form 1017-B the first time a non-exempt employee incurs unauthorized overtime. These forms serve as a cumulative record of unauthorized overtime.

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

27 Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.

28 29 USC § 201-219 and *Time and Attendance System Supervisor Training Participant Workbook*, February 2023..

Finding # 5: Property Conditions

What We Found

We found safety and security issues at the Guaynabo Post Office.

Property Safety:

- There were two damaged concrete areas near the employee entrance and one damaged concrete area in the work room floor near the contract carrier cases that could cause a tripping hazard.
- None of the 10 fire extinguishers throughout the building had the annual inspection for years 2020 through 2023, and all 10 had expired monthly fire extinguisher inspections.

Property Security:

- A portion of the fence under the tent where parcels were stored was missing a security measure to prevent theft (see Figure 4).
- The ladder leading to the roof of the building, was missing a gate lock to prevent unauthorized individuals from entering secured Postal Service space (see Figure 5). The building is shared with other businesses that can access the roof.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected due to instability in the postmaster position at the unit. The postmaster stated he prioritized other duties, such as mail delivery and addressing employee discipline 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 requires management to maintain a safe environment for employees and customers.²⁹

Figure 4. Missing Security Measure on Portion of Fence



Source: OIG photos taken on March 19, 2024.

Figure 5. Missing Gate Lock on the Roof Ladder



Source: OIG photos taken on March 19, 2024.

²⁹ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July, 2020.

Effect on the Postal Service and Its Customers

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

Postal Service Response

The Postal Service agreed with this finding.

Finding # 6: Contractor Badges

What We Found

During our review, we determined three CDS carriers did not have a Postal Service photo identification (ID) barcoded badge and one CDS carrier's ID badge, assigned to the Gurabo Post Office, expired in November 2023. A postal ID badge indicates that a background check has been completed and that clearance has been granted to enter the facility and access the mail. Instead, all four CDS carriers were utilizing a printed barcode label located at the top of the contract carrier cases to log into the scanner for mail delivery.

Why Did It Occur

Unit management did not provide oversight to ensure that the CDS carriers had valid barcoded ID badges. The postmaster stated he was not aware the CDS carriers did not have Postal Service issued badges because they were already working at the unit upon his arrival in December 2023.

What Should Have Happened

The Postal Service requires that management obtain screening information from highway transportation suppliers and their contractor personnel to verify their eligibility. Postal Service guidelines³⁰ state that highway transportation suppliers, suppliers' personnel, and subcontractors' personnel who transport mail or who are allowed access to Postal Service operational areas must receive nonsensitive clearances. Pending clearance, a temporary photo ID badge, PS Form 5139, *Non-Postal Service Temporary Employee*, allows such access. Once clearance is obtained, a photo ID badge, PS Form 5140, *Non-Postal Service Contract Employee*, allows access to mail and mail-processing facilities. A barcode for an ID badge is provided once the contract driver has been granted a nonsensitive clearance.

Effect on the Postal Service and Its Customers

When CDS carriers do not have an appropriate Postal Service contractor ID badge, management is unable to determine if the carrier is allowed access to Postal Service operational areas or allowed to deliver mail. In addition, CDS carriers using barcodes from previous contractors causes inaccurate package scanning data, which makes it difficult for management to hold these carriers responsible for inaccurate scanning.

Postal Service Response

The Postal Service agreed with this finding.

³⁰ Management Instruction PO-530-2009-4, Screening Highway Transportation Contractor Personnel, section 122, Semptember 2009.

Appendix A: Additional Information

We conducted this audit from March through May 2024 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 will issue a separate report that provides the Postal Service with the overall findings and recommendations for the Bayamon Post Office, the Toa Baja Post Office, and the Guaynabo Post Office, as well as the district. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of PTR, DCV, and TACS 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



JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response: Guaynabo Post Office, Guaynabo, PR: Delivery Operations (Report Number 24-079-3-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Guaynabo Post Office, Guaynabo, PR: Delivery Operations*.

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

Management has begun taking steps to address the five findings.

Delayed Mail: A standard operating procedure and standard work instructions are already established. Local management was retrained on how to properly record delayed and/or curtailed mail volume in DCV. Reviews will be conducted to monitor compliance.

Package Scanning: Management will retrain applicable employees on standard operating procedures for scanning and handling packages and conduct daily reviews to ensure compliance.

Timekeeping Management: Management has been retrained on proper record keeping for disallowed time and unauthorized overtime. The 1017-A and 1017-B logs are established and management will conduct reviews to ensure compliance.

Arrow Keys: Management will adhere to the standard operating procedure for Arrow Key management including updating key logs, reporting missing arrow keys to the US Postal Inspection Service, and ensuring arrow keys are verified and secured daily. Additionally, management will conduct reviews to monitor compliance.

Property Conditions: Local management is working to abate all reported property conditions with their control and, if necessary, will submit work orders for those requiring repair by other resources.

Contractor Badges: Management is in the process of obtaining updated information on the three CDS carriers to reestablish their badges.

E-SIGNED by CARLOS.E DEL TORO
on 2024-05-14 17:31:38 EDT

Carlos Del Toro
Manager, Puerto Rico District

Cc: Corporate Audit & Response

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