Hickman Mills Station, Kansas City, MO: Delivery Operations

AUDIT REPORT
Report Number 24-107-1-R24 | July 15, 2024

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 15, 2024

MEMORANDUM FOR: EDDIE L. BANNER
MANAGER, KANSAS–MISSOURI DISTRICT

[signature: Sean Balduff]

FROM: Sean Balduff
Director, Field Operations Central and Southern

SUBJECT: Audit Report – Hickman Mills Station, Kansas City, MO: Delivery Operations (Project Number 24-107-1-R24)

This report presents the results of our audit of delivery operations and property conditions at the Hickman Mills Station in Kansas City, MO.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Ramona Gonzalez, 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, Central 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.
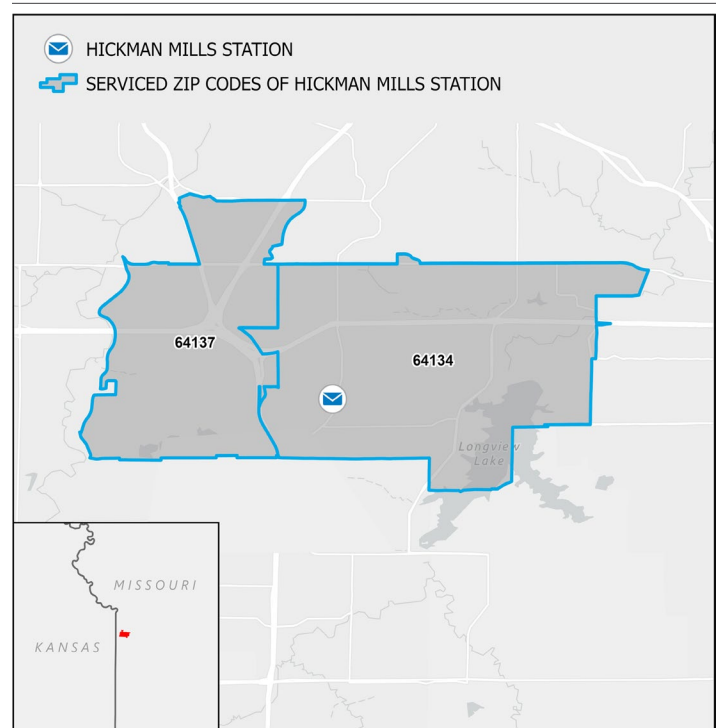
This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Hickman Mills Station in Kansas City, MO (Project Number 24-107-1). The Hickman Mills Station is in the Kansas-Missouri (KS-MO) District of the Central Area and services ZIP Codes 64134 and 64137 (see Figure 1). These ZIP Codes serve 32,385 people in a predominantly urban area. Specifically, 31,854 (98.4 percent) live in urban communities and 531 (1.6 percent) live in rural communities.[1]

This delivery unit has 28 city routes and two rural routes. The Hickman Mills Station is one of three delivery units[2] the OIG reviewed during the week of May 13, 2024, that are serviced by the Kansas City, MO Processing and Distribution Center (P&DC).

We assessed all units serviced by the Kansas City, MO P&DC based on the number of Customer 360[3] (C360) delivery-related inquiries,[4] Informed Delivery[5] contacts, stop-the-clock[6] (STC) scans performed away from the delivery point, first and last mile failures,[7] and undelivered route information between January 1 and March 31, 2024. Additionally, we selected these units because of concerns raised by Senators Josh Hawley and Roger Marshall.

We judgmentally selected the Hickman Mills Station primarily based on the number of C360 inquiries related to delivery, Informed Delivery contacts, and STC scans performed at the delivery unit. 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 Hickman Mills Station

Source: OIG.

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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 Robert L. Roberts Station, Kansas City, KS (Project Number 24-107-2) and the Shawnee Mission Post Office, Mission, KS (Project Number 24-107-3).
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 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 January 1 and March 31, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	19.5	5.4
Informed Delivery Contacts	193.0	29.8
STC Scans at the Unit	19.6	11.1

Source: OIG analysis of Postal Service's C360, Informed Delivery, and Product Tracking and Reporting (PTR) System data extracted on April 15, 2024. 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 Hickman Mills Station in Kansas City, MO.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,[8] 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.[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" area[10] and interviewed unit management and employees. We discussed our

observations and conclusions as summarized in Table 2 with management on June 28, 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 Hickman Mills Station. We will issue a separate report[11] 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 Hickman Mills Station. Specifically, we found issues with all five areas we reviewed (see Table 2).

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	

Source: Results of our fieldwork during the week of May 13, 2024.

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

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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 24-107.

Finding #1: Delayed Mail

What We Found

On the morning of May 14, 2024, we identified 1,681 delayed mailpieces at 25 carrier cases and the hot case.[12] Specifically, we identified 1,227 letters, 449 flats,[13] and five packages dated as far back as Tuesday, May 7, 2024. In addition, management did not accurately 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 Figure 2 for examples of delayed mail found at carrier cases and the hot case. In addition, the carriers did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report*,[15] to document undelivered mailpieces.

Table 3. Types of Delayed Mail Identified

Type of Mail	Carrier Cases	Hot Case	Total Count of Delayed Mail
Letters	964	263	1,227
Flats	449	0	449
Packages	5	0	5
Totals	**1,418**	**263**	**1,681**

Source: OIG count of delayed mailpieces identified during our visit on May 14, 2024.

Figure 2. Examples of Delayed Mail

Delayed Mail at a Carrier Case

Delayed Mail at the Hot Case

Source: OIG photos taken May 14, 2024.

Why Did It Occur

Management stated that most of the mail we identified was due to unsorted mail arriving late from the P&DC the previous day. We reported this issue during our simultaneous audit of operations at the Kansas City P&DC.[16] Unit management instructed carriers to depart before the clerks could sort this late mail so that they could return from their routes on time.

In addition, the PM supervisor did not update the amount of delayed mail in the DCV system because he did not have access to the system. Also, management stated they did not ensure that carriers completed PS Forms 1571 to note the reason the mail could not be delivered because they prioritized other duties, such as scheduling carriers and coordinating route reviews.

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12   Distribution case for last-minute sorting of mail that a carrier collects before leaving for their route.
13   OIG estimate 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.
15   PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.
16   *Efficiency of Operations at the Kansas City Processing and Distribution Center, Kansas City, MO* (Report Number 24-106-R24, dated July 15, 2024)

What Should Have Happened

P&DC management should be prepared for unanticipated circumstances that could impact mail delivery service to postal delivery units. In addition, managers are required[17] 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 management must update the DCV system if volumes have changed prior to the end of the business day. Further, policy states[18] that all mail returned from the street is required to be identified with a PS Form 1571 and signed by the carriers and supervisors.

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.

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17 *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.
18 Standard Operating Procedures, Redline Policy.

Finding #2: Package Scanning

What We Found

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

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.[19] In total, employees improperly scanned 596 packages at the delivery unit between January and March 2024 (see Table 4). Further analysis of the STC scan data for these packages showed that about 82 percent of them were scanned "Delivery Attempted – No Access to Delivery Location."

Table 4. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivery Attempted – No Access to Delivery Location	490	82.2%
Delivered	71	11.9%
No Secure Location Available	15	2.5%
Delivery Exception – Animal Interference	10	1.7%
Receptacle Full / Item Oversized	7	1.2%
Refused	2	0.3%
No Authorized Recipient	1	0.2%
Total	**596**	**100%**

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

We also reviewed 142 scans occurring away from the delivery unit and over 1,000 feet[20] from the intended delivery point between January and March 2024 (see Table 5). We removed scans that could have been performed within policy, such as "Animal Interference" and "Unsafe Conditions." Further

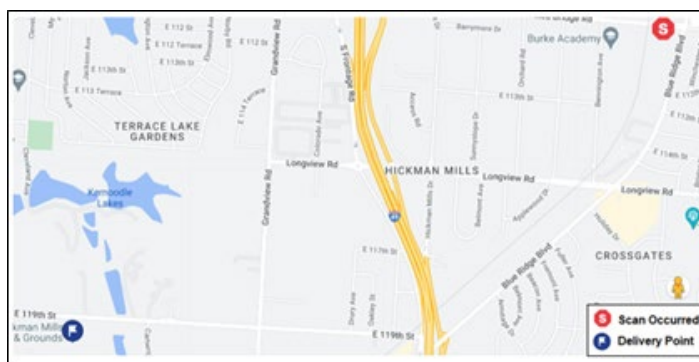analysis of the STC scan data for these packages showed that 74, about 52 percent, of them were scanned "Delivered."

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

STC Scan Type	Count	Percentage
Delivered	74	52.1%
Delivery Attempted – No Access to Delivery Location	65	45.8%
Held at Post Office at Customer Request	1	0.7%
Return to Sender	1	0.7%
Vacant	1	0.7%
Total	**142**	**100%**

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

For example, the map below (see Figure 3) shows an instance where a carrier scanned a package as delivered 2.9 miles away from the delivery point.

Figure 3. 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 May 14, 2024, before carriers arrived for the day, we selected

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19 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.

20 Packages are expected to be scanned within a designated buffer distance from the delivery point. The OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.

43 packages[21] to review and analyze scanning and tracking history. Of the 43 sampled packages, 14 (33 percent) had missing/improper scans or handling issues, including:

- Five packages (one from the carrier cases and four from the "Notice Left" area) were missing STC scans to let customers know the reason for non-delivery.

- Four packages (two from the carrier cases and two 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.

- Three packages from the carrier cases were scanned "Held at Post Office at Customer Request" but should have been placed in the "Notice Left" area.

- One package from the carrier cases was scanned "Delivery Attempted – No Access to Delivery Location" 2.9 miles away from the delivery point.

- One package from the carrier cases was scanned "Delivery Exception, Animal Interference" on May 9, 2024, but was not taken out for a second delivery attempt.

Further, 10 packages in the "Notice Left" area were not returned to the sender, as required. These packages ranged from three to 55 days past their scheduled return dates.

Why Did It Occur

Management did not adequately monitor and enforce proper package scanning and handling procedures because they prioritized other duties, such as scheduling and mail delivery. In addition, a clerk handling the "Notice Left" area stated they try to review packages as time permits but did not always have time due to competing priorities, such as mail distribution to carriers and working the retail window.

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,[22] which includes scanning packages at the time and location of delivery.[23] 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.[24]

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 the customer experience and the Postal Service brand.

Postal Service Response
The Postal Service agreed with this finding.

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21   We selected all 13 packages from the carrier cases and workroom floor and judgmentally selected 30 packages from the "Notice Left" area.
22   *Delivery Done Right the First Time* stand-up talk, March 2020.
23   *Carriers Delivering the Customer Experience* stand-up talk, July 2017.
24   *Notice Left and Return Guidelines*, April 2016. 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.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of May 16, 2024, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports[25] system and conducted a physical inventory of keys at the unit. We determined two of the 13 keys located at the unit were not on the list and two of the 13 keys on the list could not be located. Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service.

In addition, arrow keys were not always kept secure. We found the arrow keys sitting in ███████ ██████████████ at 4:00 a.m. on the morning of May 14, 2024. The unit supervisor locked the case when she arrived later at 6:30 a.m. We also observed that management did not verify that all keys were signed out or returned from the carriers at the end of the day.

Why Did It Occur

Management did not prioritize arrow key management. Specifically, other duties, such as mail delivery and managing staff, took priority over managing and safeguarding arrow keys. In addition, the new unit supervisors assumed the missing keys had been reported to the Inspection Service in the past.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[26] 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.

> **Postal Service Response**
> The Postal Service agreed with this finding.

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25 The arrow key certification in Retail and Delivery Applications and Reports provides a national platform for all facilities to verify current inventory and account for all arrow keys.
26 *USPS Arrow Key Guidebook Standard Work Instructions*, updated August 2023.

Finding #4: Timekeeping Management

What We Found

We determined that management did not complete, print, and retain PS Form 2240, *Pay, Leave, or Other Hours Adjustments Request*[27] for 41 pay adjustments between January 6 and March 29, 2024. During this period, the station also had 29 unresolved, disallowed time occurrences and one instance of unresolved, unauthorized overtime. Management did not complete, print, and retain PS Forms 1017–A *Time Disallowance Record*[28] or 1017–B, *Unauthorized Overtime Record*[29] for any of these 30 occurrences in the Time and Attendance Collection System (TACS).[30]

Why Did It Occur

The Kansas City, MO postmaster stated that the unit had been without a station manager since March 21, 2024. During this time, the two supervisors did not fully perform their timekeeping duties because they prioritized daily mail delivery operations.

What Should Have Happened

Postal Service policy[31] 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[32] further 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 of pay adjustments, 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 Act[33] 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.

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27 Form used to adjust either an employee's pay or to adjust timecard data which has been incorrectly reported to the postal data center.
28 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.
29 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.
30 The system used by the Postal Service to automate the collection of employee time and attendance information.
31 *AdjustPay User Guide*, Course No. 31202-25, Updated February 9, 2017.
32 Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.
33 29 USC § 201-219.

Finding #5: Property Conditions

What We Found

We found safety and maintenance issues at the Hickman Mills Station, including:

Property Safety:

- Four fire extinguishers were missing annual and monthly inspections.

- A light cover in the retail lobby was sagging and not secure (see Figure 4).

- There was cracked concrete on two steps leading up to the dock, causing a potential tripping hazard.

- An electrical panel in the maintenance room was blocked.

Figure 4. Light Cover Not Secure in Retail Lobby

Source: OIG photo taken on May 15, 2024.

Property Maintenance:

- The fence in the employee parking lot was leaning.

- Lightbulbs needed to be replaced throughout the facility. For example, only half of the light bulbs worked in the employee break room.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to correct property condition issues because other duties, such as managing delivery operations, took priority over identifying and addressing maintenance issues. In addition, the AM supervisor stated she was unaware of all the safety and maintenance issues we identified.

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.[34]

Effect on the Postal Service and Its Customers

Management's attention to safety and maintenance 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.

Management Actions

During our audit, management cleared the items that were blocking the electrical panel.

Postal Service Response
The Postal Service agreed with this finding.

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

Appendix A: Additional Information

We conducted this audit from May through July 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 Hickman Mills Station, Robert L. Roberts Station, and the Shawnee Mission Post Office, as well as the district.

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

UNITED STATES POSTAL SERVICE

July 1, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Hickman Mills Station, Kansas City MO: Delivery
Operations (Report Number 24-107-1-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings
contained in the draft audit report, *Hickman Mills Station, Kansas City, MO: Delivery Operations.*

Management generally 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.

Delayed Mail: Management will conduct a service talk on proper handling and recording of
delayed mail in DCV. Management will also reiterate the requirement to use PS Form 1571
Undelivered Mail Report. Reviews will be conducted to monitor for compliance. The one new
manager identified as not having access to DCV now has access.

Package Scanning: Management will provide a service talk on proper scanning procedures and
conduct reviews to monitor compliance.

Arrow Keys: Management will update the inventory log to reflect all arrow keys on hand and
report all missing keys to the US Postal Inspection Service. Management will also conduct
training on proper management and security of arrow keys. Additionally, reviews will be
conducted to monitor for compliance.

Timekeeping Management: Local management will be retrained on proper record keeping for
pay adjustments, disallowed time, and unauthorized overtime. Management will create and
accurately maintain logbooks for PS Forms 1017-A *Time Disallowance Record* and PS Forms
1017-B *Unauthorized Overtime Record.* Files will be maintained for all PS Forms 2240 *Pay,
Leave, or Other Hours Adjustments Request.*

Property Conditions: Management has abated one of the six property conditions related to
safety and maintenance and working to either fix or complete work orders for the remaining
items.

E-SIGNED by EDDIE L BANNER
on 2024-07-01 16:17:43 EDT

Eddie Banner
District Manager, KS- MO District

cc: *Vice President, Area Retail & Delivery Operations (Central)*

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

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