Northport Post Office, Northport, AL: Delivery Operations

AUDIT REPORT

Report Number 24-125-2-R24 | September 9, 2024

OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 9, 2024

MEMORANDUM FOR: JUNE M. MARTINDALE
MANAGER, ALABAMA-MISSISSIPPI DISTRICT

FROM: Sean Balduff
Director, Field Operations, Central and Southern

SUBJECT: Audit Report – Northport Post Office, Northport, AL: Delivery Operations
(Report Number 24-125-2-R24)

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

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: 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
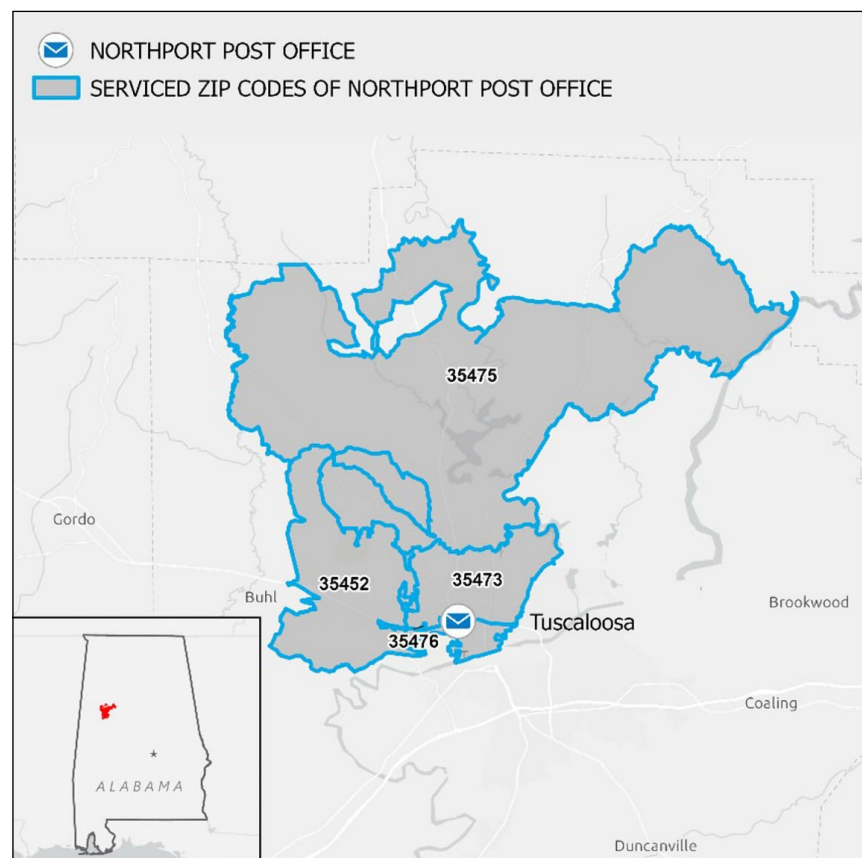Corporate Audit and Response Management

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 Northport Post Office in Northport, AL (Project Number 24-125-2). The Northport Post Office is in the Alabama-Mississippi District of the Southern Area and services ZIP Codes 35452, 35473, 35475, and 35476 (see Figure 1). These ZIP Codes serve 51,061 people in urban and rural areas. Specifically, 32,612 (64 percent) live in urban communities and 18,449 (36 percent) live in rural communities.[1]

Figure 1. ZIP Codes Serviced by the Northport Post Office
Source: OIG

This delivery unit has 19 rural routes and 13 city routes and is participating in the Postal Service's Local Transportation Optimization initiative implemented March 11, 2024. Local Transportation Optimization eliminates the evening pickup of mail at post offices for transportation to a processing center. Mail and packages sent at these offices, as well as mail collected by carriers on their routes, wait until the next morning for collection. The Northport Post Office is one of three delivery units[2] the OIG reviewed during the week of July 8, 2024, that are serviced by the Birmingham Processing and Distribution Center (P&DC) and Mail Processing Annex (MPA).

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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 Center Point Branch, Center Point, AL (Project Number 24-125-1); and the Tuscaloosa Main Post Office, Tuscaloosa, AL (Project Number 24-125-3).

We assessed all units serviced by the Birmingham P&DC and MPA 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, and undelivered route information between March 1 and May 31, 2024. We also reviewed first and last mile failures[7] between March 2 and May 31, 2024.

We judgmentally selected the Northport Post Office primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. The unit was also chosen based on first and last mile failures. 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 March 1 and May 31, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	7.6	6.5
Informed Delivery Contacts	19.8	14.8

Source: OIG analysis of Postal Service's C360 and Informed Delivery data extracted on June 11, 2024.

Objective, Scope, and Methodology

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

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 August 22, 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 Northport Post Office. 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 Northport Post Office. Specifically, we found issues with all five of the areas we reviewed (see Table 2).

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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.
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 24-125.

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 July 8, 2024

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

Finding #1: Delayed Mail

What We Found

On the morning of July 9, 2024, we identified 430 delayed mailpieces at carrier cases. Specifically, we identified 301 letters and 129 flats. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)[12] system. See Figure 2 for an example of delayed mail found at a carrier case. In addition, the carriers did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report*,[13] to document undelivered mailpieces.

Figure 2. Delayed Mail

Source: OIG photo taken July 9, 2024.

Why Did It Occur

Management did not verify that all mail was cleared from the unit because of a lack of management oversight. Specifically, the postmaster stated she arrived at the Northport Post Office in April 2023, and since July 2023, she has been in and out due to medical leave. During that time, the unit was managed by one full-time and one part-time supervisor. Therefore, tasks were not always completed, such as enforcing the use of PS Form 1571. Also, during our audit, the AM supervisor was filling in as the PM supervisor who was on leave. The AM supervisor did not account for and report the undelivered mail as she was not as familiar with the evening duties. The postmaster also determined that the PM supervisor did not have access to the DCV system.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily and that any mail returned from a route was properly identified. Postal Service policy[14] states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. In addition, managers are required[15] 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. Further, management must update the DCV system if volumes have changed prior to the end of the business day. Furthermore, all mail returned from the street is required to be identified with a PS Form 1571, signed by the carrier and supervisor.

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

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12　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.
13　PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.
14　*Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
15　*Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

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.

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.[16] In total, employees improperly scanned 218 packages at the delivery unit between March and May 2024 (see Table 3). Further analysis of the STC[17] scan data for these packages showed that 43 percent of them were scanned "Delivery Attempted – No Access to Delivery Location."

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivery Attempted – No Access to Delivery Location	93	42.7%
Delivered	89	40.8%
No Secure Location Available	29	13.3%
Delivery Exception – Animal Interference	5	2.3%
Receptacle Full / Item Oversized	2	0.9%
Total	**218**	**100%**

Source: OIG analysis of the Postal Service's Product Tracking and Reporting (PTR) System data. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

We also reviewed 174 scans occurring away from the delivery unit and over 1,000 feet[18] from the intended delivery point between March and May 2024 (see Table 4). 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 92 percent of them were scanned "Delivered."

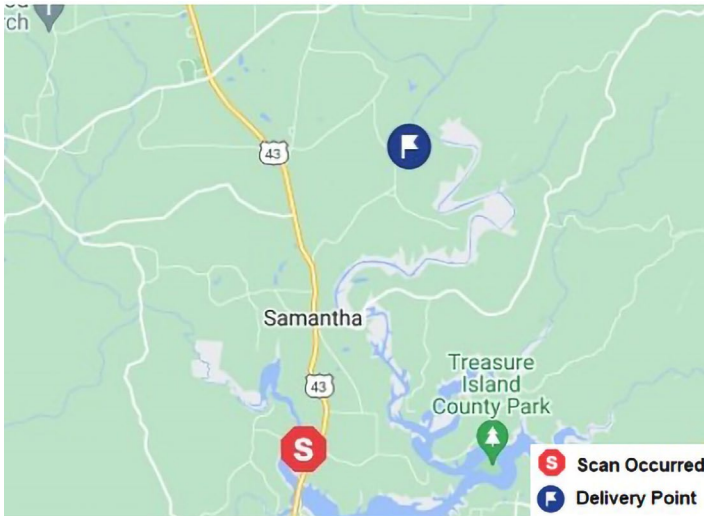### Table 4. STC Scans Over 1000 Feet Away from the Delivery Point

STC Scan Type	Count	Percentage
Delivered	160	92%
Delivery Attempted – No Access to Delivery Location	8	4.6%
Hold at Post Office	6	3.4%
Total	**174**	**100%**

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

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16 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.

17 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."

18 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.

For example, the map below (see Figure 3) shows an instance where a carrier scanned a package as delivered 4.7 miles away from the delivery point.

Figure 3. Scan Away From the Delivery Point in Northport, Alabama

Source: Postal Service Single Package Look Up.

We also found issues with scanning and handling of packages in the unit. On the morning of July 9, 2024, before carriers arrived for the day, we selected 49 packages[19] to review and analyze scanning and tracking history. Of the 49 sampled packages, 23 (71 percent) had improper scans or handling issues, including:

- Fourteen packages from the carrier cases were scanned "Delivery Attempted - No Access to Delivery Location" or "Held at Post Office at Customer Request," between .2 and 4.7 miles away from the delivery point. Scans should occur as close to the delivery point as possible.

- Four packages (three from carrier cases and one from the "Notice Left" area) were scanned "Insufficient Address" and "Forwarded" in June 2024. These packages should have been returned to the sender.

- Two packages from the "Notice Left" area were scanned "Delivered, PO Box" or "Delivered, in/at Mailbox," which should only be performed when a package is successfully left at the customer's delivery address.

- Two packages from the carrier cases were missing an "Arrival at the Unit" scan which is required for performance measurement.

- One package from the carrier case was scanned "Delivery Attempted – No Access" on two delivery attempts. This package should have been moved to the "Notice Left" area.

Further, 12 packages in the "Notice Left" area were not returned to the sender, as required. These packages ranged from six to 49 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 that they monitor scans daily. However, they focus on integrity and scan failure reports, which are closely monitored by the district, and not reports that show where the scans occurred.

In addition, the postmaster stated that the "Notice Left" area scanning issues occurred due to employee availability and management oversight. Specifically, the unit had two vacant clerk positions. Further, the postmaster was focused on other duties such as delivery operations because supervisors were on leave.

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] Packages in the "Notice Left" area should have been reviewed

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19   We reviewed all packages from the carrier cases and "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.

for second notices and returned to sender if they remained after the prescribed number of days.[22]

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.

Postal Service Response
The Postal Service agreed with this finding.

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22 *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 July 11, 2024, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)[23] system and conducted a physical inventory of keys at the unit. We determined seven of the 25 keys at the unit were not on the list. Three of the extra keys found were broken and had not been reported in RADAR. In addition, arrow keys were not always kept secure. Specifically, arrow keys were kept in a ▨▨▨▨▨▨▨▨▨▨▨▨ located on the workroom floor. However, carriers had access to the key, which was kept in the ▨▨▨▨▨▨▨▨▨▨▨. Further, we observed carriers signing the daily log acknowledging the return of their assigned keys, but there was no supervisor or clerk present to verify that all keys were returned and accounted for at the end of the day.

Why Did It Occur

The Postmaster stated that the supervisors did not understand the importance of securing arrow keys and verifying that the serial numbers of the keys returned matched what was on their inventory list in RADAR. Therefore, they did not appropriately

manage the keys due to competing priorities, such as timekeeping and monitoring carriers as they returned from the street.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[24] management must keep an accurate inventory of all arrow keys. Further, broken keys must be updated on the RADAR inventory log.

In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must also 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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23 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
24 *USPS Arrow Key Guidebook Standard Work Instructions*, updated August 2023.

Finding #4: Timekeeping Management

What We Found

For the period of March 30 through June 21, 2024, the station had two unresolved disallowed time occurrences. Management did not complete PS Forms 1017-A, *Time Disallowance Record,* in the Time and Attendance Collection System (TACS)[25] or print and retain PS Forms 1017-A for any of these occurrences.

Why Did It Occur

Management did not resolve the disallowed time because they were unaware of how to resolve the transactions in TACS. Specifically, the supervisor was aware of the unresolved transactions but could not correlate the employee's name with the disallowed time. During the audit, the postmaster trained the supervisor on the process for resolving transactions in TACS. The supervisor then took corrective action and resolved the two transactions.

In addition, management stated they no longer had the PS Form 1017-A binder because they believed it was thrown away by mistake.

What Should Have Happened

Postal Service policy[26] 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 time disallowance is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act[27] 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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25 The system used by the Postal Service to automate the collection of employee time and attendance information.
26 Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.
27 29 USC § 211.
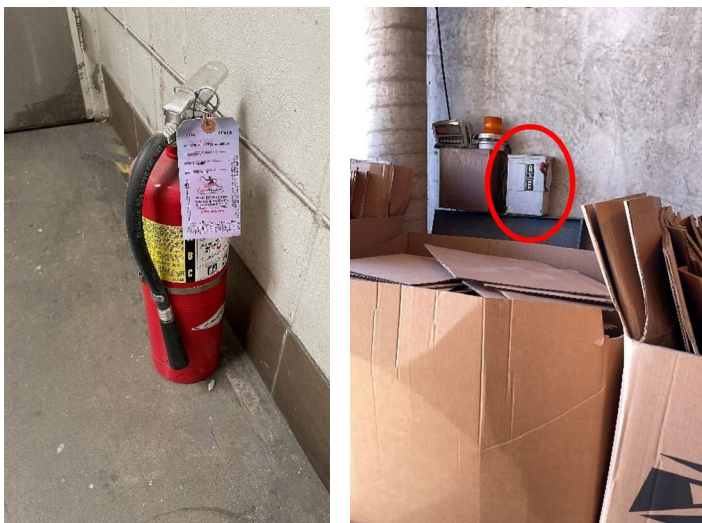
Finding # 5: Property Conditions

What We Found

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

Property Safety:

- Two fire extinguishers were missing annual inspections and two were missing monthly inspections.

- One fire extinguisher was not mounted on the wall (see Figure 4).

- There were two blocked circuit boxes (see Figure 4).

Figure 4. Example of Unmounted Fire Extinguisher and Blocked Circuit Box

Source: OIG photos taken July 10, 2024.

Property Security

- There was no sign posted in the employee parking area stating that vehicles may be subject to search.

Property Maintenance

- One urinal in the men's restroom was inoperable

- There was debris and overgrown landscaping outside the facility (see Figure 5).

Figure 5. Debris and Overgrown Landscaping

Source: OIG photo taken July 10, 2024.

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 postmaster relied on the supervisors to keep her informed. The postmaster was not aware of the missing sign, the inoperable urinal in the men's restroom, or the fire extinguishers. Regarding the overgrown landscaping, management stated the office did not have a lawn mower, but they would order one for the facility. Currently, the custodian brings a lawnmower from home.

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 to ensure resolution. The Postal Service requires management to maintain a safe environment for employees and customers.[28]

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 penalties; and enhance the customer experience and Postal Service brand.

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

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

Appendix A: Additional Information

We conducted this audit from June through September 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 Center Point Branch, Tuscaloosa Main Post Office, and the Northport 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.

UNITED STATES POSTAL SERVICE

August 23, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Northport Post Office, Northport, AL: Delivery Operations
(Report Number 24-125-2-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Northport Post Office, Northport, AL: 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. Access to Delivery Condition Visualization (DCV) system has been approved for the PM supervisor identified as not having access. Management will also reiterate the requirement to use PS Form 1571 *Undelivered Mail Report*. Reviews will be conducted to monitor for compliance.

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. 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 disallowed time. Management will create, accurately maintain and secure a logbook for PS Forms 1017-A *Time Disallowance Record*. Reviews will be conducted to monitor for compliance.

Property Conditions: Management has abated three of the six property conditions related to safety, security, and maintenance. Management is working to resolve the remaining issues, in which some may require submission of workorders for assistance from other resources.

E-SIGNED by JUNE.M MARTINDALE
on 2024-08-26 17:39:16 EDT

June M. Martindale
District Manager, AL-MS District

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

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

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