Edgewater Branch, Lakewood, CO: Delivery Operations

AUDIT REPORT
Report Number 24-137-2-R24 | September 24, 2024

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 24, 2024

MEMORANDUM FOR: DOUGLAS S. SMITH
MANAGER, COLORADO – WYOMING DISTRICT

Joseph E. Wolski

FROM: Joseph E. Wolski
Director, Field Operations, Atlantic & WestPac

SUBJECT: Audit Report – Edgewater Branch, Lakewood, CO: Delivery Operations
(Report Number 24-137-2-R24)

This report presents the results of our audit of delivery operations and property conditions at the Edgewater Branch in Lakewood, CO.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monica Brym, 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, WestPac 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 Edgewater Branch in Lakewood, CO (Project Number 24-137-2). The Edgewater Branch is in the Colorado – Wyoming (CO-WY) District of the WestPac Area and services ZIP Code 80214 (see Figure 1). This ZIP Code serves 25,926 people in an urban area.[1]

Figure 1. ZIP Codes Serviced by the Edgewater Branch
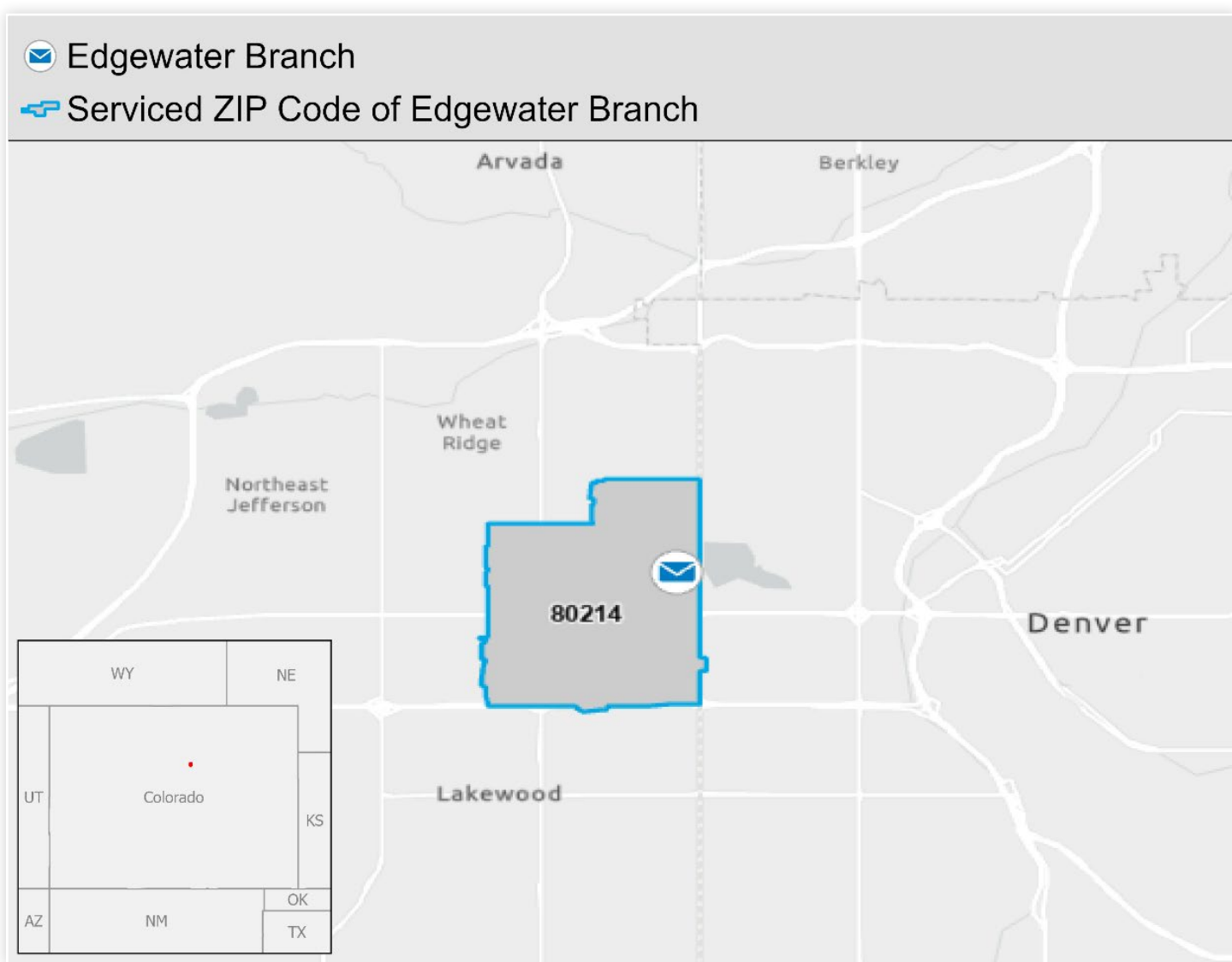
Source: U.S. Postal Service Office of Inspector General.

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1   We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.

This delivery unit has 20 city routes. The Edgewater Branch is one of four delivery units[2] the OIG reviewed during the week of July 29, 2024, that are serviced by the Denver Processing and Distribution Center (P&DC).

We assessed all units serviced by the Denver 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, 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 Edgewater Branch primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. The unit was also chosen based on first 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	8.5	6.2
Informed Delivery Contacts	17.2	11.8

Source: OIG analysis of Postal Service's C360, Informed Delivery, and Product Tracking and Reporting (PTR) System data extracted July 1, 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 Edgewater Branch in Lakewood, CO.

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 uptime.[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 September 9, 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 Edgewater Branch. We will issue a separate report[11] that provides the Postal Service with the overall findings and recommendations for all four 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 Edgewater Branch. 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 July 29, 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 30, 2024, we identified 1,290 delayed mailpieces at 20 carrier cases and the retail window area. Specifically, we identified 1,192 letters, 61 flats, and 37 packages. This included 12 packages notated "Return to Sender" found in proximity to the retail window area. Further, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)[12] system. See Table 3 for the number of pieces for each mail type and Figure 2 for examples of delayed mail found at a carrier case and at the retail window area. Further, the carriers did not complete Postal Service (PS)

Forms 1571, *Undelivered Mail Report,*[13] to document undelivered mailpieces.

Table 3. Types of Delayed Mail Identified

Type of Mail	Carrier Cases	Retail Window Area	Total Count of Delayed Mail
Letters	1,192	0	1,192
Flats	61	0	61
Packages	25	12	37
Totals	**1,278**	**12**	**1,290**

Source: OIG count of delayed mailpieces identified during our visit July 30, 2024.

Figure 2. Examples of Delayed Mail

Delayed Mail at Carrier Case

Delayed Mail at Retail Window Area
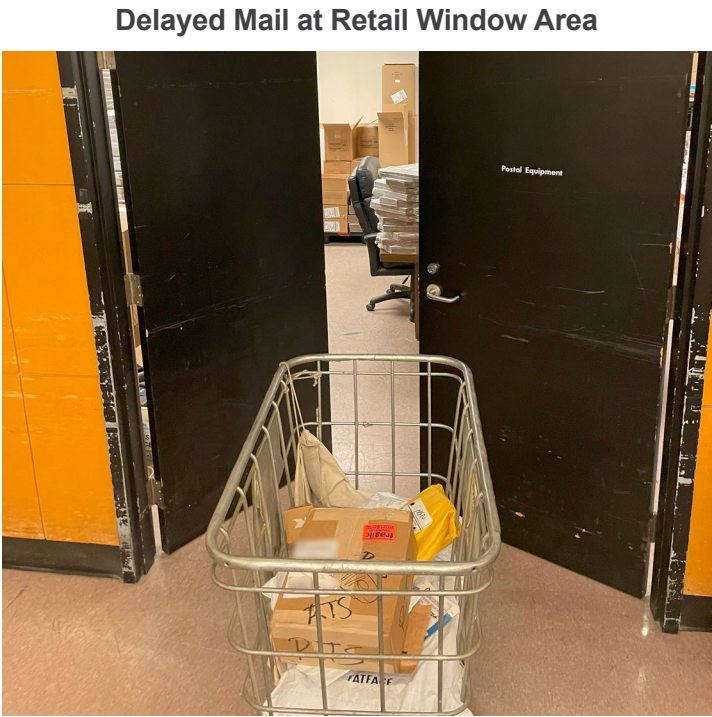
Source: OIG photos taken July 30, 2024.

In addition, we identified 41 pieces of Certified Mail that had not been returned to the sender in a timely manner. We found one Certified Mail piece that was dated May 2024, two months prior to our visit.

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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.

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. In addition, there were five vacant routes on Monday due to employee absences. Unit management sought, but did not receive, carrier assistance from the district. Management split the vacant routes among multiple new carriers. The carriers assigned to the open routes had trouble delivering all the mail because they were unfamiliar with the route and felt unsafe delivering mail after 8:30 p.m. Also, management did not ensure that supervisors and carriers followed the Redline Process,[14] which identifies the actions to take when returning to the unit with mail. Unit management also acknowledged that it did not ensure carriers were completing PS Forms 1571, documenting the reason why mail or packages could not be delivered. The delayed mail was not entered into the DCV system because the acting PM supervisor did not have access to the system. Further, the Certified Mail was not returned to the sender timely because the acting PM supervisor was unaware of the procedures to return this mail. The clerk correctly prepared this mail for return to sender; however, the supervisor misplaced the mail, and it was mistakenly returned to the unit's certified mail section.

What Should Have Happened

Management should have conducted an adequate walkthrough of the workroom to verify that all mail was delivered, determined the reason the undelivered mail was brought back from the street, and confirmed it was properly documented on PS Form 1571. Postal Service policy[15] 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 required[16] 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.

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.

Postal Service Response

The Postal Service agreed with this finding. See Appendix B for management's comments in their entirety.

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14 A standardized framework encompassing manager and carrier duties and responsibilities after carriers return to the delivery unit upon completion of delivery assignments. Carriers do not cross the red line with any mail in their possession.
15 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
16 *Informed Visibility Delivery Condition Visualization User Guide,* August 2023.

What We Found

Employees scanned packages improperly at the delivery unit and handled packages incorrectly at the 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 184 packages at the delivery unit between April and June 2024 (see Table 4). Further analysis of the STC scan data for these packages showed that 56 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	103	56.0%
Receptacle Full / Item Oversized	37	20.1%
No Secure Location Available	22	12.0%
Delivered	20	10.9%
Delivery Exception – Animal Interference	2	1.1%
Total	184	100%*

Source: OIG analysis of the Postal Service's PTR System data.
*Total percentage does not equal 100 percent due to rounding.

We also found issues with scanning and handling of packages in the unit. On the morning of July 30, 2024, before carriers arrived for the day, we selected 60 packages[18] to review and analyze their scanning and tracking history. Of the 60 sampled packages, 24 (40 percent) had improper scans or handling issues, including:

- Seven packages from the carrier cases were scanned "Delivery Attempted – No Access to Delivery Location" and were scanned between 0.2 and 0.6 miles away from the delivery point. Scans should be made as close to the delivery point as possible.

- Six packages from the carrier cases were scanned "Delivery Attempted – No Access to Delivery Location," and delivery was not attempted on the next delivery day.

- Four packages in the "Notice Left" section were scanned "Delivered" on June 25, July 13, 18, and 19 and subsequently scanned "No Secure Location." These packages should not have been returned to the office unless being returned to the sender or being held at customer request, indicated by their scan data.

- Three packages from the carrier cases were scanned "Arrival at Unit" and did not have an STC scan. These packages should have been scanned with the correct STC scan before the end of the delivery day.

- Two 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.

- One package from the "Notice Left" section was scanned "No Secure Location Available" 0.7 miles away from the delivery point.

- One package from the carrier case was scanned "Return to Sender," but marked "NA." This notation by the carrier indicates "No Access" at this delivery location. The package should have been scanned "Delivery Attempted – No Access to Delivery Location."

Finally, employee barcodes were not properly managed at the facility. Specifically, we found three instances of individual employee barcodes that were accessible to others, which could allow employees to log in as someone else.

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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   We judgmentally selected 30 packages from the carrier cases and 30 packages from the "Notice Left" area.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Regarding packages found at the carrier cases, management was not actively reviewing scanning integrity reports and following up with the carriers due to other duties taking priority. Also, carriers returning from their routes did not follow the redline standard operating procedure (SOP) and communicate to the supervisor the reasons for non-delivery or any improper scanning and handling of packages brought back to the unit. Most of these packages were not endorsed by the carriers with accurate markings, indicating specific delivery issues, or the scan did not correspond with the carrier endorsement. Management did not enforce the requirement to keep employee identification barcodes secured at all times.

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] 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.[21] Postal policy requires that employee barcodes, which contain personally identifiable information, must be secured at all times.[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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19 *Delivery Done Right the First Time* stand-up talk, March 2020.
20 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.
21 *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.
22 Publication 453 *Respect and Protect: Our Privacy Mission Guidelines for Privacy*, June 2009.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of July 31, 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 five of the 24 keys located at the unit were not included on the list, and one of the 21 keys on the list could not be located.

In addition, arrow keys were not always kept secure. Specifically, arrow keys were normally kept inside the main vault; however, we found two arrow keys ███████████████████████ in the workroom. We also found that carriers did not sign the daily log to acknowledge their acceptance and return of their assigned keys on the day of the observation.

Why Did It Occur

Management did not provide sufficient oversight to properly manage arrow keys because they were not fully aware of the accountability procedures for arrow keys. Management confirmed the one extra arrow key was unassigned but could not explain why it was not entered into the RADAR system. The station manager stated he received four keys before he went on a vacation but did not add the keys on the inventory certification list because he was unable to access the RADAR system prior to his vacation. He also stated that the missing key from the list was reported to the U.S. Postal Inspection Service, and it issued a Computer Aided Dispatch[24] number; however, he does not know how to delete it from the certification list in the RADAR system.

Management also did not provide sufficient oversight to properly safeguard arrow keys. The acting PM supervisor placed a keyring containing two arrow keys ██████████████████████ because he was unaware that these keys needed to be in a secure location.

What Should Have Happened

According to Postal Service policy,[25] management must keep an accurate inventory of all arrow keys. Management should have verified that arrow key security procedures were properly followed. 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.

Management Action

During the audit, the station manager took corrective action and entered the five arrow keys into the RADAR system on the inventory certification list.

> **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   A list maintained by the U.S. Postal Inspection Service that contains valid orders for replacement or stolen arrow keys.
25   *USPS Arrow Key Guidebook Standard Work Instructions*, updated August 2023.

Finding # 4: Timekeeping Management

What We Found

The unit had 37 unresolved disallowed time occurrences and four instances of unresolved unauthorized overtime between April 6 and June 28, 2024.[26] Management did not complete PS Forms 1017-A, *Time Disallowance Record*,[27] or 1017-B, *Unauthorized Overtime Record*,[28] entries in the Time and Attendance Collection System (TACS).[29] In addition, management did not print and retain PS Forms 1017-A, or PS Forms 1017-B, for any of these occurrences. Further, the unit did not have a binder for PS Forms 1017-A. We located the PS Form 1017-B binder in an unsecured location in the workroom, but it did not contain any forms for occurrences during the scope period.

Why Did It Occur

The station manager stated he did not resolve these disallowed time and unauthorized overtime occurrences due to other duties taking priority, such as training a new supervisor and assisting with clerk duties. During the week of our visit, the station manager was on leave, and the acting station manager was not able to locate the PS Form 1017-A binder. The PS Form 1017-B binder was on a desktop in the workroom because management was unaware of the requirement to store the binders in a secure location.

What Should Have Happened

Postal Service policy[30] 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. Postal Service guidance[31] provides instructions on how to complete the entries in TACS.

Effect on the Postal Service and Its Customers

When proper documentation of 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[32] when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

Management Action

During the audit review, the station manager took corrective actions and created a PS Form 1017-A binder and resolved and documented previously unresolved disallowed time occurrences. This binder and the PS Form 1017-B binder are now stored in a secure location within the PM supervisor's office.

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

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26 We did not have any issues with the PS Form 2240 Pay, Leave, or Other Hours Adjustment Request.
27 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.
28 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.
29 The system used by the Postal Service to automate the collection of employee time and attendance information.
30 Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.
31 TACS Training Page, Training Video 1017-A 1017 B Enhancement Demo.
32 29 USC § 201-219.

Finding # 5: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Edgewater Branch.

Property Safety:

- Six fire extinguishers missing an annual inspection.
- Uneven walkway from customer parking lot to customer lobby (see Figure 3).

Figure 3. Uneven Walkway Located in Customer Parking Lot

Source: OIG photo taken July 31, 2024.

Property Security:

- Missing "Subject to Search Sign" on facility property.

Property Maintenance:

- Broken ceiling light fixtures on dock platform.
- Missing light fixture at carrier loading area.
- Concrete bollard not installed at carrier loading area (see Figure 4).
- Crumbling concrete at dock truck bay.
- Concrete bumper with exposed rebar at dock truck bay (see Figure 5).
- Multiple loose/broken border tiles in customer lobby.
- Broken gate stop at employee/delivery truck vehicle entrance.
- Unaligned doors to lobby entrance needing adjustment.
- Employee parking lot missing one signpost and two signs.

Figure 4. Concrete Bollard Not Installed at Carrier Loading Area

Source: OIG photo taken July 31, 2024.

Figure 5. Concrete Bumper With Exposed Rebar at Dock Truck Bay

Source: OIG photo taken July 31, 2024.

Why Did It Occur

The station manager had previously submitted some of the identified maintenance requests to the district Facility Maintenance Office. However, those issues are still considered active, and due to the large number of requests submitted at the district Facility Maintenance Office, they will be resolved when time allows. Also, management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected because they were not aware of some of the issues we identified, and they had not yet received district action to resolve the rest.

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.[33]

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

Appendix A: Additional Information

We conducted this audit from July 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 Edgewater Branch 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 Edgewater Branch, Brighton Main Post Office, Mile High Station, and the Stockyards Station, as well as the district.

We assessed the reliability of PTR, DCV, and the 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

September 13, 2024

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response: Edgewater Branch, Lakewood, CO: Delivery Operations (Report Number 24-137-2-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Edgewater Branch, Lakewood, CO: Delivery Operations.*

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

Management has begun taking steps to address the five findings.

Delayed Mail: Daily huddles are held to touch on scanning integrity and accuracy of mail delivery. Management will conduct service talks to reiterate policy on committed mail and the requirement to complete PS form 1571 to document undelivered mail. Management will provide training on the proper handling and recording of delayed mail in DCV and conduct reviews to monitor for compliance.

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

Arrow Keys: Management will provide training on proper arrow key management to include arrow key security procedures and updating the inventory log. Reviews will be conducted to monitor for compliance.

Timekeeping Management: Local management will be trained on the proper recording of disallowed time occurrences in TACS. In addition, a stand-up talk will be conducted on the requirement to maintain and properly secure the notebook binder.

Property Conditions: Management has abated nine of the twelve property condition issues identified and has submitted work orders for repairs required by other resources.

E-SIGNED by Douglas.S Smith
on 2024-09-13 15:08:53 EDT

Doug Smith
Manager, CO-WY District)

Cc: Corporate Audit & Response

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

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