

Alabama-Mississippi District: Delivery Operations



AUDIT REPORT

Report Number 24-125-R25 | October 22, 2024



**Northport
Post Office**



**Center Point
Branch**



**Tuscaloosa
Post Office**

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Center Point
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Post Office

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 22, 2024

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

A handwritten signature in black ink, reading "Sean Balduff", is centered on the page.

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

SUBJECT: Audit Report – Alabama-Mississippi District: Delivery Operations
(Report Number 24-125-R25)

This report presents the results of our audit of delivery operations and property conditions in the Alabama-Mississippi District in the Southern Area.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Valeta Bradford, Audit Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Chief Retail & Delivery Officer & Executive Vice President
Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, Southern Area Retail & Delivery Operations
Director, Retail & Post Office Operations Maintenance
Corporate Audit and Response Management

Results

Background

The U.S. Postal Service’s mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. To fulfill this role, the Postal Service is committed to ensuring its delivery platform and services are always a trusted, visible, and valued part of America’s social and economic infrastructure. This includes leveraging people, technology, and systems to provide world-class visibility of mail and packages as they move through the Postal Service’s integrated system. 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 report presents a summary of the results of our audits of delivery operations and property conditions at three delivery units, as well as district-wide delivery operations, in the Alabama-Mississippi (AL-MS) District in the Southern Area (Project Number 24-125). These delivery units included the Center Point Branch, Northport Post Office (PO), and Tuscaloosa Main Post Office (MPO) in Alabama.

We previously issued interim reports¹ to district management for each of the three delivery units regarding the conditions we identified. In addition, we issued reports on the efficiency of operations at the Birmingham Processing and Distribution Center (P&DC) and Mail Processing Annex (MPA),² which service these delivery units.

We judgmentally selected the three delivery units in the AL-MS District based on the number of Customer 360³ (C360) inquiries related to delivery,⁴ Informed Delivery⁵ contacts associated with the unit, and stop-the-clock (STC)⁶ scans performed away from the delivery point and compared them to the district average. The units were also chosen based on first and last mile failures⁷ and undelivered routes.

The three delivery units had a total of 70 city routes and 42 rural routes that serve about 177,414 people in multiple ZIP Codes (see [Table 1](#)), which are predominantly urban communities.⁸ Specifically, of the people living in these ZIP Codes, 154,949 (87.3 percent) live in urban communities and 22,465 (12.7 percent) live in rural communities.

1 *Center Point Branch, Center Point, AL: Delivery Operations* (Report Number 24-125-1-R24, dated September 9, 2024); *Northport Post Office, Northport, AL: Delivery Operations* (Report Number 24-125-2-R24, dated September 9, 2024); and *Tuscaloosa Main Post Office, Tuscaloosa, AL: Delivery Operations* (Report Number 24-125-3-R24, dated September 9, 2024).

2 *Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL* (Report Number 24-129-R24, dated September 9, 2024).

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

Table 1. Service Area and Population

Delivery Units	Service Area and ZIP Codes	Population	City Routes	Rural Routes
Center Point Branch	35215 and 35235	67,169	27	14
Northport PO	35452, 35473, 35475, and 35476	51,061	13	19
Tuscaloosa MPO	35401 and 35406*	59,184	30	9
Total		177,414	70	42

Source: OIG analysis of Postal Service Address Management System and Census data.

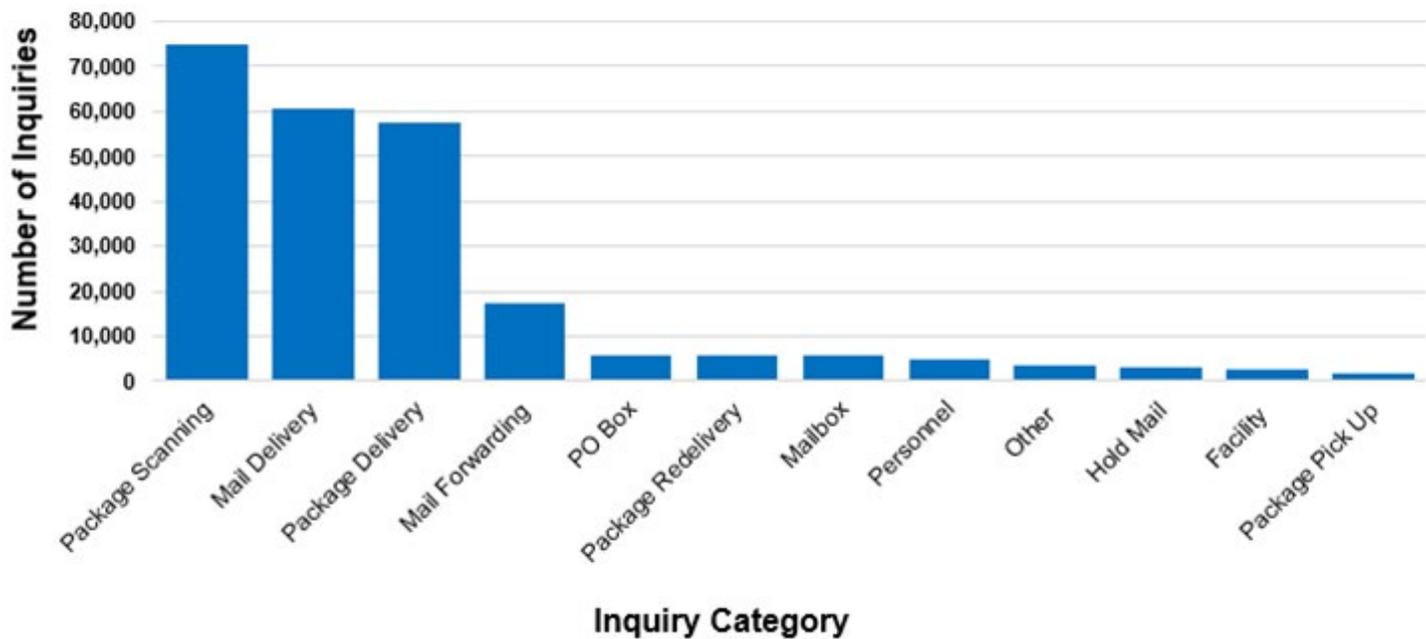
*Note: The Tuscaloosa MPO also services ZIP Codes 35402, 35403, and 35486, which are used for Post Office Boxes.

The Northport PO and Tuscaloosa MPO are 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 from these offices, as well as mail collected by carriers on their routes, stay at the

delivery unit until the next morning to be transported to a processing center.

We conducted text analysis of C360 inquiries for the entire AL-MS District between October 1, 2022, and June 30, 2024. In total, we reviewed and categorized the customer notes for 366,533 inquiries.⁹ See Figure 1 for the results.

Figure 1. C360 Inquiry Analysis



Source: OIG analysis of C360 inquiries

⁹ We removed 122,877 inquiries, including voice messages and inquiries in which the text description of the ticket was less than 40 characters.

Package and mail delivery issues and package scanning issues made up the majority of the C360 comments. Examples of customer comments from these categories included:

- Receiving “delivered” scans for packages that had not been delivered.
- Not receiving mail delivery for several days in a row.
- Not receiving all intended mail each delivery day.

We also analyzed the Postal Service’s Triangulation Report¹⁰ to determine how the AL-MS District performed for mail and package delivery in relation to all 50 Postal Service districts. Each day, the Postal Service provides an opportunity ranking that ranks all 50 districts from 1 through 50, where 1 indicates the lowest performing district and 50 is the top performing district. For the period from June 1 through August 31, 2024, the AL-MS District had an average rank of 5 for mail delivery and 15 for package delivery, placing this district as significantly below average for mail delivery and below average for package delivery. See Table 2 for the results of our analysis.

Table 2. AL-MS District Average Rank Out of All 50 Districts

Month	Mail Delivery Opportunity Rank	Package Delivery Opportunity Rank
June	5	18
July	5	12
August	6	15
Average	5	15

Source: Postal Service Triangulation Report.

In addition, we analyzed employee retention data obtained from Workforce¹¹ for the AL-MS District. From July 1, 2023, through August 31, 2024, the AL-MS District hired a total of 4,636 carriers and clerks. Of those hired, 2,091 (45 percent) were no longer employed in the district as of September 20, 2024.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions in the AL-MS District of the Southern Area.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,¹² 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.¹³ During our site visits 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” area¹⁴ and interviewed unit management and employees.

In addition to summarizing our findings at the three delivery units, we conducted an analysis of service performance scores for First-Class Mail, Marketing Mail, Priority Mail,¹⁵ and Ground Advantage¹⁶ products, and an analysis of carrier and clerk retention levels within the AL-MS District. We discussed our observations and conclusions, as summarized in Table 3, with management on October 8, 2024, and included its comments, where appropriate. See [Appendix A](#) for additional information about our scope and methodology.

¹⁰ The Triangulation Report is designed to provide the health of operations within a delivery unit regarding mail and package delivery. The report includes an analysis of several key performance indicators including C360 inquiries, first and last mile failures, route coverage, employee availability, and scanning integrity.
¹¹ Workforce is a centralized hub that links to staff planning, insights, and analytics.
¹² 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.
¹³ Time of day that clerks have completed distributing mail to the carrier routes.
¹⁴ The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
¹⁵ An expedited service for shipping mailable matter, subject to certain standards, such as size and weight limits, that includes tracking and delivery in one to three expected business days.
¹⁶ A service providing an affordable and reliable way to send packages inside the U.S. Packages under 70 pounds arrive in two to five business days.

Results Summary

We identified issues related to service performance across the AL-MS District, and issues affecting delivery operations and property conditions at all three delivery units audited. Specifically, we found delayed mail and deficiencies with package scanning, carrier timekeeping, and property conditions at all three units. We also found issues with arrow key management at two units. Finally, we found deficiencies with separation of packages for dispatch at one unit (see Table 3).

Table 3. Summary of Issues Identified

Controls Reviewed	Deficiencies Identified – Yes or No		
	Center Point Branch	Northport PO	Tuscaloosa MPO
Delayed Mail	Yes	Yes	Yes
Package Scanning	Yes	Yes	Yes
Arrow Keys	No	Yes	Yes
Carrier Complement and Timekeeping	Yes	Yes	Yes
Property Conditions	Yes	Yes	Yes
Other Issues: Separation of Packages for Dispatch	No	N/A	Yes

Source: Interim reports for selected units.

We did not find any issues with carrier complement but did identify issues with timekeeping management at all three units.

Finding #1: Service Performance in the AL-MS District

What We Found

We visited three delivery units in the AL-MS District on the morning of July 9, 2024, and identified about 7,871 pieces of delayed mail.¹⁷ See Table 4 for the number of pieces for each mail type and Figure 2 for an example of delayed mail found at a unit. In addition,

management at all three units did not report this mail as undelivered in the Delivery Condition Visualization (DCV)¹⁸ system, and carriers at all three units did not complete Postal Service (PS) Form 1571, *Undelivered Mail Report*,¹⁹ to document undelivered mailpieces.

Table 4. Type of Delayed Mail

Type of Mail	Center Point Branch	Northport PO	Tuscaloosa MPO	Total
Letters	964	301	5,145	6,410
Flats	110	129	997	1,236
Packages	10	0	215	225
Totals	1,084	430	6,357	7,871

Source: OIG count of delayed mailpieces identified during our visit July 9, 2024.

We found similar results when looking at service performance district wide. Specifically, we analyzed service performance scores in the district for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the AL-MS District between January 1 and June 30, 2024. This analysis showed the AL-MS District performance scores for First-Class Mail, Priority Mail, and Ground Advantage products did not meet the target score in any area of the district, and Marketing Mail missed the target score in most of the district. See Figure 3 for heat maps showing the performance for each product in the AL-MS District.

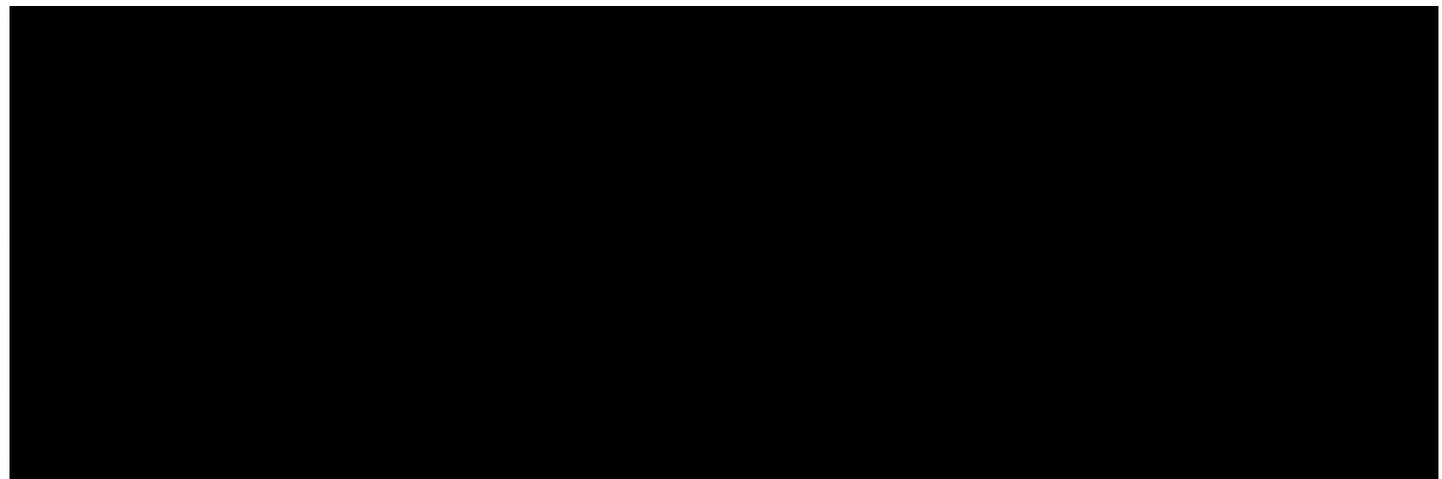
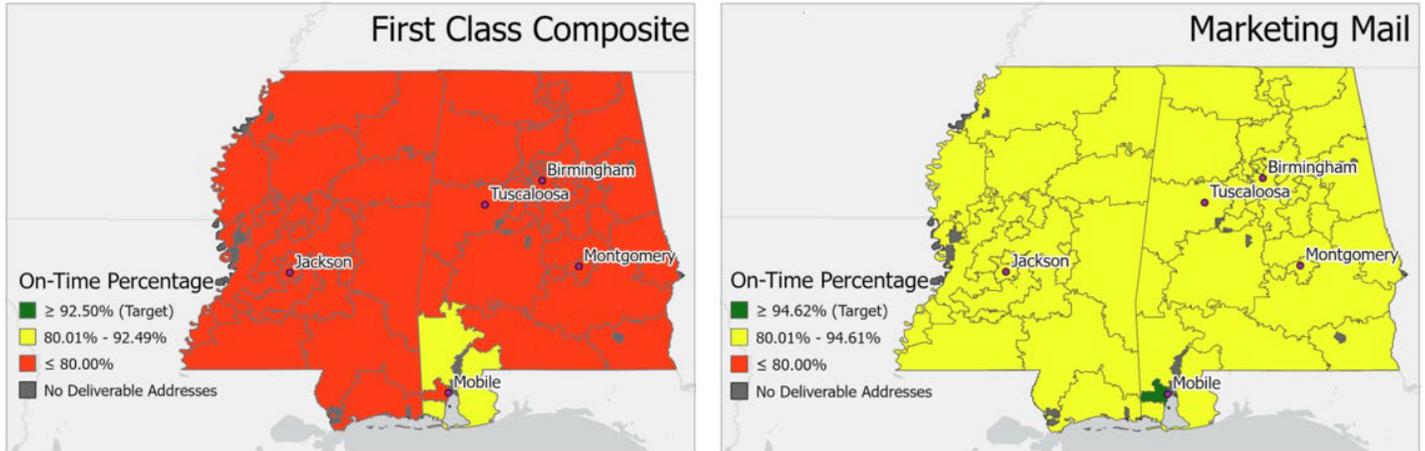
Figure 2. Example of Delayed Mail at the Tuscaloosa MPO



Source: OIG photo taken July 9, 2024.

¹⁷ Count of mail included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.
¹⁸ 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.
¹⁹ PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

Figure 3. Service Performance Heat Maps by 3-Digit ZIP Code in the AL-MS District From January 1 through June 30, 2024



Source: OIG analysis of Postal Service Informed Visibility (IV) and Enterprise Data Warehouse (EDW) data. IV provides comprehensive and integrated capabilities for data-driven real-time service performance measurement and diagnostics of market-dominant products, mail inventory and predictive workloads of all mail to include packages, and end-to-end tracking and reporting for mail. EDW is a repository intended for all data and the central source for information on retail, financial, and operational performance.

We also analyzed service performance scores from January 1 through June 30, 2024, for mail being sent from the district to other locations in the nation and mail coming into the district from other locations in the nation. For this type of mail, service performance failures could have been at a plant or delivery unit outside the district, but these failures may have had a negative impact on customer perceptions within the district. We completed this analysis for the same four products as above. Our analysis showed performance scores for Priority Mail and Ground Advantage did not meet the target score in any area of the district, and First-Class Mail and Marketing Mail missed the target score in most of the district during the scope period.

Why Did It Occur

The delayed mail identified at the three delivery units occurred because unit management did not provide adequate oversight and resources to verify that all mail was cleared from the units. None of the three offices were using PS Forms 1571, *Undelivered Mail Report*, to record delayed mail. Center Point Branch management reported not knowing about the form, Northport PO management was reorganizing so the policy was not always enforced, and Tuscaloosa MPO management did not enforce use of the form. Specifically:

- Center Point Branch management had not fully implemented and enforced the Postal Service Redline Policy.²⁰ Carriers took undelivered mail

²⁰ This is a standardized clearance process, including the proper disposition of mail types, for carriers returning to the office upon completion of delivery assignments.

they brought back from street duties to their cases without recording it.

- The Northport postmaster stated she arrived in April 2023, and since July 2023, she was often absent due to medical issues. During this time, the unit was managed by one full-time and one part-time supervisor.
- The Tuscaloosa postmaster attributed the delayed mail to the lack of employee availability. Specifically, the day before our arrival, the unit had two vacant city carrier positions, seven carriers were on leave, and three city carrier assistants had recently quit. In addition, the postmaster added that the unit was short two supervisors due to one vacant position and one on emergency leave since September 2023. Further, two carriers did not deliver portions of a route assigned to them.

Area and District Human Resources management stated the district had the third most rural routes out of the 50 districts, and it is difficult to retain part-time rural carrier associates, especially those who must use their own vehicles for delivering mail. This could have contributed to the low service performance scores.

What Should Have Happened

Postal Service policy²¹ states all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. Management should have conducted an adequate walkthrough of the workroom floor to verify that all mail was delivered, determined the reason the undelivered mail was brought back from the street, and confirmed the reason was properly documented on PS Form 1571.²² In addition, management should have addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy²³ states managers must review all communications that may affect the day's workload, be sure replacements are available for unscheduled absences, and develop contingency plans for situations that may interfere with normal delivery service.

²¹ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

²² *Standard Operating Procedures, Redline Policy.*

²³ *Handbook M-39, Management of Delivery Services, TL-14, Section 111.2, June 2019.*

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. For example, in our analysis of the C360 inquiries detailed in the [Background](#), we found numerous instances of customers stating mail was not delivered for multiple days in a row.

Management Actions

During our audit, district management provided documentation showing it provided training on proper delivery practices to management at the Center Point Branch, Northport PO, and Tuscaloosa MPO.

Recommendation #1

We recommend the **District Manager, Alabama-Mississippi District**, allocate staff to the Tuscaloosa Main Post Office to deliver all committed mail daily.

Recommendation #2

We recommend the **District Manager, Alabama-Mississippi District**, verify that management at the Center Point Branch is following the required Redline Process.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 1, management stated it will bring on sufficient staff at the Tuscaloosa Main Post Office and conduct reviews to ensure committed mail is delivered timely. Management provided support showing it began monitoring for delayed mail at the unit. For recommendation 2, management provided documentation showing it is following the required Redline Process at the Center Point Branch. See [Appendix B](#) for management's comments in their entirety.

OIG Evaluation

The OIG considers management's comments responsive to recommendations 1 and 2. Management provided support showing it began monitoring for delayed mail at the unit, and it verified all mail was delivered. After reviewing the documentation management provided to support actions taken, the OIG agreed to close these recommendations upon issuance of the report.

Finding #2: Data Validity

What We Found

We identified issues with the accuracy and reliability of reporting delayed mail along with package scanning and handling issues at each of the three delivery units.

Delayed Mail Reporting:

During our reviews at the three delivery units, we determined management did not report any of the 7,871 delayed mailpieces in the DCV system. Reporting delayed mail in the DCV system is important so management can monitor operations and adjust as needed.

Furthermore, the district had both low service performance scores and a lower-than-average mail delivery opportunity ranking in the Triangulation Report. Based on this information, we would expect to see a significant amount of reported delayed mail. However, we reviewed DCV data for the entire district for July 9, 2024, and found, of the 554 units listed in the DCV system for the district, only one unit (0.2 percent) reported 291 total pieces of delayed mail

on July 9, 2024. This could indicate the issues with reporting delayed mail are more widespread within the district.

Package Scanning and Handling:

During our reviews, we also found employees scanned packages improperly and handled them incorrectly at all three delivery units. In addition, employees scanned packages away from the intended delivery point at all three delivery units. In total, employees scanned 837 packages at the delivery units instead of at the recipients' delivery point between March and May 2024 for the three units we visited (see Table 5).

Further analysis of STC scan data for these packages showed 91.3 percent were scanned as "Delivered" or "Delivery Attempted – No Access to Delivery Location." This data does not include scans that could properly be made at a delivery unit, such as "Delivered – PO Box" and "Customer (Vacation) Hold," but rather, represents scans performed at the delivery unit that should routinely be made at the point of delivery.

Table 5. STC Scans at Delivery Unit

STC Scan Type	Center Point Branch	Northport PO	Tuscaloosa MPO	Total	Percent
Delivered	59	89	312	460	55.0%
Delivery Attempted - No Access to Delivery Location	24	93	187	304	36.3%
No Secure Location Available	22	29	0	51	6.1%
Receptacle Full / Item Oversized	11	2	1	14	1.7%
Delivery Exception - Animal Interference	1	5	1	7	0.8%
No Authorized Recipient Available	0	0	1	1	0.1%
Total	117	218	502	837	100%

Source: OIG analysis of Postal Service's Package Tracking and Reporting (PTR) System data between March and May 2024 for AL-MS District facilities. 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 feet²⁴ from the intended delivery point for the Northport PO between March and May 2024.²⁵ We removed scans that could have been performed within the policy, such as “Animal Interference” and “Unsafe Conditions,” from our review. Further analysis of the STC scan data for these packages showed that 92 percent of them were scanned “Delivered” (see Table 6).

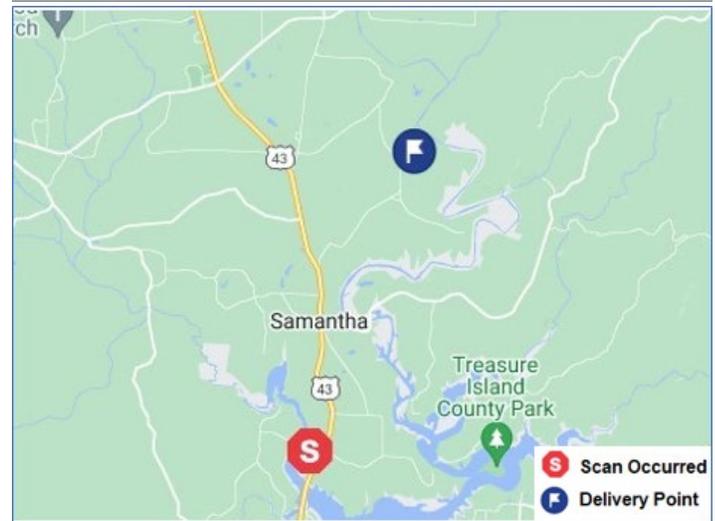
Table 6. STC Scans Over 1,000 Feet Away From the Delivery Point

STC Scan Type	Northport PO	Percent
Delivered	160	92%
Delivery Attempted - No Access to Delivery Location	8	4.6%
Held at Post Office at Customer Request	6	3.4%
Total	174	100%

Source: OIG analysis of the Postal Service’s PTR System data between March and May 2024 for AL-MS District facilities.

For example, the map below (see Figure 4) shows an instance where a carrier scanned a package as delivered 4.7 miles away from the delivery point.

Figure 4. Scan Away From the Delivery Point in Northport, Alabama



Source: Postal Service Single Package Look Up.

In addition, on the morning of July 9, 2024, before the carriers arrived for the day, we selected a total of 151 packages at the three delivery units to review and analyze for scanning and tracking history. We judgmentally selected 79 packages from the carrier cases and 72 packages from the “Notice Left” areas at these units. Of the 151 sampled packages, 82 (54.3 percent) had missing or improper scans or improper handling.

Sixty-three packages had scanning issues, including:

- Twenty-four packages (23 from the carrier cases and one from the “Notice Left” area) were scanned with an STC event such as “Delivery Attempted – No Access to Delivery Location,” “No Authorized Recipient,” or “Held at Post Office at Customer Request,” between 0.2 and 4.7 miles away from the delivery point.
- Fifteen packages (three from the carrier cases and 12 from the “Notice Left” area) were missing an STC event such as “Available for Pickup,” to let the customer know the status of their package.
- Eleven packages from the carrier cases were scanned “Held at Post Office at Customer Request;” however, no hold card was on file.

²⁴ 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.

²⁵ This was not a notable issue at the Center Point Branch and Tuscaloosa MPO.

- Seven packages (four from the carrier cases and three from the “Notice Left” area) were missing an “Arrival at Unit” scan, which is required for service performance.
- Six packages (three from the carrier cases and three 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.

The remaining 19 packages had employee handling issues, including:

- Nine packages from the carrier cases were scanned “Delivery attempted – No Access to Delivery Location,” or “No Secure Location Available,” and were not placed in the “Notice Left” area.
- Eight packages (five from the carrier cases and three from the “Notice Left” area) were scanned “forwarded” and should have been returned to the sender.
- Two packages were scanned with an STC scan event such as “Delivered to Parcel Locker” or “Forwarded” but were in the “Notice Left” area.

Further, 30 sampled packages (41.7 percent) in the “Notice Left” area at the three locations should have been returned to the sender. These packages ranged from three to 90 days past their scheduled return dates.

Why Did It Occur

Management at the three units did not provide adequate oversight to verify all delayed mail was reported accurately or package scanning and handling issues were completed according to policy.

Specifically, delayed mail was not always properly reported because:

- Management at the Center Point Branch stated other duties, such as following up on C360 inquiries, monitoring mail deliveries, and checking trucks for collection mail, took priority. Management stated these tasks consumed most of its time and impacted awareness of any delayed mail that needed to be reported.

- Management at the Northport PO stated that during the time of our audit the AM supervisor was filling in for the PM supervisor who was on leave. The AM supervisor did not account for the undelivered mail in DCV as she was not as familiar with the evening duties. The postmaster further stated the PM supervisor did not have access to the DCV system.
- Management at the Tuscaloosa MPO did not report delayed mail in the DCV system because the postmaster stated the PM supervisor misunderstood the requirements for reporting delayed mail in DCV and failed to notify him about the mail that was not delivered.

Although management used integrity and scan failure reports, they were not aware of other reports available to monitor improper scans and scans made away from the delivery point. In addition, the scanning and handling issues occurred because:

- Management at the Center Point Branch was not aware the clerk assigned to the “Notice Left” responsibilities performed the process twice monthly instead of daily. Unit management stated competing responsibilities, such as attending conference calls, training new carriers, sorting mail, and performing route evaluations consumed most of their time and impacted their ability to effectively monitor the “Notice Left” area.
- The Northport postmaster stated the “Notice Left” area scanning issues occurred due to the lack of employee availability and inadequate 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.
- The employee at the Tuscaloosa MPO who usually monitors the “Notice Left” area was on leave for the three weeks prior to our arrival, and other clerks conducted the reviews only when time allowed.

What Should Have Happened

Management should have verified all supervisors were trained and had system access to accurately enter delayed mail into the DCV system and enforced

compliance. Postal Service policy²⁶ states managers are required 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 must update the DCV system if volumes have changed prior to the end of the business day.

For package scanning and handling, management should have monitored scan performance daily and enforced compliance, including verifying all packages were scanned at the delivery point and not at the delivery unit. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,²⁷ which includes scanning packages at the time and location of delivery.²⁸ Packages in the "Notice Left" area should have been reviewed for second notices and returned to the sender if they remained after the prescribed number of days.²⁹

Effect on the Postal Service and Its Customers

The inaccurate delayed mail and scanning information provided by each of the units could have a negative impact on both internal tracking of unit success and needs, as well as externally, regarding customer satisfaction. Inaccurate delayed mail reporting provides management at the local, district, area, and headquarters levels with an unreliable status of mail delays and can result in improper actions taken to address issues.

For package scanning and handling, 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. Our C360 text analysis, detailed in the [Background](#), showed that package scanning was the most common C360 inquiry submitted by customers in the AL-MS District. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance both the customer experience and the Postal Service brand.

Management Actions

During our audit, district management provided documentation showing:

- Management at all three delivery units were provided training on properly reporting delayed mail in the DCV system, including steps for requesting access to the system. Management was also provided training on standard operating procedures for package scanning and handling.
- The district is monitoring for proper reporting of delayed mail and scanning performance at all three delivery units.

Recommendation #3

We recommend the **District Manager, Alabama-Mississippi District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail and monitoring scan locations.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendation. Management stated it will hold a virtual training session with all non-bargaining employees in the Alabama-Mississippi District on the procedures for handling delayed mail and reviewing scan data. The target implementation date is November 30, 2024.

OIG Evaluation

The OIG considers management's comments responsive to the recommendation.

²⁶ *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

²⁷ *Delivery Done Right the First Time* stand-up talk, March 2020.

²⁸ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

²⁹ *Notice Left and Return Guidelines*, April 2016.

Finding #3: Arrow Keys

What We Found

Unit management at the Northport PO and the Tuscaloosa MPO did not properly manage and safeguard arrow keys. We reviewed the units' arrow key certification list in the Retail and Delivery Applications Reports (RADAR)³⁰ system and conducted a physical inventory of keys at the units. We found 10 out of 59 keys across the two locations were not on the certification list and five broken keys were not reported in RADAR. Specifically:

- At the Northport PO, seven of the 25 keys located at the unit were not on the certification list, and three of the extra keys were broken. In addition, carriers could access the keys by using a master key found in the [REDACTED] storing them. Further, there was not a supervisor or clerk present to confirm that all keys were returned and accounted for at the end of the day.
- At the Tuscaloosa MPO, three of the 36 keys located at the unit were not on the certification list, and one of the 34 keys on the list could not be located. The missing key was not reported to the U.S. Postal Inspection Service, and three broken keys were not returned to the vendor.

Why Did It Occur

The Northport PO supervisors and the Tuscaloosa postmaster did not provide sufficient oversight to properly manage and safeguard arrow keys. Specifically:

- At the Northport PO, the postmaster indicated supervisors had competing priorities, such as timekeeping and monitoring carriers, and did not properly manage the keys.
- At the Tuscaloosa MPO, the certifying supervisor stated he verifies the keys based on those present in the cart, rather than using the unit's accountable log. He said he was unaware of any discrepancies and did not know the reporting process for lost and broken arrow keys.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,³¹ management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the Inspection Service. Further, broken keys must be updated on the RADAR inventory log and returned to the vendor.

In addition, the policy states 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.

Management Actions

During our audit, district management provided documentation showing:

- Management at the Northport PO and Tuscaloosa MPO was provided training on proper arrow key management and security.
- The district is monitoring arrow key procedures, including updating its arrow key log, reporting missing keys to the Inspection Service, returning broken keys to the vendor, and keeping keys secure at these two delivery units.

Due to management taking these corrective actions, we are not making a recommendation for arrow key issues.

³⁰ The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

³¹ USPS Arrow Key Guidebook Standard Work Instructions, updated August 2023.

Finding #4: Timekeeping Management

What We Found

We identified timekeeping management issues at all three delivery units between March 20 and June 21, 2024. For example:

- Management at all three units did not print and retain 29 PS Forms 1017-A, *Time Disallowance Record*,³² in a notebook binder for unresolved, disallowed occurrences, or enter the forms in the *Time and Attendance Collection System (TACS)*.³³
- Management at the Center Point Branch and Tuscaloosa MPO did not complete, print, or retain seven PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request*.³⁴ However, Center Point Branch management provided two of five forms during our site visits.
- Management at the Center Point Branch did not print and retain two PS Forms 1017-B, *Unauthorized Overtime Record*,³⁵ in a notebook binder for unresolved, disallowed overtime occurrences, or enter the forms in TACS.

Why Did It Occur

Management was either unaware or was not properly trained to address these timekeeping issues. Specifically:

- The Center Point Branch manager stated he was trained in TACS more than 20 years ago, and was not trained on how to correct unresolved, disallowed overtime transactions. Also, he saves the pay adjustment forms on his hard drive and could not locate the three remaining pay adjustment forms due to a poor filing system.
- The Northport PO supervisor was aware of the unresolved transactions but could not correlate employees' names 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.

- Tuscaloosa MPO management was aware of the processing and retention requirements for pay adjustments and disallowed time occurrences; however, other duties, such as answering phone calls and monitoring carriers, took priority over payroll and timekeeping adjustments and completing PS Forms 1017-A.

What Should Have Happened

Postal Service policy³⁶ states pay adjustment certifications are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. The policy³⁷ further states unit personnel must complete PS Form 1017-A and 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 and time disallowance is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act³⁸ when unit management does not maintain documentation that shows the justifiable reason and employee notification for pay adjustments and disallowed time.

32 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.

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

34 Form used to adjust either an employee's pay or to adjust timecard data that has been incorrectly reported to the postal data center.

35 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.

36 *AdjustPay User Guide*, Course No. 31202-25, updated February 9, 2017.

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

38 29 USC § 211.

Management Actions

During our audit, district management provided documentation showing:

- Management at all three delivery units received training on timekeeping record requirements.
- The district is monitoring timekeeping records at all three delivery units.

Due to management taking these corrective actions, we are not making a recommendation for these timekeeping issues.

Finding #5: Property Conditions

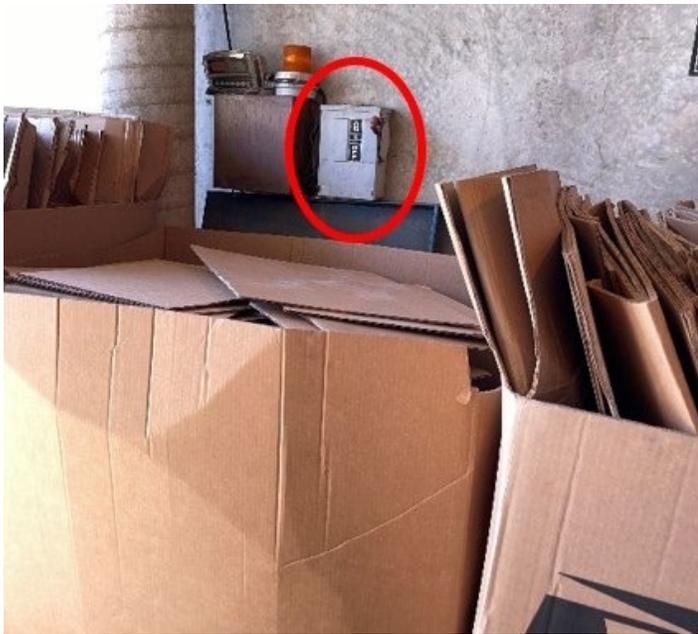
What We Found

We found safety, security, and maintenance issues at all three delivery units.

Property Safety:

- We found missing annual and expired monthly fire extinguisher inspections at all three units.
- At the Center Point Branch, we found two potholes in the vehicle parking lot; two blocked electrical panels in the electrical room; and exposed wires in the dock area.
- At the Northport PO, we found one fire extinguisher not mounted on the wall and two blocked circuit boxes (see Figure 5).

Figure 5. Blocked Circuit Box at Northport PO



Source: OIG photo taken on July 10, 2024.

- At the Tuscaloosa MPO, two fire extinguishers were blocked on the dock and in the custodial room; three ladders were not secured in the custodial room; and two electrical outlets were missing covers in the finance room.

Property Security:

- At the Center Point Branch, [REDACTED]

- At the Northport PO, there was no sign in the employee parking area indicating vehicles may be subject to search.
- At the Tuscaloosa MPO, the back dock door had broken bolts and could not be used (see Figure 6).

Figure 6. Broken Bolts on Back Door at Tuscaloosa MPO



Source: OIG photo taken July 9, 2024.

Property Maintenance:

- At the Center Point Branch, we found missing and dirty ceiling tiles in the workroom area; peeling paint on the walls in the dock vestibule and storage room area; a clogged sink in the employee breakroom; broken floor tiles in the men’s restroom; a broken toilet in the women’s restroom; and a broken water fountain in the workroom area.
- At the Northport PO, we found a broken urinal in the men’s restroom, overgrown landscaping, and debris around the building.
- At the Tuscaloosa MPO, there were damaged walls and damaged and missing ceiling or floor tiles in various locations, including the restrooms, finance office, custodial room, and locations near the

retail area. In addition, the parallel lines needed repainting in the postal vehicle parking lot, and a burnt-out light bulb in the parking area needed to be replaced. We also identified a sink in the custodial room missing part of a water pipe; a hole in the bottom of a glass partition leading to the lobby area; and a hole in a pipe/vent in the workroom ceiling. In addition, mail could not be efficiently loaded or unloaded due to a dock lift not properly extending.

Why Did It Occur

Management at all three units did not provide sufficient oversight or take necessary actions to verify that property condition issues were corrected. Unit management at the Center Point Branch and Northport PO relied on the supervisors to communicate and report property condition issues. Lastly, the Tuscaloosa postmaster was not aware of many issues because he was currently overseeing two facilities.

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.³⁹

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.

Management Actions

During our audit, management addressed all property condition issues we identified at the Center Point Branch, the Northport PO, and the Tuscaloosa MPO. Due to management taking these corrective actions, we are not making a recommendation for the property issues identified.

³⁹ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

Finding #6: Separation of Packages for Dispatch

What We Found

Employees at the Tuscaloosa MPO did not properly separate packages destined for the Birmingham MPA. Specifically, during the unit's evening operations on July 10, 2024, we observed that Priority Mail was comingled with non-Priority Mail in three containers going to the Birmingham MPA.

Why Did It Occur

Management did not provide oversight to ensure employees properly separated packages for dispatch to the Birmingham MPA. The postmaster informed us the closing employee followed incorrect separation requirements.

What Should Have Happened

In September 2023, the Postal Service implemented changes⁴⁰ for the preparation and dispatch of packages to processing facilities by delivery units at a level 22⁴¹ or above. The Postal Service requires these units to separate certain classes of packages when dispatching this mail to the processing facility and identify the placards to be used for the proper separation.

Effect on the Postal Service and Its Customers

Proper mail preparation is required for visibility throughout the Postal Service network. When mail is not properly separated for dispatch to the processing facility, in accordance with procedures, there is an increased likelihood that mail will require additional processing steps. Furthermore, this can result in delays and service failures and an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

Management Actions

During our audit, district management provided documentation showing it was verifying that Tuscaloosa MPO management was trained and properly separating packages for dispatching mail to the processing facility. Due to management taking this corrective action, we are not making a recommendation for the package separation issue.

⁴⁰ *Mail Preparation (MTEL) Changes Level 22 and Above Only*, September 2023.

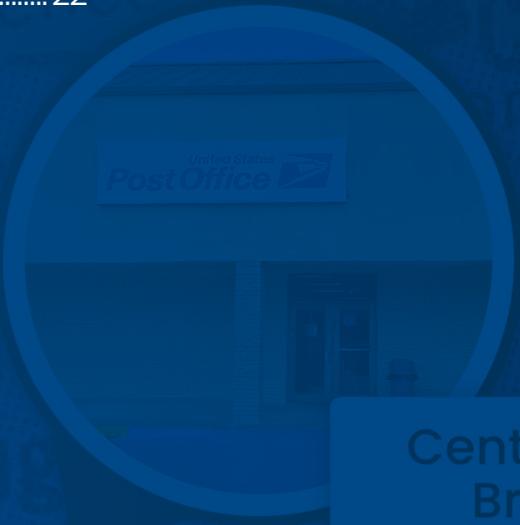
⁴¹ Units at higher levels tend to have more executives and employees and generate more revenue than those units at lower levels.

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Northport
Post Office



Center
Brook



Tuscaloosa
Post Office

Appendix A: Additional Information

We conducted this audit from September through October 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 these controls were assessed. Based on the work performed, we identified internal control deficiencies in all three components that were significant within the context of our objective. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of IV, EDW, and Workforce data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

Appendix B: Management's Comments



October 11, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Alabama-Mississippi District: Delivery Operations
(Report Number 24-125-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit capping report *Alabama-Mississippi District: Delivery Operations*.

Management generally agrees with the findings in the capping report.

Following are our comments on each of the three recommendations.

Recommendation 1: We recommend the **District Manager, Alabama-Mississippi District**, allocate staff to the Tuscaloosa Main Post Office to deliver all committed mail daily.

Management Response/Action Plan: Management agrees with this recommendation.

Management onboarding sufficient staffing to meet earned goal. Additionally, reviews will be conducted to ensure committed mail is delivered timely.

Target Implementation Date: 11/30/2024

Responsible Official: **District Manager, Alabama-Mississippi District**

Recommendation 2: We recommend the **District Manager, Alabama-Mississippi District**, verify that management at the Center Point Branch is following the required Redline Process.

Management Response/Action Plan: Management agrees with this recommendation.

Management at Center Point Branch are following the required Redline process. Documentation to evidence compliance was shared with the OIG audit team and found to be sufficient to close recommendation #2 with issuance of the final report.

Target Implementation Date: 11/30/2024

Responsible Official: **District Manager, Alabama-Mississippi District**

Recommendation 3: We recommend the **District Manager, Alabama-Mississippi District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail and monitoring scan locations.

Management Response/Action Plan: Management agrees with this recommendation.

Management will hold a virtual training session with all non-bargaining employees in the Alabama-Mississippi district to train on the proper handling of delayed mail and how to review scan data.

Target Implementation Date: 11/30/2024

Responsible Official: **District Manager, Alabama-Mississippi District**

E-SIGNED by JUNE M MARTINDALE
on 2024-10-12 14:06:05 EDT

June M. Martindale
Manager, Alabama-Mississippi District

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

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UNITED STATES



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