Fairfield Branch, Fairfield, OH: Delivery Operations

AUDIT REPORT
Report Number 24-148-2-R25 | December 4, 2024

Transmittal Letter

December 4, 2024

MEMORANDUM FOR: DON KRAVOS
MANAGER, OHIO 2 DISTRICT

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

SUBJECT: Audit Report – Fairfield Branch, Fairfield, OH: Delivery Operations
(Report Number 24-148-2-R25)

This report presents the results of our audit of delivery operations and property conditions at the Fairfield Branch in Fairfield, OH.

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

Attachment

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

Results

Background

The U.S. Postal Service's mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Fairfield Branch in Fairfield, OH (Project Number 24-148-2). The Fairfield Branch is in the Ohio 2 District of the Central Area and services ZIP Codes 45011, 45014, and 45015[1] (see Figure 1). These ZIP Codes serve 136,293 people in a predominantly urban area. Specifically, 131,747 (97 percent) live in urban communities and 4,547 (3 percent) live in rural communities.[2]

This delivery unit has 69 city routes, 12 rural routes and three contract delivery service (CDS) routes.[3] From July 13 through August 16, 2024, the delivery unit had five supervisors assigned.[4] There was also one employee acting in a higher-level supervisor temporary assignment at this facility. The Fairfield Branch falls under the Hamilton Main Post Office for employee availability measurement. As of August 19, 2024, the employee availability rate for the Hamilton Main Post Office was 94.1 percent year to date, which is higher than the Postal Service's retail and delivery operations employee availability goal of 93.6 percent for FY 2024. The Fairfield Branch is one of three delivery units[5] the OIG reviewed during the week of September 9, 2024, that are serviced by the

Cincinnati Processing and Distribution Center (P&DC) and Network Distribution Center (NDC).

We assessed all units serviced by the Cincinnati P&DC and NDC based on the number of Customer 360[6] (C360) delivery-related inquiries,[7] Informed Delivery[8] contacts, stop-the-clock[9] (STC) scans performed away from the delivery point, and undelivered route information between May 1 and July 31, 2024. We also reviewed first and last mile failures[10] between May 4 and August 2, 2024.

Figure 1. ZIP Codes Serviced by the Fairfield Branch
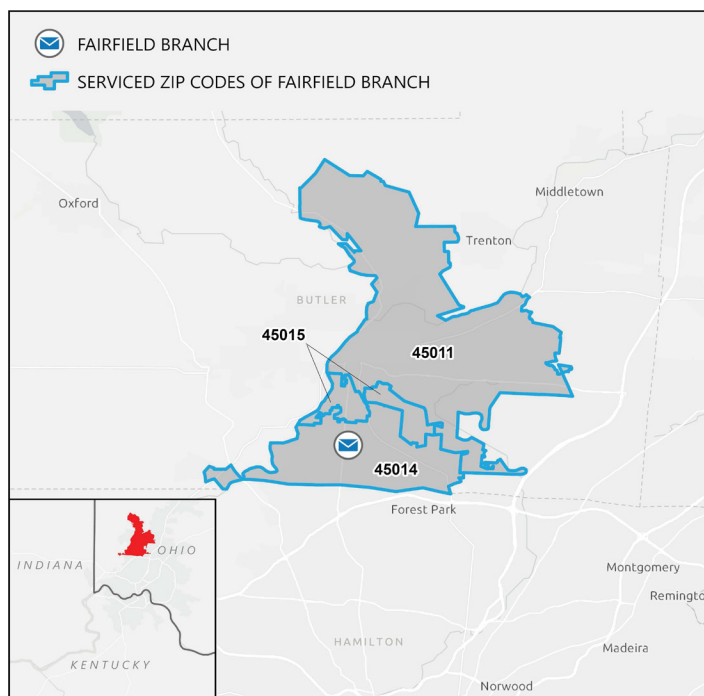
Source: OIG analysis of ZIP Code data.

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1   The unit also services ZIP Code 45018, which is used for Post Office Boxes.
2   We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
3   Routes that are serviced by Highway Contract Route contractors.
4   According to the Postal Service (PS) Form 50, *Notification of Personnel Action,* associated with the unit as of August 16, 2024.
5   The other two units were the Corryville Station, Cincinnati, OH (Project Number 24-148-1) and Mid City Cincinnati Carrier Annex, Cincinnati, OH (Project Number 24-148-3).
6   A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
7   A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
8   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.
9   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 Pickup," and "No Access."
10 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.

We judgmentally selected the Fairfield Branch 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 May 1 and July 31, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	6.5	5.1
Informed Delivery Contacts	21.9	18.1

Source: OIG analysis of Postal Service's C360 and Informed Delivery data extracted August 6, 2024.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Fairfield Branch in Fairfield, OH.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,[11] carrier separations and transfers, and property safety and security conditions. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and carrier complement. During our site visit we observed mail conditions; package scanning procedures; arrow key security procedures; employee separation procedures; and unit safety and security conditions. We also analyzed the scan status of mailpieces at the carrier cases and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on November 13, 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 Fairfield Branch. We will issue a separate report[12] 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 Fairfield Branch. Specifically, we found issues with four of the areas we reviewed (see Table 2). We also found issues related to separation of packages and contractor badges.

Table 2. Summary of Results

Audit Area	Deficiencies Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Arrow Keys	X	
Carrier Separations and Transfers		X
Property Conditions	X	

Source: Results of our fieldwork during the week of September 9, 2024.

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11   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.
12   Project Number 24-148.

Finding #1: Delayed Mail

What We Found

On the morning of September 10, 2024, we identified about 6,031 delayed mailpieces at 50 carrier cases and the hot case.[13] Specifically, we identified 1,296 letters, 4,710 flats, and 25 packages.[14] Management also did not report any of this mail as undelivered in the Delivery Condition Visualization (DCV)[15] system. In addition, the carriers did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report,*[16] to document the undelivered mailpieces. See Table 3 for the number of pieces for each mail type and Figure 2 for examples of delayed mail found at carrier cases.

Table 3. Types of Delayed Mail Identified

Type of Mail	Carrier Cases	Hot Case	Total Count of Delayed Mail
Letters	836	460	1,296
Flats	4,143	567	4,710
Packages	25		25
Totals	**5,004**	**1,027**	**6,031**

Source: OIG count of delayed mailpieces identified during our visit September 10, 2024.

Figure 2. Examples of Delayed Mail in the Carrier Cases

Source: OIG photo taken September 10, 2024.

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13 Distribution case in the delivery unit for last-minute sorting or resorting of mail that a carrier collects before leaving for their route.

14 Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*, and Handbook M-32, *Management Operating Data Systems*, Appendix D.

15 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.

16 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 attributed most of the delayed mail we identified to a late arriving truck from the P&DC on the morning of September 9, 2024. As a result, the clerks did not have sufficient time to sort all the mail prior to carriers departing for the street. Management reported the late arrival of mail in the Mail Arrival Quality/Plant Arrival Quality[17] (MAQ/PAQ) system, as required.

Some of the delayed mail we identified was due to management not enforcing the redline[18] process. Specifically, management did not ensure that carriers completed a PS Form 1571 to note the reason why mail could not be delivered. Management stated the two recently hired supervisors were not fully trained on the redline process.

Further, management did not report any delayed mail in the DCV system because the supervisors were focused on other duties, such as mail sortation and managing carriers as they left for the street.

What Should Have Happened

Postal Service policy[19] 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, policy[20] states delivery units must follow the redline process, which includes carriers completing a PS Form 1571 for any undelivered mail brought back to the delivery unit. Managers are also required[21] 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 the DCV system provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues.

Postal Service Response

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

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17   The MAQ/PAQ system facilitates communication and resolution of issues with the movement of mail, including collection mail, between Postal Service facilities.
18   A standardized framework encompassing manager and carrier responsibilities after carriers return to the delivery unit upon completion of delivery assignments, ensuring that any mail returned from the street is identified with a signed completed PS Form 1571 and that no mail is taken back to the carrier case.
19   *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
20   *Standard Operating Procedures, Redline Policy*.
21   *DCV Learn and Grow*, August 1, 2024.

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.[22] In total, employees improperly scanned 496 packages at the delivery unit between May 1 and July 31, 2024 (see Table 4). Further analysis of the STC scan data for these packages showed that about 90 percent of them were scanned "Delivered."

Table 4. STC Scans at the Delivery Unit

STC Scan Type	Count	Percentage
Delivered	445	89.7%
Delivery Attempted – No Access to Delivery Location	44	8.9%
Delivered to Agent for Final Delivery	2	0.4%
Receptacle Full/Item Oversized	2	0.4%
Delivery Exception – Animal Interference	2	0.4%
No Secure Location Available	1	0.2%
Total	496	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 260 scans occurring away from the delivery unit and over 1,000 feet[23] from the intended delivery point between May 1 and July 31, 2024 (see Table 5). We removed scans that could have been performed within policy, such as "Animal Interference" and "Unsafe conditions." Further analysis of the STC scan data for these packages showed that 95 percent of them were scanned "Delivered."

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

STC Scan Type	Count	Percentage
Delivered	247	95.0%
Delivery Attempted – No Access to Delivery Location	12	4.6%
Return to Sender	1	0.4%
Total	260	100%

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

For example, the map below (see Figure 3) shows an instance where a carrier scanned a package as delivered 1.8 miles away from the delivery point.

Figure 3. Scan Away From the Delivery Point
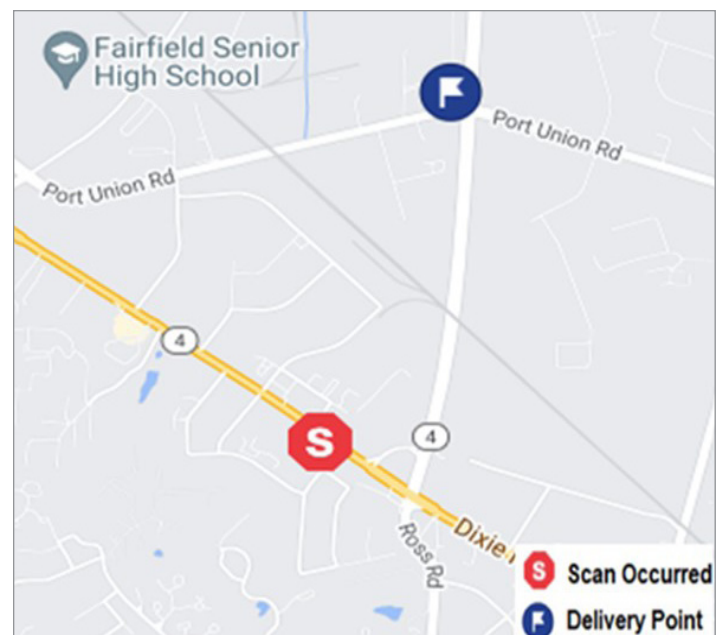
Source: Postal Service Single Package Look Up.

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22   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.

23   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.

We also found issues with scanning and handling of packages in the unit. On the morning of September 10, 2024, before carriers arrived for the day, we selected 30 packages[24] from the carrier cases to review and analyze for scanning and tracking history. Of the 30 sampled packages, 12 (40 percent) had improper scans or handling issues, including:

- Seven packages were scanned "Delivery Attempted - No Access to Delivery Location." These packages were scanned between .6 to 1.8 miles away from the delivery point. Scans should be made as close to the delivery point as possible.

- Two packages were missing STC scans to let the customer know the reason for non-delivery.

- Two packages found at the carrier cases were scanned "Delivered, Individual Picked up at Postal Facility."

- One package was scanned "Held at Post Office at Customer Request" however, the customer did not request their mail to be held.

Why Did It Occur

These scanning issues occurred because management did not adequately monitor and enforce proper package scanning and handling procedures. Management stated it monitored scans daily to verify packages had STC scans, however, it was not reviewing the type of scan. The station manager stated the newly hired supervisors were hesitant to question carriers about their scanning accuracy because they are new to their roles and struggle with enforcing policy. In addition, the new supervisors' lack of experience contributed to their ability to effectively monitor and enforce proper package scanning and handling procedures.

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,[25] which includes scanning packages at the time and location of delivery.[26]

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

Postal Service Response
The Postal Service agreed with this finding.

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24   We judgmentally selected 30 packages from the carrier cases.
25   *Delivery Done Right the First Time* stand-up talk, March 2020.
26   *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of September 12, 2024, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)[27] system and conducted a physical inventory of keys at the unit. We determined two of the 81 keys located at the unit were not on the list and one of the 111 keys on the list could not be located. In addition, arrow keys were not always kept secure. Specifically, management did not consistently ensure that carriers returned keys to the accountable cart to be locked away in the evening. During our visit, we identified three keys that were taken home by the carriers and two keys that were found ███████ █████

Why Did It Occur

The certifying supervisor stated he was new at reconciling the monthly RADAR certification report but did not fully understand the reconciliation process. As a result, he was not aware of any discrepancies. Further, he relied on the supervisors to ensure all keys were accounted for daily and to inform him of any concerns.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[28] management must keep an accurate inventory of all arrow keys. In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items, such as arrow keys, there is increased risk of mail theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail.

Postal Service Response
The Postal Service agreed with this finding.

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27 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
28 *Arrow/Modified Arrow Lock (MAL) Key Accountability Standard Work Instruction*, dated May 2024.

Finding # 4: Property Conditions

What We Found

We found safety and security issues at the Fairfield Branch, including:

Property Safety

- One Postal Inspection Service door was blocked.

- All 12 fire extinguishers throughout the unit were missing monthly inspections.

- One fire extinguisher on the workroom floor was not mounted.

Property Security

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

- The gate into the employee parking lot was not functioning properly.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. The manager was aware of the fire extinguishers and security gate issues, but not aware of the requirement to have a "vehicles subject to search" sign in the employee parking lot. The manager stated that she had only been at the unit for 12 weeks and her focus was on other priorities and competing responsibilities, such as delivery operations. During our audit, the unit manager took immediate action and unblocked the Inspection Service door.

What Should Have Happened

Management should have reported safety and security issues as they arose and followed up for completion. The Postal Service requires management to maintain a safe environment for employees and customers.[29]

Effect on the Postal Service and Its Customers

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

Postal Service Response

The Postal Service agreed with this finding.

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

Finding # 5: Separation of Packages for Dispatch

What We Found

Employees at the Fairfield Branch did not properly separate packages destined for the Cincinnati P&DC and NDC. Specifically, on September 11, 2024, during the unit's evening operations, we observed Ground Advantage[30] packages and Priority Mail[31] comingled in the same containers going to the P&DC and NDC.

Why Did It Occur

Management did not provide oversight to ensure that employees properly separated packages for dispatch to the P&DC and NDC. The manager stated she was not aware the clerk was not following proper separation requirements and using the wrong placard.

What Should Have Happened

In September 2023, the Postal Service implemented changes[32] for the preparation and dispatch of packages to processing facilities by delivery units of a certain level.[33] 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.

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

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30 A service providing an affordable and reliable way to send parcels inside the U.S. Parcels under 70 pounds arrive in two to five business days.
31 An expedited service that may contain any mailable matter weighing no more than 70 pounds.
32 *Mail Preparation (MTEL) Changes Level 22 and Above Only*, September 2023.
33 All level-22 units and higher are required to follow these package separation requirements.

Finding # 6: Contractor Badges

What We Found

We determined all three CDS carriers at the unit did not have a photo identification (ID) barcoded badge. Specifically, two of the carriers had been at the unit almost two years, and the other carrier was from another unit who came over daily to deliver mail. A barcoded ID badge indicates that a background check has been completed and that clearance has been granted to enter the facility and access the mail. Instead, all three CDS carriers were using other employees' ID barcode badges to log into the scanner to deliver the mail.

Why Did It Occur

Management did not follow policy or provide oversight to ensure that the CDS carriers had valid barcoded ID badges. The station manager stated she was not aware the CDS carriers did not have valid badges.

What Should Have Happened

The Postal Service requires that management obtain screening information from highway transportation suppliers and their contractor personnel to verify their eligibility. Postal Service guidelines[34] state that highway transportation suppliers, suppliers' personnel, and subcontractors' personnel who transport mail or who are allowed access to Postal Service operational areas must receive nonsensitive clearances. Pending clearance, a temporary photo ID badge, PS Form 5139, *Non-Postal Service Temporary Employee*, allows such access. Once clearance is obtained, a photo ID badge, PS Form 5140, *Non-Postal Service Contract Employee*, allows access to mail and mail-processing facilities. A barcode for an ID badge is provided once the contract driver has been granted a nonsensitive clearance.

Effect on the Postal Service and Its Customers

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

Postal Service Response
The Postal Service agreed with this finding.

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

Appendix A: Additional Information

We conducted this audit from August through November 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 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 Corryville Station, Fairfield Branch, and Mid City Cincinnati Carrier Annex, as well as the district.

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

Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

November 14, 2024

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response: Fairfield Branch, Fairfield, OH: Delivery Operations (Report Number 24-148-2-DRAFT)

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

Management generally agrees with the six findings in the report on delayed mail, package scanning, arrow keys, property conditions, separation of packages, and contractor badges.

Management has begun taking steps to address the six findings.

Delayed Mail: Management will conduct a service talk on proper handling and recording of delayed mail in DCV. Management will also reiterate the requirement to use PS Form 1571 *Undelivered Mail Report.* Reviews will be conducted to monitor for compliance.

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

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

Property Conditions: Management has abated all five of the property conditions identified.

Separation of Packages for Dispatch: Management will ensure proper labeling for separation of Priority Mail from non-priority mail. Physical reviews will be conducted to ensure compliance.

Contractor Badges: Management has provided all contractors with instructions for the badge process and the necessary paperwork for filing with the Inspection Service. Two of the contractors have received clearance for badges to be made and the 3rd is pending Inspection Service approval. Management will follow up to ensure badges are made.

E-SIGNED by Donald.D Kravos
on 2024-11-19 16:40:44 EST

Donald D. Kravos
Acting Manager, Ohio 2 District

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

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

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