

Office of Inspector General | United States Postal Service

Audit Report

Mail Delivery, Customer Service, and Property Conditions Review – Coronado Station, Santa Fe, NM

Report Number 22-132-4-R22 | August 5, 2022





OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 5, 2022

MEMORANDUM FOR:

JOHN S. MORGAN
DISTRICT MANAGER- ARIZONA-NEW MEXICO DISTRICT

A handwritten signature in black ink, reading "Joseph E. Wolski", is positioned below the "MEMORANDUM FOR:" section.

FROM:

Joseph E. Wolski
Director, Field Operations 2

SUBJECT:

Audit Report – Mail Delivery, Customer Service, and Property Conditions Review –
Coronado Station, Santa Fe, NM (Report Number 22-132-4-R22)

This report presents the results of our audit of Mail Delivery, Customer Service, and Property Conditions – Coronado Station, Santa Fe, NM.

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

Attachment

cc: Postmaster General

Corporate Audit and Response Management
Chief Retail & Delivery Officer & Executive Vice President
Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, WestPac Area Retail & Delivery Operations

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Coronado Station, Santa Fe, NM (Project Number 22-132-4). The Coronado Station is in the Arizona-New Mexico District of the WestPac Area and services ZIP Codes 87505, 87507, 87508, and 87540.¹ These ZIP Codes serve about 95,454 people and are considered to be urban communities.² We judgmentally selected the Coronado Station based on the number of stop-the-clock³ (STC) scans occurring at the delivery unit.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Coronado Station in Santa Fe, NM.

To accomplish our objective, we focused on these four audit areas: delayed mail, package scanning, truck arrival scans, 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, and distribution up-time.⁴ During our site visit we reviewed mail conditions; package and truck arrival scanning procedures; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left” area⁵ and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 1 with management on July 19, 2022, and included their comments where appropriate.

The Coronado Station is one of four delivery units⁶ the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of June 6, 2022, that are serviced by the Albuquerque Processing and Distribution Center (P&DC). We are issuing this interim report to provide the Postal Service with timely information regarding the conditions we identified at the Coronado Station. We will issue a separate report⁷ that provides the Postal Service with the overall findings and recommendations for all four delivery units. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting mail delivery, customer service, and property conditions at the Coronado Station. Specifically, we found issues with three of the four areas we reviewed (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Truck Arrival Scanning		X
Property Conditions	X	

Source: Results of our fieldwork during the week of June 6, 2022.

¹ The unit also services ZIP Code 87502. ZIP Code 87502 is mainly used for post office boxes.

² We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information. Of the people living in this ZIP Code, about 79,379 (about 83.16 percent) are considered to be living in urban areas and 16,075 (about 16.84 percent) are considered to be living in rural communities.

³ A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include “Delivered”, “Available for Pick-Up”, and “No Access”.

⁴ Time of day that clerks have completed distributing mail to the carrier routes.

⁵ The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

⁶ The other three units were Rio Rancho Station, Rio Ranch, NM (Project Number 22-132-1); Richard Pino Station, Albuquerque, NM (Project Number 22-132-2); and Santa Fe Main Post Office, Santa Fe, NM (Project Number 22-132-3).

⁷ Project Number 22-132.

Finding #1: Delayed Mail

What We Found

On the morning of June 7, 2022, we identified about 7,121 pieces of delayed mail at the unit (see Table 2 and Figure 1). The unit reported 2,663 pieces (37.40 percent) in the Delivery Condition Visualization (DCV)⁸ system, which resulted in under reporting of about 4,458 pieces of delayed mail (see Table 2).

Table 2. Delayed Mail

Type of Mail	OIG Estimated Count of Delayed Mail	Reported Delayed Mail	Estimated Under Reported Delayed Mail
Letters	5,444	2,200	3,244
Flats	1,289	75	1,214
Packages	388	388	0
Total	7,121	2,663	4,458

Source: OIG count of delayed mailpieces identified during our visit June 7, 2022 and analysis of DCV.

Figure 1. Examples of Delayed First-Class Mail on the Workroom Floor



Source: OIG photos taken on June 7, 2022.

Why Did It Occur

Carriers were unable to complete delivery on all routes due to insufficient staffing. Specifically, carriers delivered mail until 11:30 p.m. the previous night, at which point management instructed them to cease delivery and return to the delivery unit. Upon their return, the PM supervisor miscalculated undelivered mail volume because he did not know how to properly count mail volume.

What Should Have Happened

Management should have ensured that all committed mail would be delivered or accurately accounted for the undelivered mail and reported those volumes in DCV. Postal Service policy⁹ states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. Further, policy¹⁰ states that managers must be sure to have replacement employees available for unscheduled absences and develop contingency plans for situations that may interfere with normal delivery service. In addition, managers are required¹¹ to report all mail in DCV that remains at a unit after the carriers have left for their street duties or upon realization that there would be delayed mail.

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. 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.

⁸ 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.

⁹ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁰ Handbook M-39, *Management of Delivery Services*, Transmittal Letter 14, Section 111.2, June 2019.

¹¹ *Informed Visibility Delivery Condition Visualization*, March 2022.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 6,934 packages at the delivery unit between February and April 2022 (see Table 3).¹² Further analysis of the Stop-the-Clock (STC)¹³ scan data for these packages showed that about 64.26 percent were scanned "Delivered". Note that this data exclude scans that could properly be made at a delivery unit, such as "Delivered - PO Box" and "Customer (Vacation) Hold" but, instead, represents scans performed at the delivery unit that should routinely be made at the point of delivery. In addition, we only included "Delivery Attempted – No Access to Delivery Location" scans performed Monday through Friday to avoid legitimate scans for businesses closed on weekends.

On the morning of June 7, 2022, before carriers arrived for the day, we selected 60 packages to review and analyze scanning and tracking history. Of the 60 sampled packages, one had a "Delivered" scan, which should only be performed when the package is successfully left at the customer's point of delivery.

Why Did It Occur

We determined over 4,000 of the "Delivered" scans were for a single address and one carrier completed the majority of the scans. The carrier stated that he scanned the packages while loading the vehicle and completed the scan operation by assigning the "Delivered" code at the point of delivery. Further, management did not adequately monitor and enforce proper package scanning and handling procedures.

What Should Have Happened

Management should have monitored scan performance daily and enforced proper scanning procedures. The packages should have been placed on a Firm Sheet¹⁴ and scanned "Delivered" at the delivery point. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,¹⁵ which includes

scanning packages at the time and location of delivery.¹⁶

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 potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand.

Table 3. STC Scans at Delivery Unit

STC Scan Type	February	March	April	Total	Percentage
Delivered	1,381	1,529	1,546	4,456	64.26%
No Secure Location Available	287	362	218	867	12.50%
Receptacle Full / Item Oversized	261	258	275	794	11.45%
Delivery Attempted – No Access to Delivery Location*	225	298	153	676	9.75%
Delivery Exception – Local Weather Delay	89	20	0	109	1.57%
No Authorized Recipient	6	6	3	15	0.22%
Refused	1	3	10	14	0.20%
Delivery Exception – Animal Interference	1	0	2	3	0.04%
Total	2,251	2,476	2,207	6,934	100%*

* Total percentage does not equal 100 percent due to rounding.

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.

¹² Many of the packages that received a scan at the unit were unable to be attempted to the actual point of delivery as they were outside of the one-half mile deviation range for addresses on rural routes.

¹³ A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include "Delivered", "Available for Pick-Up", and "No Access".

¹⁴ A list of packages for delivery to one address documented with a single barcode. Firm sheets are used to link packages sent to one address on a single form. Postal Service guidance states that firm sheet usage for delivery points that receive 25 or more trackable pieces per day would result in highly increased efficiency.

¹⁵ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁶ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding # 3: Property Conditions

What We Found

We found safety issues at the Coronado Station. Specifically, ten fire extinguishers were missing the annual and monthly inspections (see Figure 2).

Figure 2. Fire Extinguisher not Inspected



Source: OIG photograph taken June 7, 2022.

Why Did It Occur

Management did not take the necessary actions to ensure that fire extinguishers were inspected because they delegated the responsibility to the safety committee and did not monitor if they were being done.

What Should Have Happened

Management should have provided sufficient oversight to personnel responsible for the fire extinguisher inspections. The Postal Service is required to maintain a safe environment for employees and customers. In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe and healthy workplace free of recognized hazards.¹⁷

Effect on the Postal Service and Its Customers

Management's attention to safety deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims,

lawsuits, and OSHA penalties; and enhance the customer experience and Postal Service brand.

Management's Comments

Management agreed with finding 3, partially disagreed with finding 2, and disagreed with finding 1. Management partially disagreed with finding 2, stating that rural carriers are permitted to scan packages at the office because they are not required to deviate more than one-half mile off their line of travel. Management disagreed with finding 1 that delayed mail was underreported, stating that the amount of delayed mail reported in DCV exceeded the amount in the OIG report.

Management has begun to take steps to address all three findings. See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

Delayed mail can occur in customer service operations and also in delivery operations. In finding 1, we did not include mail from customer service operations. The 7,510 delayed pieces that the unit reported in DCV included mail from customer service operations (4,847 pieces) and delivery operations (2,663 pieces). We only included the 7,121 pieces of delayed mail we identified in delivery operations. We compared this to the 2,663 mail pieces the unit reported in DCV for delivery operations.

Regarding management's partial disagreement with finding 2, we are in agreement that rural carriers are not required to deviate more than one-half mile from their line of travel to deliver packages. However, this policy does not address scanning packages. Therefore, it does not negate the existing Postal Service policy that requires carriers to scan packages at the point of delivery, which is usually a mailbox along the carriers' line of travel.

Consequently, we believe that our assessment of these two findings was appropriate.

¹⁷ OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*.

Appendix A: Additional Information

We conducted this audit from June through August 2022 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.

We relied on computer-generated data from PTR, DCV, the Surface Visibility¹⁸ database, and the electronic Facilities Management System.¹⁹ Although we did not test the validity of the controls over these systems, we assessed the accuracy of the 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.

¹⁸ Surface Visibility collects end-to-end data by linking multiple scans of a single asset to create visibility data to support planning, management, and optimization of the surface network.

¹⁹ A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs, and alteration contracts, along with real estate contracts.

Appendix B: Management's Comments



July 27, 2022

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Mail Delivery, Customer Service, and Property Conditions Review – Coronado Branch, Santa Fe, NM - Project Number 22-132-4-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Mail Delivery, Customer Service, and Property Conditions Review – Coronado Branch, Santa Fe, NM*.

Management agrees with finding #3: Property Conditions. As to finding #1: Delayed Mail, management disagrees with the OIG's report that delayed mail was underreported. Records show that the unit reported 7,510 pieces of delayed mail in Delivery Condition Visualization (DCV) on the night of June 6, 2022.

Management also disagrees, in part, with finding #2: Package Scanning. Scans made by rural carriers in the office are in accordance with policy that states rural carriers are not required to deviate more than one-half mile off their line of travel.

Management has begun taking steps to address the three findings.

A handwritten signature in blue ink, appearing to read "John Morgan".

John Morgan
District Manager, Arizona-New Mexico

cc: Vice President, Area Retail & Delivery Operations (Western-Pacific)
Corporate Audit & Response Management

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

Contact us via our [Hotline](#) and [FOIA](#) forms.
Follow us on social networks.
Stay informed.

1735 North Lynn Street
Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email
press@uspsaig.gov or call 703-248-2100