

# Minnesota-North Dakota District: Delivery Operations

## AUDIT REPORT

Report Number 24-032-R24 | June 5, 2024



**Minot Post  
Office**



**Bismarck  
Carrier Annex**



**Mandan Post  
Office**



**Eagan Branch**



**New Brighton  
Carrier Annex**



**Apple Valley  
Branch**



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

June 5, 2024

**MEMORANDUM FOR:** ERIC E. HENRY  
VICE PRESIDENT, CENTRAL AREA RETAIL & DELIVERY  
OPERATIONS

ANGELA L. BYE  
MANAGER, MINNESOTA-NORTH DAKOTA DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is positioned above the "FROM:" field.

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

**SUBJECT:** Audit Report – Minnesota-North Dakota District: Delivery Operations  
(Project Number 24-032-R24)

This report presents the results of our audit of mail delivery, customer service, and property conditions in the Minnesota-North Dakota District.

All recommendations require U.S. Postal Service Office of Inspector General's (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 2 and 3 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed. We consider recommendations 1, 4, 5, 6, and 7 closed with issuance of this report. See [Appendix B](#) for management's comments in their entirety.

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, Processing and Maintenance 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. To fulfill this role, the Postal Service is committed to ensuring that 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 six select delivery units in the Minnesota-North Dakota (MN-ND) District in the Central Area (Project Number 24-032). These delivery units include the Apple Valley Branch, Eagan Branch, and New Brighton Carrier Annex in Minnesota and the Bismarck Carrier Annex, Minot Post Office, and Mandan Post Office in North Dakota.

This report also responds to multiple requests from U.S. Senators and Representatives from Minnesota and North Dakota to conduct a full audit of mail operations in the MN-ND District. Specific concerns raised in these requests included multiple reports of

delayed mail and packages, staffing and employee retention issues, and mail carriers working late hours.

We previously issued interim reports<sup>1</sup> to district management for each of the six delivery units regarding the conditions we identified. In addition, we issued reports on the efficiency of operations at the St. Paul<sup>2</sup> and Bismarck<sup>3</sup> Processing and Distribution Centers (P&DCs), which service these delivery units. We also conducted an audit of delivery operations in the Northern Minnesota area; specifically, at the Bemidji Post Office and six surrounding post offices in Bagley, Shevlin, Solway, Northome, Kelliher, and Blackduck, MN.<sup>4</sup>

We judgmentally selected the six delivery units in Minnesota and North Dakota based on the number of Customer 360<sup>5</sup> (C360) inquiries related to delivery, Informed Delivery<sup>6</sup> contacts associated with the unit, and stop-the-clock (STC)<sup>7</sup> scans performed at the unit, compared to the district average. The units were also chosen based on first and last mile failures<sup>8</sup> and undelivered routes.

The six delivery units had a total of 189 city routes, 80 rural routes, and 15 contract delivery service (CDS)<sup>9</sup> routes that serve about 380,367 people in multiple ZIP Codes (see [Table 1](#)), which are predominantly urban communities.<sup>10</sup> Specifically, of the people living in these Zip Codes, 346,384 (91 percent) live in urban communities and 33,983 (9 percent) live in rural communities.

<sup>1</sup> *Apple Valley Branch, St. Paul, MN: Delivery Operations* (Report Number 24-032-1-R24, dated January 22, 2024); *Eagan Branch, Eagan, MN: Delivery Operations* (Report Number 24-032-2-R24, dated January 22, 2024); *New Brighton Carrier Annex, St. Paul, MN: Delivery Operations* (Report Number 24-032-3-R24, dated January 22, 2024); *Bismarck Carrier Annex, Bismarck, ND: Delivery Operations* (Report Number 24-032-4-R24, dated March 21, 2024); *Minot Post Office, Minot, ND: Delivery Operations* (Report Number 24-032-5-R24, dated March 21, 2024); and *Mandan Post Office, Mandan, ND: Delivery Operations* (Report Number 24-032-6-R24, dated March 21, 2024).

<sup>2</sup> *Efficiency of Operations at the St. Paul Processing and Distribution Center, Eagan, MN* (Report Number 24-031-R24, dated January 22, 2024).

<sup>3</sup> *Efficiency of Operations at the Bismarck Processing and Distribution Center, Bismarck, ND* (Report Number 24-060-R24, dated March 21, 2024).

<sup>4</sup> *Delivery in Northern Minnesota* (Report Number 24-048-R24, dated May 6, 2024).

<sup>5</sup> A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

<sup>6</sup> 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.

<sup>7</sup> 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.”

<sup>8</sup> A first mile failure occurs when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. A last mile failure occurs 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. First and last mile failures can occur due to processing, transportation, or delivery operations.

<sup>9</sup> Contract agreements between the Postal Service and private individuals or firms for delivery and collection of mail from homes and businesses.

<sup>10</sup> We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.

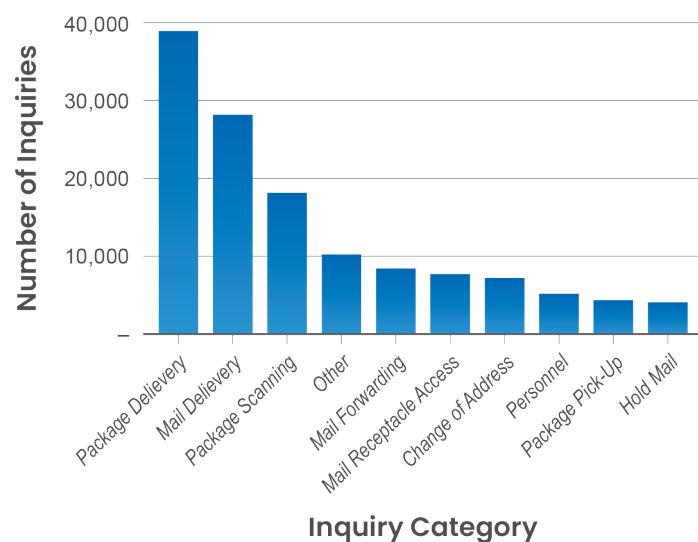
**Table 1. Service Area and Population**

State	Delivery Units	Service Area ZIP Code	Population	City Routes	Rural Routes	CDS Routes
MN	Apple Valley Branch	55124	56,297	0	28	0
	Eagan Branch	55118, 55120, 55121, 55122, and 55123	95,513	80	0	0
	New Brighton Carrier Annex	55112	46,721	29	0	0
ND	Bismarck Carrier Annex	58501, 58503, 58504, 58521 and 58558	96,742	40	26	10
	Minot Post Office	58701, 58703, and 58707	56,391	31	17	0
	Mandan Post Office	58554	28,703	9	9	5
<b>Total</b>			<b>380,367</b>	<b>189</b>	<b>80</b>	<b>15</b>

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

We conducted text analysis on C360 inquiries for the MN-ND District between October 1, 2022, and December 31, 2023. In total, we reviewed and categorized the customer notes for 141,496 inquiries.<sup>11</sup> See Figure 1 for the results.

**Figure 1. C360 Inquiry Analysis**



Source: OIG analysis of C360 inquiries.

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

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

We also analyzed the Postal Service’s Triangulation report<sup>12</sup> to determine how the MN-ND District performed for mail and package delivery in relation to all 50 Postal Service districts. Each day, the Postal Service provides an opportunity ranking, wherein they rank all 50 districts from 1 through 50, where 1 indicates the poorest performing district and 50 is the top performing district. For the period from October 1 through December 31, 2023, the MN-ND District had an average opportunity rank of 8.5 for mail delivery and 26.4 for package delivery, placing this district as poor performing in mail delivery and average in package delivery. See [Table 2](#) for the results of our analysis.

<sup>11</sup> We removed 95,720 inquiries, including voice messages and inquiries in which the text description of the ticket was less than 40 characters, and excluded another 110 as outliers.

<sup>12</sup> 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.

Table 2. MN-ND District Average Opportunity Rank Out of All 50 Districts

Month	Mail Delivery Opportunity Rank	Package Delivery Opportunity Rank
October	6.8	29.5
November	6.2	22.6
December	12.1	27.0

Source: Postal Service Triangulation report.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations in the MN-ND District.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,<sup>13</sup> 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, and distribution up-time.<sup>14</sup> 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” area,<sup>15</sup> and interviewed unit management and employees.

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

Results Summary

We identified issues affecting delivery operations and property conditions at all six delivery units. Specifically, we found delayed mail and deficiencies with package scanning, arrow keys, carrier timekeeping, and property conditions (see Table 3).

We identified both carrier complement and timekeeping issues at the New Brighton Carrier Annex; we only identified timekeeping issues at the other five units.

Table 3. Summary of Issues Identified

Controls Reviewed	Issues Identified – Yes or No					
	Minnesota			North Dakota		
	Apple Valley Branch	Eagan Branch	New Brighton Carrier Annex	Bismarck Carrier Annex	Minot Post Office	Mandan Post Office
Delayed Mail	Yes	Yes	Yes	Yes	Yes	Yes
Package Scanning	Yes	Yes	Yes	Yes	Yes	Yes
Arrow Keys	Yes	Yes	Yes	Yes	Yes	Yes
Carrier Complement and/or Timekeeping	Yes	Yes	Yes	Yes	Yes	Yes
Property Conditions	Yes	Yes	Yes	Yes	Yes	Yes
Other Issues – Contractor Badges	No	No	No	No	No	Yes

Source: Interim reports for select units.

<sup>13</sup> 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.  
<sup>14</sup> Time of day that clerks have completed distributing mail to the carrier routes.  
<sup>15</sup> The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

# Finding #1: Service Performance in the MN-ND District

## What We Found

We visited three delivery units in Minnesota on the morning of November 14, 2023, and three additional units in North Dakota on the morning of

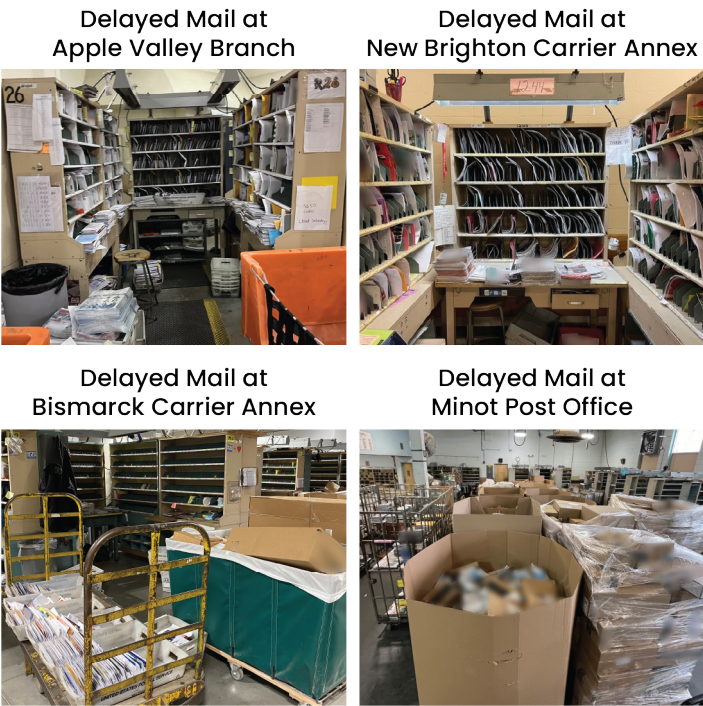
January 23, 2024. During these six visits, we identified about 130,858 pieces of delayed mail.<sup>16</sup> See Table 4 for the number of pieces for each mail type and Figure 2 for examples of delayed mail found at the units.

Table 4. Type of Delayed Mail

Type of Mail	Minnesota			North Dakota			Total
	Apple Valley Branch	Eagan Branch	New Brighton Carrier Annex	Bismarck Carrier Annex	Minot Post Office	Mandan Post Office	
Letters	22,290	29,502	10,158	7,463	17,456	1,090	87,959
Flats	6,627	23,499	4,050	1,731	1,863	225	37,995
Packages	0	128	100	96	4,465	115	4,904
Total	28,917	53,129	14,308	9,290	23,784	1,430	130,858

Source: OIG count of delayed mail pieces identified during our site visits at three MN facilities on November 14, 2023, and three ND facilities on January 23, 2024.

Figure 2. Examples of Delayed Mail at the Units



Source: OIG photos taken on November 14, 2023, and January 23, 2024.

Further, on the morning of December 12, 2023, during a separate review of the Bemidji Post Office, we identified about 4,400 delayed letters and flats, as well as insufficient staffing and resources in delivery operations. For full details, see our Delivery in Northern Minnesota report (Report Number 24-048-R24, dated May 6, 2024).

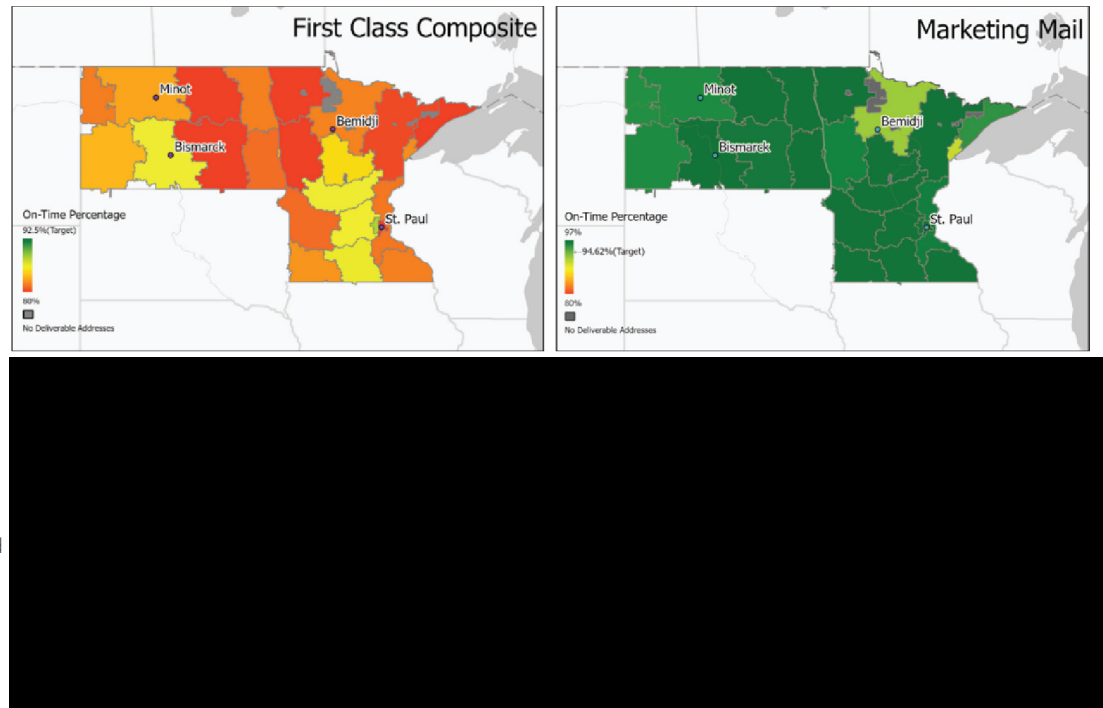
We found similar results when looking at service performance district-wide. Specifically, we analyzed service performance scores for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the MN-ND District between July 1, and December 31, 2023. This analysis showed that the MN-ND District performance scores for First-Class Mail did not meet the target score in any area of the district. In addition, Priority Mail and Ground Advantage performance scores were below the target scores in much of the district. Marketing Mail generally met the target score in much of the district. See Figure 3 for heat maps showing the performance for each product in the MN-ND District.

<sup>16</sup> Count of mail included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.



### Figure 3. Service Performance Heat Maps By 3-Digit Zip Code in the MN-ND District Between July 1, and December 31, 2023

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 July through December 2023 for mail being sent from the district to any location in the nation and mail coming into the district from any location in the nation. For this type of mail, service performance failures could have been at a plant or delivery unit outside of 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 that the only product to meet its service performance target for mail coming into and out of this district was Marketing Mail, in quarter 4 of fiscal year (FY) 2023.

### Why Did It Occur

The delayed mail identified at the six delivery units occurred because unit management did not provide adequate resources and instruction to verify that all mail was cleared from the units. For example:

- Management at the Apple Valley Branch and Eagan Branch instructed carriers to prioritize package deliveries over letters and flats.
- Management at the Mandan Post Office stated that they experienced some issues with the mail

forwarding system beginning in the summer of 2023. As a result, the carriers were trying to provide a service to their customers by holding their mail until the unit received an updated forwarding address, although this did not align with policy.

- Insufficient staffing, employee attendance issues, and restricted carrier hours were main contributors to the delayed mail issues at the Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office. We also conducted a review of staffing throughout the district.

### District Staffing

Based on the results of the individual units, we analyzed staffing data for carriers and clerks in the MN-ND District as of December 29, 2023, and found the district was understaffed. We initially coordinated with the MN-ND District Human Resources department to analyze staffing data and found that overall, the number of carriers and clerks<sup>17</sup> were below the authorized complement by 1,284 (12.5 percent). However, during subsequent discussions, Postal Service Headquarters Human Resources (HR)

<sup>17</sup> This included both part-time and full-time employees.

management provided alternative totals for rural carriers and clerks, which are based on a different methodology than was used by district personnel. See Table 5 below for a breakdown of staffing totals by position, which takes into consideration the additional information from Postal Service Headquarters. Even using HR’s more conservative methodology, there is still a significant shortage of carriers and clerks in the MN-ND district. Using HR’s analysis, the district was below the authorized complement by 551 (5.9 percent).

From January 1, 2023, through December 31, 2023, the MN-ND District hired a total of 2,117 carriers and clerks. Of those hired, 733 (34.6 percent) were no longer employed in the district as of January 11, 2024. In addition, during peak season, districts are sometimes authorized to hire additional staff to support delivery. The MN-ND District was authorized to hire 112 support staff during peak season; however, they only hired 26 employees (one carrier and 25 clerks).

According to district management, several factors impacted hiring employees in the MN-ND District, including the low unemployment rate, applicant residency issues, and competition from Postal Service competitors. According to the U.S. Bureau of Labor Statistics, as of January 2024, North Dakota had the lowest unemployment rate in the U.S. at 1.9 percent and Minnesota had the 8th lowest rate at 2.7 percent. Regarding the lack of peak season hiring, management stated that due to the overall staffing issues they faced, they were more focused on hiring permanent employees than seasonal help.

What Should Have Happened

Management should have addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy<sup>18</sup> states that managers must review all communications that may affect the day’s workload, be sure that replacements are available for unscheduled absences, and develop contingency plans for situations that may interfere with normal delivery service. Further, Postal Service policy<sup>19</sup> states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt.

Table 5. MN-ND District Staffing as of December 29, 2023

Position	Employees On the Rolls	Authorized Number of Employees	Difference
Full-time City Carriers	3,427	3,127	300
Part-time City Carriers	189	723	(534)
Full-time Rural Carriers	1,920	1,994	(74)
Part-time Rural Carriers	1,317	1,544	(227)
Clerks	1,916	1,932	(16)
Total	8,769	9,320	(551)

Source: OIG and Postal Service analysis of Workforce data. Workforce is a centralized hub that links to staff planning, insights, and analytics.

<sup>18</sup> Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.  
<sup>19</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.



## Effect on the Postal Service and Its Customers

Carrier and clerk staffing shortages impact the Postal Service's ability to deliver mail in accordance with service standards. 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. Hiring and retaining qualified employees would help the Postal Service deliver mail in a timely manner.

## Management Actions

During our audit, district management provided documentation showing that they were monitoring delivery operations for delayed mail at all six delivery units.

To help address staffing issues, between January 1, 2023, and December 31, 2023, the district hosted 485 job fairs (444 in Minnesota and 41 in North Dakota). In addition, district management opened three hiring hubs.<sup>20</sup> The Minneapolis, MN, hiring hub opened in July 2023; the St. Paul, MN, hiring hub opened in September 2023; and the St. Cloud, MN, hiring hub opened in February 2024. The hubs led to the hiring of 125 employees between September 2023 and February 2024. However, of the 125 employees, 30 (24 percent) were no longer employed with the district as of March 1, 2024. Management plans to open more hiring hubs throughout the district, including in North Dakota, but has not finalized the locations and timeframes for opening them.

### Recommendation #1

We recommend the **District Manager, Minnesota-North Dakota District**, provide sufficient training for management at the Apple Valley Branch, Eagan Branch, and Mandan Post Office on proper mail delivery practices, including delivering all committed mail daily.

### Recommendation #2

We recommend the **District Manager, Minnesota-North Dakota District**, review staffing alignment within the district and provide adequate staff to the Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office to deliver all committed mail daily.

### Recommendation #3

We recommend the **Vice President, Central Area Retail and Delivery Operations**, in coordination with the Senior Director Human Resources, Central Area, identify and implement additional strategies to fill and retain carrier and clerk positions in the Minnesota-North Dakota District.

## Postal Service Response

Management disagreed with the service performance data included in finding 1, stating they were unable to validate the data and that it is not representative of Customer Service Performance levels. In addition, management disagreed with the staffing data, stating they do not believe the staffing gaps identified are accurate.

Management agreed with recommendation 1 and provided documentation showing they have trained management on proper delivery practices at the Apple Valley Branch, Eagan Branch, and Mandan Post Office. Management disagreed with recommendation 2 and stated they review staffing weekly on district-wide complement meetings and continue to make every effort to fill vacant positions. Management agreed with recommendation 3 and the target implementation date is November 30, 2024. See [Appendix B](#) for management's comments in their entirety.

## OIG Evaluation

Management's comments were responsive to recommendations 1 and 3 and corrective actions should resolve the issues identified in the report. After reviewing the documentation management provided to support actions taken for recommendation 1, the

<sup>20</sup> The hiring hubs are designed to streamline the hiring processing. At these locations, applicants can ask questions prior to applying, apply onsite, take an assessment test, and be fingerprinted for faster processing.

OIG agreed to close this recommendation upon issuance of the report. We view the disagreement with recommendation 2 as unresolved and will work with management through the formal audit resolution process.

Regarding management's disagreement with the service performance data, we used methodology provided by Postal Service Headquarters to analyze the data presented in the report. We did not state that service performance failures are solely the fault of customer service components, like delivery, in the district. As indicated, we also issued reports on the efficiency of operations at the St. Paul and Bismarck P&DCs.

Regarding management's disagreement with the staffing data, our figures included data provided by the District's HR office and Postal Service Headquarters. The data in [Table 5](#) includes staffing

information provided by Postal Service Headquarters HR. This data showed a much lower vacancy rate than we had initially verified with the MN-ND District HR department, but still showed significant staffing shortages in the district. Further, our report acknowledged the efforts made by the MN-ND District to fill vacant positions; however, staffing remains an issue and impacts mail delivery and the customer experience in the district.

Regarding recommendation 2, the delayed mail we observed at the Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office was caused, in part, by staffing shortages. These delayed mail issues could continue if district management does not review their staffing alignment and provide adequate staffing to these four units.

## 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 six delivery units we visited. We are in the process of assessing the accuracy of publicly reported nationwide service performance data in a separate project.<sup>21</sup>

#### Delayed Mail Reporting:

During our reviews at the six delivery units, we determined management did not accurately report delayed mail in the Delivery Condition Visualization (DCV) system.<sup>22</sup> Units reporting delayed mail in DCV is important so that management can monitor operations and make adjustments as needed. Specifically, management at the Eagan Branch, Bismarck Carrier Annex, and Mandan Post Office did not report any of the delayed mail we identified and management at the Apple Valley Branch, New Brighton Carrier Annex, and Minot Post Office under-reported delayed mail in the DCV system. In addition, management at the Bemidji Post Office did not accurately report their delayed mail in the DCV system.

Furthermore, the district had low service performance scores and a poor 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 November 14, 2023,

and January 23, 2024,<sup>23</sup> and found a low volume of reported delayed mail for both days. Specifically, of the 823 units listed in the DCV system for the district, 27 units (3.3 percent) reported 154,615 total pieces of delayed mail on November 14, 2023, and 15 units (1.8 percent) reported 65,539 total pieces of delayed mail on January 23, 2024. This could indicate that the issues with delayed mail reporting we identified during our site visits could be more widespread within the district.

#### Package Scanning and Handling:

During our reviews, we found that employees scanned packages improperly at the delivery unit, scanned packages away from the intended delivery point, and handled packages incorrectly at all six delivery units.

In total, employees scanned 1,911 packages at the delivery units instead of at the recipients' delivery point between July and September 2023 at the three Minnesota units and between October and December 2023 at the three North Dakota units (see [Table 6](#)). Further analysis of the STC scan data for these packages showed that 50.4 percent of them were scanned as "Delivered" and 29.6 percent of them were scanned as "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.

<sup>21</sup> *Accuracy of Reported Service Performance*, Project Number 23-168.

<sup>22</sup> 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.

<sup>23</sup> These dates represent the first day of our on-site visits at the delivery units in Minnesota and North Dakota.



**Table 6. STC Scans at Delivery Unit**

Type of Mail	Minnesota			North Dakota			Total	Percent
	Apple Valley Branch	Eagan Branch	New Brighton Carrier Annex	Bismarck Carrier Annex	Minot Post Office	Mandan Post Office		
Delivered	189	25	176	52	273	248	963	50.4%
Delivery Attempted - No Access to Delivery Location	17	59	95	81	118	196	566	29.6%
Receptacle Full / Item Oversized	9	4	11	54	38	83	199	10.4%
No Secure Location Available	0	0	18	13	19	95	145	7.6%
Delivery Exception - Animal Interference	8	2	2	1	0	7	20	1.1%
No Authorized Recipient Available	0	0	2	0	9	6	17	0.9%
Refused	0	1	0	0	0	0	1	0.1%
<b>Total</b>	<b>223</b>	<b>91</b>	<b>304</b>	<b>201</b>	<b>457</b>	<b>635</b>	<b>1,911</b>	<b>100%*</b>

Source: OIG analysis of Postal Service's Product Tracking and Reporting (PTR) System data between July and September 2023 for Minnesota facilities and October and December 2023 for the North Dakota facilities. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

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

In addition, employees at all six delivery units improperly scanned 1,394 packages greater than 1,000 feet away from the delivery point, with 97.5 percent scanned as "Delivered" (see Table 7).

We removed scans that could have been performed within policy, such as animal interference and unsafe conditions.

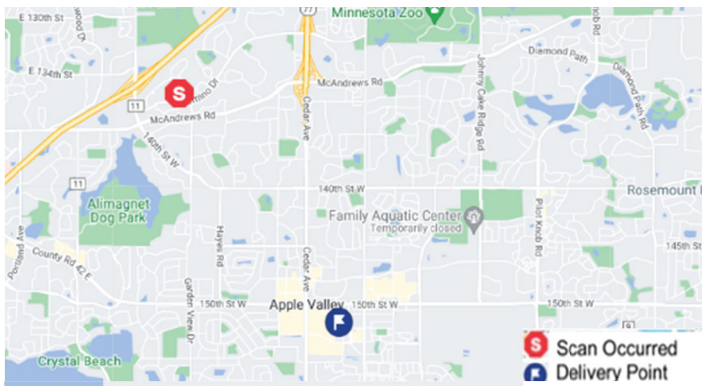
**Table 7. Scans Over 1,000 Feet Away From the Delivery Point**

Type of Mail	Minnesota			North Dakota			Total	Percent
	Apple Valley Branch	Eagan Branch	New Brighton Carrier Annex	Bismarck Carrier Annex	Minot Post Office	Mandan Post Office		
Delivered	45	109	19	759	91	336	1,359	97.5%
Delivery Attempted - No Access to Delivery Location	0	4	2	7	2	3	18	1.3%
Receptacle Full / Item Oversized	1	0	0	1	2	9	13	0.9%
Return to Sender	0	1	0	0	2	0	3	0.2%
No Secure Location Available	0	0	0	0	0	1	1	0.1%
<b>Total</b>	<b>46</b>	<b>114</b>	<b>21</b>	<b>767</b>	<b>97</b>	<b>349</b>	<b>1,394</b>	<b>100%</b>

Source: OIG analysis of Postal Service's PTR System data between July and September 2023 for Minnesota facilities and October and December 2023 for the North Dakota facilities.

For example, the map below (see Figure 4) shows an instance where a carrier scanned a package as delivered 3.5 miles away from the delivery point.

**Figure 4. Scan Away From the Delivery Point in Saint Paul, MN**



Source: Postal Service Single Package Look Up.

In addition, on the mornings of November 14, 2023, and January 23, 2024, before carriers arrived for the day, we selected a total of 308 packages at the six delivery units to review and analyze for scanning and tracking history. We judgmentally selected 158 packages from the carrier cases and 150 packages from the “Notice Left” areas of these units.

- Of the 158 sampled packages at the carrier cases, 91<sup>24</sup> (57.6 percent) had missing or improper scans or improper handling. For example, 30 of these packages were scanned with an in-office scanner as “Available for Pick-up” without a previous delivery attempt, and 29 were missing STC scans to let the customers know the reason for non-delivery.
- Of the 150 packages sampled from the “Notice Left” area, 33 (22 percent) had missing or improper scans or were improperly handled. For example, 15 of these packages were missing STC scans to let the customers know the reason for non-delivery, and eight were scanned away from the delivery point, including three scanned at the delivery unit.

Further, 25 packages (16.7 percent) in the “Notice Left” area at the six locations should have been returned to sender. These packages ranged from two to 89 days past their return dates.<sup>25</sup>

### Why Did It Occur

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

Specifically, delayed mail was not always properly reported because:

- Management at the Apple Valley Branch stated there was a misunderstanding between the PM and AM supervisors as to who was responsible for updating the delayed mail volume.
- Supervisors at the Eagan Branch, Bismarck Carrier Annex, and Minot Post Office were busy with other tasks, including delivering packages, responding to customer calls, and reviewing package scan data.
- The PM supervisor at the New Brighton Carrier Annex did not have access to the DCV system.
- Management at the Mandan Post Office stated they normally do not check the carrier cases for delayed mail at the end of the day.

The scanning and handling issues occurred because:

- Management at Apple Valley Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office did not always perform daily monitoring duties because of competing responsibilities, such as delivering mail and scheduling and monitoring carriers.
- Management at the Eagan Branch stated they do not monitor STC scans made away from the delivery point, since their focus is only on package scanning failures.
- Management at the Mandan Post Office was not aware of non-compliant scans completed at

<sup>24</sup> Three packages at the Mandan Post Office had both scanning and handling errors.

<sup>25</sup> Domestic packages should be returned to sender on the 15th calendar day after a notice is left, and international packages should be returned to sender on the 30th calendar day after a notice is left.

the unit prior to 3:00 p.m., as they only monitored the Integrity Report sent out by the district, which details scans completed after 3:00 p.m. Management was not aware of other reports they could have used to monitor package scanning.

## What Should Have Happened

Management should have verified that all supervisors were trained and had system access to accurately enter delayed mail into the DCV system and enforced compliance. Postal Service policy<sup>26</sup> states that 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,<sup>27</sup> which includes scanning packages at the time and location of delivery.<sup>28</sup> 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.<sup>29</sup>

## Effect on the Postal Service and Its Customers

The inaccurate delayed mail and scanning information provided by each of the units we visited 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 one of the more common C360 inquiries submitted by customers in the MN-ND District. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand.

## Management Actions

During our audit, district management provided documentation showing that:

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

### Recommendation #4

We recommend the **District Manager, Minnesota-North Dakota District**, train management at all delivery units in the district on the proper procedures for identifying, quantifying, and reporting delayed mail.

<sup>26</sup> *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

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

<sup>28</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

<sup>29</sup> *Notice Left and Return Guidelines*, April 2016.



**Recommendation #5**

We recommend the **District Manager, Minnesota-North Dakota District**, train all employees on standard operating procedures for package scanning and handling at the Apple Valley Branch, Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, Minot Post Office, and Mandan Post Office.

**Postal Service Response**

Management agreed with the recommendations associated with this finding. In subsequent communications, management stated they agreed with the finding. Management provided documentation showing they have trained all

unit management in the district on the proper procedures for identifying, quantifying, and reporting delayed mail. In addition, management provided documentation showing they have trained all employees at the six units visited on the standard operating procedures for package scanning and handling.

**OIG Evaluation**

Management's comments were responsive to recommendations 4 and 5, and after reviewing the documentation management provided to support actions taken for both recommendations, the OIG agreed to close both recommendations upon issuance of the report.

# Finding #3: Arrow Keys

## What We Found

Unit management did not properly manage arrow keys at any of the six units we reviewed. In addition, unit management did not properly safeguard arrow keys at the Eagan Branch, New Brighton Carrier Annex, Minot Post Office, or Mandan Post Office.

Specifically, at five of the six units, we could not locate a total of 24 keys listed on the Retail and Delivery Applications and Reports (RADAR)<sup>30</sup> inventory log. Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service. In addition, at five of the six units, we identified 130 keys that were not listed on the inventory log. Further, management at four of the six units did not keep arrow keys secure. Specifically, we observed the keys at these sites were left [REDACTED] (see Table 8).

## Why Did It Occur

These issues occurred because management did not provide sufficient oversight to properly manage and safeguard arrow keys. For example:

- Management at the Apple Valley Branch, Eagan Branch, and Bismarck Carrier Annex were not aware of all the missing keys.
- At the Apple Valley Branch, New Brighton Carrier Annex, and Mandan Post Office, supervisors were busy with other duties, including answering the phones, dealing with customers picking up packages, monitoring carriers as they return from the street, and sorting packages.
- At the Bismarck Carrier Annex, the supervisor inadvertently left two keys off the list when completing the certification.
- At the Minot Post office, there were two manual arrow key inventory logs; one for the accountability card and one for the new and broken keys safeguarded in the vault. Management stated that when they conducted the monthly certification in RADAR, they only used the manual inventory log from the accountability card and were not aware of the other log.

Table 8. Arrow Key Inventory and Security

State	Delivery Units	Keys Kept Secure?	Keys on Inventory Log	Missing Keys	Keys Found at the Unit	
					Listed on Log	Not Listed on Log
MN	Apple Valley Branch	Yes	51	1	51	3
	Eagan Branch	No	141	17	124	21
	New Brighton Carrier Annex	No	61	0	61	1
ND	Bismarck Carrier Annex	Yes	82	3	79	2
	Minot Post Office	No	82	2	80	103
	Mandan Main Post Office	No	26	1	25	0
Total			443	24	420	130

Source: OIG analysis of arrow key inventory during our November 16, 2023, and January 25, 2024, visits.

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

## What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>31</sup> management must keep an accurate inventory of all keys and missing keys must be immediately reported to the Postal Inspection Service. 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.

## Management Actions

During our audit, district management provided documentation showing that:

- Management at all six delivery units were provided training on proper arrow key management and security.
- The district is monitoring arrow key procedures, including reporting missing keys to the Postal Inspection Service and keeping keys secure at all six delivery units.

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

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<sup>31</sup> USPS Arrow Key Guidebook Standard Work Instructions, August 2023.



# Finding #4: Carrier Complement and Timekeeping

## What We Found

We identified carrier complement issues at the New Brighton Carrier Annex. In addition, we identified timekeeping management issues at all six delivery units. Specifically:

- At the New Brighton Carrier Annex, we determined that two of the 37 carriers assigned to the unit had not reported to work for at least nine consecutive weeks between July 1 and September 29, 2023. However, management did not complete the process to remove the carriers from the rolls.
- Management at all six delivery units did not complete entries in the Time and Attendance Collection System (TACS),<sup>32</sup> or print, and retain Postal Service (PS) Forms 1017-A, *Time Disallowance Record*,<sup>33</sup> for any of the disallowed time occurrences.
- Management at the Apple Valley Branch, Eagan Branch, New Brighton Carrier Annex, and Mandan Post Office did not complete, print, and retain PS Form 2240, *Pay, Leave, or Other Hours Adjustment Request*.<sup>34</sup>
- Management at the Apple Valley Branch did not complete, print, and retain the PS Forms 1017-B, *Unauthorized Overtime Record*,<sup>35</sup> for any of the unauthorized overtime occurrences.
- Management at the Apple Valley Branch and Eagan Branch were not adequately trained in TACS and were not aware of the reporting process.
- The manager at the New Brighton Carrier Annex had just returned to the unit after being out on extended leave from May through October 2023. During that time, his access to TACS was revoked, so he was not aware of the pay adjustment or disallowed time transactions processed while he was on leave.
- Management at the Minot Post Office did not confirm the disallowed time was completed and retained because they were focused on competing operational duties. Management stated that due to staffing constraints, supervisors had to sort packages and deliver mail, which took priority over performing their daily, in-office supervisor duties.
- The postmaster at the Mandan Post Office stated that as he completed the entries in TACS, he mistakenly bypassed the pay adjustment and disallowed time occurrences. Since TACS does not force a person to enter a comment or remark, he was unaware that the entries were not complete.
- Management at the Bismarck Carrier Annex was not aware of the requirements for maintaining and documenting these forms since this information is retained in TACS.

## Why Did It Occur

Management did not provide adequate oversight for carrier complement, employee pay adjustments, and overtime. For example:

- Regarding the carriers who had not reported to work for at least nine consecutive weeks at the New Brighton Carrier Annex, the manager stated that one carrier resigned but had refused to complete the required paperwork. The other carrier showed up for work on occasion but had

## What Should Have Happened

Managers should process employee separations timely to maximize carrier complement.<sup>36</sup> In addition, Postal Service policy<sup>37</sup> states that pay adjustments are to be kept on file and attached to supporting

<sup>32</sup> The system used by the Postal Service to automate the collection of employee time and attendance information.

<sup>33</sup> 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.

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

<sup>35</sup> 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.

<sup>36</sup> The U.S. Postal Service documented that it is critical to process timely separations, to maximize part-time carrier complement and reduce costs.

<sup>37</sup> Handbook F-21, *Time and Attendance*, Section 146 – Approving Entries, February 2016.

documentation for the current calendar year plus the three previous years. Policy also states unit personnel must complete PS Forms 1017-A and 1017-B 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 inactive employees are not removed from the employee rolls, replacements are unable to be hired. In addition, when proper documentation of pay adjustments, time disallowance, and unauthorized overtime is not completed, management could incur excess administrative time. Further, the Postal Service risks violation of the Fair Labor Standards Act<sup>38</sup> when unit management does not maintain documentation

that shows the justifiable reason and employee notification for disallowed time.

### **Management Actions**

During our audit, district management provided documentation showing that:

- Management at all six delivery units were provided training on timekeeping record requirements.
- The district is monitoring timekeeping record requirements at all six delivery units.
- One of the employees at the New Brighton Carrier Annex was removed from the rolls and management is in the process of removing the other.

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

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<sup>38</sup> 29 United States Code § 201-219.

## Finding #5: Property Conditions

### What We Found

We found property safety, security, and maintenance issues at the six delivery units.

#### Property Safety:

- At the Apple Valley Branch, we found five unmounted fire extinguishers throughout the unit, four fire extinguishers were missing monthly inspections, and concrete near an employee entrance was damaged.
- At the Eagan Branch, we found the handicap automatic door button at the lobby entrance was inoperable, five exterior electrical outlet covers in the postal vehicle parking lot were damaged or missing, three internal Postal Inspection Service doors were blocked, one fire extinguisher in the lobby was missing its annual inspection, 15 fire extinguishers were missing monthly inspections, and one fire extinguisher near the PO Box section was blocked.
- At the New Brighton Carrier Annex, 15 fire extinguishers were missing monthly inspections.
- At the Minot Post Office, three fire extinguishers were missing annual inspections, two fire extinguishers were missing monthly inspections, and two fire extinguishers were not mounted on the wall.
- At the Mandan Post Office, four fire extinguishers were missing monthly inspections; a microwave was plugged into a power strip in the breakroom; Long Life Vehicle (LLV) battery charging system cords were scattered across the sidewalk (see Figure 5); the sidewalk near the customer entrance was uneven; the exit sign in the lobby was not illuminated; there was an unsecured ladder in the vestibule near the dock; an electrical outlet in the retail lobby area was broken; two lights in the employee parking lot were not illuminated; there was one blocked Postal Inspection Service door; and a handicap push button was not installed at the door leading into the retail lobby.

Figure 5. LLV Cords Scattered Across Sidewalk



Source: OIG photo taken on January 24, 2024.

#### Property Security:

- There were no signs posted in the employee parking lot stating that vehicles may be subject to search at any of the six units.

#### Property Maintenance:

- At the Apple Valley Branch, we found damaged/missing drywall on the workroom floor near a dock door and a loose railing in the middle of the dock.
- At the Eagan Branch, there was damage to the walls and window ledge in the lobby; a toilet in the men's restroom was inoperable; the women's restroom had damaged wall tiles, peeling wall paint, and a broken stall door lock; the vehicle parking garage had a broken light fixture; several of the building's exterior light fixtures had burned out light bulbs; there were foundation concrete gaps on the building's exterior near the collection boxes; and the exterior column base leading into the lobby was damaged.
- At the Mandan Post Office, a metal privacy panel in the men's restroom was covered in rust and a faucet in the women's restroom was leaking.



We also conducted a review of repair requests reported in RADAR to identify Cluster Box Unit<sup>39</sup> and parcel locker<sup>40</sup> related issues in the MN-ND District. We found that between July 1, 2023, and December 31, 2023, there were a total of 892 repair requests related to Cluster Box Units and parcel lockers. Of these 892 requests, 832 (93.3 percent) were completed. Therefore, we determined the district had taken appropriate action to make these repairs.

## Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were identified and corrected. For example,

- Management at the Apple Valley Branch stated that other duties, such as managing delivery operations, took priority over addressing maintenance issues.
- Since the departure of the last manager at the Eagan branch, there have been several temporary managers. The new manager was unaware of these property issues.
- Management at the New Brighton Carrier Annex stated they were not aware of the missing fire extinguisher inspections. Management at the Minot Post Office stated the missing fire extinguisher inspections were due to an oversight.
- Management at the Mandan Post office assumed that the monthly fire extinguisher inspections were being performed. In addition, management stated that they did not identify and address the remaining issues due to the building's age and a possible move to a new location.
- Management at the Apple Valley Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office were not aware of the requirement to post a sign in the employee parking lot stating that vehicles may be subject to search.

## What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up for completion. The Postal Service requires management to maintain a safe environment for employees and customers.<sup>41</sup>

## 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 Apple Valley Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office. In addition, they addressed several of the issues at the Eagan Branch and Mandan Post Office. Unresolved items at these two offices include:

- Eagan Branch: A fire extinguisher in the lobby missing an annual inspection and one fire extinguisher blocked near the PO Box section.
- Mandan Post Office: Four fire extinguishers missing monthly inspections; a sidewalk near the customer entrance needed repair; and a handicap push button not installed at the door leading into the retail lobby.

### Recommendation #6

We recommend the **District Manager, Minnesota-North Dakota District**, address all remaining building safety, security, and maintenance issues identified at the Eagan Branch and Mandan Post Office.

<sup>39</sup> A centralized grouping of individually locked and keyed compartments or mailboxes, such as a wall-mounted unit in an apartment building or a free-standing unit in a neighborhood.

<sup>40</sup> A unit that is installed alongside neighborhood delivery or in a retail facility that is used for parcel delivery.

<sup>41</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July, 2020.

## **Postal Service Response**

Management agreed with the recommendation associated with this finding. In subsequent communications, management stated they agreed with the finding. Management provided documentation showing that they had abated all remaining building safety, security, and maintenance

issues identified at the Eagan Branch and Mandan Post Office.

## **OIG Evaluation**

Management's comments were responsive to recommendation 6, and after reviewing the documentation management provided to support actions taken, the OIG agreed to close this recommendation upon issuance of the report.

## Finding #6: Other Issues – Contractor Badges

### What We Found

During our review at the Mandan Post Office, we determined that carriers and their assistants did not possess photo identification (ID) badges with barcodes for any of the five CDS routes. A postal ID badge indicates that a background check has been completed and that clearance has been granted to enter the facility. Instead, these carriers were using barcodes from previous route owners to log into their scanners.

### Why Did It Occur

The postmaster was unaware that the current CDS carriers did not have badges. He stated that the carriers had been in place for years, and he assumed that they had been vetted and had the proper identification.

### 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.<sup>42</sup> 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 contractor Postal 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 causes inaccurate package scanning data, which makes it difficult for management to hold these carriers responsible for inaccurate scanning.

#### Recommendation #7

We recommend the **District Manager, Minnesota-North Dakota District**, verify that all Contract Delivery Service route carriers and their assistants at the Mandan Post Office possess a Postal Service photo identification badge.

### Postal Service Response

Management agreed with the recommendation associated with this finding. In subsequent communications, management stated they agreed with the finding. Management provided documentation showing all Contract Delivery Service route carriers and their assistants at the Mandan Post Office possess a Postal Service photo identification badge.

### OIG Evaluation

Management's comments were responsive to recommendation 7, and after reviewing the documentation management provided to support actions taken, the OIG agreed to close this recommendation upon issuance of the report.

<sup>42</sup> Management Instruction PO-530-2009-4, *Screening Highway Transportation Contractor Personnel*, April, 2009.



# Appendix A: Additional Information

We conducted this audit from February through May 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 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 PTR, DCV, TACS, electronic Facilities Management System,<sup>43</sup> 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.

<sup>43</sup> 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



May 24, 2024

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Minnesota-North Dakota District: Delivery Operations  
(Project Number 24-032-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Minnesota-North Dakota District: Delivery Operations*.

Management disagrees with the service performance data reported on pages 7 and 8. The MN-ND District was unable to validate the data presented and additionally believes it is not representative of Customer Service Performance levels. The data does not differentiate service delays resulting from issues in Mail Processing or Logistics versus Customer Service resulting in an inaccurate perception of Service Performance in MN-ND District.

Management disagrees with the staffing data presented on pages 8 through 10. Management does not believe the staffing gaps identified are accurate. Supporting data and information has been submitted to the OIG from Headquarters Human Resources Department.

Following are our comments on each of the seven recommendations.

Recommendation 1: We recommend the District Manager, Minnesota-North Dakota District, provide sufficient training for management at the Apple Valley Branch, Eagan Branch, and Mandan Post Office on proper mail delivery practices, including delivering all committed mail daily.

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

MN-ND District has provided and documented training for Apple Valley Branch, Eagan Branch, and Mandan Post Office on proper mail delivery practices, including delivering all committed mail daily. The OIG has confirmed the documentation submitted to evidence implementation is sufficient to close this recommendation upon issuance of the final report.

Target Implementation Date: 06/30/2024

Responsible Official: MN-ND District Manager

Recommendation 2: We recommend the District Manager, Minnesota-North Dakota District, review staffing alignment within the district and provide adequate staff to the Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office to deliver all committed mail daily.

Management Response/Action Plan:

Management disagrees with this recommendation as it's written.

Management reviews staffing weekly on district-wide complement meetings. Management continues to make every effort to fill vacant positions through job fairs, hiring hubs, and other hiring initiatives. While no initiative can guarantee adequate staffing at the four locations, management is committed to doing everything it reasonably can to hire. Information related these efforts was shared with the auditors during the audits of the individual offices.

Target Implementation Date: N/A

Responsible Official: MN-ND District Manager

Recommendation 3: We recommend the Vice President, Central Area Retail and Delivery Operations, in coordination with the Senior Director Human Resources, Central Area, identify and implement additional strategies to fill and retain carrier and clerk positions in the Minnesota-North Dakota District.

Management Response/Action Plan:

Management generally agrees with this recommendation.

The MN-ND District will ensure compliance with the 511 initiative to improve employee retention.

Target Implementation Date: 11/30/2024

Responsible Official: Vice President, Central Area Retail and Delivery Operations

Recommendation 4: We recommend the District Manager, Minnesota-North Dakota District, train management at all delivery units in the district on the proper procedures for identifying, quantifying, and reporting delayed mail.

Management Response/Action Plan:

Management generally agrees with this recommendation.

MN-ND District has provided and documented training to all unit on the proper procedures for identifying, quantifying, and reporting delayed mail. The OIG has confirmed the documentation submitted to evidence implementation is sufficient to close this recommendation upon issuance of the final report.

Target Implementation Date: 06/30/2024

Responsible Official: MN-ND District Manager

Recommendation 5: We recommend the District Manager, Minnesota-North Dakota District, train all employees on standard operating procedures for package scanning and handling at the Apple Valley Branch, Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, Minot Post Office, and Mandan Post Office.



Management Response/Action Plan:

Management generally agrees with this recommendation.

MN-ND District has provided and documented training to all employees on standard operating procedures for package scanning and handling at the Apple Valley Branch, Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, Minot Post Office, and Mandan Post Office. The OIG has confirmed the documentation submitted to evidence implementation is sufficient to close this recommendation upon issuance of the final report.

Target Implementation Date: 06/30/2024

Responsible Official: MN-ND District Manager

Recommendation 6: We recommend the District Manager, Minnesota-North Dakota District, address all remaining building safety, security, and maintenance issues identified at the Eagan Branch and Mandan Post Office.

Management Response/Action Plan:

Management generally agrees with this recommendation.

MN-ND District has abated all remaining building safety, security, and maintenance issues identified at the Eagan Branch and Mandan Post Office. The OIG has confirmed the documentation submitted to evidence implementation is sufficient to close this recommendation upon issuance of the final report.

Target Implementation Date: 06/30/2024

Responsible Official: MN-ND District Manager

Recommendation 7: We recommend the District Manager, Minnesota-North Dakota District, verify that all Contract Delivery Service route carriers and their assistants at the Mandan Post Office possess a Postal Service photo identification badge.

Management Response/Action Plan:

Management generally agrees with this recommendation.

The MN-ND District will conduct a review of all Contract Delivery Service route carriers and assistants at the Mandan Post Office to validate a current Postal Service photo identification badge. The OIG has confirmed the documentation submitted to evidence implementation is sufficient to close this recommendation upon issuance of the final report.

Target Implementation Date: 06/30/2024

Responsible Official: MN-ND District Manager



E-SIGNED by ANGELA.L BYE  
on 2024-05-24 16:03:45 EDT

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Angela L. Bye  
Manager, Minnesota-North Dakota District

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

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UNITED STATES POSTAL SERVICE



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