

# Stockyards Station, Denver, CO: Delivery Operations

## AUDIT REPORT

Report Number 24-137-4-R24 | September 24, 2024



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

---

September 24, 2024

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

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

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

**SUBJECT:** Audit Report – Stockyards Station, Denver, CO:  
Delivery Operations (Report Number 24-137-4-R24)

This report presents the results of our audit of delivery operations and property conditions at the Stockyards Station in Denver, CO.

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

Attachment

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

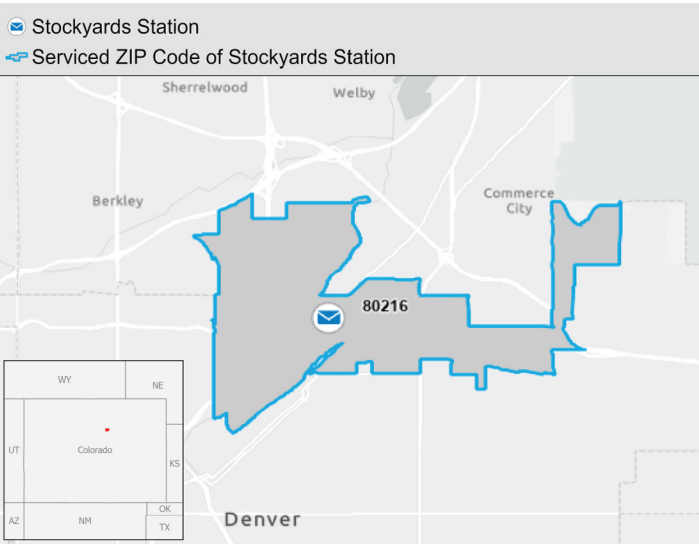
# Results

## Background

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

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Stockyards Station in Denver, CO (Project Number 24-137-4). The Stockyards Station is in the Colorado-Wyoming (CO-WY) District of the WestPac Area and services ZIP Code 80216 (see Figure 1). This ZIP Code serves 14,927 people and is considered to be an urban area.<sup>1</sup>

**Figure 1. ZIP Codes Served by the Stockyards Station**



Source: OIG analysis of ZIP Code data.

This delivery unit has 15 city routes. The Stockyards Station is one of four delivery units<sup>2</sup> the OIG reviewed during the week of July 29, 2024, that are serviced by the Denver Processing and Distribution Center (P&DC).

We assessed all units serviced by the Denver P&DC based on the number of Customer 360<sup>3</sup> (C360) delivery-related inquiries,<sup>4</sup> Informed Delivery<sup>5</sup> contacts, stop-the-clock<sup>6</sup> (STC) scans performed away from the delivery point, and undelivered route information between March 1 and May 31, 2024. We also reviewed first and last mile failures<sup>7</sup> between March 2 and May 31, 2024.

We judgmentally selected the Stockyards Station primarily based on the number of C360 inquiries related to delivery, STC scans performed away from the delivery point, undelivered routes, 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 April 1 and June 30, 2024**

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	12.0	6.2
STC Scans at the Unit	135.8	28.6

Source: U.S. Postal Service OIG analysis of Postal Service's C360, Informed Delivery, and Product Tracking and Reporting (PTR) System data extracted July 1, 2024. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

1 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.  
2 The other three units were the Brighton Main PO, Brighton, CO (Project Number 24-137-1), Edgewater Branch, Lakewood, CO (Project Number 24-137-2), and the Mile High Station, Denver, CO (Project Number 24-137-3).  
3 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.  
4 A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.  
5 Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mailpieces that were expected for delivery but have not arrived.  
6 A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pickup," and "No Access."  
7 First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.



Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Stockyards Station in Denver, CO.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,<sup>8</sup> inaccurate carrier complement and timekeeping, and property conditions. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, carrier complement and timekeeping, and distribution up-time.<sup>9</sup> During our site visit we observed mail conditions; package scanning procedures; arrow key security procedures; timekeeping documentation; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left” area<sup>10</sup> and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on September 9, 2024, and included their comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Stockyards Station. We will issue a separate report<sup>11</sup> that provides the Postal Service with the overall findings and recommendations for all four delivery units, as well as the district. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations and property conditions at the Stockyards Station. Specifically, we found issues with all five areas we reviewed (see Table 2).

Table 2. Summary of Results

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

Source: Results of our fieldwork during the week of July 29, 2024.

We did not identify any issues with carrier complement. However, we did identify issues with timekeeping management (see [Finding #4](#)).

8 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.  
9 Time of day that clerks have completed distributing mail to the carrier routes.  
10 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.  
11 Project Number 24-137.

# Finding #1: Delayed Mail

## What We Found

On the morning of July 30, 2024, we identified 2,634 delayed mailpieces<sup>12</sup> at 15 carrier cases. Specifically, we identified 2,385 letters, 233 flats, and 16 packages. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)<sup>13</sup> system. Further, carriers did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report*,<sup>14</sup> to document undelivered mailpieces. See Figure 2 for examples of delayed mail found at carrier cases.

**Figure 2. Example of Delayed Mail in the Carrier Cases**



Source: OIG photos taken July 30, 2024

## Why Did It Occur

Management did not know that mail brought back from unfinished routes was considered delayed mail, nor that it should be reported in DCV. Management stated that most of the delayed mail identified occurred because carriers did not complete their route deliveries. For example, the route of a carrier on extended leave was split among other carriers at the unit, and the carriers assigned did not deliver four trays of mail because they were not familiar with

the routes. Additionally, carriers with work restrictions could not work extra hours. The PM supervisor and the unit manager, who were both new to their roles, stated they did not know that mail brought back to the unit due to unfinished routes was considered delayed mail. Also, management did not ensure that the carriers completed PS Form 1571 because other duties, such as getting the mail out for delivery each day, took precedence.

## What Should Have Happened

Management should have made sure that all mail was delivered on the day it was committed for delivery and reported delayed mail in DCV. Postal Service policy<sup>15</sup> states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. In addition, managers are required<sup>16</sup> to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. Further, management must update DCV if volumes have changed prior to the end of the business day. Also, management should have ensured carriers completed PS Forms 1571 and documented the reason for undelivered mail brought back from the street.

## Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. In addition, inaccurate reporting of delayed mail in DCV provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues.

### Postal Service Response

The Postal Service agreed with this finding. See [Appendix B](#) for management's comments in their entirety.

<sup>12</sup> Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Handbook M-32, *Management Operating Data Systems*, Appendix D.

<sup>13</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>14</sup> PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

<sup>15</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

<sup>16</sup> *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

# 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.<sup>17</sup> In total, employees improperly scanned 1,477 packages at the delivery unit between April and June 2024 (see Table 3). Further analysis of the STC scan data for these packages showed that 90 percent were scanned “Delivered” and 2.3 percent of them were scanned “Delivery Attempted – No Access.”

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	1,330	90.0%
Receptacle Full / Item Oversized	105	7.1%
Delivery Attempted – No Access to Delivery Location	34	2.3%
No Secure Location Available	7	0.5%
No Authorized Recipient	1	0.1%
Total	1,477	100%

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

We also reviewed 43 scans occurring away from the delivery unit and over 1,000 feet<sup>18</sup> from the intended delivery point between April and June 2024 (see Table 4). 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 81.4 percent of them were scanned “Delivered.”

Table 4. STC Scans Over 1,000 Feet Away From the Delivery Point

STC Scan Type	Count	Percentage
Delivered	35	81.4%
Delivery Attempted – No Access to Delivery Location	5	11.6%
Receptacle Full / Item Oversized	2	4.7%
Held at post office at customer request	1	2.3%
Total	43	100%

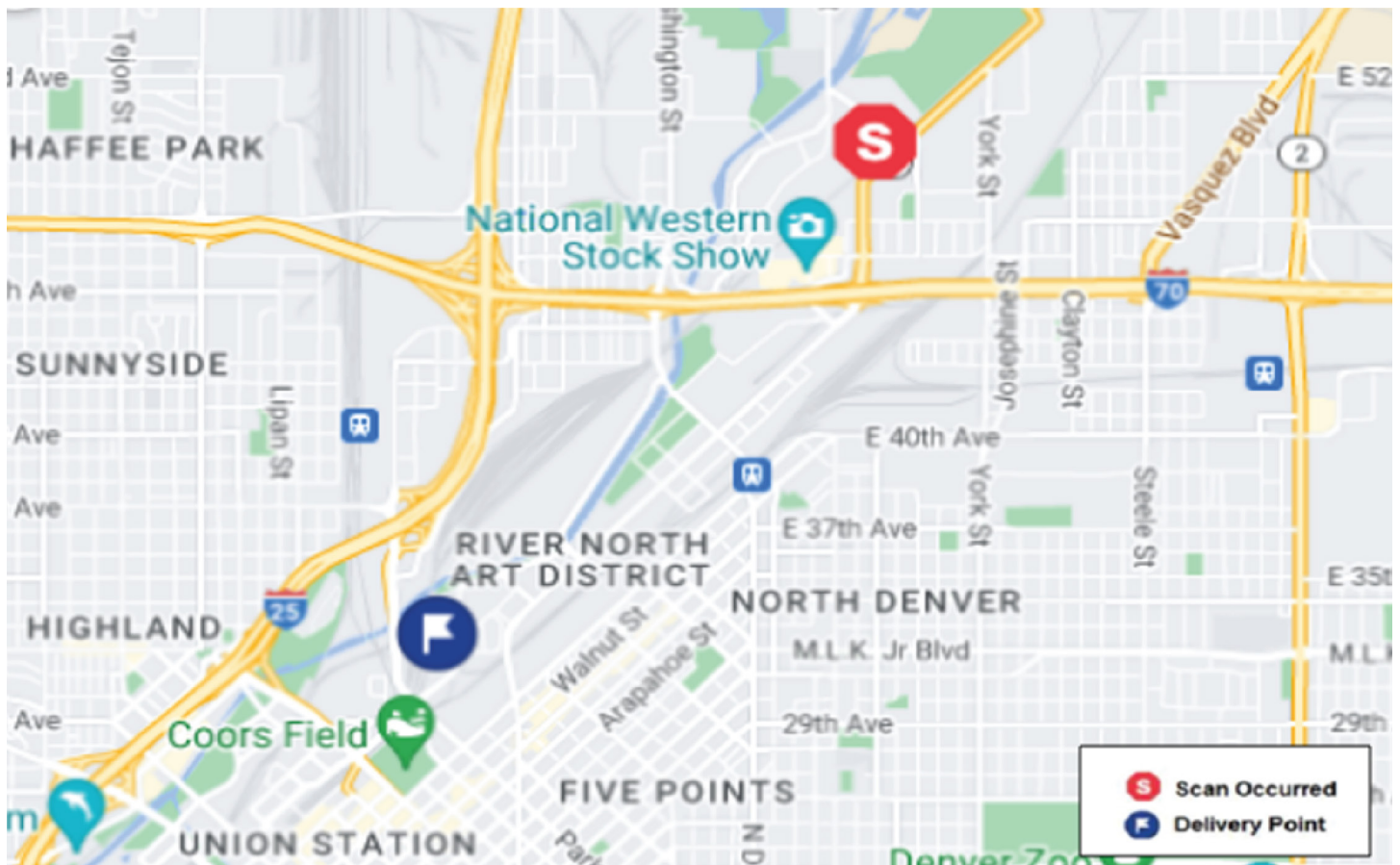
Source: OIG analysis of the Postal Service’s PTR System data.

For example, the map in [Figure 3](#) shows an instance where a carrier scanned a package as “Receptacle Full / Item Oversized” 3.5 miles from the delivery point.

<sup>17</sup> 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.

<sup>18</sup> 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.

Figure 3. Scan Away From the Delivery Point in Denver, CO



Source: Postal Service Single Package Look Up.

We also found issues with scanning and handling of packages in the unit. On the morning of July 30, 2024, before carriers arrived for the day, we selected 36 packages<sup>19</sup> to review and analyze their scanning and tracking history. Of the 36 sampled packages, 12 (33.3 percent) had improper scans or handling issues, including:

- Eleven packages (ten from the “Notice Left” section and one from carrier cases) were scanned “Receptacle full/item oversized.” These packages were scanned between 1.6 and 3.5 miles away from the address labeled and should have been scanned at the point of the delivery.
- One package from the carrier case was missing an “Arrival-at-Unit” scan, which is imperative for meeting customer expectations.

Further, three of these packages from the “Notice Left” area were not returned to the sender, as required. These packages ranged from one to 21 days past their scheduled return dates.

#### Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper scanning and handling procedures. In addition, unit management acknowledged that the carriers with a lot of businesses on their routes scanned firm sheets<sup>20</sup> as delivered at the office for easier delivery, but should have been doing so at the point of delivery. Management further explained that competing responsibilities, such as getting the mail out for delivery, prevented them from consistently reviewing scanning integrity reports and following up with carriers.

<sup>19</sup> We selected all 16 packages from the carrier cases and all 20 packages from the “Notice Left” area.

<sup>20</sup> A firm sheet combines deliveries for a single address on one form so a carrier can scan just one barcode when delivering multiple packages to a single address.



The packages in the “Notice Left” area were not returned due to inadequate management oversight. The unit management stated that packages in the “Notice Left” area were not reviewed because the retail clerk was not instructed to do so. Specifically, the retail clerk stated he reviewed them once a month and was waiting for packages to accumulate because of low number of packages.

### 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,<sup>21</sup> which includes scanning packages at the time and location of delivery<sup>22</sup> to meet customer expectations.<sup>23</sup> Further, Postal Service policy<sup>24</sup> states that the delivery processes are the

same for firm sheets as single mailpieces. Packages in the “Notice Left” area should have been reviewed for second notices and returned to sender if they remained after the prescribed number of days.<sup>25</sup> The carriers should have scanned the firm sheets at the delivery point.

### Effect on the Postal Service and Its Customers

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

### Postal Service Response

The Postal Service agreed with this finding.

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

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

23 *Stand-up Talk: Arrival-At-Unit (AAU) Scanning* January 2022.

24 *Handbook PO-610 - 2.3 Firm Sheet Scanning Procedures*, dated November 2014.

25 *Notice Left and Return Guidelines*, April 2016. Domestic packages should be returned to sender on the 15th calendar day after a notice is left, and international packages should be returned to sender on the 30th calendar day after a notice is left.



## Finding #3: Arrow Keys

### What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of July 31, 2024, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)<sup>26</sup> system and conducted a physical inventory of keys at the unit. We determined two of the 16 keys located at the unit were not on the list. In addition, arrow keys were not always kept secure. Specifically, arrow keys were kept inside the registry cage, which was [REDACTED] throughout our visit. We also found that carriers were not scanning their badges to acknowledge their acceptance and return of their assigned keys.

### Why Did It Occur

Management did not provide sufficient oversight to properly manage and safeguard the arrow keys. Management stated that the unit had an arrow key process in place but did not always follow it or update the arrow key list in RADAR because other duties, such as managing package and mail deliveries, took priority.

### What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>27</sup> 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. 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.

<sup>26</sup> The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

<sup>27</sup> USPS Arrow Key Guidebook Standard Work Instructions, updated August 2023.

## Finding # 4: Timekeeping Management

### What We Found

We determined that the station had six instances of unresolved disallowed time occurrences and three payroll adjustments between April 6 through June 28, 2024. Management did not complete PS Forms 1017-A, *Time Disallowance Record*, or 1017-B, *Unauthorized Overtime Record*, entries in the Time and Attendance Collection System (TACS).<sup>28</sup> Further, management did not print and retain PS Forms 1017-A,<sup>29</sup> or PS Forms 1017-B,<sup>30</sup> in a binder for any of these occurrences. In addition, the unit did not complete, print, and retain PS Form 2240 for the three pay adjustments during this period.

### Why Did It Occur

Management stated they were not aware that it was a requirement to resolve the entries in the system. In addition, management acknowledged that they were aware of the policies to print the Forms 1017-A and 1017-B, but other duties took priority, such as managing package and mail deliveries.

### What Should Have Happened

Postal Service policy<sup>31</sup> states that pay adjustment certifications are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. Policy<sup>32</sup> further states unit personnel must complete PS Form 1017-A and PS Form 1017-B entries and place them in a notebook binder that is secured from unauthorized access, documenting the reason for the disallowed time or unauthorized overtime. Postal guidance<sup>33</sup> also provides instructions on how to complete the entries in TACS.

### Effect on the Postal Service and Its Customers

When proper documentation of pay adjustments, time disallowance, and unauthorized overtime is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act<sup>34</sup> when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

### Postal Service Response

The Postal Service agreed with this finding.

<sup>28</sup> The system used by the Postal Service to automate the collection of employee time and attendance information.

<sup>29</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>30</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>31</sup> *AdjustPay User Guide*, Course No. 31202-25, updated February 9, 2017.

<sup>32</sup> Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.

<sup>33</sup> TACS Training Page, Training Video 1017-A 1017 B Enhancement Demo.

<sup>34</sup> 29 USC § 201-219.



## Finding # 5: Property Conditions

### What We Found

We found safety and maintenance issues at the Stockyards Station.

### Property Safety

- Three fire extinguishers missing annual or monthly inspections.
- Cracked concrete by lobby entrance (see Figure 4).
- Chipped and loose handrail on the ramp in front of building (see Figure 5).
- Loose handrail at the back of the building.

**Figure 4. Cracked Concrete**



Source: OIG photo taken July 30, 2024

**Figure 5. Loose Handrail**



Source: OIG photo taken July 30, 2024

### Property Maintenance

- Site operating hours sign missing information (Figure 6).

**Figure 6. Sign Missing Information**



Source: OIG photos taken July 31, 2024

### Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected because other duties, such as addressing customer inquiries and getting the mail out for delivery each day, took priority over addressing maintenance issues.

### 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>35</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.

#### Postal Service Response

The Postal Service agreed with this finding.

---

<sup>35</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.



# Appendix A: Additional Information

---

We conducted this audit from July through September 2024 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In planning and conducting the audit, we obtained an understanding of the Stockyards Station internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three components that were significant within the context of our objectives. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for the Brighton Main Post Office, Edgewater Branch, Mile High Station and the Stockyards Station, as well as the district. Our recommendations, if implemented, should correct the weaknesses we identified.

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

# Appendix B: Management's Comments



September 13, 2024

JOHN CIHOTA  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response: Stockyards Station, Denver, CO: Delivery Operations (Report Number 24-137-4-DRAFT)

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

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

Management has begun taking steps to address the five findings.

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

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

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

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

*Property Conditions:* Management has abated two of the five property condition issues and has submitted work orders for repairs required by other resources.

E-SIGNED by Douglas.S Smith  
on 2024-09-13 15:09:27 EDT

---

Doug Smith  
Manager, CO-WY District

Cc: Corporate Audit & Response

# 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@uspsoig.gov](mailto:press@uspsoig.gov) or call (703) 248-2100