Colorado-Wyoming District: Delivery Operations

AUDIT REPORT
Report Number 24-137-R25 | December 20, 2024

OFFICE OF
INSPECTOR
GENERAL
UNITED STATES POSTAL SERVICE
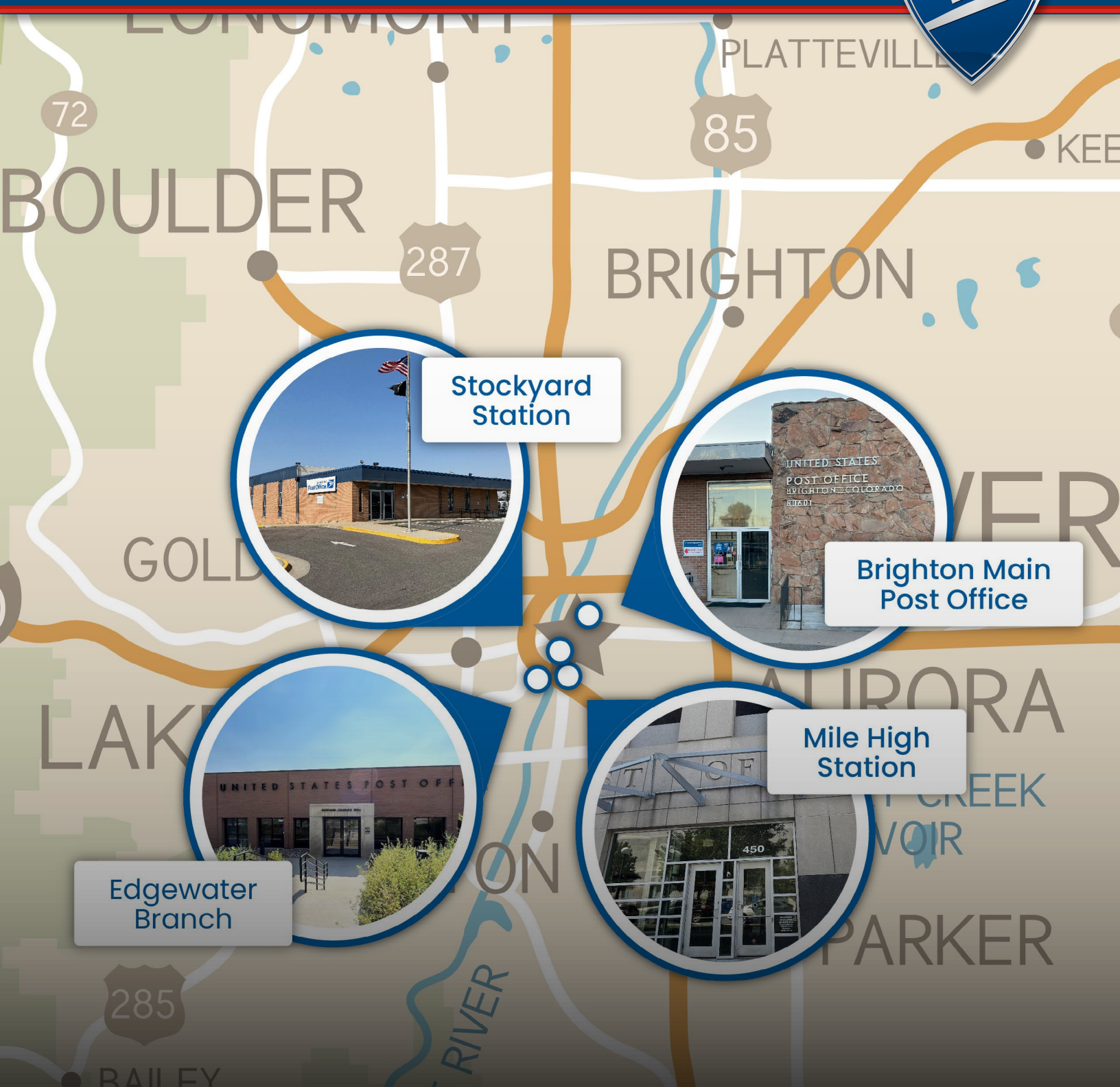
Stockyard Station

Brighton Main Post Office

Edgewater Branch

Mile High Station

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

December 20, 2024

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

[signature: Joseph E. Wolski]

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

SUBJECT: Audit Report – Colorado-Wyoming District: Delivery Operations (Report Number 24-137-R25))

This report presents the results of our audits of delivery operations and property conditions in the Colorado-Wyoming District in the WestPac Area.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that each recommendation was closed.

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, 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. To fulfill this role, the Postal Service is committed to ensuring its delivery platform and services are always a trusted, visible, and valued part of America's social and economic infrastructure. This includes leveraging people, technology, and systems to provide world-class visibility of mail and packages as they move through the Postal Service's integrated system. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This report presents a summary of the results of our audits of delivery operations and property conditions at four delivery units, as well as district-wide delivery operations in the Colorado-Wyoming (CO-WY) District in the WestPac Area (Project Number 24-137). The delivery units included the Brighton Main Post Office (MPO), Edgewater Branch, Mile High Station, and Stockyards Station in Colorado.

We previously issued interim reports[1] to district management for each of the four delivery units regarding the conditions we identified. In addition, we issued a report on the efficiency of operations at the Denver Processing and Distribution Center (P&DC),[2] which services these delivery units.

We judgmentally selected the four delivery units in the CO-WY District based on the number of Customer 360[3] (C360) inquiries related to delivery,[4] Informed Delivery[5] contacts associated with the unit, and stop-the-clock (STC)[6] scans performed away from the delivery point and compared them to the district average. The units were also chosen based on first and last mile failures[7] and undelivered routes.

These four delivery units had a total of 77 city routes and 20 rural routes that served about 176,541 people in several ZIP Codes (see Table 1). Specifically, of the people living in these ZIP Codes, 166,366 (94.2 percent) live in urban communities and 10,175 (5.8 percent) live in rural communities.[8]

### Table 1. Service Area and Population

Delivery Units	Service Area and ZIP Codes	Population	City Routes	Rural Routes
Brighton MPO	80601, 80602, and 80603	100,196	14	20
Edgewater Branch	80214	25,926	20	0
Mile High Station	80204	35,492	28	0
Stockyards Station	80216	14,927	15	0
Total		**176,541**	**77**	**20**

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

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1   *Brighton Main Post Office, Brighton, CO: Delivery Operations* (Report Number 24-137-1-R24, dated September 24, 2024); *Edgewater Branch, Lakewood, CO: Delivery Operations* (Report Number 24-137-2-R24, dated September 24, 2024); *Mile High Station, Denver, CO: Delivery Operations* (Report Number 24-137-3-R24, dated September 24, 2024); and *Stockyards Station, Denver CO: Delivery Operations* (Report Number 24-137-4-R24, dated September 24, 2024).
2   *Efficiency of Operations at the Denver Processing and Distribution Center* (Report Number 24-136-R24, dated September 24, 2024).
3   A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
4   A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
5   Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mailpieces that were expected for delivery but have not arrived.
6   A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include "Delivered," "Available for Pickup," and "No Access."
7   First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.
8   We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.

We conducted a text analysis of C360 inquiries for the entire CO-WY District between October 1, 2023, and September 30, 2024. In total, we reviewed and categorized the customer notes for 133,855.[9] See Figure 1 for the results.

Figure 1. C360 Inquiry Analysis
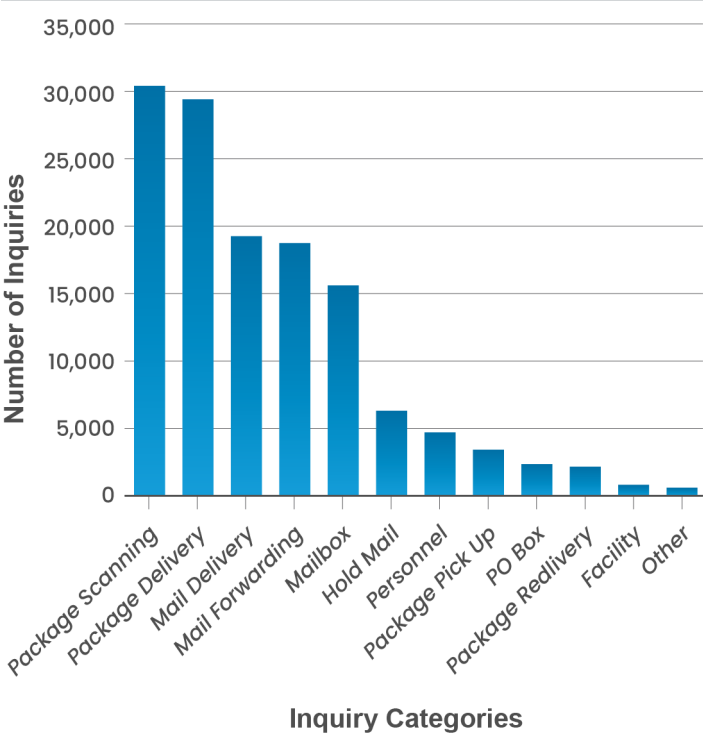
Source: OIG analysis of C360 inquiries.

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

- Receiving "delivered" scans for packages that were not delivered.

- Not receiving mail delivery for several days in a row.

- Not receiving all intended mail each delivery day.

We also analyzed the Postal Service's Triangulation Report[10] to determine how the CO-WY District performed for mail and package delivery in relation to all 50 Postal Service districts. Each day, the Postal Service provides an opportunity ranking that lists all 50 districts from 1 through 50, where 1 indicates the lowest performing district and 50 is the top performing district. For the period from July 1 through September 30, 2024, the CO-WY District had an average rank of 16 for mail delivery and nine for package delivery, placing this district as below average for mail delivery and significantly below average for package delivery. See Table 2 for the results of our analysis.

Table 2. CO-WY District Average Ranking Compared to All 50 Districts

Month	Mail Delivery Opportunity Rank	Package Delivery Opportunity Rank
July	20	7
August	12	9
September	15	10
Average	**16**	**9**

Source: Postal Service Triangulation Report.

In addition, we analyzed employee retention data obtained from Workforce[11] for the CO-WY District. From October 1, 2023, through September 30, 2024, the CO-WY District hired a total of 2,432 carriers and clerks. Of those hired during this time, 1,096 (45 percent) were no longer employed in the district as of October 30, 2024. Furthermore, the district had an authorized Executive and Administrative Schedule (EAS)[12] level of 626 positions but only 584 employees (6.7 percent vacancy rate) on the rolls as of November 15, 2024.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions in the CO-WY District of the WestPac Area.

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9   We analyzed 188,049 inquiries and excluded 37,592 voice messages, 13,004 text messages with less than or equal to 40 characters, and 3,598 outliers—resulting in 133,855 records used to create the model by category.
10 The Triangulation Report is designed to provide the health of operations within a delivery unit regarding mail and package delivery. The report includes an analysis of several key performance indicators including C360 inquiries, first and last mile failures, route coverage, employee availability, and scanning integrity.
11 Workforce is a centralized hub that links to staff planning, insights, and analytics.
12 EAS is a salary structure that applies to most managerial and administrative employees.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,[13] 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.[14] 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[15] and interviewed unit management and employees.

In addition to summarizing our findings at the four delivery units, we analyzed service performance scores for First-Class Mail, Marketing Mail, Priority Mail,[16] and Ground Advantage[17] products, and carrier and clerk retention levels within the CO-WY District. We discussed our observations and conclusions, as summarized in Table 3, with management on December 3, 2024, and included its comments, where appropriate. See Appendix A for additional information about our scope and methodology.

Results Summary

We identified issues related to service performance across the CO-WY District, and issues affecting delivery operations and property conditions at all four delivery units audited. Specifically, we found delayed mail and deficiencies with package scanning, carrier complement and timekeeping, and property conditions at all four units. We also found issues with arrow key management at two of four units (see Table 3).

Table 3. Summary of Issues Identified

Audit Area	Deficiencies Identified – Yes or No			
	Brighton MPO	**Edgewater Branch**	**Mile High Station**	**Stockyards Station**
Delayed Mail	Yes	Yes	Yes	Yes
Package Scanning	Yes	Yes	Yes	Yes
Arrow Keys	No	Yes	No	Yes
Carrier Complement and Timekeeping	Yes	Yes	Yes	Yes
Property Conditions	Yes	Yes	Yes	Yes

Source: Interim reports for selected units.

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13 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.
14 Time of day that clerks have completed distributing mail to the carrier routes.
15 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
16 An expedited service for shipping mailable matter, subject to certain standards, such as size and weight limits, that includes tracking and delivery in one to three expected business days.
17 A service providing an affordable and reliable way to send packages inside the U.S. Packages under 70 pounds arrive in two to five business days.

Finding #1: Service Performance in the CO-WY District

What We Found

We visited four delivery units in the CO-WY District on the morning of July 30, 2024, and identified about 5,926 pieces of delayed mail from the prior day.[18] See Table 4 for the number of pieces for each mail type and Figure 2 for an example of delayed mail found at a unit. In addition, carriers at all four units did not complete Postal Service (PS) Form 1571, *Undelivered Mail Report*,[19] to document undelivered mailpieces, and management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)[20] system.

Table 4. Type of Delayed Mail

Type of Mail	Brighton MPO	Edgewater Branch	Mile High Station	Stockyards Station	Total
Letters	301	1,192	1,543	2,385	5,421
Flats	8	61	140	233	442
Packages	0	37	10	16	63
Totals	**309**	**1,290**	**1,693**	**2,634**	**5,926**

Source: OIG count of delayed mailpieces identified during our visit July 30, 2024.

Figure 2. Example of Delayed Mail at the Stockyards Station


Source: OIG photo taken July 30, 2024.

We also found the district had low service performance scores. Specifically, we analyzed service performance scores in the district for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the CO-WY District between April 1 and September 30, 2024. This analysis showed the CO-WY District performance scores for these products did not meet the target score in most of the district. See Figure 3 for heat maps showing the performance for each product in the CO-WY District.

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18   Count of mail included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.
19   PS Form 1571, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.
20   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.

Figure 3. Service Performance Heat Maps by 3-Digit ZIP Code in the CO-WY District From April 1 – September 30, 2024
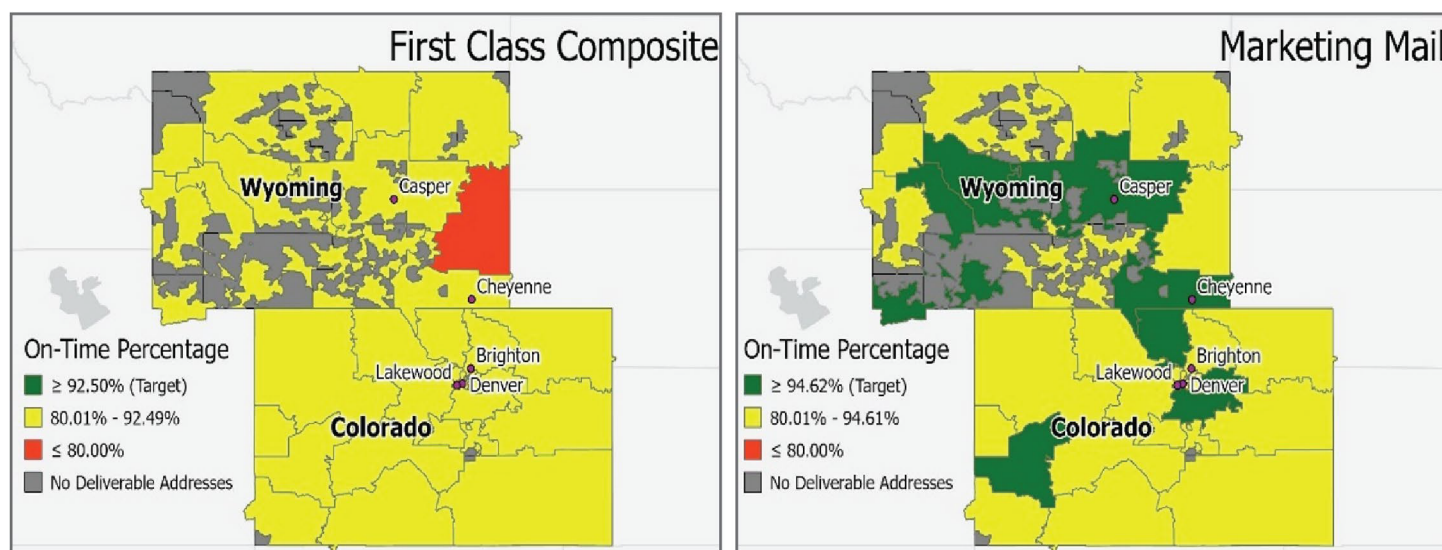
Source: OIG analysis of Postal Service Informed Visibility (IV) and Enterprise Data Warehouse (EDW) data. IV provides comprehensive and integrated capabilities for data-driven real-time service performance measurement and diagnostics of market-dominant products, mail inventory and predictive workloads of all mail to include packages, and end-to-end tracking and reporting for mail. EDW is a repository intended for all data and the central source for information on retail, financial, and operational performance.

We also analyzed service performance scores for the same period for mail being sent from the district to other locations in the nation and mail coming into the district from other locations in the nation. We found performance scores for inbound and outbound mail missed the targets in most of the district during the scope period. Although service performance failures for this type of mail could be attributed to a plant or delivery unit outside the district, the failures may negatively impact customer perceptions within the district.

Furthermore, the district had a lower-than-average mail delivery opportunity ranking in the Triangulation Report. Based on this information and our observations, we would expect to see a significant amount of reported delayed mail across the district. However, we reviewed DCV data for the entire district for July 29, 2024, and found of the 380 units listed in the DCV system, only eight units (2.1 percent) reported 16,540 total pieces of delayed mail. This could indicate issues with reporting delayed mail are more widespread within the district.

Why Did It Occur

The delayed mail identified at the four delivery units occurred because unit management did not provide adequate oversight and resources to verify that all mail was cleared from the units. For instance, the Edgewater Branch had five carrier absences the day prior to our visit. Unit management requested – but did not receive – carrier assistance from the district. Therefore, management split the vacant routes among multiple new carriers, who did not finish their assigned portion before nightfall. Similarly, at Stockyards Station, carriers did not finish their routes the day prior to our visit because they were unfamiliar with the split routes.

Our analysis of employee complement on November 15, 2024, showed carriers/clerks have a 45 percent turnover rate and EAS employees have a 6.7 percent vacancy rate in CO-WY District. The District Human Resources manager stated it is difficult to hire and retain employees in the Colorado area due to having a high cost of living, many mountain towns, and a resort-type environment. To address these issues, the district hosts weekly job fairs in Denver, Aurora, and Littleton and uses Every Door Direct Mail service to announce various job openings in targeted areas. It is not as difficult to hire and retain employees in the urban areas of Wyoming, but it too has similar problems as Colorado when it comes to the resort areas. These factors could have contributed to lower service performance scores.

Delayed mail was not always properly reported because the units were not following the Redline policy[21] to properly track this mail. Management at the Brighton MPO, Mile High Station, and Stockyards Station did not know that mail brought back to the unit was delayed mail, requiring a PS Form 1571 and reporting in the DCV system. Further, the Edgewater Branch management did not have access to the DCV system.

What Should Have Happened

Postal Service policy[22] states all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. Management should have addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy[23] states managers must review all communications that may affect the day's workload, be sure replacements are available for unscheduled absences, and develop contingency plans for situations that may interfere with normal delivery service.

In addition, as part of following the Redline policy, management should have conducted an adequate walkthrough of the workroom floor to verify that all mail was delivered, determined the reason the undelivered mail was brought back from the street, and confirmed the reason was properly documented on PS Form 1571.[24]

Further, management should have verified all supervisors were trained and had system access to accurately enter delayed mail into the DCV system and enforced compliance. Postal Service policy states managers are required to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in the DCV system and must update the DCV system if volumes have changed prior to the end of the business day. The update at the end of the day should include mail reported on PS Form 1571.

Effect on the Postal Service and Its Customers

Delayed mail could have a negative impact on the internal tracking of a unit's success and needs, as well as externally, regarding customer satisfaction, 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

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21   A standardized clearance process, including the proper disposition of mail types for carriers returning to the office upon completion of delivery assignments.
22   *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
23   Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.
24   *Standard Operating Procedures, Redline Policy.*

for multiple days in a row. In addition, 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.

Management Actions

District management described multiple, ongoing efforts to hire more staff needed within the district. Thus, we are not making a recommendation around efforts to hire new employees.

In addition, during our audit, district management provided training to management at all four units on proper delivery practices, reporting delayed mail, and requesting access to the DCV system. District management is monitoring for proper delayed mail reporting at the units we visited. Providing this training to all units in the district may improve mail visibility.

Recommendation #1

We recommend the **District Manager, Colorado-Wyoming District**, train management within the district on using the Delivery Condition Visualization system and following the required Redline policy, including reporting delayed mail on Postal Service Form 1571, *Undelivered Mail Report*.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendation. Regarding recommendation 1, management stated it will provide training to EAS employees on the proper handling and recording of delayed mail in DCV. It will also reiterate the requirement to use PS Form 1571. The target implementation date is January 31, 2025. See Appendix B for management's comments in their entirety.

OIG Evaluation

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

Finding #2: Package Scanning and Handling

What We Found

We identified package scanning and handling issues at all four delivery units. For example, employees scanned packages away from their intended delivery point. In total, employees scanned 1,969 packages at the Brighton MPO, Edgewater Branch, and Stockyards Station instead of at the recipients' delivery point from April 1 – June 30, 2024 (see Table 5).

Further analysis of STC scan data for these packages showed 82.3 percent were scanned as "Delivered" or "No Secure Location Available." This data did not include scans that could properly be made at a delivery unit such as "Delivered – PO Box" and "Customer (Vacation) Hold," but rather represented scans that should routinely be made at the point of delivery.

Table 5. STC Scans at Delivery Unit

STC Scan Type	Brighton MPO	Edgewater Branch	Stockyards Station	Total	Percent
Delivered	89	20	1,330	1,439	73.1%
No Secure Location Available	152	22	7	181	9.2%
Delivery Attempted – No Access to Delivery Location	27	103	34	164	8.3%
Receptacle Full / Item Oversized	13	37	105	155	7.9%
Refused	23	0	0	23	1.2%
Delivery Exception – Animal Interference	3	2	0	5	0.3%
No Authorized Recipient Available	1	0	1	2	0.1%
Total	**308**	**184**	**1,477**	**1,969**	**100%***

Source: OIG analysis of Postal Service's Package Tracking and Reporting (PTR) System data from April 1 – June 30, 2024, for CO-WY District 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.

We also reviewed 184 scans occurring away from the delivery unit and over 1,000 feet[25] from the intended delivery point for the Brighton MPO, Mile High Station, and Stockyards Station from April 1 – June 30, 2024. We removed scans that could have been performed per the policy, such as "Animal Interference" and "Unsafe Conditions," from our review. Further analysis of the STC scan data for these packages showed 75.5 percent were scanned as "Delivered" (see Table 6).

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25 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.

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

STC Scan Type	Brighton MPO	Mile High Station	Stockyards Station	Total	Percent
Delivered	78	26	35	139	75.5%
Delivery Attempted – No Access to Delivery Location	1	36	5	42	22.8%
Receptacle Full / Item Oversized	0	0	2	2	1.1%
Held at Post Office at Customer Request	0	0	1	1	0.5%
Total	**79**	**62**	**43**	**184**	**100%***

Source: OIG analysis of the Postal Service's PTR System data from April 1 – June 30, 2024, for CO-WY District facilities.
*Total percentage does not equal 100 percent due to rounding.

For example, the map below (see Figure 4) shows an instance where a carrier scanned a package as delivered 8.2 miles away from the delivery point.

Figure 4. Scanned Away From the Delivery Point in Denver, CO
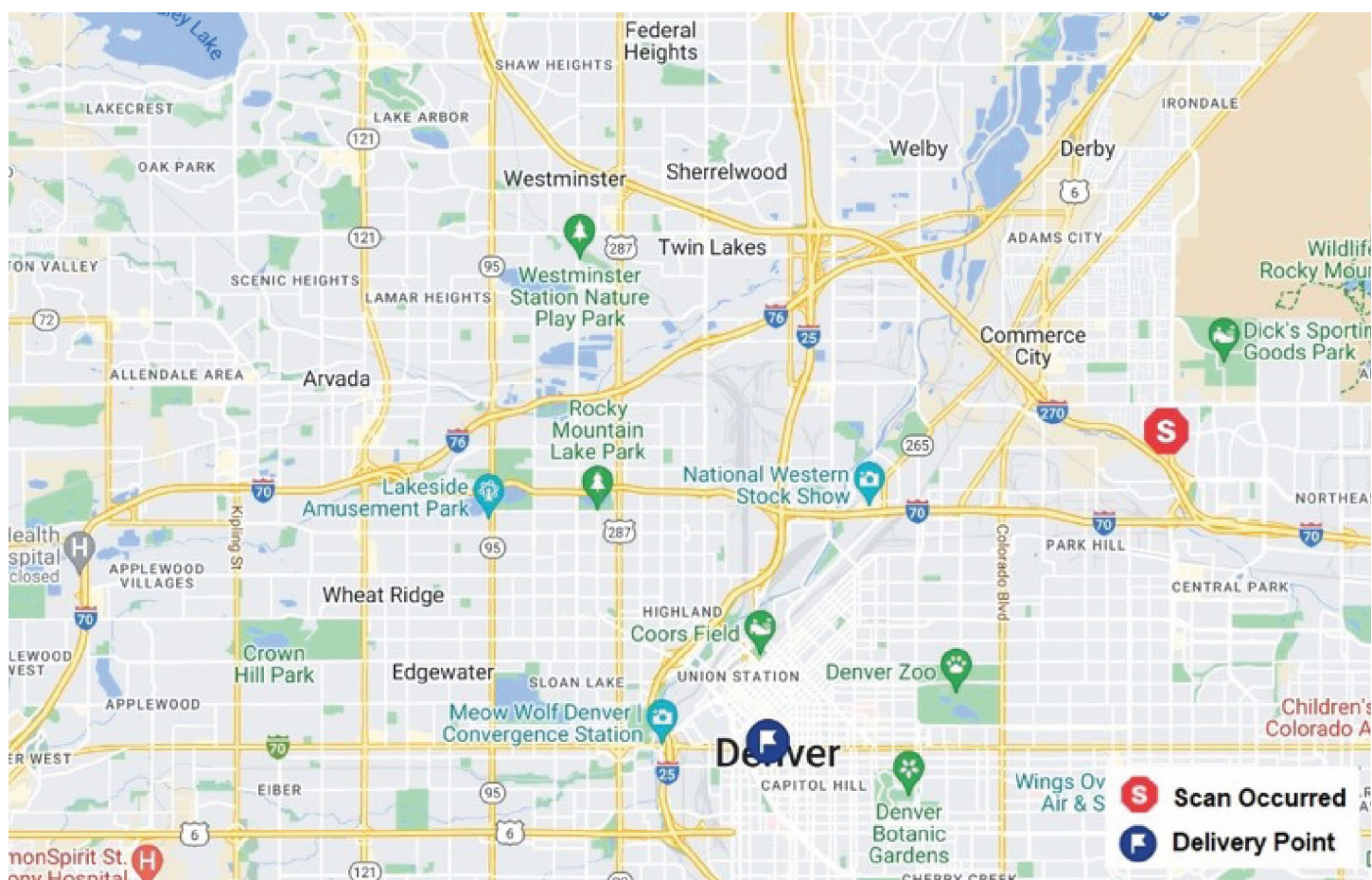
Source: Postal Service Single Package Look Up.

In addition, on the morning of July 30, 2024, before the carriers arrived for the day, we selected a total of 216 packages at the four delivery units to review and analyze for scanning and tracking history. We judgmentally selected 110 packages from the carrier cases and 106 packages from the "Notice Left" areas at these units. Of the 216 sampled packages, 66 (30.6 percent) had missing or improper scans or improper handling.

Fifty-eight packages had scanning issues, including:

- Thirty-five packages (20 from the carrier cases and 15 from the "Notice Left" area) were scanned with an STC event such as "Delivery Attempted – No Access to Delivery Location," "No Secure Location Available," or "Receptacle Full / Item Oversized," between 0.2 and 8.2 miles away from the delivery point.

- Fourteen packages (11 from the carrier cases and three from the "Notice Left" area) were scanned "Delivered," which should only be performed when a package is successfully left at the customer's delivery address.

- Four packages from the carrier cases were missing an "Arrival at Unit" scan, which is required for service performance.

- Four packages in the "Notice Left" section were scanned "Delivered" between June 25 and July 19, and subsequently scanned "No Secure Location." These packages should not have been returned to the office but returned to the sender or held at the customer's request.

- One package from the carrier case was scanned "Return to Sender," but marked "NA." The package should have been scanned "Delivery Attempted – No Access to Delivery Location."

Eight packages from the carrier cases had handling issues, including:

- Six packages were scanned "Delivery Attempted – No Access to Delivery Location," and delivery was not attempted on the next delivery day.

- The remaining two packages were related to employee handling issues. These packages, which were scanned as "Held at Post Office at Customer Request," were held for 34 and 104 days respectively but should have been returned to the senders.

In addition, at the Brighton MPO, Mile High Station, and Stockyards Station, 13 of the 106 sampled packages (12.3 percent) in the "Notice Left" area should have been returned to the senders. These packages ranged from one to 124 days past their scheduled return dates. Lastly, we found three instances at the Edgewater Branch where individual employee barcodes were accessible by others – allowing them to log in as someone else.

Why Did It Occur

Management at the four units did not provide adequate oversight ensuring package scanning and handling issues were addressed according to policy requirements. Specifically, these issues occurred because:

- Management at the Brighton MPO stated it was monitoring and addressing scanning issues but was not aware of the improper scans found by our team. Further, although the unit did not have a regular clerk to handle the "Notice Left" area, the postmaster did not review it due to other priorities such as ensuring the mail was delivered.

- Management at the Edgewater Branch was not actively reviewing scanning integrity reports and following up with carriers due to other priorities. Also, carriers returning from their routes did not follow the Redline policy requiring them to communicate to unit management the reasons for improperly scanning and handling packages brought back to the unit. For example, most of the packages were not endorsed with accurate markings that indicate specific delivery issues, or the scans did not correspond with carrier endorsements. Further, management did not enforce the requirement to properly secure employee identification barcodes.

- Management at the Mile High Station stated some carriers were not fully trained on package scanning and handling procedures. In addition, some carriers scanned packages at the right delivery point, but the scanners showed them as being located elsewhere. Management did not report this issue for further investigation to the information technology helpdesk.

- Management at the Stockyards Station acknowledged carriers with many businesses on their routes scanned firm sheets as "Delivered" at the office rather than at the delivery point for easier delivery. Management also said competing responsibilities, such as getting the mail out for delivery, prevented it from consistently reviewing scanning integrity reports and following up with carriers. Lastly, management only reviewed packages in the "Notice Left" area monthly due to a low number of packages accumulating in the area.

What Should Have Happened

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,[26] which includes scanning packages at the time and location of delivery.[27] Management should have reported scanner technical issues to the Help Desk for further investigation.[28] Packages in the "Notice Left" area should have been reviewed for second notices and returned to the sender if they remained after the prescribed number of days.[29] Postal Service policy requires employee identification barcodes to be secured at all times.[30]

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.

Further, unsecured employee identification barcodes can result in unauthorized access to personally identifiable information. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance both the customer experience and the Postal Service brand.

Management Actions

During our audit, district management provided evidence showing the four units' management was trained on standard operating procedures governing package scanning and handling, and are tracking scanning performance. Due to management taking these actions, we are not making a recommendation for tracking and reducing inaccurate scans.

Recommendation #2

We recommend the **District Manager, Colorado-Wyoming District**, verify management at the Edgewater Branch properly secured the employee identification barcode list.

Recommendation #3

We recommend the **District Manager, Colorado-Wyoming District**, confirm management at the Mile High Station reported scanner technology issues to the Help Desk.

Postal Service Response

The Postal Service agreed with this finding and its associated recommendations. Regarding recommendation 2, management at the Edgewater Branch will ensure the employee identification barcode list is secured. The target implementation date is January 31, 2025. For recommendation 3, management at the Mile High Station will report scanner issues to the Help Desk. The target implementation date is February 28, 2025.

OIG Evaluation

The OIG considers management's comments responsive to recommendations 2 and 3.

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26 *Delivery Done Right the First Time* stand-up talk, March 2020.
27 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.
28 *Postal Service Standard Operating Procedure – Scanning*, page 4.
29 *Notice Left and Return Guidelines*, April 2016.
30 Publication 453 *Respect and Protect: Our Privacy Mission Guidelines for Privacy*, June 2009.

Finding #3: Arrow Keys

What We Found

Unit management at the Edgewater Branch and Stockyards Station did not properly manage and safeguard arrow keys. We reviewed the units' arrow key certification list in the Retail and Delivery Applications Reports (RADAR)[31] system and conducted a physical inventory of keys at the units. We found seven out of 40 keys at the two locations were not on the certification list and one key on the list was missing. Specifically:

- At the Edgewater Branch, five of the 24 keys located at the unit were not included on the list, and one key on the list was missing. In addition, arrow keys were not always kept secure. Arrow keys were normally kept inside the main vault; however, we found two arrow keys ███ ████████████████████ in the workroom. We also found carriers did not sign the daily log to acknowledge their acceptance and return of their assigned keys on the day of the observation.

- At the Stockyards Station, two of the 16 keys located at the unit were not on the list. In addition, arrow keys were not always secured. They were kept inside the registry cage ████████████ ████████████████. We also found carriers were not scanning their badges to acknowledge acceptance and return of their assigned keys.

Why Did It Occur

Unit management at the Edgewater Branch and Stockyards Station did not provide sufficient oversight to properly manage and safeguard arrow keys. Specifically:

- At the Edgewater Branch, the unit manager stated he received four keys before leaving for vacation but did not add the keys to the inventory certification list because he was unable to access the RADAR system prior to his leave. Although management confirmed one extra key was unassigned, it could not explain why the key was not entered in RADAR. The branch manager also said the missing key was reported to the U.S.

Postal Inspection Service, but he did not know how to delete it from the RADAR certification list. In addition, the acting PM supervisor placed a keyring containing two arrow keys ████ ████████████████.

- At the Stockyards Station, management stated although the unit had an arrow key process in place, it did not always follow the process or update the arrow key list in RADAR due to other priorities such as managing package and mail deliveries.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[32] management must keep an accurate inventory of all arrow keys. Further, broken keys must be updated on the RADAR inventory log and returned to the vendor.

In addition, the policy states arrow keys must remain secured until they are individually assigned to personnel. A manager or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

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

Management Actions

During our audit, district management provided documentation showing:

- Management at the Edgewater Branch was provided training on proper arrow key management and security.

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31 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
32 *USPS Arrow Key Guidebook Standard Work Instructions*, updated August 2023.

- The district is monitoring arrow key procedures at the Edgewater Branch and Stockyards Station. In addition, the units updated their arrow key log and properly secured the keys.

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

Postal Service Response

The Postal Service agreed with the finding.

Finding #4: Timekeeping Management

What We Found

We identified timekeeping management issues between April 6 and June 28, 2024, at all four delivery units. Management at the four units did not always complete PS Forms 1017-A, *Time Disallowance Record*, and 1017-B, *Unauthorized Overtime Record,* in the Time and Attendance Collection System (TACS)[33] or print and retain them in a securely kept binder. In addition, Stockyards Station did not complete PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request* for three pay adjustments during this period.

Why Did It Occur

Management at the four units did not always complete, print, and securely retain these forms because it was not aware of the requirement or other duties took priority.

What Should Have Happened

Postal Service policy[34] states pay adjustment certifications are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. The policy[35] further states unit personnel must complete PS Form 1017-A and 1017-B entries and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time or unauthorized overtime.

Effect on the Postal Service and Its Customers

When proper documentation of pay adjustments and time disallowance is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act[36] when unit management does not maintain documentation that shows the justifiable reason and employee notification for pay adjustments and disallowed time.

Management Actions

During our audit, district management provided evidence showing management at all four units was trained on timekeeping record requirements and the district is monitoring the units' performance.

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

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

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33 The system used by the Postal Service to automate the collection of employee time and attendance information.
34 *AdjustPay User Guide*, Course No. 31202-25, updated February 9, 2017.
35 Handbook F-21, *Time and Attendance, Section 146 – Approving Entries*, February 2016.
36 29 USC § 211.

Finding #5: Property Conditions

What We Found

We found safety, security, and maintenance issues at the four delivery units. Examples include:

Property Safety and Security:

- Blocked fire alarm, fire extinguisher (see Figure 5), and eye wash station.

- Cracked concrete (see Figure 6) and loose handrails (see Figure 9).

- Missing electrical covers.

- Missing monthly and annual fire extinguisher inspections.

- Missing a "Subject to Search" sign.

Figure 5. Blocked Fire Extinguisher at the Mile High Station
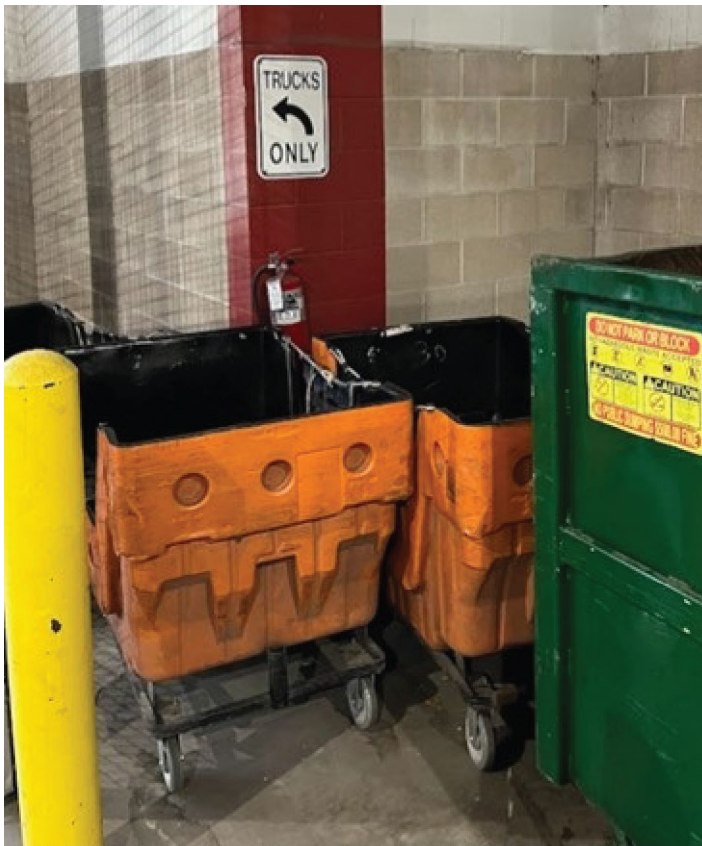
Source: OIG photo taken July 30, 2024.

**Figure 6. Cracked Concrete at the Stockyards Station**

Source: OIG photo taken July 30, 2024.

Property Maintenance:

- Damaged/broken entrance doors, toilets/stall doors, gate stops, and light fixtures.

- Stained walls and damaged/missing floor and ceiling tiles (see Figure 7).

- Missing information from operating hours sign (see Figure 8).

- Cracked/missing bumper protection at dock loading areas.

- Parcel lockers improperly stored in a unit's dock area.

Figure 7. Missing Ceiling Tiles at Brighton MPO
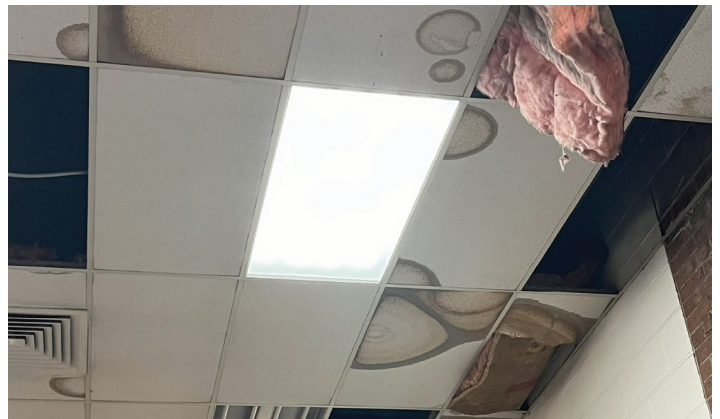
Source: OIG photo taken July 30, 2024.

Figure 8. Sign Missing Information at the Stockyards Station

Source: OIG photo taken July 31, 2024.

Why Did It Occur

Management at all four units did not provide sufficient oversight or take necessary actions to correct property condition issues due to competing priorities such as delivering the mail and addressing customer inquiries, or not being aware of the existing condition. In addition, although the Edgewater Branch manager submitted many of the issues identified to the District Facility Maintenance Office, the issues remained active because the office had a backlog of requests to be addressed.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up to ensure resolution. The Postal Service requires management to maintain a safe environment for employees and customers.[37]

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 identified at the four units. For example, Stockyards management repaired the loose handrail we identified (see Figure 9). Due to

management taking these corrective actions, we are not making a recommendation for these property conditions.

Figure 9. Before and After Photos of the Loose Handrail at the Stockyards Station
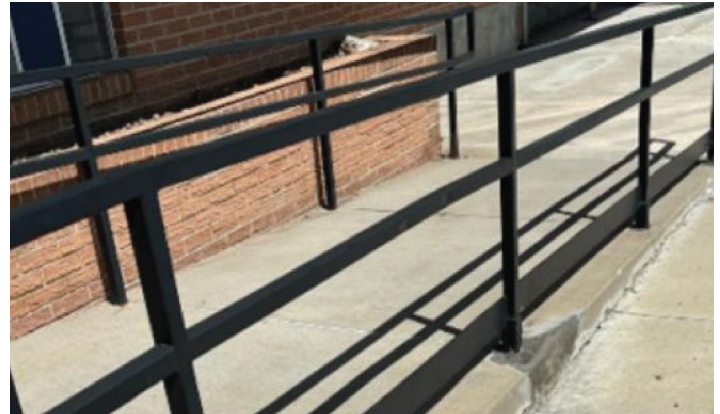
Source: OIG photo taken July 30, 2024.

Source: Taken by Postal Service employee August 23, 2024.

Postal Service Response
The Postal Service agreed with the finding.

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

Appendices

Appendix A: Additional Information

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

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

- Control Activities

- Information and Communication

- Monitoring

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

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

Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

December 11, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Capping Report Colorado-Wyoming District:
Delivery Operations (24-137-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report titled *Colorado-Wyoming District: Delivery Operations*

Management generally agrees with the findings in the report.

Following are our comments on each of the three recommendations:

<u>Recommendation 1:</u> We recommend the District Manager, Colorado-Wyoming District, train management within the district on using the Delivery Condition Visualization system and following the required Redline policy, including reporting delayed mail on Postal Service Forms 1571, *Undelivered Mail Report.*

<u>Management Response/Action Plan:</u>
Management will provide training to EAS employees on the proper handling and recording of delayed mail in DCV. Management will also reiterate the requirement to use PS Form 1571, Undelivered Mail Report.

<u>Target Implementation Date:</u> 01/31/2025

<u>Responsible Official:</u>
Manager, Colorado-Wyoming District

<u>Recommendation 2:</u> We recommend the District Manager, Colorado-Wyoming District, verify management at the Edgewater Branch properly secured the employee identification barcode list.

<u>Management Response/Action Plan:</u>
Management at Edgewater Branch will ensure the employee identification barcode list is secured.

Target Implementation Date: 01/31/2025

Responsible Official:
Manager, Colorado-Wyoming District

Recommendation 3: We recommend the District Manager, Colorado-Wyoming District, confirm management at the Mile High Station reported scanner technology issues to the Help Desk.

Management Response/Action Plan:
Management at Mile High Station will report scanner issues to the Help Desk.

Target Implementation Date: 02/28/2025

Responsible Official:
Manager, Colorado-Wyoming District

E-SIGNED by Douglas.S Smith
on 2024-12-11 15:27:19 EST
_____
Douglas S. Smith
Manager, Colorado-Wyoming District

Cc: Vice President, Area Retail and Delivery (West-PAC)
    Corporate Audit Response Management

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

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