OFFICE OF INSPECTOR GENERAL
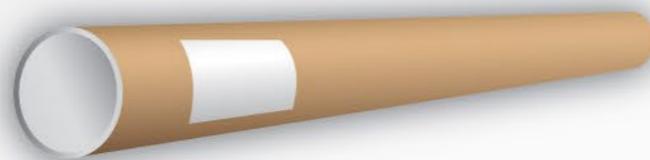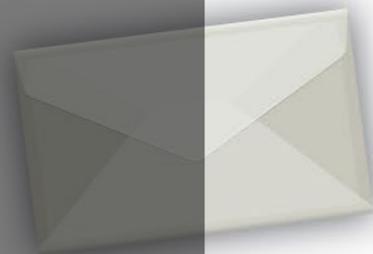UNITED STATES POSTAL SERVICE

Electronic Mail Improvement Reporting – Workshare Mail Quality

Audit Report

Report Number
CP-AR-16-001

December 8, 2015

Highlights

For the year ending April 2015, there were 44,306 eMIR issues reported nationwide; however the information reported was often inadequate to calculate impact.

Background

The Electronic Mail Improvement Reporting (eMIR) System is a nationwide web-based system U.S. Postal Service employees use to report business mail quality issues and recurring problems, including issues detected after mail is accepted. Improperly prepared mail could increase costs and impact efficiency by requiring additional processing or causing delays in delivery. eMIR was designed to save costs by assigning Postal Service representatives to contact mailers to discuss the reported issues, their root causes, and corrective action the mailer will take.

The resolution process generally involves preventing current issues from occurring in future mailings. Resolutions are recorded in eMIR and reports from the application are available to Postal Service staff and mailers using the Enterprise Data Warehouse.

Our objective was to determine whether Eastern Area personnel are fully using eMIR to report mail quality issues and recover costs associated with irregularities in workshare mail preparation.

What the OIG Found

Eastern Area personnel did not use eMIR effectively to report and resolve mail preparation issues. Eastern Area managers stated that the current system is not "user friendly" because it takes too long to gather and enter data into eMIR. They estimated that about 10 percent of mail preparation issues get reported in eMIR. All ten mail service providers we spoke to recalled emails or telephone calls from the Postal Service to address mail quality issues, but nine could not recall being contacted as a result of an eMIR report.

In addition, the application does not always direct issues to the appropriate staff for resolution or consistently provide feedback to employees on the resolution of reported issues. Nationally, about 57.3 percent of the issues reported in eMIR were listed as unresolved. For about 87.4 percent of unresolved issues, eMIR could not identify where to send the issue for resolution. Furthermore, reporting employees did not always understand mail preparation requirements, therefore, they sometimes omitted relevant data. The Postal Service could incur increased mail processing costs if mail quality issues are not adequately reported and resolved.

For the period May 2014 through April 2015, there were 44,306 eMIR issues reported nationwide. eMIR was used less than one-tenth of 1 percent of the time to assess additional postage. The primary reason was because the application was not designed to recover costs. Additionally, the information reported in eMIR was often inadequate to calculate the impact.

The Postal Service has an opportunity to use eMIR to support the Seamless Acceptance process for business mail verification by identifying preparation issues and making postage adjustments for mail not processed with automated equipment. But this can only occur if the application gathers the proper details.

What the OIG Recommended

We recommended the vice president, Mail Entry and Payment Technology, evaluate the effectiveness and continued use of eMIR to include updating electronic eMIR forms, establishing an eMIR feedback process that provides specific resolution details to employees who initiate reports, evaluating the use of eMIR in conjunction with Seamless Acceptance to recover costs of improperly prepared mail, and developing and implementing a training program to promote the use of eMIR by mail processing and delivery operations personnel.
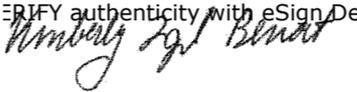
Transmittal Letter

December 8, 2015

MEMORANDUM FOR: PRITHA N. MEHRA
VICE PRESIDENT, MAIL ENTRY AND PAYMENT
TECHNOLOGY

JOSHUA D. COLIN
VICE PRESIDENT, EASTERN AREA OPERATIONS

E-Signed by Kimberly Benoit
VERIFY authenticity with eSign Desktop

FROM: Kimberly F. Benoit
Deputy Assistant Inspector General for Technology,
Investment and Cost

SUBJECT: Audit Report – Electronic Mail Improvement Reporting –
Workshare Mail Quality (Report Number CP-AR-16-001)

This report presents the results of our audit of Electronic Mail Improvement Reporting – Workshare Mail Quality (Project Number 15TG025CP000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Charles Turley, director, Cost and Pricing, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

Table of Contents

Findings

Introduction

This report presents the results of our self-initiated audit of Electronic Mail Improvement Reporting – Workshare Mail Quality (Project Number 15TG025CP000). See Appendix A for additional information about this audit.

The Electronic Mail Improvement Reporting (eMIR) System is a nationwide web-based system that U.S. Postal Service employees use to report business mail quality issues and recurring problems, including issues that were undetected at mail acceptance. Once issues are reported, a Business Service Network (BSN)[1] or Business Mail Entry Unit (BMEU)[2] representative contacts the mailer to resolve them for future mailings. Postal Service employees should record resolutions in eMIR. These resolutions are available to Postal Service staff and mailers through the Enterprise Data Warehouse (EDW). The business objectives of eMIR include linking mail owners/preparers and Postal Service process owners; and improving business processes through data analysis, information management, and continuous feedback.

The eMIR was not designed to recover additional costs the Postal Service incurs due to additional handling of improperly prepared mail. Instead, eMIR was designed to save costs by assigning Postal Service representatives to contact mailers to discuss reported issues, their root causes, and corrective action the mailer will take. As a result, additional postage was assessed on less than one-tenth of 1 percent of issues reported through eMIR.

Summary

Eastern Area personnel did not use the eMIR application effectively to report and resolve mail preparation issues. This is because employees often found it easier to report issues through a telephone call or email. In addition, eMIR did not always direct issues to appropriate personnel for resolution and there was a lack of feedback to employees who reported issues. Finally, eMIR was rarely used to recover additional costs when improperly prepared mail caused additional handling by the Postal Service. The eMIR was not designed to recover costs so the information in the eMIR reports was often inadequate to collect additional postage.

The Postal Service has an opportunity to use eMIR to supplement the Seamless Acceptance (SA)[3] process for mail verification. Employees can use eMIR to identify preparation issues for mail that is not processed on automated equipment. Further, management can use eMIR to confirm SA verification results.

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1   The BSN provides customer service for the Postal Service's 22,000 largest customers. BSN customers have complex issues and generate extremely high revenue. The BSN is part of Consumer and Industry Affairs, whose vice president reports to the deputy postmaster general.
2   The BMEU is the area of a postal facility where mailers present bulk, presorted, and permit mail for acceptance. The BMEU is part of Mail Entry and Payment Technology, whose vice president reports to the chief information officer.
3   SA verification compares electronic presort documentation to barcode scan data obtained from automated mail processing equipment or manual scanning devices. Additional postage is assessed if mail does not meet established thresholds.

Personnel did not use the eMIR application effectively to report and resolve mail preparation issues because:

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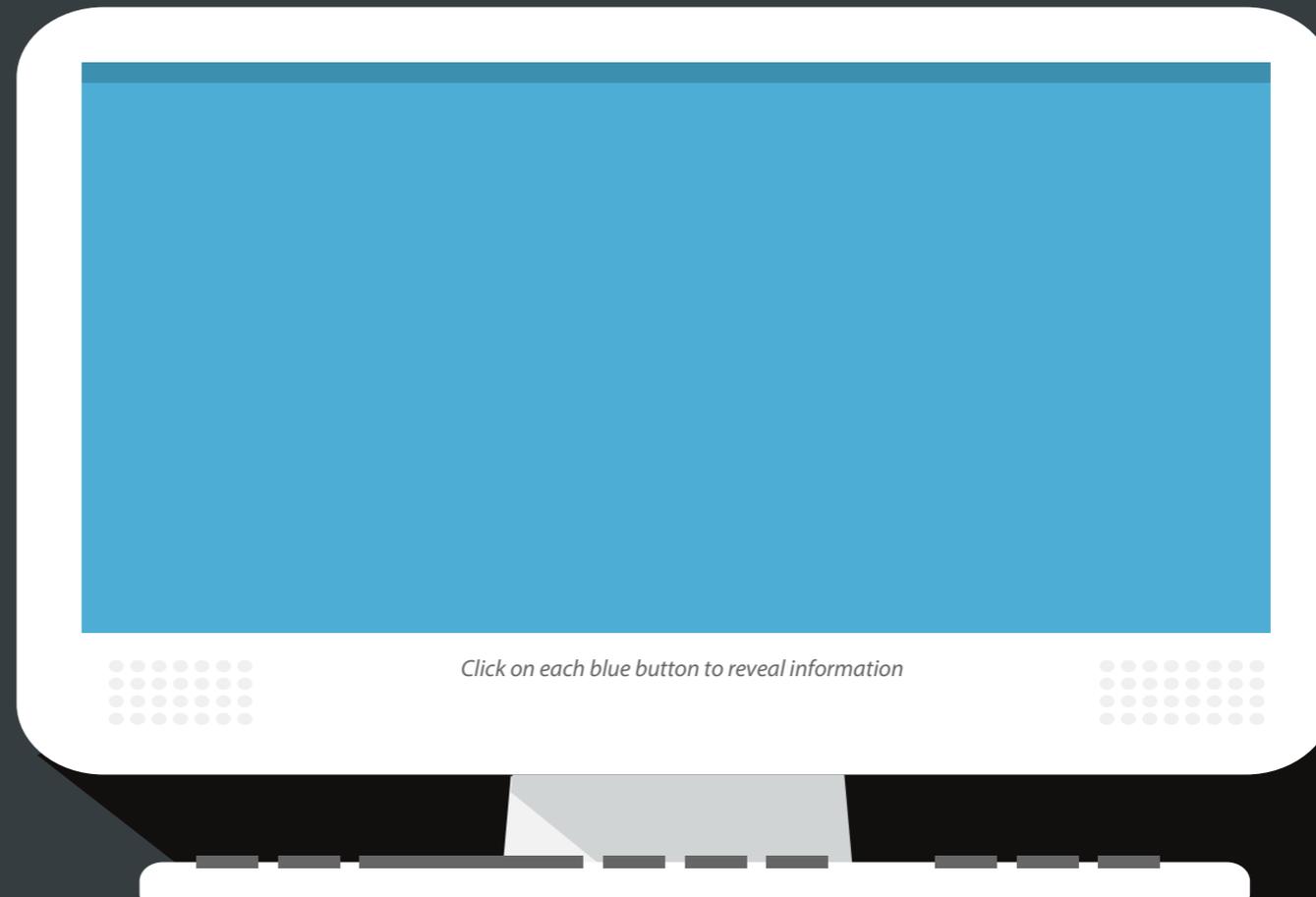
Nationally, for the period of May 2014 through April 2015, 57.3 percent (25,406 of 44,306) of the issues reported in eMIR were listed as unresolved.

About 57.3 percent of the issues reported in eMIR were listed as unresolved. For about 87.4 percent of unresolved issues, eMIR could not identify where to send the issue for resolution.

Mail Preparation Irregularity Reporting and Resolution

Eastern Area employees did not use eMIR effectively to report and resolve mail preparation issues. Managers estimated that about 10 percent of mail irregularities were reported using eMIR because the system is not "user friendly". Mail processing and delivery unit employees often find it easier to call or email the BMEU or BSN to report an issue than to use eMIR because it is not convenient for gathering and logging required data and logging into the application is difficult. Further, employees did not receive consistent feedback regarding what, if any, action was taken to resolve reported issues.

Managers also stated that Operations personnel often do not have sufficient knowledge of mailing requirements to effectively report mail preparation issues in the eMIR System. Nationally, for the period of May 2014 through April 2015, 57.3 percent[4] of issues reported in the eMIR System were listed as unresolved. Most issues go unresolved because insufficient information is provided in the report and the eMIR application cannot always direct issues to the appropriate personnel for resolution. Nationally,

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4   Nationally, 25,406 of 44,306 issues during the period of review were identified as unresolved.

eMIR reports indicated the system could not identify the correct BMEU for about 87.4 percent[5] of unresolved issues. For reports originating in the Eastern Area this occurred for about 88.7[6] percent of unresolved issues.[7]

We surveyed ten Eastern Area mail service providers[8] regarding their understanding of the eMIR application. Although they recalled emails or telephone calls from the Postal Service about mail quality issues, six were not familiar with eMIR and nine could not recall ever being contacted as a result of an eMIR report.

The Postal Service could incur increased mail processing costs if mail quality issues are not adequately reported and resolved. Figure 1 illustrates why mail preparation issues reported through eMIR are unresolved.

Figure 1: Reasons Issues Reported in eMIR are Unresolved
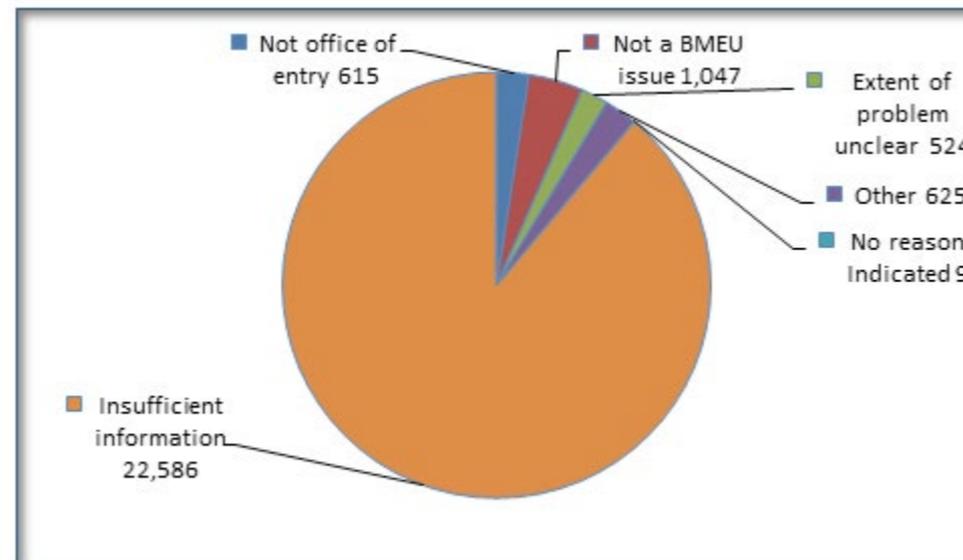
Source: Postal Service eMIR full data extract - May 2014 to April 2015.

Cost Recovery

Resolutions recorded in the eMIR System indicate that additional postage was assessed on less than one-tenth of 1 percent of mail preparation issues reported in eMIR. The resolution process generally involves preventing current issues from occurring again in future mailings. The application was not designed to recover additional costs the Postal Service incurs from additional handling due to improperly prepared mail. Stated eMIR objectives include finding solutions to mail preparation problems and reducing costs, but not cost recovery. Further, it would be difficult to use eMIR as a cost recovery tool because reports often do not provide enough detail to determine additional costs incurred. For instance, there are no fields in the application that specifically request information needed to calculate additional postage, such as the number of pieces affected; therefore, BMEU and BSN personnel rarely initiate collection of additional postage for improperly prepared mail the BMEU has already accepted.

Nationally, we identified that only 0.08 percent[9] of eMIR issues indicated that collection of additional postage was considered. The Postal Service incurs additional costs when mail preparation does not meet the standards for the price paid.

5   Nationwide, eMIR reports indicated the system could not identify the correct BMEU for 22,212 of 25,406 unresolved issues.
6   In the Eastern Area, eMIR reports indicated the system could not identify the correct BMEU for 2,786 of 3,141 unresolved issues.
7   For reports directed to Eastern Area personnel for resolution, 315 of 326 issues were unresolved.
8   Mail service providers are hired by mail owners to perform any number of mail-related activities such as printing, addressing, and mail preparation.
9   We identified 36 of 44,306 eMIR issues indicating collection of additional postage was considered.

The eMIR resolution process generally involves preventing issues from recurring in future mailings. Resolutions recorded in eMIR indicate that additional postage was assessed on less than one-tenth of 1 percent of mail preparation issues reported.

Using Electronic Mail Improvement Reporting to Support Seamless Acceptance

The Postal Service can use eMIR to support SA and is transitioning mail verification to the automated SA process. Management estimated a 30 percent participation rate in the program as of April 2015. Even after this process is fully operational, eMIR will need to report business mail quality issues. Not all mail will be scanned (or scanned enough times) to perform a seamless verification. Additionally, not all mail is required to be automation compatible; therefore, some mail will always have to be processed manually. If mail cannot be processed by machines, it cannot be verified using SA.

We believe Postal Service personnel can continue to use eMIR to report mail quality errors for mail not processed on automated equipment. For example, customers pay lower rates when they conduct worksharing functions such as sorting certain types of mail in the exact order in which the mail carrier will deliver it. This mail should be ready for delivery; however, proper sequencing is not verified until the carrier gets the mail. Carrier route mail that is not properly sequenced causes delivery delays and additional costs because carriers must sort it manually.

We noted that the resolution for seven of 1,195 eMIR issues originating from delivery operations mentioned collecting additional postage even though they reported 428 instances of mail not properly sorted in delivery sequence. Delivery unit employees can use eMIR to report which mail types in each ZIP Code must be manually sorted and the extent of the sort, so additional postage can be collected to offset added costs. Our analysis of eMIR issues initiated by delivery units nationwide found that about 35.8 percent[10] reported out-of-sequence mail. The rate was about 49.2 percent[11] in the Eastern Area.

Finally, management can analyze eMIR reporting to confirm the results of the SA verification process to ensure it is operating properly and effectively. eMIR could reduce the likelihood that the Postal Service will incur additional costs for improperly prepared mail.

Even after SA is fully operational, eMIR can be used to report business mail quality issues.

The Postal Service can use eMIR to:

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10 Nationwide, 428 of 1,195 eMIR issues reported by delivery units were for out-of-sequence carrier route mail.
11 In the Eastern Area, 95 of 193 eMIR reports by delivery units were for out-of-sequence carrier route mail.

Recommendations

We recommend management evaluate the effectiveness of eMIR and whether to continue its use, including updating electronic forms to ensure issues can be effectively resolved, establishing an effective feedback process for reporters, evaluating the use of eMIR to support SA, and developing and implementing a training program for mail processing and delivery personnel.

We recommend the vice president, Mail Entry and Payment Technology, evaluate the effectiveness and continued use of the Electronic Mail Improvement Reporting System to include:

1. Updating the Electronic Mail Improvement Reporting System forms to ensure employee reported mail quality issues can be effectively resolved.

2. Establishing an Electronic Mail Improvement Reporting System feedback process that provides specific resolution details to employees initiating reports.

3. Evaluating the use of the Electronic Mail Improvement Reporting System in conjunction with Seamless Acceptance to recover the costs of improperly prepared mail.

4. Developing and implementing a training program to promote the use of the Electronic Mail Improvement Reporting System by mail processing and delivery personnel.

Management's Comments

Management agreed with three of four recommendations.

Management disagreed with recommendation 1 to update the eMIRSystem forms to ensure employee reported mail quality issues can be effectively resolved. Management did not provide a reason for disagreement, but did provide an overview of the Seamless Acceptance and eInduction programs, and stated that Full-Service verification is scheduled to deploy in January 2017.

Management did not directly address the overarching recommendation to evaluate the effectiveness and continued use of the eMIR System. The assertion for recommendations 2 and 3 is that systems currently in place, or scheduled for implementation, are adequate. Regarding recommendation 4, management stated they will update the current eMIR training course with a targeted implementation date of January 2017.

See Appendix B for management's comments in their entirety.

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to recommendations 1 and 4 in the report.

Management did not directly address the overarching recommendation to evaluate the effectiveness and continued use of the eMIR System. However, based on management responses to the recommendations, we inferred that the Postal Service would continue to use eMIR.

Management disagreed with recommendation 1 to update the eMIR application forms to ensure resolution of reported problems. We reported that field staff did not always use the eMIR application because it was easier to report issues by telephone or email. In addition, we noted that the eMIR System did not always direct reports to appropriate personnel for resolution and reports often did not contain sufficient information to enable resolution. Management's response included a discussion of SA, eInduction, and

Full-Service verification. However, the implementation of these electronic verification programs will not address concerns with the eMIR forms. Unless management's intent is to eliminate the eMIR System and replace it, the issue with the application's forms will continue.

In response to recommendation 2, management agreed with the recommendation but stated the application already provides feedback when an issue is resolved, or unresolvable. However, in meetings with staff in the field and headquarters, it was noted that eMIR did not always direct issues to appropriate personnel for resolution and almost all reported a lack of feedback to employees who reported issues. Management agreed with recommendation 2, however, we do not consider management's actions responsive.

In response to recommendation 3, management agreed with the recommendation. However, they did not address their plans to evaluate how eMIR could be used in conjunction with SA to recover costs of improperly prepared mail. Instead, they discussed how SA, eInduction, and Full-Service verification are used to ensure mail quality and proper payment. Although, management agreed with recommendation 3, we do not consider management's actions responsive.

Management's actions are responsive to recommendation 4. Updating eMIR training should resolve the issues identified in the report.

We do not plan to pursue recommendations 1, 2, and 3 through the formal audit resolution process.

Appendices

Click on the appendix title

to the right to navigate

to the section content.

Appendix A: Additional Information

Background

The Postal Service's eMIR is a web-based reporting system employees use to report mail quality issues and recurring problems such as:

- Unreadable barcodes

- Broken bundles

- Carrier route mail that is out of sequence

- Mislabeled trays

Improperly prepared mail could increase costs and impact efficiency by requiring additional processing or causing delays in delivery.

The business objectives of eMIR were to link stakeholders in a communication loop and provide the ability to:

- Identify who owns or prepares the mailing, the details of the problem, and how the problem is impacting mail processing.

- Inform mail owners/preparers and Postal Service process owners of issues through messaging, dynamic forms, online reports, and system-to-system interfaces.

- Improve business processes through data analysis, information management, and continuous feedback.

eMIR is a repository for mail quality issues, providing the online ability to collect data for mail processing irregularities. Once a mail quality issue or other problem has been identified, the specifics are recorded on a data collection form by a quality specialist, a supervisor, or the employee who encountered the irregularity. A data entry employee enters completed forms into eMIR. The reporting function in eMIR creates a national database of customer preparation issues that management can use to identify trends through a systemic analysis of past preparation problems. eMIR is owned by the Postal Service's Business Mail Entry and Payment Technology group. Managed account[12] issues are resolved through the BSN and non-managed account issues are resolved through the BMEU where the mail was entered.

The system also links a customer's mailing record with the Postal Service's acceptance, verification, and payment systems (eMIR issues flow to the Performance-Based Verification system and trigger increased scrutiny of mailings at acceptance). This electronic linkage enables the Postal Service to access a wealth of online information that it can use to better manage its business. The system delivers electronic documentation and reports, automates the mail irregularity reporting process, improves the tracking of irregularities, and can reduce losses resulting from improperly prepared mail.

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12 According to *BSN Account Mgmt. Processes FY 2013*, p. 85, the criteria for being identified as a "managed account" includes projected annual volume of 680,000 mailpieces, or projected annual revenue of $120,000, and the customer must use three of 14 specifically identified services.

For the year ending April 30, 2015, 31,006 eMIR reports were initiated for 44,306 issues. Table 1 lists the number of eMIR reports initiated by each Postal Service area. Most of the issues were initiated by dock operations. Mail processing operations reported about 20.9 percent[13] of the total eMIR issues. Figure 2 shows the number of eMIR issues initiated by each reporting location.

Table 1: eMIR Reports by Area

Postal Service Area	Number of eMIR Reports
Capital Metro	2,384
Eastern	4,650
Great Lakes	3,925
Northeast	3,621
Pacific	3,114
Southern	8,064
Western	5,248
Total Reports	31,006

Source: EDW eMIR *List of Issues* report (internal).

Figure 2: eMIR Issues by Reporting Location
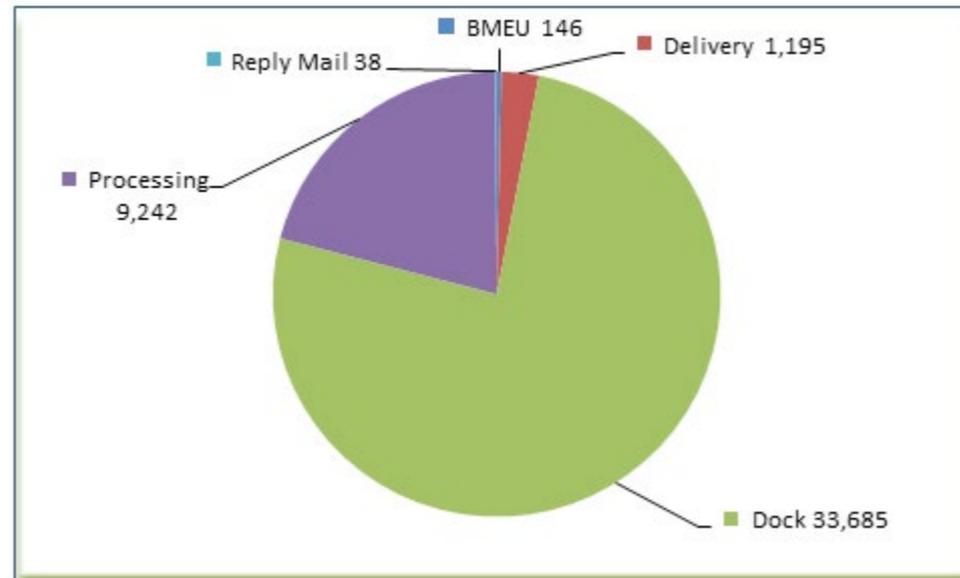
Source: Postal Service eMIR full data extract - May 2014 to April 2015.

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13 9,242 of 44,306 eMIR issues originated from mail processing.

Objective, Scope, and Methodology

Our objective was to determine whether mail processing personnel in the Eastern Area are fully using eMIR to report mail quality issues and recover costs associated with irregularities in workshare mail preparation.

The scope of this project was whether the reporting and resolution of mail preparation irregularities in the eMIR application for a 12-month period (May 2014 – April 2015) included recovery of additional costs incurred. To accomplish our objective we:

- Executed EDW queries to obtain a national list of eMIR issues for the period May 1, 2014, through April 30, 2015. We sorted the issues by area and judgmentally selected the Eastern Area for further review.

- Obtained, reviewed, and analyzed a mainframe extract of eMIR data for the period May 1, 2014, through April 30, 2015, to evaluate irregularities affecting operations and the completeness of eMIR reports.

- Interviewed management at headquarters Mail Entry, Network Operations, Delivery Operations, and Consumer and Industry Affairs departments.

- Interviewed the manager, Consumer and Industry Affairs, and BSN representatives in the Eastern Area.

- Interviewed Northern Ohio and Kentuckiana district office personnel in Finance, Marketing, In-plant Support, Business Mail Entry, and Consumer and Industry Affairs.

- Interviewed ten judgmentally selected mail service providers from the Northern Ohio and Kentuckiana districts to gauge awareness of eMIR and whether there is a perceived benefit.

We conducted this performance audit from March through December 2015, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on October 21, 2015, and included their comments where appropriate.

We did not assess the reliability of any computer-generated data for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit.

Appendix B:
Management's Comments

PRITHA MEHRA
VICE PRESIDENT
MAIL ENTRY & PAYMENT TECHNOLOGY

UNITED STATES
POSTAL SERVICE

November 23, 2015

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Electronic Mail Improvement Reporting – Workshare Mail Quality
Report Number CP-AR-16-DRAFT

Recommendation 1:
Updating the Electronic Mail Improvement Reporting System forms to ensure
employee reported mail quality issues can be effectively resolved.

Management Response/Action Plan:
The USPS disagrees with enhancing the eMir system. The USPS currently has the
ability to measure mailer quality through scanning processes. Mailpieces scanned on
postal equipment are validated to ensure the pieces in a mailing were paid for and
paid for correctly through the Seamless Acceptance program. The eInduction program
measures if scanned containers entering postal facilities were associated to a postage
statement and delivered to the correct postal facility based on the destination discount
claimed on the postage statement. The Postal Service can also determine if a mailer
is eligible for a Full-Service discount by verifying the quality of information provided in
their electronic documentation (Full-Service electronic verification). The Full-Service
electronic verification process is scheduled to deploy in January 2017. Verification
results for all programs are posted on a report called the Mailer Scorecard where the
USPS, and their customers, can measure and track quality. Mailers whose quality dips
below established program thresholds are eligible for a postage assessment.

Target Implementation Date:
January 30, 2017

Responsible Official:
Pritha Mehra, Vice President, Mail Entry and Payment Technologies

Recommendation 2:
Establishing an Electronic Mail Improvement Reporting System feedback process that
provides specific resolution details to employees initiating reports.

475 L'ENFANT PLAZA SW RM 3707
WASHINGTON DC 20260-0911
202/268-8049
FAX: 202/268-8273

Management Response/Action Plan:
The USPS agrees with this recommendation as processes are already in place that addresses this recommendation. Currently, when an eMir issue is identified as resolved or unresolvable by BSN or acceptance employee at the post office of mailing an email is sent to the issue submitter indicating what course of action was taken.

Target Implementation Date:
None

Responsible Official:
None

Recommendation 3:
Evaluating the use of the Electronic Mail Improvement Reporting System in conjunction with Seamless Acceptance to recover the costs of improperly prepared mail.

Management Response/Action Plan:
The USPS agrees with this recommendation. The USPS currently has the ability to measure mailer quality through scanning processes. Mailpieces scanned on postal equipment are validated to ensure the pieces in a mailing were paid for and paid for correctly through the Seamless Acceptance program. The eInduction program measures if scanned containers entering postal facilities were associated to a postage statement and delivered to the correct postal facility based on the destination discount claimed on the postage statement. The Postal Service can also determine if a mailer is eligible for a Full-Service discount by verifying the quality of information provided in their electronic documentation (Full-Service electronic verification). The Full-Service electronic verification process is scheduled to deploy in January 2017. Verification results for all programs are posted on a report called the Mailer Scorecard where the USPS, and their customers, can measure and track quality. Mailers whose quality dips below established program thresholds are eligible for a postage assessment.

Target Implementation Date:
None

Responsible Official:
None

Recommendation 4:
Developing and implementing a training program to promote the use of the Electronic Mail Improvement Reporting System by mail processing and delivery personnel.

Management Response/Action Plan:
The USPS agrees with this recommendation. The USPS will update the current eMir training course number: 10019601- BMA: eMir Electronic Mail Improvement Reporting

which currently resides in the Learning Management System (LMS). The intended audience will be: BMEU clerks/field BME staff, Mail Processing, Delivery employees and reply clerks.

Target Implementation Date:
January 9, 2017

Responsible Official:
Pritha Mehra, Vice President Mail Entry and Payment Technology
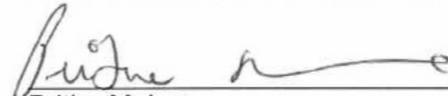
Pritha Mehra

cc: Vice President, Eastern Area Operations
    Manager, Corporate Audit Response Management

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UNITED STATES POSTAL SERVICE

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