



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Des Moines, IA, Network Distribution Center Operations

Management Advisory Report

Report Number
NO-MA-16-001

October 8, 2015

UNITED STATES
POSTAL SERVICE

*Network Distribution Center
Des Moines, IA*



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

We reviewed 13 complaints and found four were substantiated. In addition, we found three complaints were partially substantiated. The remaining six complaints were not substantiated.

Background

U.S. Postal Service network distribution centers (NDC) are part of a national system of 21 highly mechanized and automated mail processing facilities with a transportation network dedicated to handling and moving Standard Mail, Periodicals, Package Services, and other mail classes.

On March 24, 2015, Senator Charles Grassley requested the U.S. Postal Service Office of Inspector General (OIG) review complaints regarding Des Moines, IA, NDC processing and transportation operations. Our objective was to determine the validity of the 13 complaints concerning mail processing and transportation issues.

What The OIG Found

We reviewed 13 complaints and found four were substantiated. Specifically, we found:

- Employees were not always properly handling damaged mail.
- Employees were not always timely notifying customers about their damaged mail.
- Employees were not properly restraining trailer loads of mail.
- The NDC's physical timecard controls did not exist.

In addition, we found three complaints were partially substantiated. Specifically:

- Some employees did not have documented training records for scanning mail.
- Employees did not always properly color code mail to ensure correct processing order.
- More than one supervisor per tour authorized overtime but not all supervisors were trained.

The remaining six complaints were not substantiated. Those complaints were:

- Employees were generally working unauthorized overtime.
- Employees were making overpayments to a Mail Transport Equipment Service Center contractor.
- A mail consolidation contractor was not properly notifying NDC management when mail was returned to the center.
- Internal controls were inadequate to ensure all mail was dispatched.
- Forklifts and pallet jacks were not used properly.
- Employees were assigned to duties for which they were not trained and on-the-job trainers do not provide training.



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What The OIG Recommended

We recommended the vice president, Western Area, instruct the manager, Des Moines NDC, to ensure damaged mail is processed according to the national standard operating procedure and require employees to timely notify customers when contents are separated from the packaging. We also recommended the vice president, Western Area, instruct the manager, Des Moines NDC, to require employees to restrain trailer loads about every 10 feet, ensure that timecards are secured, and provide and document training to employees with scanning responsibilities. Lastly, we recommended the vice president, Western Area, instruct the manager, Des Moines NDC, to ensure the national standard operating procedure for color coding is followed and ensure supervisors approving overtime are trained to use the Time and Attendance Control System.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 8, 2015

MEMORANDUM FOR: DREW T. ALIPERTO
VICE PRESIDENT, WESTERN AREA

E-Signed by Robert Batta
VERIFY authenticity with e-Sign
Robert J. Batta

FROM: Robert J. Batta
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Management Advisory Report – Des Moines, IA, Network
Distribution Center Operations
(Report Number NO-MA-16-001)

This report presents the results of our review of Des Moines, IA, Network Distribution Center Operations (Project Number 15XG033NO000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Margaret B. McDavid, director, Network Processing & Transportation, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Findings

Introduction

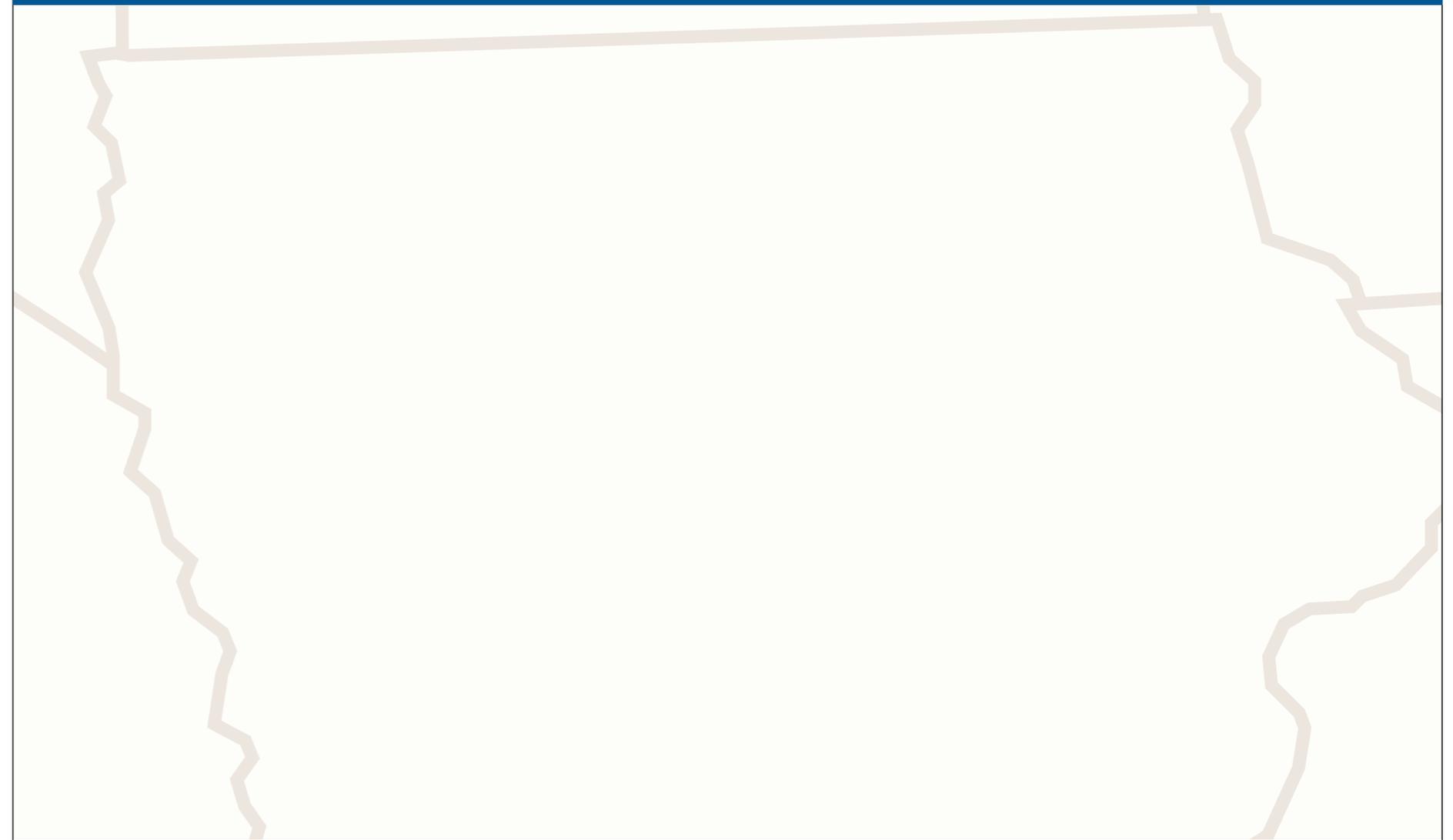
This report presents the results of our review of the Des Moines, IA, Network Distribution Center Operations (Project Number 15XG033NO000). The report responds to a request from Senator Charles Grassley to review complaints made about the Des Moines Network Distribution Center (NDC).¹ Our objective was to determine the validity of the 13 complaints concerning mail processing and transportation issues at the Des Moines NDC. See [Appendix A](#) for additional information about this review.

The U.S. Postal Service's NDCs are part of a national system of 21 highly mechanized and automated mail processing facilities with a transportation network dedicated to handling and moving Standard Mail, Periodicals, and Package Services.

Summary

Of the 13 complaints we examined, four were substantiated, three were partially substantiated, and six were not substantiated.

Reviewed Complaints Against the Des Moines, IA Network Distribution Center Operations



¹ Senator Grassley requested that the U.S. Postal Service's Office of Inspector General (OIG) review five complaints. While conducting our review, the complainant provided eight additional complaints for us to review.

Specifically, the four substantiated complaints were:

- Employees were not always properly handling damaged mail.
- Employees were not always notifying customers in a timely manner when mail contents were separated from the packaging.
- Employees were not properly using load restraints in trailers every 10 feet as required.
- The NDCs' physical timecard controls did not exist.

The three partially substantiated complaints were:

- Not all employees had documented training records for scanning mail.²
- Employees did not always properly color code³ mail to ensure it was processed in the correct order.
- Only one supervisor per tour approved the overtime in the Time and Attendance Control System⁴ (TACS) because the other supervisors have not been trained to do it.

The six unsubstantiated complaints were:

- Employees were consistently working unauthorized overtime hours.
- The center had not taken adequate steps to ensure that it does not overpay a Mail Transport Equipment Service Center (MTEESC) contractor that stores unused mail equipment.
- A mail consolidation contractor, tasked with processing trailers of mail for consolidated transportation, regularly sent mail back to the center without it being consolidated and without providing a reason for why it was sent back.
- There was no coordination between secondary and outbound dock employees to ensure all dispatched containers⁵ reach the assigned dock to get loaded on the correct truck.
- Pallet jacks and forklifts were incorrectly used to unload and load over the road (OTR) containers⁶ on trailers and move OTRs throughout the facility.
- Employees were assigned to duties for which they were not trained and on-the-job trainers do not provide training.

2 Part of the process for the concept of surface visibility where barcodes are scanned in order to capture the handling of mail as it passes through automated and manual processing.

3 Color coding procedures provide a guide to help maintain service goals for Standard Mail. Mail for each day of the week is assigned a particular color so mail can be processed in a first-in, first-out manner.

4 The system used by all installations that automates the collection of employee time and attendance information.

5 The act of labeling, containerizing, and moving mail between operations within a facility or from an operation to the platform area for eventual transport on designated routings to other facilities.

6 A container used in the National Network Distribution System to transport surface mail by truck or railroad; also, a container that moves between an NDC and its associate postal facilities as opposed to a container used exclusively at the NDC.

Substantiated Complaints

Damaged Mail

Complaint: Employees mishandled damaged mail.

Finding: Substantiated – evidence supports the complaint that employees were not always properly handling damaged mail.

Basis for Conclusion:

- Employees were not properly handling items that should be returned to customers. For example, we observed insurance forms, a money order, and checks with return addresses that should have been returned to customers instead of being sent to the Atlanta, GA, Mail Recovery Center (MRC).⁷ The National Rewrap & Loose in Mail⁸ standard operating procedure (SOP) and Des Moines Bulk Mail Center Distribution Operations SOP states financial or other items of a personal nature should be placed in an envelope and sent back to the customer (see Figure 1).
- The Des Moines NDC SOP for Rewrap⁹ was not fully in compliance with national SOP. Interviews with Rewrap employees confirmed contents were not held locally in accordance with the national SOP. There are established retention periods in the national SOP for contents based on the type of item. For example, the national SOP states that keys and wallets should be retained locally for one week before they are disposed of, but *The Des Moines Bulk Mail Center Distribution Operations SOP* states these items are to be disposed of as trash without specifying a retention period. Not following the national SOP could result in customers not having enough time to claim their items before they are sent to the Atlanta MRC or disposed of.

Employees were not properly handling items that should be returned to customers.

Figure 1. Insurance Forms, Money Order, and Checks Prepared to be Sent to the Atlanta MRC



Source: OIG photograph taken June 17, 2015.

Insurance forms that should have been returned to customers rather than sent to Atlanta MRC.



Source: OIG photograph taken June 17, 2015.

Money order that should have been returned to customers rather than sent to Atlanta MRC.



Source: OIG photograph taken June 17, 2015.

Check that should have been returned to customer rather than to Atlanta MRC.

⁷ The Postal Service facility designated to receive and attempt to return undeliverable and is not forwardable mail of obvious value of \$25.00 or more. Unpaid and shortpaid mail without a return address is also sent to the MRC.

⁸ Material separated from the addressed envelope, container, or wrapper in which it was mailed (items such as merchandise, money, and personal objects found in the mailstream or collection boxes).

⁹ The place in a postal facility where soiled or damaged mail is repaired and endorsed to show that it was damaged during processing.

Customer Notification of Damaged Mail

Complaint: Employees were not always timely notifying customers when contents were separated from the packaging.

Finding: Substantiated – we found a backlog of customer notifications.

Basis for Conclusion: The Postal Service's *Loose in Mail Handling Procedures* require Postal Service personnel to mail PS Form 3760, *Parcel Search Request*, to customers when empty package/containers are found. We observed customer notifications backlogged almost 2 months. For example, on July 14, 2015, we found notifications were backlogged from May 15, 2015 (see Figure 2). The MRC is only required to hold the contents for a limited amount of time.¹⁰

***We found a backlog
of customer notifications.***

Figure 2. 2-Month Backlog of Customer Notifications for Damaged Mail



Source: OIG photograph taken July 14, 2015.

¹⁰ *Postal Operations Manual* Issue 9, Section 692, *Mail Recovery Centers*, updated with changes through March 3, 2015.

Load Restraints

Complaint: Employees were not using load restraints in trailers every 10 feet as required.

Finding: Substantiated – employees were not properly using load restraints.

Basis for Conclusion: During the week of July 13, 2015, we found no loads were properly restrained in the 112 trailers we observed (see Figure 3 for an example). According to *Logistics Order SOP 201101 Properly Restraining Mail Containers*, personnel must secure loads with two restraining devices about every 10 feet in all vehicles transporting containers.

Figure 3. Load Not Properly Restrained in Trailer



Source: OIG photograph taken July 1, 2015.

Employees were not properly using load restraints.

Our observations revealed that the racks were not locked.

Timecard Control

Complaint: Physical timecard controls do not exist.

Finding: Substantiated - managers could improve timecard control.

Basis for Conclusion: The *Des Moines, IA, Network Distribution Center Timecard Control SOP* states that badge racks will be locked when that tour's employees are not on the clock. Our observations revealed that the racks were not locked (see Figure 4).

Figure 4. Unlocked Timecard Racks



Source: OIG photograph taken April 23, 2015.

Partially Substantiated Complaints

Scanning Mail

Complaint: Employees did not know how to properly scan mail.

Finding: Partially substantiated – we found some employees with scanning responsibilities did not have documented training records for scanning.

Basis for Conclusion: As of June 18, 2015, 203 of the NDC's 231 employees (88 percent) who have bid jobs that require scanning received scan training. It is important for all employees that are assigned to scanning duties to receive training in order to perform their duties. According to the Postal Service guidebook, *Scanning at a Glance*, properly scanning all barcodes will result in world-class visibility, help retain and grow the Postal Service's shipping business, and reduce costs. Also, the *Des Moines NDC Surface Visibility (SV) Training for FY 2014* states SV scanning is a mandatory function of mail processing and is a condition of employment.

We found some employees with scanning responsibilities did not have documented training records for scanning.

Color Coding of Standard Mail

Complaint: The application of color code tags is not consistent with the national color code policy for Standard Mail.

Finding: Partially substantiated – mail is not always properly color coded.

Basis for Conclusion:

- The *National Color Code Policy for Standard Mail* states color coding helps ensure mail is processed in the correct order, prevents delayed mail, and helps maintain service goals for Standard Mail. We observed delivery tags being used in place of clearance tags (see Figure 5).
- The *National Color Code Policy for Standard Mail* states that in all color code applications, the actual calendar date and time of arrival will be recorded on each tag applied. We judgmentally sampled 495 containers during the week of July 13, 2015, and found that 460 (93 percent) had proper color codes but, of these, only 32 (or 6 percent) had the correct date and time. See Figure 5 for examples of incorrect color code tags and tags without time or date.

Figure 5. Incorrect Color Code Tag Used and No Time and Date on a Tag

Mail is not always properly color coded.



Source: OIG photograph taken July 15, 2015.

Color code applied at inbound dock; color green is correct but type of tag is incorrect (should be a clearance tag not a delivery tag).



Source: OIG photograph taken July 15, 2015.

No date or time annotated on the blue color code tag.

Generally, employees were not working unauthorized overtime.

Overtime Authorization

Complaint: Only one supervisor per tour approved the overtime in TACS because the other supervisors have not been trained.

Finding: Partially substantiated - more than one supervisor per tour authorized overtime but not all supervisors were trained.

Basis for Conclusion: We sampled 5 days in 2015 (January 22, February 2, March 20, April 7, and April 23) and found 11 different supervisors and managers approved overtime requests. Of the 11, we found that seven were trained.

Unsubstantiated Complaints

Overtime

Complaint: Employees were consistently working unauthorized overtime hours.

Finding: Not substantiated – generally, employees were not working unauthorized overtime.

Basis for Conclusion: We judgmentally sampled 906 employee TACS records from the time period May 2014 to April 2015 and found only two instances of one employee working unauthorized overtime.

Overpayment to Contractor

Complaint: The Des Moines NDC had not taken adequate steps to ensure that it does not overpay the MTESS contractor that stores unused mail equipment.

Finding: Not substantiated – we did not find evidence of overpayment to the MTESS contractor.

Basis for Conclusion: During our observations we assessed the process the MTESS contractor used and determined controls were in place to prevent overcharges for equipment already processed by the Des Moines NDC. Specifically, we found equipment needing further processing by the MTESS arrived at the facility and was segregated from the equipment that was already processed. After segregation, equipment needing further processing was brought to the appropriate work station and information was entered into the Mail Transport Equipment Support System (MTESS). Placard information generated quantity and type of equipment processed and was seamlessly uploaded into the system. Information in the MTESS is used to charge the Postal Service.

***Adequate oversight,
communication, and internal
controls are in place to ensure
that all mail is dispatched.***

Contractor Performance

Complaint: A mail consolidation contractor tasked with processing trailers of mail on behalf of the Postal Service regularly sent mail back to the NDC without providing a reason.

Finding: Not substantiated – the contractor was not sending mail back regularly. When they did, they properly notified Des Moines NDC management.

Basis for Conclusion: We found that from October 1, 2014, through June 18, 2015, 7,872 trailers of mail were sent from the Des Moines NDC to the consolidation facility. Of these, 39 were returned to the Des Moines NDC because of inadequate capacity. In each instance, the contractor sent an email notification to Des Moines NDC management indicating why the mail was returned.

Dispatch Communication

Complaint: There was no coordination between secondary and outbound dock employees to ensure all dispatched containers reach the assigned dock to get loaded on the correct truck.

Finding: Not Substantiated - adequate oversight, communication, and internal controls are in place to ensure that all mail is dispatched.

Basis for Conclusion: During our site visits, we observed Postal Service management and craft employees monitoring containers and continually updating checklists to track containers available for dispatch. Supervisors in operations were in contact with dispatch docks via radio. Also, as dispatches were completed, supervisors compared the number of containers dispatched to the number of containers on the checklist to ensure all mail was accounted for.

Forklifts and Pallet Jacks Use

Complaint: Forklifts and pallet jacks were incorrectly used to load and unload OTR containers on trailers and move OTRs throughout the facility.

Finding: Not substantiated - forklifts and pallet jacks may be used to load and unload OTRs.

Basis for Conclusion: According to the *Des Moines Network Distribution Center Standard Operating Procedure* dated January 31, 2014, regarding the movement of containers, forklifts and pallet jacks may be used to load and unload OTRs. In addition, during our site visits, we did not observe forklifts or pallet jacks being used to transport OTRs throughout the facility.

***Employees receive training
and on the job trainers
provided training.***

Training

Complaint: Employees were assigned to duties for which they were not trained and on-the-job trainers do not provide training.

Finding: Not substantiated – employees receive training and on-the-job trainers provided training.

Basis for Conclusion:

- Our review of training records showed that training for employees is conducted by managers, supervisors, and on-the-job trainers.
- As of the week of July 13, 2015, there were 16 on-the-job trainers at the Des Moines, IA, NDC. They said they train employees in safety and job performance. Managers and supervisors confirmed that on-the-job trainers trained employees. For example, we verified that powered equipment operators received training and were powered-industrial-truck certified.

Recommendations

We recommend management ensure damaged mail is processed according to the national standard operating procedure; require employees to timely notify customers when contents are separated from the packaging; require employees to restrain trailer loads about every 10 feet; ensure that timecards are secured; provide and document training to employees with scanning responsibilities; ensure the national standard operating procedure for color coding is followed; ensure supervisors approving overtime are trained to use the TACS.

We recommend the vice president, Western Area, instruct the manager, Des Moines, IA, Network Distribution Center to:

1. Ensure damaged mail is processed according to the national standard operating procedure.
2. Require employees to timely notify customers when contents are separated from the packaging.
3. Require employees to properly restrain trailer loads about every 10 feet.
4. Ensure that timecards are properly secured.
5. Provide and document training to employees with scanning responsibilities.
6. Ensure the national standard operating procedure for color coding is followed.
7. Ensure supervisors approving overtime are trained to use the Time and Attendance Control System.

Management's Comments

Management agreed with the findings and recommendations.

Regarding recommendations 1 and 2, management stated that the Des Moines NDC SOP for Rewrap was not fully in compliance with the National Rewrap & Loose in Mail SOP. Furthermore, employees were not properly handling items that should be returned to customers. Management stated that Des Moines NDC managers will standardize and simplify the Rewrap & Loose in Mail operation using only the national SOP. Management provided the national SOP to employees and eliminated the local policy on September 21, 2015.

Regarding recommendation 3, management stated that Des Moines NDC managers implemented the Denver NDC's "Best Practices" trailer restraint SOP. Management tailored Denver's NDC trailer restraint SOP to fit its own needs and provided it to employees as a handout during a town hall meeting on September 21, 2015.

Regarding recommendation 4, management stated that the Des Moines NDC timecard control SOP states that badge racks will be locked when a tour's employees are not on the clock. Management added that they have ordered locking badge holders and stated the target implementation date is within 1 week of receiving them.

Regarding recommendation 5, management stated that the Des Moines NDC will continue providing proper training to employees with scanning responsibilities and will properly record it. Management also stated they will provide refresher training on current scanning equipment and are sending a management employee to the Postal Service's training facility to learn about new scanners. The employee will train all Des Moines NDC employees on the newest scanners by October 31, 2015.

Regarding recommendation 6, management stated that Des Moines NDC managers will continue providing proper color code training to all employees and properly record it. This will include refresher training as needed for all employees. Management also

stated that the Western Area sent teams to the Des Moines NDC to verify and validate color code compliance and the teams will conduct a secondary observation on September 30, 2015.

Regarding recommendation 7, management stated they previously trained all existing supervisors at the Des Moines NDC on using TACS. Management also stated they will train all new supervisors on TACS through the new supervisor program and train acting supervisors on TACS after 2 weeks on the job and employee commitment to the detail assignment.

See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report. Management's corrective actions should resolve the issues identified in the report.

Recommendations 1, 2, 3, and 7 can be closed in the Postal Service's follow-up tracking system upon issuance of the report. The OIG considers recommendations 4, 5, and 6 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Background

Postal Service NDCs are part of a national system¹¹ of 21 facilities with a transportation network dedicated to handling and moving standard mail and some other classes of mail.¹² The Des Moines, IA, NDC is a Tier 3 plant¹³ in the Postal Service's Western Area.

The Des Moines, IA, MTEESC is in Urbandale, IA. The current Des Moines MTEESC contractor has operated the facility since July 2012. The MTEESC network is a centrally managed system of contractor-operated service centers designed to supply pallets, tubs, trays, mailbags, and other mail transport equipment (MTE) to mail processing facilities and large customers (mailers) nationwide. The MTEESC network uses dedicated transportation to deliver MTE to Postal Service processing facilities, including the Des Moines, IA, NDC; recover MTE that is no longer needed or serviceable; and process MTE for inventory and redistribution.

On March 24, 2015, Senator Charles Grassley requested that the OIG review five complaints about the Des Moines, IA, NDC. While conducting our review, the complainant provided eight additional complaints for review.

Objective, Scope, and Methodology

Our objective was to determine the validity of complaints concerning mail processing and transportation issues at the Des Moines, IA, NDC.

To accomplish our objective, we:

- Conducted multiple interviews of the complainant and reviewed documentation received.
- Observed mail processing operations at the Des Moines NDC during the weeks of June 15 and July 13, 2015.
- Discussed the complaints with Des Moines, IA, NDC management and obtained their feedback.
- Reviewed training records for Des Moines, IA, NDC employees.
- Reviewed records for overtime at the Des Moines, IA, NDC.
- Reviewed SOPs for mail processing operations at the Des Moines, IA, NDC.
- Conducted observations and interviewed management at the MTEESC.
- Conducted observations and interviewed management at the consolidation/deconsolidation facility. Obtained records of communications to the Des Moines, IA, NDC.

¹¹ The purpose of NDCs is to concentrate "...the processing of bulk mail to increase operational efficiency, decrease costs, and maintain service, while expanding the surface transportation reach."

¹² Some NDCs have incorporated surface transfer center operations that handle significant volumes of First-Class Mail and Priority Mail.

¹³ Tier 3 NDCs consolidate less than truckload containers, dispatch direct surface mail to Automated Area Distribution Centers, Area Distribution Centers, and NDCs.

We conducted this review from May through October 2015 in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*. We discussed our observations and conclusions with management on September 1, 2015, and included their comments where appropriate.

To conduct this review, we relied on computer-generated data from the Postal Service’s TACS and Enterprise Data Warehouse. We did not test the controls over these systems; however, for TACS, we relied on a prior OIG audit of TACS¹⁴ that reported that TACS has sufficient controls in place to ensure automated clock rings entered into the application were accurately accepted and processed. For the other systems, we checked the reasonableness of our results by confirming our analysis and results with Postal Service managers and from different data sources. We determined the data were sufficiently reliable for the purpose of this report.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Internal Controls and Transportation Associated with the Des Moines, IA, Mail Transport Equipment Service Center</i>	NO-AR-14-003	4/29/2014	\$2.5

Report Results: The Postal Service could improve controls over MTE operations and transportation at the Des Moines MTE SC and associated processing facilities. We found that management did not have comprehensive controls over contractor processing, invoicing, repairing, and handling of MTE; and did not adequately monitor the contractor’s performance. Further, the Des Moines MTE SC did not always have adequate security. In addition, some processing facilities were not complying with MTE policies and were sending non-MTE to the Des Moines MTE SC. Some processing facilities were not inspecting MTE for mail before sending it to the Des Moines MTE SC and some were purchasing new cardboard instead of ordering it from Des Moines MTE SC inventory, where it was available. Management agreed with the recommendations.

<i>Postal Service Initiative: Consolidation of Mail for Transportation Between Network Distribution Centers</i>	NL-AR-12-006	5/29/2012	\$15.4
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Report Results: The loading and unloading method used before the mail consolidation pilot was efficient based on workhours; however, it resulted in additional transportation costs. We determined that the consolidation increased mail handling time and costs but saved money overall and improved trailer utilization. We also found the use of contracted labor and facilities for consolidations provides the most flexibility and savings. Finally, we determined an onsite Postal Service managerial presence is needed at the consolidation facilities. Management agreed with the recommendations.

¹⁴ *Application Control Review of the Time and Attendance Collection System* (Report Number IS-AR-08-014, dated August 14, 2008).

Appendix B: Management's Comments

DREW T. ALIPERTO
VICE PRESIDENT, WESTERN AREA OPERATIONS



September 25, 2015

Laurie Dillard
Director, Audit Operations

SUBJECT: Draft Management Advisory Report – Des Moines, IA,
Network Distribution Center Operations NO-MA-15-DRAFT

Summary:

The U.S. Postal Service's network distribution centers (NDCs) are part of a national system of 21 highly mechanized and automated mail processing facilities with a transportation network dedicated to handling and moving Standard Mail, Periodicals, Package Services and other mail classes. On March 24, 2015, Senator Charles Grassley requested the U.S. Postal Service Office of Inspector General review complaints regarding the Des Moines, IA, NDC processing and transportation operations. The objective was to determine the validity of the 13 complaints concerning mail processing and transportation issues at the Des Moines NDC. Four of the 13 complaints were substantiated, three were partly substantiated, six were not substantiated. The recommendations represent the results of the review of the Des Moines, IA, Network Distribution Center Operations (Project Number 15XG033NO000). The report responds to a request from Senator Charles Grassley to review complaints made about the Des Moines Network Distribution Center (NDC). Exhibits as described below are attached:

- A – SOP, Trailer Load and Unload Procedures, recommendation
- B – Badge Rack, eBay requisition and instruction to install
- C – OIE Trip report
- D – TACS Training

Management's response to the four substantiated complaints are as follows:

1. Ensure damaged mail is processed according to the national standard operating procedure.

Management Response: Agree with recommendation. The Des Moines NDC SOP for Rewrap was not fully in compliance with the National Rewrap & Loose in the Mail SOP. The Des Moines NDC will standardize and simplify our Rewrap & Loose in Mail operation using only the National SOP. We have provided the National Color Policy as a handout with Q & A to the employees and eliminated the local policy.

Target Implementation Date:

This process was implemented on September 21, 2015.

Responsible Official:

Manager In-Plant Support - Hawkeye District

1745 STOUT STREET SUITE 1000
DENVER CO 80299-5000
303/313-5101
FAX: 303/313-5102
WWW.USPS.COM

2. Require employees to timely notify customers when contents are separated from the packaging.

Response: Agree with recommendation. Employees were not properly handling items that should be returned to customers. The Des Moines NDC will comply with the National SOP for handling Rewrap & Loose in Mail. We have provided the National Rewrap SOP as a handout with Q & A to the Loose In Mail and General Clerks and eliminated the local policy.

Target Implementation Date:

This process was implemented on September 21, 2015.

Responsible Official:

Manager, In-Plant Support - Hawkeye District

3. Require employees to properly restrain trailer loads approximately every 10 feet.

Response: Agree with recommendation. The Des Moines NDC implemented the Denver NDC "Best Practices" trailer restraint SOP. We tailored the Denver NDC trailer restraint SOP to the Des Moines NDC and provided it to the employees as a handout and at town hall meetings for the entire facility with Q & A. (See Exhibit A SOP Trailer Procedures)

Target Implementation Date:

This process was implemented on September 21, 2015.

Responsible Official:

Manager, In-Plant Support - Hawkeye District
Manager, Distribution Operations- Hawkeye District

4. Ensure that time cards are properly secured.

Response: Agree with recommendation. The Des Moines NDC Timecard Control SOP states that badge racks will be locked when that tour's employees are not on the clock. The Des Moines NDC has ordered locking badge holders. (See Exhibit B Badge Rack eBuy requisition and instruction)

Target Implementation Date:

Within one week of receipt of equipment

Responsible Official:

Manager, Distribution Operations – Hawkeye District
Maintenance – Hawkeye District

Management's response to the three partially substantiated complaints are as follows:

5. Provide and document training to employees with scanning responsibilities.

Response: Agree with recommendation. The Des Moines NDC will continue to provide the proper training and recording of said training for all employees. This process is on-going and continuous.

We will be completing a refresher training on current scanning equipment. We are sending an EAS employee to Bolger to learn about the new SV scanners upon return the EAS employee will be in charge of providing training to all employees on the newest scanners. This training will be documented locally.

Target Implementation Date:

October 31, 2015

Responsible Official:

Manager, In-Plant Support - Hawkeye District
Manager, Distribution Operations – Hawkeye District
Supervisor, Distribution Operations – Hawkeye District
On the Job Instructor – Hawkeye District

6. Ensure the national standard operating procedure for color coding is followed.

Response: Agree with recommendation. The Des Moines NDC will continue to provide the proper color code training and recording of said training for all employees. This will include refresher training as needed for ALL employees. The Western Area has sent teams to the Des Moines NDC to verify and validate color code compliance, a secondary observation will be conducted September 30, 2015. (See Exhibit C OIE Trip Report)

Target Implementation Date:

September 30, 2015

This process is on-going and continuous based on visual cues and as new employees are hired.

Responsible Official:

Manager, In-Plant Support - Hawkeye District
Manager, Distribution Operations – Hawkeye District
Supervisor, Distribution Operations – Hawkeye District
On the Job Instructor – Hawkeye District

7. Ensure supervisors approving overtime are properly trained to use the Time and Attendance Collection System (TACS).

Response: Agree with recommendation. We have previously provided all existing supervisors at the Des Moines NDC with TACS training. All new supervisors will receive TACS training through the New Supervisor Program. Acting Supervisor (204B) TACS training is provided after two (2) weeks in the Supervisory role, once the employee commits to the detail assignment. (See Exhibit D TACS Training)

Target Implementation Date:

This process will be on-going and continuous for all new EAS as they are awarded positions.

Responsible Official:

Manager, In-Plant Support - Hawkeye District
Manager, Distribution Operations – Hawkeye District
Supervisor, Distribution Operations – Hawkeye District
On the Job Instructor – Hawkeye

This report and management's response do not contain information that may be exempt from disclosure under the FOIA.



Drew T. Aliperto

Cc: Sally K. Haring, Manager Corporate Audit and Response Management, U.S. Postal Service
Erica Brix, Manager, Operations Support, Western Area
Tammy Rose, A/ Controller, Western Area
Jim Herrmann, District Manager, Hawkeye District
Mary Alt, Senior Plant Manager, Hawkeye District



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