



Office of Inspector General | United States Postal Service

Audit Report

U.S. Postal Service Emergency Suspension Process

Report Number SM-AR-18-007 | September 24, 2018

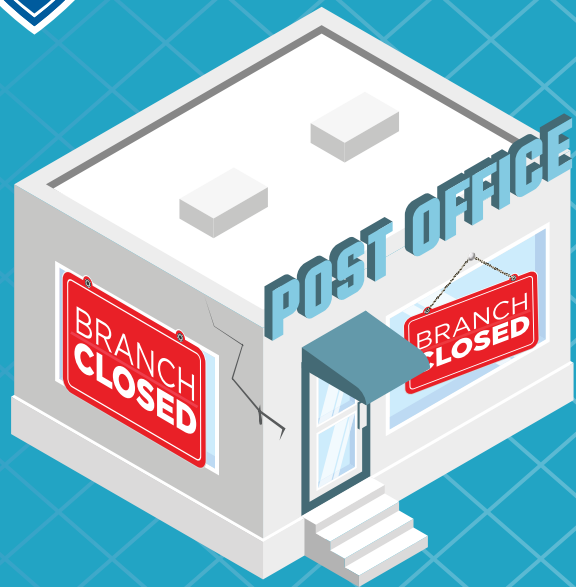


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Highlights

Objective

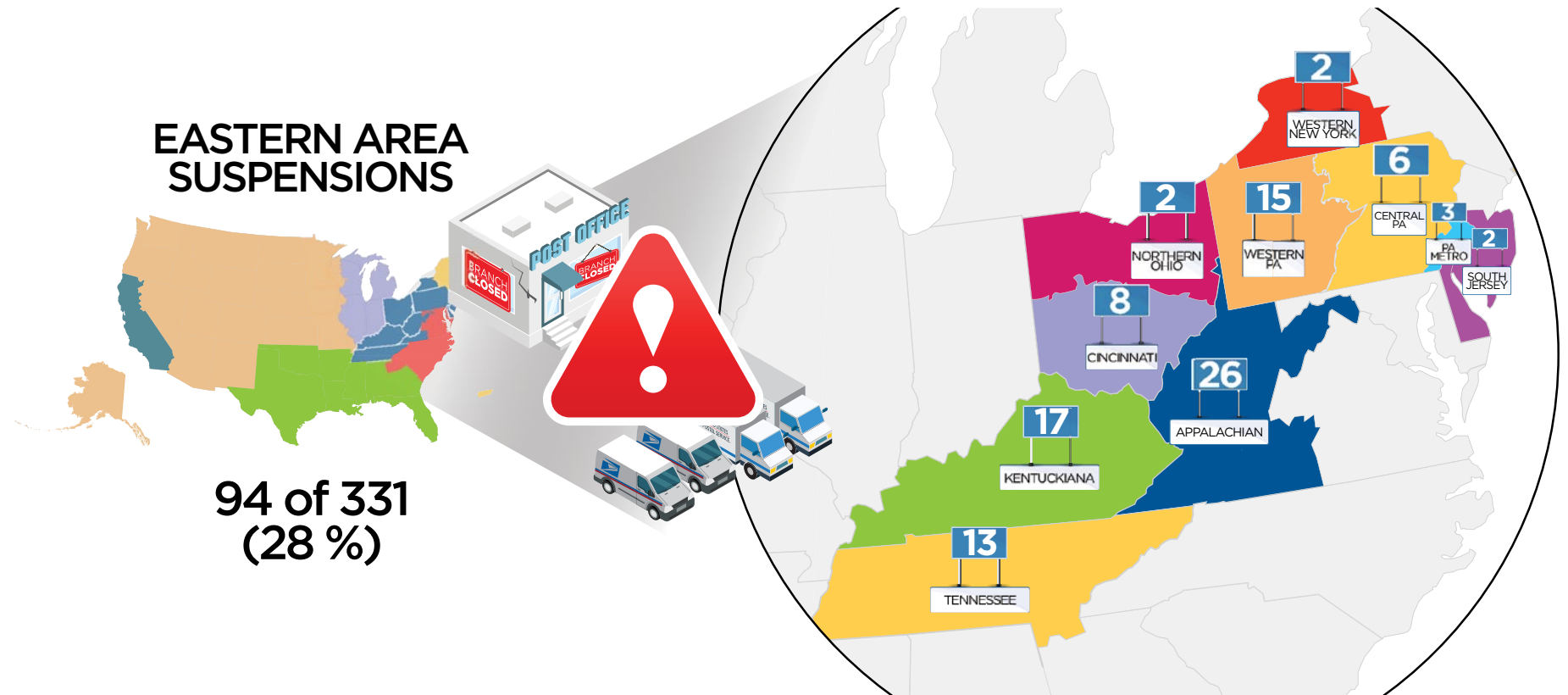
Our objective was to assess whether emergency suspensions of U.S. Postal Service facilities in the Eastern Area are executed in compliance with policies and procedures, including actions taken to reopen or discontinue facilities.

District managers may suspend the operations of any post office, classified station, or branch under its jurisdiction for the following reasons: a natural disaster; termination of a lease or rental agreement; lack of qualified personnel to operate the office; irreparable damage when no suitable alternate quarters are available in the community; severe damage to, or destruction of an office;

challenge to the sanctity of the mail; and lack of adequate measures to safeguard the office or its revenue.

As of March 31, 2018, there were 331 facilities nationwide in an emergency suspension status, with 94 (or 28 percent) facilities in the Eastern Area. Based on the Eastern area having the largest number of suspensions, we selected a statistical sample of 63 of the 94 suspensions. There have been facilities in the Eastern area suspended for up to 17 years.

“Current suspension policies lack procedures for ensuring that suspensions are adequately monitored and managed effectively and efficiently.”



What the OIG Found

Eastern Area district personnel did not consistently comply with policies and procedures to ensure suspension decisions had an independent review, customers were appropriately notified, required approvals were obtained, or action plans were developed.

Specifically, we identified:

- Ninety-seven percent (61 of 63) of the facility suspensions, or 91 suspensions projected over the universe of 94, did not provide evidence that a suspension review team was established, to independently review the suspension decision.
- Forty-four percent (28 of 63) of the facility suspensions did not have evidence of district manager approval, or district manager approval was on the CSDC's Notice of Post Office Emergency Suspension form after the facility was suspended. In eight of the 28 suspensions, districts approved the suspension between 3 and 33 months after its initiation.
- Thirty-seven percent (23 of 63) of the facility suspensions did not have evidence that affected customers were notified via individual letters, as required.
- Fourteen percent (nine of 63) of the facility suspensions did not have a plan of action as part of the Notice of Post Office Emergency Suspension form, which is used to communicate suspension activities to headquarters.

In addition, emergency suspensions are not adequately being monitored by area or district personnel for timely resolution of suspensions.

These issues occurred because:

- Discussions with key personnel were not formally documented to reflect creation of a suspension review team, or to support the decision rendered. When suspension review teams are not created, the suspension process moves forward without an additional review/assessment of the district manager's decision;
- District manager approvals cannot be validated due to poor documentation retention practices. By not maintaining adequate supporting documentation,

management is not compliant with policy and cannot validate that appropriate approvals were obtained;

- In some instances, facilities decided to post the notification at the facility or on a website, rather than issuing individual letters to customers. In addition, district personnel are not retaining supporting documentation related to customer notification letters to ensure compliance. When individual letters are not issued to customers, suspension activity information may not reach the intended/impacted audience; therefore, the customer experience may be negatively impacted. Other methods of notification do not provide the same level of assurance that notification is received as the individual letter;
- Plans of action were not provided because district management did not complete that part of the CSDC's Notice of Post Office Emergency Suspension form. It appears that in lieu of a plan of action, district management is verbally communicating status and actions to be taken to the respective parties. When there is no plan of action, there is no formal documentation of actions that will ensure facilities are reopened or discontinued; and
- Current suspension policies lack procedures for ensuring that suspensions are adequately monitored and managed effectively and efficiently. When policies and procedures are not comprehensive enough to ensure adequate monitoring, there is an increased risk that program goals and objectives will not be achieved. In addition, lack of monitoring could prolong the suspension process, leaving facilities suspended longer than necessary and potentially impacting the customer experience.

What The OIG Recommended

We recommended management reinforce policy on the suspension process for district personnel who manage emergency suspensions through formal communications and refresher training; develop standard operating procedures, or enhance current guidance for the emergency suspension process to be more comprehensive in the areas of roles and responsibilities, deliverables, monitoring, and communication protocols; and take appropriate actions to address: (1) facilities stagnate in the discontinuance process, (2) facilities without alternate quarter searches conducted, and (3) the facility with an incorrect recording in the Change Suspension Discontinuance Center.

Transmittal Letter




OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 24, 2018

MEMORANDUM FOR: KEVIN L. MCADAMS
VICE PRESIDENT, DELIVERY OPERATIONS

JOSHUA D. COLIN
VICE PRESIDENT, EASTERN AREA

E-Signed by Charles Turley 
Verify authenticity with eSign Desktop

FROM: Charles L. Turley
Deputy Assistant Inspector General
for Supply Management & Human Resources

SUBJECT: Audit Report – U.S. Postal Service Emergency Suspension
Process (Report Number SM-AR-18-007)

This report presents the results of our audit of the U.S. Postal Service Emergency Suspension Process (Project Number 18SMG016SM000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Victoria Smith, Acting Director, Supply Management & Facilities, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service’s Emergency Suspension Process (Project Number 18SMG016SM000). This audit responds to concerns customers raised to Congress about their post offices being suspended. Our objective was to assess whether emergency suspensions of Postal Service facilities in the Eastern Area are executed in compliance with policies and procedures, including actions taken to reopen or discontinue facilities.

As of March 31, 2018, there were 331 facilities nationwide in an emergency suspension in the Change Suspension Discontinuance Center (CSDC)¹, which included post offices, remotely managed post offices (RMPO)², and stations. The audit scope covered the Eastern Area, which represents 28 percent (94 of 331) of suspended facilities nationwide. We reviewed a statistical sample of 63 facilities in 10 Eastern Area districts (see Table 1).

“The audit scope covered the Eastern Area, which represents 28 percent of suspended facilities nationwide.”

Table 1: Emergency Suspensions by District

District	Universe	Sample
Appalachian	26	17
Central Pennsylvania	6	2
Kentuckiana	17	11

District	Universe	Sample
Northern Ohio	2	2
Ohio Valley	8	6
Philadelphia Metro	3	2
South Jersey	2	1
Tennessee	13	9
Western New York	2	2
Western Pennsylvania	15	11
Total	94	63

Source: U.S. Postal Service Office of Inspector General (OIG) analysis.

Background

The Postal Service manages over 30,825 post offices nationwide and its mission is to provide a reliable, efficient, trusted, and affordable universal delivery service that connects people and helps businesses grow. Under certain circumstances, post office operations may be suspended. Postal Service policy³ states that district managers may suspend the operations of any post office, classified station, or branch under its jurisdiction for the following reasons: a natural disaster; termination of a lease or rental agreement; lack of qualified personnel to operate the office; irreparable damage when no suitable alternate quarters are available in the community; severe damage to, or destruction of an office; challenge to the sanctity of the mail; or lack of adequate measures to safeguard the office or its revenue (see Table 2).

¹ A clearinghouse for all information pertaining to post office closings.

² A post office that offers part-time window service hours, is staffed by a Postal Service employee at the direction of a postmaster, and reports to an Administrative Post Office. All references to “Post Office” include RMPOs.

³ Handbook PO-101, *Postal Service-Operated Retail Facilities Discontinuance Guide*, Section 61, Suspensions, dated October 2012. A prior version of Handbook PO-101 titled *Post Office Discontinuance Guide* was effective in January 1994 and revised in August 2004.

Table 2: Emergency Suspension Justification per District

District	Natural Disaster	Lease Termination	Lack of Qualified Personnel	Damage	Lack of Adequate Measures to Safeguard Office	Total
Appalachian		6	1	10		17
Central Pennsylvania		1		1		2
Kentuckiana		1	7	3		11
Northern Ohio				2		2
Ohio Valley		4		2		6
Philadelphia Metro		2				2
South Jersey				1		1
Tennessee	1	4	1	2	1	9
Western New York		2				2
Western Pennsylvania		7		4		11
Total	1	27	9	25	1	63

Source: U.S. Postal Service OIG analysis.

Finding #1: Non-Compliance with Policies and Procedures

Eastern Area district personnel did not consistently comply with policies and procedures to ensure suspension decisions had an independent review, customers were appropriately notified, required approvals were obtained, or action plans were developed. Specifically, we identified:

- Ninety-seven percent (61 of 63) of the facility suspensions, or 91 suspensions projected over the universe of 94, did not establish a suspension review team or provide evidence that key suspension review team activities were conducted, per policy⁴. Policy states that “When a district manager suspends operations at a retail facility, a suspension review team must be formed

to review the decision.” The suspension review team reviews the district manager’s decision to suspend a facility, including conducting a site visit of the facility, and provides a recommendation to suspend or not suspend.

District managers indicated that during the suspension process, discussions with key personnel (Manager of Post Office Operations, Discontinuance Coordinator, etc.) may have occurred; however, there is no supporting evidence to substantiate the topics discussed or the decisions rendered, or that all members were included in the discussion. The suspension review team review is the only independent review/assessment of the district manager’s decision prior to actions taken to physically suspend a facility. When suspension review teams are not created, the suspension process

⁴ Handbook PO -101, Section 61, Sub-section 616.

moves forward without an additional review/assessment of the district manager's decision.

- Forty-four percent (28 of 63) of the facility suspensions did not have evidence of district manager approval, or district manager approval was on the CSDC's Notice of Post Office Emergency Suspension form after the facility was suspended. In eight of the 28 suspensions, districts approved the suspension between 3 and 33 months after its initiation. District managers have the authority to "suspend the operations of any post office, classified station, or classified branch under their jurisdiction for reasons such as those identified in the policy."⁵

District manager approval cannot be validated due to poor document retention practices. In some instances, personnel who initiated the suspension process have left the Postal Service without transitioning the documentation to support decisions/approvals made. In other instances, the Notice of Post Office Emergency Suspension form generated in the CSDC system did not have the required approvals. By not maintaining adequate supporting documentation, management is not complying with policy and cannot validate that appropriate approvals were obtained.

- Thirty-seven percent (23 of 63) of facility suspensions did not have evidence that affected customers were notified via individual letters, as required.⁶ Policy states that the Postal Service must "notify affected customers immediately by individual letter." The individual letter includes information such as "effective date, reason for suspension, alternate services available including how to request curbside delivery, the nearest retail facilities and hours of service, and the name and telephone number of person to contact for more information."

In some instances, facilities decided to post the notification at the facility or on a website,⁷ rather than issuing individual letters to customers. In addition, district personnel are not retaining supporting documentation related to customer notification letters to ensure compliance. When individual letters

are not issued to customers, suspension activity information may not reach the intended/impacted audience; therefore, the customer experience may be negatively impacted. Other methods of notification do not provide the same level of assurance that notification is received as the individual letter.

- Fourteen percent (nine of 63) of the facility suspensions did not have a plan of action as part of the CSDC's Notice of Post Office Emergency Suspension form, which is used to communicate suspension activities to headquarters. A plan of action is required when there has not been a discontinuance study. "If the district manager determines not to initiate a discontinuance study, the district manager must determine a plan of action to restore service, secure suitable alternate quarters, or take other necessary corrective action....and must be provided to the appropriate official⁸ no later than the 90 days after suspension takes effect."⁹

Plans of action were not provided because district management did not complete that part of the CSDC's Notice of Post Office Emergency Suspension form. It appears that in lieu of a plan of action, district management is verbally communicating status and actions to be taken to the respective parties. When there is no plan of action, there is no formal documentation of actions that will ensure facilities are reopened or discontinued. In addition, a plan of action serves as a management accountability tool for prioritizing objectives and goals to help resolve suspensions timely.

"Eastern Area district personnel did not consistently comply with policies and procedures."

Recommendation #1

The **Vice President, Eastern Area**, reinforce policy for district personnel who manage emergency suspensions through formal communications and refresher training on the suspension process.

5 Handbook PO -101, Section 61, Sub-section 612.

6 Handbook PO -101, Section 61, Sub-section 613.3.

7 Example of a website used: [Lutts Post Office](#).

8 Vice President, Delivery and Post Office Operations.

9 Handbook PO -101, Section 61, Sub-section 618.

Finding #2: Lack of Monitoring

Emergency suspension policies and procedures are not comprehensive enough to ensure adequate monitoring by area or district personnel for timely approval and resolution of suspensions. Specifically, the policy does not address:

- Roles and responsibilities for oversight of emergency suspensions.
- Ongoing communication to keep public abreast of suspension status throughout the process, that could include electronic or paper media.
- Requirements for the plan of action that include specific deliverables, timeframes, and a mechanism for documenting long term activities for restoring or closing operations.
- Requirements for monitoring controls by relevant groups (headquarters, Operations, and Facilities) involved in suspensions to assess progress, roadblocks, and timelines of completion; and documentation requirements for supporting evidence of suspensions.

Based on the procedure gaps within the emergency suspension guidance we found that:

- Thirty-nine of the 63 emergency suspended facilities are currently in the discontinuance process ranging from 1 to 17 years and these facilities have not completed the process to permanently close; therefore, they remain in suspended status.
- Two of the 63 emergency suspended facilities had plans of action that led the district to believe the Facilities group was performing alternate quarter searches; however, the Facilities group was unaware and did not have any active projects related to these facilities.
- One facility was officially discontinued and the discontinuance was announced in a 1988 Postal Bulletin, yet it was still recorded as an emergency suspension in CSDC.

These issues occurred because current suspension policies lack procedures for ensuring that suspensions are adequately monitored and managed effectively and efficiently. An effective control system consisting of well-defined processes and procedures is critical to protecting the Postal Service's brand. Monitoring suspended facilities is absent from the policy¹⁰ on how suspended facilities should be monitored.

When policies and procedures are not comprehensive enough to ensure adequate monitoring, there is an increased risk that program goals and objectives will not be achieved. In addition, lack of monitoring could prolong the suspension process, leaving facilities suspended longer than necessary and potentially impacting the customer experience.

“When policies and procedures are not comprehensive enough to ensure adequate monitoring, there is an increased risk that program goals and objectives will not be achieved.”

Recommendation #2

The **Vice President, Delivery Operations**, develop standard operating procedures, or enhance current guidance for the emergency suspension process to be more comprehensive in the areas of roles and responsibilities, deliverables, monitoring, and communication protocols.

Recommendation #3

The **Eastern Area Vice President** take appropriate action to address: (1) facilities stagnate in the discontinuance process, (2) facilities without alternate quarter searches conducted, and (3) the facility with an incorrect recording in the Change Suspension Discontinuance Center.

¹⁰ Handbook PO-101, Section 6.

Management's Comments

Management disagreed with some aspects of findings 1 and 2; however, management did agree, in principle, with recommendations 1, 2, and 3.

Management disagreed with the portion of finding 1 stating that customers are not being notified of facility suspensions via individual letters. Management stated that notices of suspension were posted at the suspended facilities and that PO box customers were notified via letters addressed to postal patrons, and that the OIG did not deem this as compliant with "individual letter" requirements. Management considers this proper notification.

Management shared their concerns with finding 2, stating the roles and responsibilities included Handbook PO-101, Chapter 6, and the potential impact their concerns would have on the validity our analysis.

Management agreed with recommendation 1, stating that each district will be required to certify that they have a CSDC coordinator who is familiar with the procedures laid out in Handbook PO-101, Chapter 6. The area coordinator will also host a refresher training session with the district coordinators. The target implementation date is November 2018.

Management agreed with recommendation 2, stating that Field Performance will develop standard operating procedures for the emergency suspension process that includes the roles and responsibilities of the parties involved in the process, along with timelines and deliverables. These instructions will be communicated to area and district coordinators via WebEx and posted on the CSDC website. The target implementation date is January 2019.

Management agreed with recommendation 3, and stated the Eastern Area will coordinate with HQ and field offices to ensure facilities are reviewed quarterly to monitor progress and prevent stagnation. Additionally, the Eastern Area will ensure district CSDC coordinators assist the facilities with performing alternate quarter's searches timely. The Eastern Area CSDC coordinator will review CSDC entries to validate all entries made by CSDC district coordinators. The target implementation date is November 2018.

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 and corrective actions should resolve the issues identified in the report.

We disagree with management's assertion that customer notifications posted at suspended offices comply with Postal Service policy, which states that the Postal Service must "notify affected customers immediately by individual letter" when it suspends a facility. When individual letters are not issued to customers, suspension activity information may not reach the intended/impacted audience; therefore, the customer experience may be negatively impacted. Other methods of notification do not provide the same level of assurance that notification is received as an individual letter.

We disagree with management's assertion that roles and responsibilities are included in Handbook PO-101, Chapter 6. As indicated in the report, current guidance lacks reference to roles and responsibilities related to overseeing and monitoring emergency suspension activities. The roles and responsibilities outlined in Handbook PO-101, Chapter 6, that management referenced relate to administrative items in the emergency suspension process, rather than oversight or monitoring responsibilities.

We disagree with management's interpretation regarding the facility with an incorrect recording in CSDC not being specifically identified in the audit report. The facility was part of our statistical sample of emergency suspended facilities in the Eastern Area as of March 2018. During testing, we learned that the facility was permanently closed, with the closure notice published in the Postal Bulletin in 1988; therefore, it should not have been on the list of emergency suspensions when we pulled our data.

All recommendations require 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 the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Scope and Methodology

Our audit scope included all suspended post offices, stations, branches, and postal retail facilities in the Eastern Area, according to the CSDC, as of March 31, 2018. Based on the data we collected from the CSDC, we identified 331 emergency suspended facilities nationwide, including 94 in the Eastern Area. Our statistical sample included 63 suspended post offices, stations, branches, and postal retail facilities in the Eastern Area across all 10 districts as of March 31, 2018.

To accomplish our objective, we:

- Determined the universe of facilities in an emergency suspended status and selected a statistical sample for review.
- Interviewed Postal Service personnel to determine the policies and procedures in place for emergency suspended facilities.
- Determined the cause for suspensions and whether they were done in accordance with policies and procedures.
- Determined if Postal Service personnel followed the required steps when suspending a facility.
- Determined if Postal Service personnel followed the required steps when re-opening a facility.

- Determined if suspensions had a documented plan of action that were executed as planned.

We conducted this performance audit from March through September 2018, 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 August 27, 2018, and included their comments where appropriate.

We assessed the reliability of CSDC data by reviewing the data for completeness (all appropriate rows and fields in a data set were present/correct with expected values), accuracy (data correctly represented the underlying events or transactions), and validity (key data were consistent with acceptable or expected values). Additionally, we validated CSDC data to the Facilities database and the Notice of Post Office Emergency Suspension forms to ensure existence and accuracy of suspension information. We determined that the data were sufficiently reliable 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 issued within the last five years.

Appendix B: Management's Comments



September 14, 2018

MONIQUE COLTER
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Draft Audit Report – U.S. Postal Service
Emergency Suspension Process (Report Number SM-AR-18 DRAFT)

Thank you for the opportunity to review and comment on the subject of the draft audit report prepared by the Office of Inspector General (OIG) and to allow us to address the findings, recommendations contained therein.

Management agrees in principle with the three recommendations presented by the OIG in the draft audit report. Included in this response are the specific comments and reactions to each of the recommendations and the actions that will be undertaken addressing the individual recommendations.

Management acknowledges that the data upon which the OIG relied to produce these findings was provided by management and represented as valid.

Management disagrees with the OIG's findings related to customers not being notified via individual letter. Customers were notified by notice posted at suspended offices and PO Box customers were notified via letter addressed to Postal Patron, the OIG did not deem this as compliant with "individual letter". Management considers this proper notification. Management subsequently shared its concerns with the OIG on the roles and responsibilities contained in Handbook PO-101, Chapter 6 and the potential impacts these concerns would have on the validity of the OIG's analysis. A more complete description of why management takes this position is documented in Attachment A - PO-101_Chapter 6_Roles and Responsibilities included with this response. Management also shared its concerns with the OIG regarding Recommendation Number 3, item (3), the facility with an incorrect recording in the Change Suspension Discontinuance Center, this office is not specifically identified within the audit report.

The following are management's responses to the recommendations:

Recommendation 1:

The Vice President, Eastern Area, reinforce policy for district personnel who Manage emergency suspensions through formal communications and refresher Training on the suspension process.

Agree. The Vice President of the Eastern Area will require each District to certify that they have a CSDC Coordinator and that every coordinator is familiar with the procedures laid out in Handbook PO-101, Chapter 6. The Area CSDC Coordinator will host a refresher training session with the District CSDC Coordinators.

Target Implementation Date: November 2018

Responsible Manager: Manager, Delivery Programs Support (Eastern Area)

Recommendation 2:

The Vice President, Delivery Operations, develop standard operating procedures, or enhance current guidance for the emergency suspension process to be more comprehensive in the areas of roles and responsibilities, deliverables, monitoring, and communication protocols.

Agree. Delivery Operations, Field Performance will develop standard operating instructions regarding the emergency suspension process, to include specific roles and responsibilities of parties involved in the emergency suspension process, it will also include specific deliverables and timelines. These instructions will be communicated to Area and District Coordinators via WebEx and will be posted on the Change Suspension Discontinuance Center web site.

Target implementation date: January 2019

Responsible Manager: Manager, Field Performance

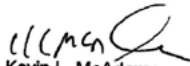
Recommendation 3: The Eastern Area Vice President take appropriate action to address:

- (1) facilities stagnate in the discontinuance process,
- (2) facilities without alternate quarter searches conducted, and
- (3) the facility with an incorrect recording in the Change Suspension Discontinuance Center.

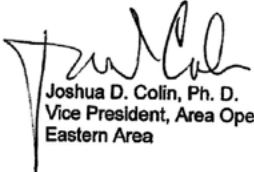
Agree. The Eastern Area will coordinate with HQ and field to ensure facilities are reviewed quarterly to monitor progress and prevent stagnation. The Eastern Area will ensure District CSDC Coordinators assist the facilities team and perform alternate quarter's searches timely. The Eastern Area CSDC Coordinator will review CSDC entries to validate all entries made by the District CSDC Coordinators.

Target Implementation Date: November 2018

Responsible Manager: Manager, Delivery Programs Support (Eastern Area)


Kevin L. McAdams
Vice President
Delivery Operations

cc: CARM


Joshua D. Colin, Ph. D.
Vice President, Area Operations
Eastern Area



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