



Office of Inspector General | United States Postal Service

Audit Report

City Delivery Operations – Nationwide Route Management

Report Number 21-127-R22 | February 17, 2022

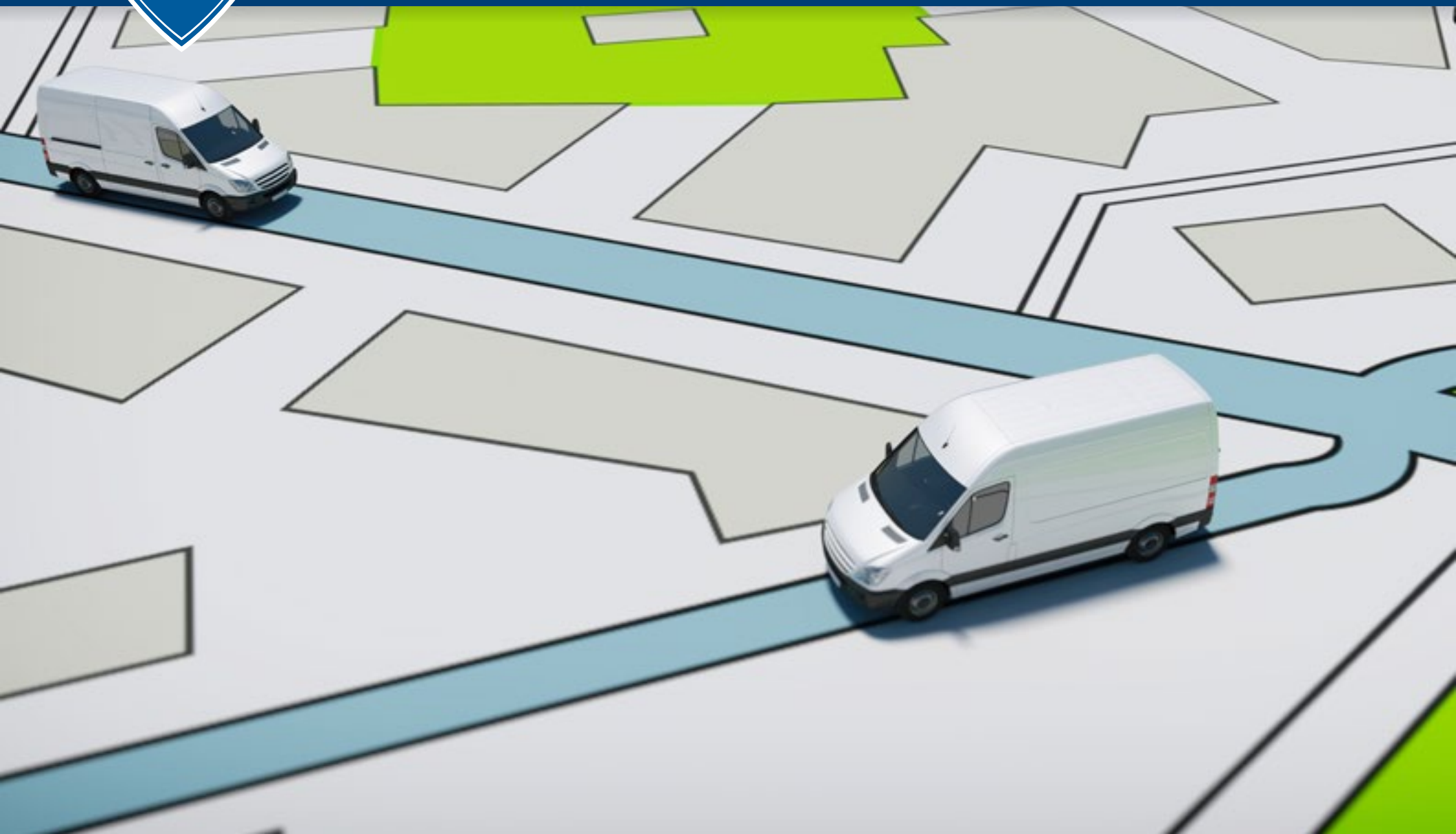


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Highlights

Objective

Our objective was to evaluate the U.S. Postal Service's management of city letter carrier routes.

The Postal Service's mission is to provide prompt, reliable, and efficient mail and package shipping services to all Americans. In fiscal year (FY) 2020, the Postal Service's City Delivery Operations delivered over 77.7 billion mailpieces on more than 140,000 city routes. Mail is delivered on these routes by more than 171,000 city letter carriers and over 34,000 city carrier assistants.

City Delivery Operations consist of two components – office and street operations. A city letter carrier route is comprised of both assigned office duties, such as casing mail, as well as street duties, like collecting and delivering mail to customers. Management should review each city carrier route's baseline workload (e.g., assigned delivery points and volume) annually to ensure it is equivalent to a standard 8-hour workday.

To maintain an 8-hour workday, delivery supervisors monitor efficiency and adjust for changes in workload. They use several methods including street observations, minor route adjustments, and mail count and route inspections. Supervisors record these results in the Delivery Operation Information System (DOIS), which allows them to manage routes and letter carrier assignments daily.

Since FY 2015, the Postal Service experienced a significant change in the mail mix, resulting in a 16 percent decrease in First-Class Mail volume and a 62 percent increase in package volume. Even prior to the dramatic package growth due to the COVID-19 pandemic in FY 2020, package volume had increased steadily over the previous ten years, except in FY 2019 when volume flattened due to competition. As a result, city letter carriers delivered fewer letters and flats and more packages, which are often larger and take more time to deliver. With about 80 percent of a letter carrier's day spent on the street, supervisors must monitor and record any changes in the volume profile or other workload factors to ensure that each route can be accomplished in an 8-hour workday.

For this audit, the OIG reviewed nationwide city letter carrier route data and conducted a review of 12 judgmentally selected delivery units in 11 districts from the four areas.

Finding

The Postal Service did not always effectively manage city letter carrier routes. Package base volumes and route hours recorded in DOIS did not always reflect the average volume and workhours on routes. In addition, existing delivery performance technologies could alleviate manual processes associated with completing observations, minor route adjustments, and mail count and route inspections.

First, the OIG found that nationally, all 135,097 active, regular, city letter carrier routes had package base volumes recorded in DOIS that did not reflect the average volume on the routes. We found that city letter carriers delivered more package volume on 92 percent of the regular routes than the last package base volume recorded between FYs 2010 and 2020. Package volumes associated with 11 of the 12 selected delivery units were also significantly higher than the base package volume.

Package base volumes varied from average volumes on routes due to operational, policy, and human resources issues. Specifically:

- As of March 28, 2021, 104,879 of the 135,268 (77 percent) city letter routes did not have the required annual street observation recorded in DOIS within one year of the last review. Street observations are recorded on Postal Service (PS) Form 3999, Inspection of Letter Carrier Route, which would indicate if routes had the proper adjustments to achieve and maintain a standard workday. For the sample delivery units, supervisors did not conduct the annual street observations to determine if minor route adjustments or mail count and route inspections were needed for routes in their units. Also, management at 11 of the 12 delivery units (91 percent) stated they were impacted by COVID-19 and could not conduct street observations.

- In lieu of relying on annually required street observations, City Delivery Operations used varying factors and criteria to select routes for mail count and inspection. Similarly, 10 districts in our sample established their own route selection criteria that improperly excluded some delivery units' routes from receiving a mail count and route inspection.
- Policy restrictions to use five or six consecutive days of the route's mail volume do not reflect the changing mail mix.
- There are inconsistent base volume procedures for measuring letter and flat mail volume when adjusting routes during a mail count and route inspection.
- Finally, delivery supervisor positions had an 11 percent vacancy rate nationally and had high turnover for this position in our sample units. The Postal Service suspended hiring of first-line supervisors effective August 7, 2020, due to an organizational realignment. On August 17, 2021, management began accepting applications to hire first-line supervisors again. Therefore, we will not make a recommendation on this issue.

Second, we found that of the 135,097 nationwide regular city letter carrier routes, 85,714 (63 percent) had route workhours that deviated from the standard 8-hour workday and were improperly recorded in DOIS. The route workhours for the 12 selected delivery units had inaccuracies as well. These improper recordings occurred because delivery management, although they receive notifications to review, certify, and resolve daily errors, did not correct over 11.6 million errors in the Time and Attendance Collection System in FY 2020.

Finally, City Delivery Operations had not evaluated whether it should employ existing delivery performance technology that provides innovative opportunities to improve route and workload management, monitor carrier performance, and automate manual processes. For example, repurposing the Delivery Management

System route summary report could improve timeliness in conducting route observations and reviews.

Ensuring that a route's base volume reflects volume changes and is aligned with work hours can help minimize unauthorized overtime – work completed but not previously approved by a supervisor – that may have been required to finish the route's deliveries. A carrier may need more overtime than originally approved due to overburdened routes that are not in alignment with the standard workday. We estimated that the Postal Service incurred \$271 million annually in unsupported questioned costs due to unauthorized overtime on routes for FY 2020 and FY 2021, Quarters 1 and 2. Furthermore, incorporating existing technology and innovations could improve the timeliness of street observations, minor route adjustments, and mail count and route inspections by reducing manual processes.

Recommendations

We recommend the Vice President, Delivery Operations:

- Develop a detailed action plan, including measurable targets, to resume conducting annual street observations to determine whether a minor route adjustment or a mail count and route inspection review is needed.
- Evaluate using alternative methodologies, rather than the five or six consecutive days of a routes' mail volume, to maintain the 8-hour workday and how to account for letter and flat mail base volume.
- Develop an oversight process to monitor and confirm delivery unit management resolve errors in the Time and Attendance Collection System timely to ensure route workhours are accurate.
- Evaluate the feasibility of replacing manual route evaluation activities with existing delivery systems, data, tools, and technology.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

February 17, 2022

MEMORANDUM FOR: ANGELA H. CURTIS
VICE PRESIDENT, DELIVERY OPERATIONS

A handwritten signature in black ink that reads "Amanda H. Stafford".

FROM: Amanda Stafford
Deputy Assistant Inspector General
for Retail, Delivery and Marketing

SUBJECT: Audit Report – City Delivery Operations – Nationwide Route
Management (Report Number 21-127-R22)

This report presents the results of our audit of the U.S. Postal Service's City Delivery Operations – Nationwide Route Management.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Kelly Thresher, Director, Retail, Delivery and Vehicle Operations, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management
Postmaster General
Chief Retail & Delivery Officer and Executive Vice President

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service's City Delivery Operations – Nationwide Route Management (Project Number 21-127). Our objective was to evaluate the Postal Service's management of city letter carrier routes. This audit focuses on the Postal Service's goal to optimize carrier routes¹ and processes for the changing delivery mail mix. See [Appendix A](#) for additional information about this audit.

Background

The Postal Service's mission is to provide prompt, reliable, and efficient mail and package shipping services to all Americans. In fiscal year (FY) 2020, the Postal Service's City Delivery Operations delivered over 77.7 billion mailpieces on more than 140,000 city routes. Mail is delivered on these routes by more than 171,000 city letter carriers and over 34,000 city carrier assistants.

City Delivery Operations consist of two components – office and street operations. A city letter carrier route is comprised of both assigned office duties such as casing mail, as well as street duties like collecting and delivering mail to customers. Management should review each city carrier route's baseline workload (e.g., assigned delivery points and volume) annually to ensure it is equivalent to a standard 8-hour workday.²

To maintain the 8-hour workday, delivery supervisors monitor efficiency as well as adjust for changes in workload. They use several methods including street observations, minor route adjustments, and mail count and route inspections. Supervisors record these results in the Delivery Operation Information System (DOIS), which allows them to manage routes and letter carrier assignments daily.

Street observations help management monitor whether letter carriers are performing their duties efficiently and safely and to achieve and maintain an appropriate daily workload for delivery units and routes. These street observations may result in performing a minor route adjustment or mail count and route inspection. A minor route adjustment is an administrative review of a

route's growth, such as delivery points or volume (see [Appendix B](#)). A mail count and route inspection is the most comprehensive review, whereby a management evaluation team observes a letter carrier's office and street performance as well as physically counts the route's mail volume for five or six days. Significant changes found during a minor route adjustment or route inspection may require supervisors to modify the office and street time and/or reallocate a portion of the route to another route (see [Appendix C](#)).

Since FY 2015, the Postal Service experienced a significant change in the mail mix, resulting in a 16 percent decrease in First-Class Mail volume and approximately a 62 percent increase in package volume. Even prior to the dramatic package growth due to the COVID-19 pandemic in FY 2020, package volume had increased steadily over the previous ten years, except in FY 2019 when package volume flattened due to competition. As a result, city letter carriers delivered fewer letters and flats and more packages, which are often larger and take more time to deliver. With approximately 80 percent of a letter carrier's day spent on the street, supervisors must monitor and record any changes in the volume profile or other workload factors to ensure that each route can be accomplished in an 8-hour workday.

For this audit, the OIG reviewed nationwide city letter carrier route data and conducted a review of 12 judgmentally selected delivery units in 11 districts from the four areas (see [Appendix A](#)).

Findings Summary

The Postal Service did not always effectively manage city letter carrier routes. Package base volumes and route hours recorded in DOIS did not always reflect the average volume and workhours on routes. In addition, existing delivery performance technologies could improve route consistency in conducting annual street observations and alleviate manual processes associated with completing observations, making minor route adjustments, and conducting mail count and route inspections.

¹ The OIG will be conducting an audit focused on undelivered or partially delivered city, rural and contract delivery service routes.

² Handbook M-39, *Management of Delivery Services*, Section 211.1, Selecting Period for Mail Counts and Route Inspections.

Finding #1: Route Base Volume Varied from Average Volume

Nationwide, we assessed all active, regular, city letter carrier routes,³ totaling 135,097, and identified that all route base volumes recorded in DOIS did not reflect the average annual volume on the routes. We found that city letter carriers delivered more package volume on 92 percent⁴ of the regular routes than the last base volume recorded between FYs 2010 and 2020. The OIG compared each city letter carrier route's recorded base package volume to the FY 2020 actual package volume, which showed an overall increase of █ percent, from

█ million to █ million (see Table 1). The OIG also found that letter and flat volumes decreased from 63 billion to 50 billion (21 percent) and 17 billion to 10 billion (38 percent), respectively, between FY 2010 and FY 2019.

“We found that city letter carriers delivered more package volume on 92 percent of the regular routes than the last base volume recorded between FYs 2010 and 2020.”

Table 1. Difference between National Package Base Volume and FY 2020 Daily Average Package Volume

SOME CITY LETTER CARRIERS DELIVERED SIGNIFICANTLY MORE PACKAGES THAN THEIR LAST RECORDED BASE VOLUME					
As previously noted, city letter carrier actual package volume in FY 2020 increased █ percent, from █ million to █ million packages overall, compared to the last recorded base package volume. The OIG also compared each city letter carrier's base package volume to FY 2019 actual package volume, which showed an increase from █ million to █ million (60 percent) on these routes before COVID-19 (see Appendix I).					
Area	Number of Routes	Last Recorded Base Package Volume	FY 20 Daily Average Actual Package Volume	Package Volume Variance	Package Volume Percent Change
Atlantic	37,902	█	█	█	█
Central	31,118	█	█	█	█
Southern	31,137	█	█	█	█
Western Pacific	34,940	█	█	█	█
Total	135,097	█	█	█	█

Source: OIG analysis of Enterprise Data Warehouse-Delivery Data Mart (EDW-DDM).

City letter carrier route package volumes associated with 11 of the 12⁵ selected delivery units was also significantly higher than the base package volume.

Package volume associated with these units increased by 64 percent (see [Table 2](#)).

³ Nationwide there are 140,603 city letter carrier routes, 5,506 (4 percent) of which are auxiliary routes. Auxiliary routes, which are less than 39 hours, do not have sufficient route hours to become regular routes. We did not include auxiliary route in our scope because base volume and route hours fluctuate.

⁴ OIG analysis identified that daily actual annual average volume for packages increased for 124,602 of the 135,097 routes compared to the recorded base package volume for FYs 2010 through 2020.

⁵ Morrisania Station city letter carrier routes are all foot routes. Package volume is allocated to the parcel routes.

Table 2. Differences between Selected Delivery Unit Base Package Volume and FY 2020 Daily Average Package Volume

ACTUAL VOLUME ASSOCIATED WITH 11 OF THE 12 SELECTED DELIVERY UNITS WAS ALSO SIGNIFICANTLY HIGHER THAN THE BASE PACKAGE VOLUME

The actual average package volume at these sites represented a 64 percent increase over the last recorded base volume. The FY 2019 actual package volume showed a 32 percent increase on these routes before the COVID-19 pandemic (see [Appendix I](#)).

District/Delivery Unit	Number of Routes	Last Recorded Base Package Volume	FY 20 Daily Average Actual Package Volume	Package Volume Variance	Package Volume Percent Change
Central Pennsylvania/Catasauqua Main Post Office	6	■	■	■	■
Detroit/Warren Post Office	172	■	■	■	■
Greater Boston/ International Mail Center Chelsea, Annex	161	■	■	■	■
Gulf Atlantic/Starke Main Post Office	3	■	■	■	■
Hawkeye/Dyersville Post Office	2	■	■	■	■
Lakeland/Mount Prospect Post Office	56	■	■	■	■
Louisiana/Laplace Main Post Office	16	■	■	■	■
New York/Bronx – Morrisania Station	29	■	■	■	■
San Francisco/San Francisco – Napoleon Carrier Complex	197	■	■	■	■
Sierra Coastal/Thousand Oaks – Newbury Park Branch	25	■	■	■	■
Sierra Coastal/Glendale, Verdugo Viejo Branch	52	■	■	■	■
South Florida/Miami – Snapper Creek Branch	83	■	■	■	■
Total	802	■	■	■	64%

Source: EDW-DDM.

Package base volumes varied from average volumes on routes due to operational, policy, and human resources issues.

Operational Issues

Street observations were not consistently being recorded in DOIS, and supervisors did not always conduct street observations to determine if further actions, such as performing minor route adjustments or mail count and route inspections, were necessary and COVID-19 also caused operational concerns.

- **Street Observations Not Recorded.** Between March 2020 and March 2021, 104,879 of 135,268 city letter routes (78 percent) did not have a required, annual street observation recorded in DOIS within one year of the last review. To assess whether this was mainly due to COVID-19, we assessed the street observations during different periods, as COVID impacted operations and COVID-related policies progressed. As far as COVID policies, City Delivery Operations suspended street observations and route inspections between April 15, 2020, and June 2, 2020, due to safety concerns. We found that of the 104,879 routes without a review:
 - 29,952 (29 percent) did not have street observations recorded between October 2002 and April 15, 2020, prior to the COVID-19 restrictions.
 - 74,927 (71 percent) routes were due for, but did not have, an annual street observation on record between April 16 and December 31, 2020, during the COVID-19 pandemic (see [Appendix E](#)).

To assess whether most of the delays in street observations were caused by the temporary COVID moratorium, we looked at the number of street observations that had been completed one year after the temporary

restrictions on completing observations and route inspections had been lifted.⁶ We found only 6,824 of the 104,879 (7 percent) routes had the required street observations recorded from the previous year.

For the 12 selected delivery units, supervisors did not conduct annual street observations on 699 of 802 city letter routes (87 percent)⁷ as of March 28, 2021 (see [Table 3](#)). Also, we noted management at 11 delivery units stated they were impacted by COVID-19 and did not believe they could conduct proper observations with social distancing protocols⁸ because it would be difficult to identify inefficient practices letter carriers performed inside their vehicle. In addition, one delivery unit manager stated it was difficult to safely operate the Data Collection Device (DCD)⁹ and input observations while driving behind the carrier.

While the OIG recognizes that FY 2020 operations were affected by COVID-19, once a route has a street observation recorded, all previous observations recorded for the route are erased. Because of this, we could not assess how often street observations occurred before our scope period. Instead, we used the data available for FY 2020 and the first two quarters of FY 2021.

Postal Service policy requires an annual street observation to achieve and maintain an appropriate daily workload for delivery units and routes. During street observations, management may find that routes are not properly adjusted due to frequent use, or requests for, auxiliary assistance or overtime being warranted; a change in the line of travel; or carriers not performing duties efficiently or safely. These initial observations help management verify whether a minor route adjustment or mail count or route inspection is needed.¹⁰

⁶ We pulled this data as of June 6, 2021.

⁷ Total city letter carrier routes as of March 28, 2021, changed from 807 to 808.

⁸ Managers were instructed to follow city carriers in a separate vehicle, rather than ride with the carrier.

⁹ A DCD is a hand-held computer used to input data during street observations and the street portion of a route inspection.

¹⁰ Handbook M-39, *Management of Delivery Services*, Section 134, Street Management and Section 211, Selecting Period for Mail Counts and Route Inspections.

Table 3: Delivery Units' City Letter Carrier Routes – Annual Street Observations

ROUTES IN THE SELECTED DELIVERY UNITS HAD NO RECENT STREET OBSERVATIONS

Even prior to the challenges caused by COVID-19, many city delivery routes did not have timely street observations. The pandemic has only heightened these issues.

District/Delivery Unit	Number of Routes	October 2002 – March 28, 2021		Prior to COVID-19 (October 2002 – April 15, 2020)		During COVID-19 (April 16, 2020 – December 2020)	
		Number of Routes with No Street Observations in Over a Year	Percent of Routes with No Street Observations in Over a Year	Number of Routes with No Street Observations	Percent of Routes with No Street Observations	Number of Routes with No Street Observations	Percent of Routes with No Street Observations
Central Pennsylvania/Catasauqua Main Post Office	6	5	83%	3	60%	2	40%
Detroit/Warren Post Office	172	145	84%	2	1%	143	99%
Greater Boston/International Mail Center Chelsea, Annex	161	161	100%	144	89%	17	11%
Gulf Atlantic/Starke Main Post Office	3	3	100%	0	0%	3	100%
Hawkeye/Dyersville Post Office	2	2	100%	0	0%	2	100%
Lakeland/Mount Prospect Post Office	56	5	9%	0	0%	5	100%
Louisiana/Laplace Main Post Office	16	15	94%	0	0%	15	100%
New York/Bronx – Morrisania Station	29	29	100%	9	31%	20	69%
San Francisco/San Francisco – Napoleon Carrier Complex	197	197	100%	157	80%	40	20%
Sierra Coastal/Thousand Oaks – Newbury Park Branch	25	22	88%	0	0%	22	100%
Sierra Coastal/Glendale, Verdugo Viejo Branch	52	32	62%	0	0%	32	100%
South Florida/Miami – Snapper Creek Branch	83	83	100%	83	100%	0	0%
Total	802	699	87%	398	57%	301	43%

Source: EDW-DDM.

Moreover, street observations are recorded on a Postal Service (PS) Form 3999, Inspection of Letter Carrier Route, which would indicate if routes had the proper adjustments to achieve and maintain a standard workday. The PS Form 3999 data is captured in the DOIS 3999 Data Report, which is updated and posted weekly by City Delivery Operations.¹¹ In a meeting with City Delivery Operation officials in July 2021, they stated the 3999 Data Report provides projections to assist management in taking a closer look at the carrier’s performance when significantly more time is taken to deliver extra packages. Further, City Delivery Operations uses data from the PS Form 3999 in key delivery management tools such as Workload Status Report¹² and the Performance Engagement Tool (PET)¹³. This report and tool use the last recorded PS Form 3999 street observation to compare the carrier’s current workload to reveal potential overtime and undertime in street delivery. Therefore, it is critical for management to complete and record PS Form 3999s in DOIS at least once a year. This will ensure delivery management is using the most current data to verify a route’s workload aligns with expected delivery time.

Policy Issues

We noted varying route adjustment selection criteria, policy restrictions, and inconsistent base mail volume procedures that also contributed to route base volume not reflecting average base volumes on the routes. Specifically,

- *Route Selection Criteria* – In lieu of relying on annually required street observations, City Delivery Operations officials stated in March 2021, and more recently, in November 2021, that they use factors such as a route’s growth in delivery points or volume when selecting routes for mail count and inspection.

In addition, ten of eleven districts in our sample prioritized mail count and route inspections based on a combination of four factors: changes in mail

volume, changes in earned hours, cost savings, and performance data. As a result, some routes did not receive a necessary minor route adjustment (see [Appendix F](#)). OIG analysis showed that 656 of the 808 routes (81 percent) at the 12 selected delivery units showed that their last recorded routes adjustments occurred between FY 2010 and FY 2019 (see [Appendix D](#)). According to Postal Service policy, delivery management should determine whether a minor route adjustment or mail count and route inspection is needed based on annual street observations.¹⁴

City Delivery Operations officials informed the OIG they have used several route selection methodologies in the past such as the City Delivery Route Adjustment Process in FYs 2016 and 2017. Management stated that they are reviewing several route selection methodologies with the National Association of Letter Carriers (NALC) union. Postal management provided a plan to conduct mail count and route inspections on 1,024 selected routes in the Spring of 2022. Management stated that these methodologies must be agreed to by the union, and, if not, they will conduct the inspections based on Postal Service policies governing city delivery operations.

- *Policy Restrictions* – Established in the 1970s when letters were the dominant product in the mail mix, Postal Service policy requires management to count five or six consecutive days of the route’s volume and excludes the months of June, July, August, and December.¹⁵ Due to this non-statistically significant sampling method, the policy does not necessarily reflect actual package volume or the time associated with these deliveries.¹⁶ Noting these various factors contributed to base volumes not reflecting the average volume, we identified an opportunity to reflect the mail and package volume more accurately by using a 12-month average of actual volume. We compared the current methodology that uses a non-statistically significant sample of five or six consecutive days to the actual annual average. Our analysis showed

11 Managing Street Time Facilitator’s Guide Course #10026351, April 2017.

12 The Workload Status Report is a primary supervisory tool in DOIS to assist delivery unit supervisors manage the daily workload for letter carriers and control workhour usage.

13 PET shows variances between current data and historical PS Form 3999 data (e.g., carrier’s demonstrated ability to deliver on the route), street observations that are more than a year old, and the expected street time for a route.

14 Handbook M-39, *Management of Delivery Services*, Section 211 Selecting Period for Mail Counts and Route Inspections.

15 Handbook M-39, *Management of Delivery Services*, Chapter 2. National Association of Letter Carriers – National Agreement, Article 41.1.

16 *Package Delivery in Rural and Dense Urban Areas* (Report Number RISC-WP-20-008, September 16, 2020).

that the actual annual average for a carrier's mail volume could provide management with a more precise reflection of the route's mail profile received and delivered throughout the year (see Tables 1 and 2).

In discussion with City Delivery Operation officials in July 2021, they stated they were aware of the shortcomings in their current policy and consideration was given to using 11 months excluding December. Management also stated that while their handbook is outdated, the Postal Service must abide by the union agreements and any policy changes must be negotiated. According to the NALC National Labor Agreement, mail counts and route inspections should follow the Postal Service's policy and subsequent national memorandums of understanding. There is a protocol for changing this policy, but it cannot be completed unilaterally by the Postal Service.

- *Inconsistent Base Volume Measurement* – Postal Service policy requires letters, flats, and packages to be counted during a mail count and route inspection when adjusting the route base volume.¹⁷ However, City Delivery Operations officials informed the OIG in April 2021 that they no longer use a route's letter and flat volume identified during the mail count and route inspection to establish the base volume, but instead use a standard factor of 43 minutes, including a standard 10-minute break to establish base office time. Using the standard factor alone is not written in policy. Mail count and route inspections only use package volume when establishing a route's base volume. Also, in July 2021, City Delivery Operations officials informed the OIG that DOIS has not included letter and flat volume since 2004. Letter and flats volume is not available to establish a baseline to assist management with workload assessments to project carrier office times. In a subsequent discussion with City Delivery Operations and Area Delivery Operations officials in November 2021, they stated a route's base volume could include either letter and flat volume or the standard factor.

Human Resources Issue

Delivery operations experienced supervisor staffing issues related to a hiring freeze.

- *Staffing Challenges* – In FY 2020, nationally, the delivery supervisor vacancy rate was 11 percent with 3,032¹⁸ vacancies. In addition, OIG-sampled delivery units also experienced high turnover¹⁹ (see Appendix H). The Postal Service suspended hiring of first-line supervisors effective August 7, 2020, due to an organizational realignment.²⁰ On August 17, 2021, management began accepting applications to hire first-line supervisors again; therefore, we will not make a recommendation on this issue.

Ensuring that a route's base volume reflects volume changes and work hour alignment can minimize unauthorized overtime – work completed but not previously approved by a supervisor – that may have been required to finish the route's deliveries. A carrier may need more overtime than originally approved due to overburdened routes that are not in alignment with the standard workday. We estimated that the Postal Service incurred \$249 million in unsupported questioned costs due to unauthorized overtime on routes in FY 2020 and \$292 million in FY 2021, Quarters 1 and 2.

“A carrier may need more overtime than originally approved due to overburdened routes that are not in alignment with the standard workday.”

17 Handbook M-39, *Management of Delivery Service*, Section 213, Review and Analysis of Carrier Control Forms and PS Form 1840-B, *Carrier Time Card Analysis*.

18 The Postal Service workforce dashboard for EAS-vacancies and postings as of July 26, 2021.

19 A prior OIG report recommended management establish and implement sufficient controls to ensure timely hiring activities and an oversight mechanism to ensure district and facility officials prepare and maintain hiring documentation as required. OIG management received documentation to address the recommendation and closed the recommendation July 2020. *First-Line Supervisor Recruitment and Retention* (Report Number 19MG008HR000-R20, dated April 13, 2020).

20 The Chief Retail & Delivery Officer, Executive Vice President and Chief Logistics & Processing Operations Officer, and Executive Vice President issued a memorandum, *Clarifying Operational Instructions*, dated September 21, 2020, pertaining to hiring supervisors.

Recommendation #1

We recommend the **Vice President, Delivery Operations**, develop a detailed action plan, including measurable targets, to resume conducting annual street observations to determine whether a minor route adjustment or a mail count and route inspection review is needed.

Recommendation #2

We recommend the **Vice President, Delivery Operations**, evaluate using alternative methodologies, rather than the five or six consecutive days of a routes' mail volume, to maintain the 8-hour workday and how to account for letter and flat mail base volume.

Finding #2: Improperly Recorded Route Workhours

Nationally, 63 percent, or 85,714 of the 135,097 regular, city letter carrier routes, had route workhours that deviated from the standard 8-hour workday and were improperly recorded in DOIS for FY 2020. The OIG's national analysis of FY 2020 city letter carrier average annual hours showed that recorded

“Nationally, 63 percent, or 85,714 of the 135,097 regular, city letter carrier routes, had route workhours that deviated from the standard 8-hour workday and were improperly recorded in DOIS for FY 2020.”

route hours varied from the standard 8-hour workday. A route had deviated from the standard 8-hour workday when the recorded hours were either shorter than 7 hours 40 minutes²¹ (27,146 routes, or 20 percent of total routes) or longer than 8 hours 20 minutes²² (58,568 routes, or 43 percent of total routes).

Among the most notable examples, in FY 2020, 12 regular, city routes had no workhours, and 13,918 routes had only one minute to 3 hours and 59 minutes. In FY 2019, prior to COVID-19, 384 routes also had only one minute to 3 hours and 59 minutes. According to City Delivery Operations, this increase in routes with one minute to 3 hours and 59 minutes between FY 2019 and FY 2020 may have been due to employee availability issues associated with COVID-19.

Additionally, we found that the base hours for 4 percent of the routes (or 5,383) indicated the route either should have been marked as auxiliary or might need to be split into a regular and auxiliary route. Two percent (3,125 routes) – had recorded base hours that were shorter than 7 hours 40, indicating they may be auxiliary routes. Another 2 percent (2,258 routes) were longer than 8 hours 20 minutes – indicating they may need to be split.

The accuracy of recorded workhours is important because variance from the base workhours can indicate when a route might need to be adjusted. It is important to keep regular city routes at a standard, 8-hour day to help management determine appropriate staffing and an equitable division of labor among carriers. This can also help manage and reduce the use of overtime.

²¹ The Postal Service does not define a minimum amount of time for a route but states it should be as close to an 8-hour day as possible. This standard is cited in the National Association of Letter Carriers (NALC), Route Protection Program, p. 21.

²² Handbook M-39, *Management of Delivery Services*, Section 2714, Special Route Inspection; When Required.

Management is required to verify recorded workhour accuracy at a number of junctures. First, management must review workhours and certify that operational issues are resolved in the Time and Accounting System (TACS) daily. Specifically, throughout the course of their day, management is prompted to resolve errors. Delivery unit management uses the Delivery Management System (DMS)²³ and DOIS, which provide a pop-up screen that notifies management to review and certify that daily operational issues are resolved in TACS. These notifications direct them to the Clock Ring Discrepancy Report to immediately resolve errors.²⁴ Second, according to City Delivery Operations officials in July 2021, management must manually examine the route workhour data daily to identify inaccuracies during the three to four weeks prior to a scheduled mail count and route inspection.²⁵

Route workhours that deviated from the standard 8-hour workday were improperly recorded because delivery unit management did not resolve errors in TACS. Specifically, our review of the nationwide Clock Ring Discrepancy Report for FY 2020 showed over 11.6 million instances of errors that were not corrected in TACS, as well as 11.2 million errors in FY 2019. This report identified that most of the errors were due to workhours charged to an indeterminable route and unscheduled miscellaneous assignment (see [Table 4](#)).

Errors that are not corrected may not accurately reflect a standard 8-hour day in systems and reports used for street management. Moreover, if a mail count and route inspection is deemed necessary, management will have a harder time verifying route hours if there are multiple errors in TACS relating to the amount

of time the route takes. This makes the preparation for mail count and route inspections more onerous.

A prior OIG report identified that delivery supervisors did not always monitor carrier's workhours and correct them accordingly.²⁶ Specifically, the report recommended the Postal Service develop a process to monitor the accuracy of workhours and hold the delivery management team accountable for ensuring Sunday delivery work hours were charged to the proper operation numbers and labor distribution codes. The report included five recommendations, and the Postal Service closed all of them. However, supervisors correcting errors in TACS timely continues to be a problem.

“Route workhours that deviated from the standard 8-hour workday were improperly recorded because delivery unit management did not resolve errors in TACS. Specifically, our review of the nationwide Clock Ring Discrepancy Report for FY 2020 showed over 11.6 million instances of errors that were not corrected in TACS, as well as 11.2 million errors in FY 2019.”

²³ A management tool that identifies daily tasks delivery management must perform for city letter carrier operations.

²⁴ Postal Service DMS Standard Work Instructions and DOIS Daily Management SOP.

²⁵ Handbook M-39, *Management of Delivery Services*, Section 213, Review and Analysis of Carrier Control Forms.

²⁶ *Delivery Charge Codes* (Report Number CP-AR-18-002, dated January 19, 2018).

Table 4: Nationwide City Letter Carrier Routes Errors²⁷

TIMEKEEPING ERRORS AFFECT NEARLY ALL ROUTES

As previously noted, the OIG identified over 11 million errors occurred annually on city routes in both FY 2020 and FY 2019 (see [Appendix J](#) for FY 2019 errors).

Area	Type of Errors							Total
	Indeterminable Route	No Work on Scheduled Miscellaneous Assignment	No Work on Scheduled Office Assignment	No Work on Scheduled Street Assignment	Unscheduled Miscellaneous Assignment	Unscheduled Office Assignment	Unscheduled Street Assignment	
Atlantic	1,169,314	208,255	311,415	607,798	1,415,830	715,490	625,734	5,053,836
Central	550,565	60,594	144,279	333,600	370,773	264,178	281,176	2,005,165
Southern	640,376	48,746	175,305	343,998	403,904	321,708	299,330	2,233,367
Western Pacific	530,477	63,476	131,075	281,413	623,509	343,984	389,747	2,363,681
Total	2,890,732	381,071	762,074	1,566,809	2,814,016	1,645,360	1,595,987	11,656,049

Source: EDW-DDM.

The city letter carrier route workhour errors associated with the selected 12 delivery units trended comparably with units nationwide. Specifically, our review of 808 routes showed 83,948 instances of errors in FY 2020 that were not corrected in TACS (see [Table 5](#)).

Improperly recorded route workhour data hinders management’s ability to make correct decisions and revisions related to a city letter carrier’s demonstrated ability²⁸ to deliver mail within a standard workday on routes. Also, improperly recorded route workhour data delays preparation for mail count and route inspections. We estimated the potential data integrity risk of improperly recorded route workhours was valued at \$455 million.

“Improperly recorded route workhour data hinders management’s ability to make correct decisions and revisions related to a city letter carrier’s demonstrated ability to deliver mail within a standard workday on routes. Also, improperly recorded route workhour data delays preparation for mail count and route inspections.”

²⁷ City letter carrier errors occurs for: indeterminable route – workhours to an unknown route; no work on scheduled miscellaneous assignment – not clocking to the schedule miscellaneous assignment; no work on scheduled office assignment/street assignment – not clocking to the scheduled office assignment/street assignment; unscheduled miscellaneous assignment – clocking to a miscellaneous assignment different than the scheduled assignment; unscheduled office/street assignment – clocking to an office/street assignment different than the scheduled office/street assignment.

²⁸ A consistent performance exhibited by a postal employee while performing their assigned duties and is recorded in the PS Form 3999.

Table 5: Selected Delivery Units' City Letter Carrier Routes Errors

Delivery Unit	Number of Routes	Type of Errors							Total
		Indeterminable Route	No Work on Scheduled Miscellaneous Assignment	No Work on Scheduled Office Assignment	No Work on Scheduled Street Assignment	Unscheduled Miscellaneous Assignment	Unscheduled Office Assignment	Unscheduled Street Assignment	
Central Pennsylvania/Catasauqua Main Post Office	6	24	18	104	109	88	54	67	464
Detroit/Warren Post Office	174	2,167	299	662	1,448	3,338	1,015	954	9,883
Greater Boston/International Mail Center Chelsea, Annex	163	3,970	2,529	1,031	2,285	5,716	2,957	3,136	21,624
Gulf Atlantic/Starke Main Post Office	3	12	4	1	10	114	10	10	161
Hawkeye/Dyersville Post Office	3	6	0	9	30	0	29	43	117
Lakeland/Mount Prospect Post Office	56	492	22	80	104	244	178	237	1,357
Louisiana/Laplace Main Post Office	16	274	7	54	132	1,513	56	77	2,113
New York/Bronx – Morrisania Station	29	5,911	1,376	679	753	2,882	1,016	596	13,213
San Francisco/San Francisco – Napoleon Carrier Complex	197	509	1	298	287	542	843	799	3,279
Sierra Coastal/Thousand Oaks – Newbury Park Branch	52	2,070	41	190	415	3,561	293	505	7,075
Sierra Coastal/Glendale, Verdugo Viejo Branch	26	824	336	26	111	1,410	275	221	3,203
South Florida/Miami – Snapper Creek Branch	83	3,537	194	1,198	3,214	5,832	3,970	3,514	21,459
Total	808	19,796	4,827	4,332	8,898	25,240	10,696	10,159	83,948

Source: EDW-DDM.

Recommendation #3

We recommend the **Vice President, Delivery Operations**, develop an oversight process to monitor and confirm that delivery unit management resolve errors in the Time and Attendance Collection System timely to ensure route workhours are accurate.

Finding #3: Technology and Innovation Opportunities for Route Management

Finally, City Delivery Operations had not evaluated whether it should employ existing delivery performance technology that provides innovative opportunities to improve route and workload management, monitor carrier performance, and automate manual processes. The existing technology provides current and historical data such as – but not limited to – visual analysis of a carrier’s workday, a carrier’s line of travel, and inefficient practices. Specifically:

- The DMS provides management with visualizations of and insights into a carrier’s daily activities. As stated earlier, it shows a carrier’s line of travel and scanning history along their route. Specifically, it aggregates data from multiple Postal Service systems to validate actual scan times, sequence, and the carrier’s location compared to projected stationary events.²⁹ Any variances are presented in an exception report to management for closer inspection. These DMS exception reports help management identify carriers who may need assistance or are engaging in inefficient practices. Expanding the software’s business logic to prompt automated observations, using algorithms to determine if a carrier is performing to the carrier’s recorded, demonstrated ability, can improve the timeliness and relevancy of street observations and route inspections. For example, an alert could notify a delivery manager to conduct a street observation or route inspection when the carrier’s actual daily street performance and volume are not consistent with the carrier’s recorded, demonstrated ability and base volume. If implemented effectively, business logic could highlight whether street time increases are the result of volume changes or inefficient practices.

- The PET and Demonstrated Performance Tool (DPT) are collaborative tools that shows variances between current data and historical PS Form 3999 data (e.g., carrier’s demonstrated ability to deliver on the route), street observations that are more than a year old, and the expected street time for a route. Management could use PET to identify changing street times, and it can signal if base street times are no longer representative of the route. DPT provides various dashboards, such as carriers previous workday,³⁰ carrier performance trends,³¹ and errors recorded in PS Form 3999 data.³² Enhancing these dashboards to alert management of variances by comparing base street time to recent PS Form 3999 street time would help managers identify routes that require adjustments. Further, incorporating this existing business logic within PET and DPT into DMS would provide historical and current information on a carrier’s demonstrated ability. This could reduce reliance on costly physical street observations and route inspections, and it could enable management to more easily implement social distancing as needed.
- The Informed Mobility tablets provide front-line managers over 11 tools to manage delivery operations with on-the-go access to essential data systems for workload performance, personnel, mail flow, and safety. Informed Mobility allows supervisors to manage routes away from their office workstations, giving them near real-time visibility of their carrier’s location and the status of deliveries on the route. These features make the devices ideal for real-time route management while allowing supervisors to spend more time on the workroom floor. The Postal Service conducted a pilot to determine the feasibility of using these tablets. A synopsis of the pilot results and lessons learned identified target implementation in FY 2020. However, the Informed Mobility tablets have not been deployed.³³ Using this technology could significantly reduce the manual processes for street observations, minor route adjustments, and mail count and route inspections needed to manage city letter carrier routes (see [Table 6](#)).

29 Stationary events are occurrences where a carrier either parked or did not move along their designated route.

30 The carrier’s street time and volume from the previous workday for the past few weeks will be displayed against the PS Form 3999 time and volume.

31 Carrier performance on a four-week average that is compared to the previous four or eight weeks of street time.

32 Compares PS Form 3999 time to base or average street times to identify errors in the PS Form 3999 data.

33 The Informed Mobility Safety Observation Tool, a derivative of the Informed Mobility project, is currently in use and provides a streamlined dashboard for some safety observations.

Table 6. City Delivery’s Manual Route Management Processes Compared to Existing Technology and Opportunities

TECHNOLOGY PRESENTS OPPORTUNITIES FOR MORE EFFECTIVE MANAGEMENT		
Route management can be a time-consuming process. The OIG identified several opportunities to streamline the physical and manual processes associated with route management.		
Manual Process	Existing Technology	Time Saving Opportunities
Street Observation – supervisor physically observes carrier during street delivery.	PET/DMS/ Informed Mobility	The two systems and the application contain detailed route data that would allow the supervisor to conduct the street observation without leaving the office to physically observe the route, while still meeting the requirement for an annual street observation. These systems look at time-wasting practices, such as stationary events.
Minor Route Adjustment – Manual calculating and recording of office and street time.	DOIS/PET/DMS	An algorithm can be developed to automatically calculate office and street time using existing data from DOIS/PET/DMS.
Mail Count – Manager physically counts city letter carriers’ mail.	DOIS/EDW	An algorithm can be developed to automatically calculate actual route mail volume to determine the base route mail volume. Using existing technology to automate base mail volume calculations and actual annual average route mail volume would accurately reflect the carrier’s mail volume and facilitate more timely route adjustments to maintain the standard 8-hour workday.
Route Inspection Preparation – Manager physically observes carrier during street delivery.	PET/DMS/ Informed Mobility	The two systems and the Informed Mobility application contain detailed route data that would allow management to conduct route inspections and observe the route without leaving the office.

Source: OIG analysis of information from Delivery Operations.

Incorporating existing technology and innovations could improve the timeliness and relevancy of route reviews by significantly reducing the manual processes associated with street observations, minor route adjustments and mail count and route inspections.

Recommendation #4

We recommend the **Vice President, Delivery Operations**, evaluate the feasibility of replacing manual route evaluation activities with existing delivery systems, tools, and technology.

“Incorporating existing technology and innovations could improve the timeliness and relevancy of route reviews by significantly reducing the manual processes associated with street observations, minor route adjustments and mail count and route inspections.”

Management's Comments

Management disagreed with our findings and recommendations and disagreed with the data used to calculate the monetary impact. See [Appendix K](#) for management's comments in their entirety.

Regarding finding 1, management stated that base parcel volume should not be generated using an annual average because the Postal Service defines base parcel volume as the expected volume on a typical day for each individual route. Management also stated that for finding 2 our report falsely asserts that use of more than 8 hours and 15 minutes or less than 7 hours and 40 minutes is not indicative of inaccurate workhours. Postal Service management wrote that using the OIG's methodology may incorrectly indicate that every pivoted route has inaccurate hours just like the routes that management delivers. Additionally, for finding 3 management stated that the City Delivery and Workplace Improvement Task Force is already exploring alternative methods using technology and other methods to evaluate, adjust, and maintain city delivery routes.

In response to recommendation 1, management disagreed with developing a detailed action plan, including measurable targets, to resume conducting annual street observations to determine whether a minor route adjustment or a mail count and route inspection review is needed. Management stated that an action plan to resume street observations is unnecessary as they resumed route inspections in the fall of 2021.

In response to recommendation 2, management disagreed with evaluating the use of alternative methods rather than the five or six consecutive days of a route's mail volume to maintain the 8-hour workday and the process of accounting for letter and flat mail base volume. Management stated that the recommendation

was unnecessary, as the City Delivery and Workplace Improvement Task Force is currently exploring alternate methods. This group was established for to jointly seek methods for improving the cultural and operational environment in city delivery offices. Among its many duties, the task force will use alternative and technological findings to develop and implement a process to efficiently and accurately evaluate delivery routes and assignments; determine the most efficient and effective mix of letter routes, parcel routes, etc.; and jointly (NALC and management) explore the use of technology, data, advanced analytics, and machine learning.

In response to recommendation 3, management disagreed with developing an oversight process to monitor and confirm that delivery unit management resolve errors in TACS timely to ensure route workhours are accurate. Management stated that the DOIS Clock Ring Discrepancy Report is designed to show variations in the actual clock rings from the assignments made in DOIS. Not everything on the clock ring discrepancy report requires correction.

In response to recommendation 4, management disagreed with evaluating the feasibility of replacing manual route evaluation activities with existing delivery systems, tools, and technology. Management stated that the recommendation is unnecessary, as the City Delivery and Workplace Improvement Task Force is already exploring alternative methods of evaluating, adjusting, and maintaining city delivery routes via technology and other methods.

For the monetary impact, management stated that the OIG erroneously linked overtime that has not been acted upon to parcels over base parcel volume. The Postal Service stated that the administrative action of approving overtime has no proven connection to parcel volume that exceeds base.

Evaluation of Management's Comments

The OIG considers management's comments unresponsive to the recommendations in the report.

In response to management's disagreement with finding 1, stating that the use of average parcel volume on a route was not appropriate for determining base parcel volume. We identified an opportunity to reflect the mail and package volume more accurately by using a 12-month average of actual volume. Our analysis showed that using this methodology could provide management with a more precise reflection of the route's mail profile received and delivered throughout the year. Additionally, management acknowledged the shortcomings in their current policy and stated that they considered using an 11-month average, excluding December. Postal Service policy dictates calculating base parcel volume during a mail count and route inspection when management physically counts the route's mail volume for five or six consecutive days to assess the route's volume. Due to this non-statistically significant sampling method, the policy's outcome does not necessarily reflect actual package volume or the time associated with these deliveries, on average.

Regarding recommendation 1, our report notes that Postal Service management provided a plan to conduct mail count and route inspections on 1,024 selected routes in the spring of 2022. Management did not provide documentation supporting their resumption of route inspections in the fall of 2021. Additionally, management, did not address developing a detailed action plan, including measurable targets, to resume the required annual street observations. Postal Service policy states that management should use the outcome of street observations to determine whether they need a mail count and route inspection or a minor route adjustment. Therefore, we view management's response to recommendation 1 as unresponsive and we will work with management through the audit resolution process.

Regarding recommendation 2, we acknowledge in the report that management is reviewing several route selection methodologies with NALC. We also understand, as noted in management's response, that they are exploring alternate methodologies with the City Delivery and Workplace Improvement Task

Force. However, management did not provide information on the work planned or completed related to evaluating alternative methodologies to determine a route's mail volume to maintain an 8-hour workday and how to account for letter and flat mail base volume. It is possible that the Task Force's outcomes will meet the intent of the recommendation and provide justification for closure. We view management's disagreement on recommendation 2 as unresolved and we will work with management through the audit resolution process.

In response to Postal Service management's disagreement with finding 2, we acknowledge that routes will deviate from the standard 8-hour workday. However, those deviations must be accurately recorded in DOIS, the operational system used to manage routes and letter carrier assignments daily, to reflect actual workhours used to deliver a route. Regarding recommendation 3, as stated above, in FY 2020 there were over 11.6 million errors that were not corrected in TACS, as well as 11.2 million errors in FY 2019, which did merit correction. Furthermore, Postal Service policy requires management to verify recorded workhour accuracy at several junctures. Management must review workhours and certify that operational issues are resolved in TACS daily. In addition, a recent OIG report identified that delivery supervisors did not always monitor carriers' workhours and correct them accordingly. We view management's disagreement with recommendation 3 as unresolved and we will work with management through the audit resolution process.

In response to management's disagreement with finding 3, we understand the Task Force is exploring alternative methods for evaluating, adjusting, and maintaining city delivery routes via technology and other methods. Regarding recommendation 4, management did not provide information on the alternative methods the Task Force is considering or a date they will be completed. It is possible that once the Postal Service implements the Task Force's ideas, the intent of the recommendation will be met. We view management's disagreement on recommendation 4 as unresolved and we will work with management through the audit resolution process.

Regarding disagreement with the monetary impact, ensuring that a route's base parcel volume reflects volume fluctuations and is aligned with workhours can minimize unauthorized overtime that may have been required to finish the route's deliveries. Postal Service policy requires an annual street observation to achieve and maintain an appropriate daily workload for delivery units and routes. During street observations, management may find a route needs adjustment due to frequent overtime being warranted.

We obtained the unauthorized overtime and penalty overtime workhours for city letter carriers on routes without a street observation recorded in FY 2020 and FY 2021, Quarters 1 and 2. We claimed the cost of this overtime and penalty

overtime as unsupported questioned costs.³⁴ The reason for the unauthorized overtime was not documented, but the street observation and subsequent adjustment process would have helped ensure the routes' volumes were in alignment with the standard 8-hour day.

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. We view disagreement with the recommendations as unresolved and plan to pursue them through the formal resolution process.

³⁴ Unsupported questioned costs are called into question because of missing or incomplete documentation or because of failure to follow required procedures.

Appendices

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Appendix A: Additional Information

Objective, Scope, and Methodology

Our objective was to evaluate the Postal Service's management of city letter carrier routes. To accomplish our objective, we:

- Obtained and reviewed applicable laws, policies, procedures, and relevant guidance related to street observations, minor route adjustments, and mail count and route inspections.
- Reviewed the Postal Service's 10-Year Plan.
- Developed a sampling methodology using delivery unit street observations older than one year as of March 28, 2021. We divided the street observation data for all delivery units into three tiers and judgmentally selected 12 delivery units, one delivery unit from each tier for the four areas (see [Appendix I](#)).
- Reviewed and performed a comparative analysis of city letter carrier package base volume and route hours to city letter carrier actual annual average package volume and actual annual average route hours for FY 2020 to determine if base volume and route hours reflected the city letter carrier's actual package volume and standard 8-hour workday.
- Reviewed and analyzed the number of errors reported in TACS for FYs 2019 and 2020 for city letter carrier routes.
- Reviewed and analyzed city delivery mail volume data to determine whether the 5- or 6-day consecutive day period management uses to calculate the base mail volume during a mail count and route inspection was effective.

- Virtually interviewed Postal Service officials at selected delivery units, district offices, and all area offices and headquarters regarding city delivery operations mail count and route inspections.

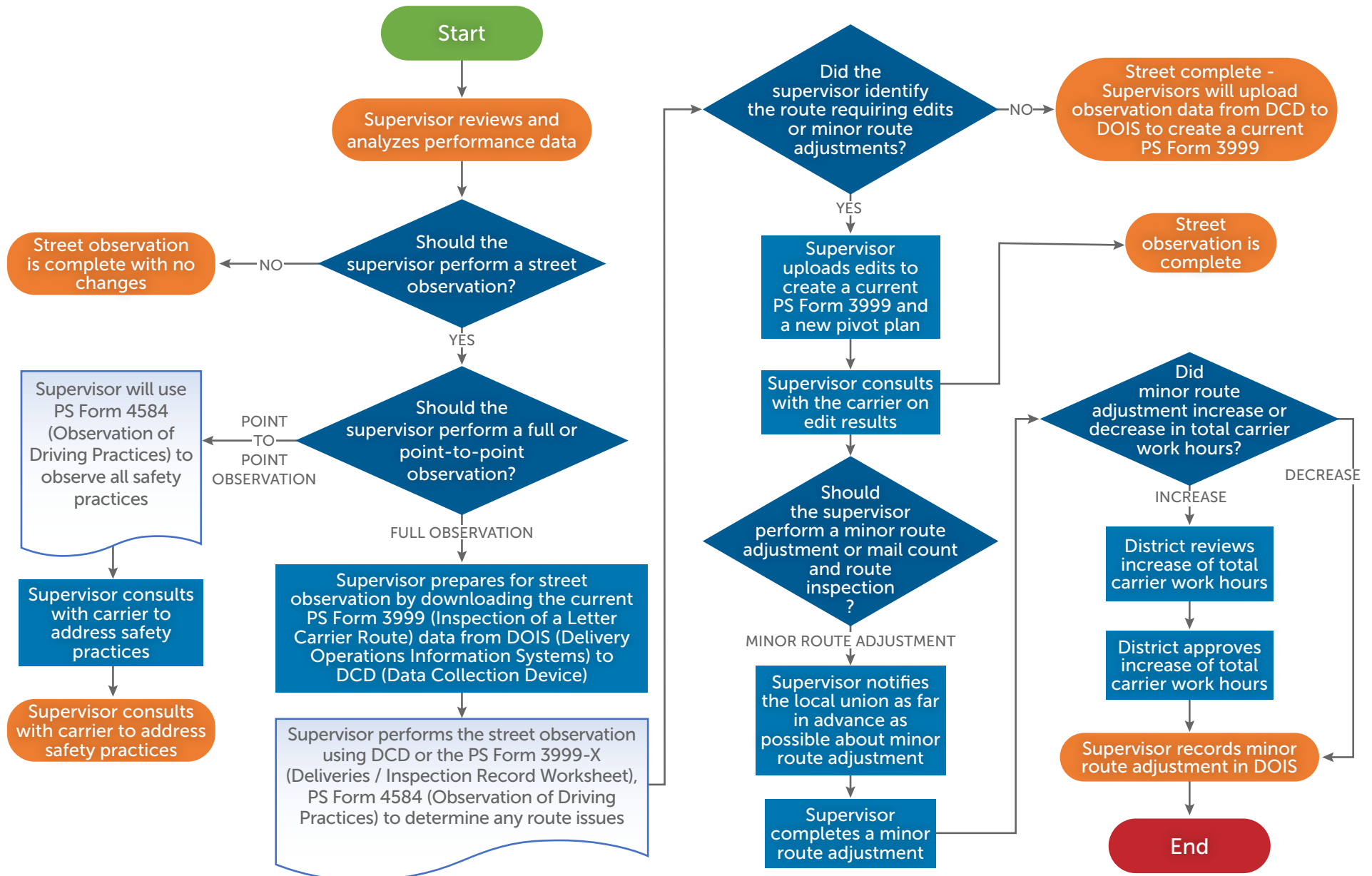
We conducted this performance audit from February 2021 through February 2022 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit 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 November 10, 2021, and included their comments where appropriate.

We assessed the reliability of computer-generated data for the purpose of this report and found it generally reliable. Specifically, we assessed the reliability of the 3999 Data Report, EDW- DDM and EDW – Accounting Data Mart data reports compiled by the Postal Service by testing the completeness and reasonableness of the data and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

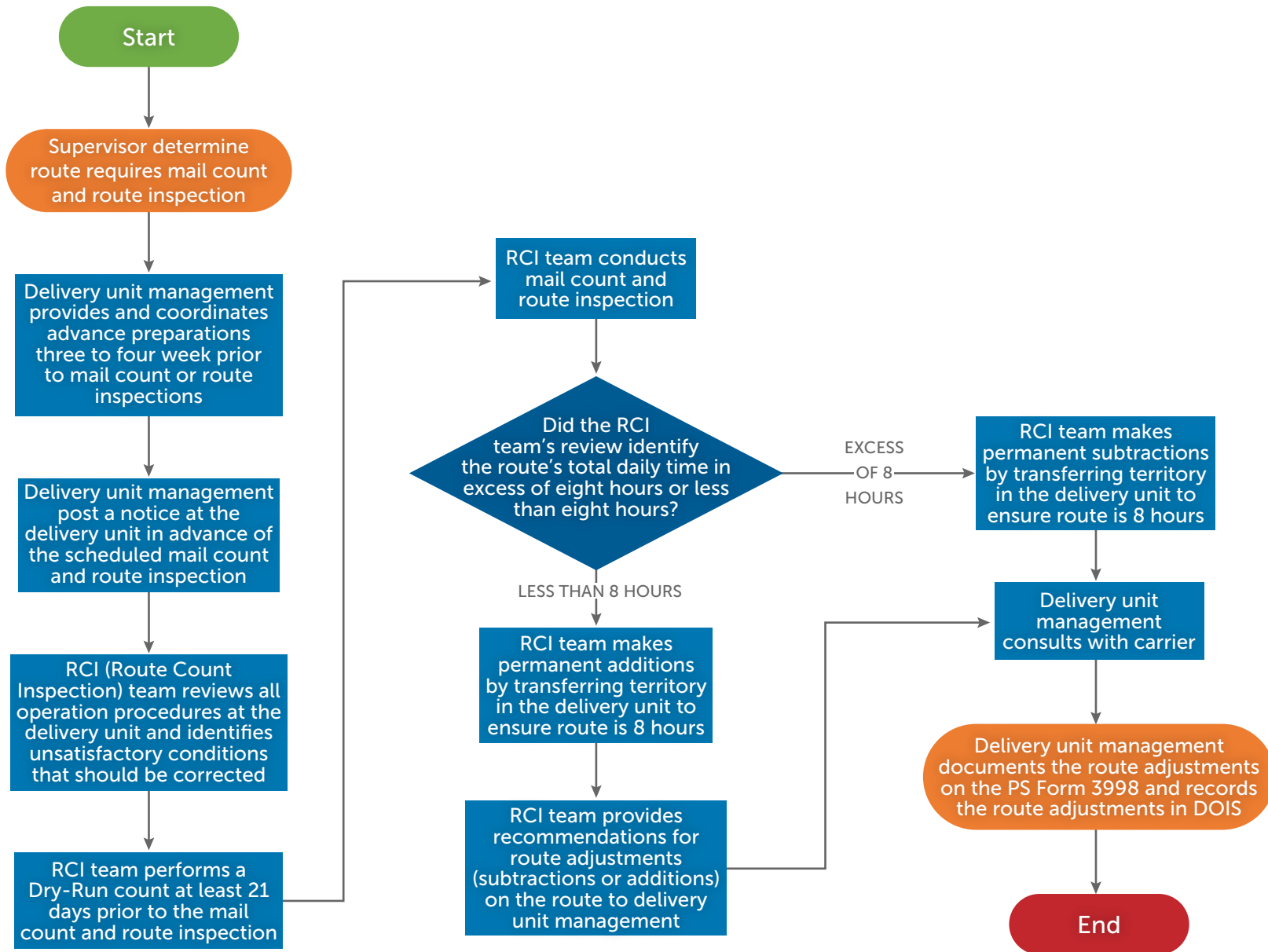
The OIG did not identify any prior audits or reviews related to the objective of this audit within the last five years.

Appendix B: Street Observation and Minor Route Adjustment Process



Source: Handbook M-39.

Appendix C: Mail Count and Route Inspection Process



Source: Handbook M-39.

Appendix D: Number of Last Route Adjustments for Selected Delivery Units

Delivery Unit	Number of Routes	Number of Last Route Adjustment Completed by Fiscal Year ³⁵									
		FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Central Pennsylvania/Catasauqua Main Post Office	6	0	0	0	0	0	0	0	4	0	2
Detroit/Warren Post Office	174	0	48	0	92	0	0	26	0	0	7
Greater Boston/International Mail Center Chelsea, Annex	163	0	0	0	0	0	0	0	55	0	108
Gulf Atlantic/Starke Main Post Office	3	0	0	0	0	0	0	0	0	0	3
Hawkeye/Dyersville Post Office	3	0	0	0	0	0	0	0	0	0	0
Lakeland/Mount Prospect Post Office	56	0	0	0	0	0	56	0	0	0	0
Louisiana/Laplace Main Post Office	16	0	0	0	0	0	0	0	0	0	16
New York/Bronx – Morrisania Station	29	0	0	29	0	0	0	0	0	0	0
San Francisco/San Francisco – Napoleon Carrier Complex	197	0	25	26	41	0	0	0	0	0	0
Sierra Coastal/Thousand Oaks – Newbury Park Branch	26	26	0	0	0	0	0	0	0	0	0
Sierra Coastal/Glendale, Verdugo Viejo Branch	52	0	0	0	0	0	0	0	0	0	9
South Florida/Miami – Snapper Creek Branch	83	0	83	0	0	0	0	0	0	0	0
Total	808	26	156	55	133	0	56	26	59	0	145

Source: EDW-DDM.

³⁵ As of March 28, 2021, 656 of 808 (81 percent) routes' last adjustment occurred from FY 2010 to FY 2019. Additionally, 148 of 808 (18 percent) routes were currently adjusted in FY 2020 and FY 2021. Lastly, four (1 percent) routes' last adjustment date were not recorded on PS Form 3999.

Appendix E: City Letter Carrier Routes – No Recorded Annual Street Observation

Area	Number of Routes	October 2002 – March 28, 2021		Prior to COVID-19 (October 2002 – April 15, 2020)		During COVID-19 (April 16, 2020 – December 2020)	
		Number of Routes with No Street Observations Recorded in DOIS ³⁶	Percent of Routes with No Street Observations Recorded in DOIS	Number of Routes with No Street Observations Recorded in DOIS	Percent of Routes with No Street Observations Recorded in DOIS	Number of Routes with No Street Observations Recorded in DOIS	Percent of Routes with No Street Observations Recorded in DOIS
Atlantic	37,928	32,835	87%	8,861	29%	22,014	71%
Central	31,188	19,889	64%	3,671	20%	14,378	80%
Southern	31,154	24,756	79%	8,115	30%	19,175	70%
Western Pacific	34,998	27,211	78%	9,305	32%	19,360	68%
Total	135,268	104,691	77%³⁷	29,952	29%	74,927	71%

Source: EDW-DDM.

³⁶ As of June 6, 2021, delivery management conducted street observations on 6,824 of 104,691 (7 percent) routes nationwide.

³⁷ Percentages associated with prior to COVID-19 and during COVID-19 may not total to 77 percent due to rounding.

Appendix F: District Selection Criteria for Minor Route Adjustments

District	Change in Mail Volume	Cost Savings	Performance Data	Change in Earned Hours
Central Pennsylvania	0	1	0	0
Detroit	1	0	1	0
Greater Boston	0	0	1	0
Gulf Atlantic	0	0	1	0
Hawkeye	0	1	1	0
Lakeland	1	0	0	0
Louisiana	0	0	0	0
New York	0	0	1	0
San Francisco	1	0	0	0
Sierra Coastal	0	0	1	0
South Florida	0	0	0	1
Total	3	2	6	1

Source: OIG interviews with district officials.

Appendix G: Selected Delivery Unit Management Vacancies

Delivery Unit	Authorized Positions	Vacant Positions	Supervisor on Detail/Unknown	Vacant or On Detail
Central Pennsylvania/Catasauqua Main Post Office	1	0	Yes	1
Detroit/Warren Post Office	10	4	No	1
Greater Boston/International Mail Center Chelsea, Annex	12	1	Yes	1
Gulf Atlantic/Starke Main Post Office	2	0	No	0
Hawkeye/Dyersville Post Office	2	1	No	1
Lakeland/Mount Prospect Post Office	5	0	No	0
Louisiana/Laplace Main Post Office	2	0	No	0
New York/Bronx - Morrisania Station ³⁸	4	0	Yes	1
San Francisco/San Francisco - Napoleon Carrier Complex	13	1	Yes	1
Sierra Coastal/Thousand Oaks - Newbury Park Branch	4	1	Yes	1
Sierra Coastal/Glendale, Verdugo Viejo Branch	3	1	Yes	1
South Florida/Miami - Snapper Creek Branch	6	0	No	0

Source: OIG analysis of WebCoins and OIG Interviews.

³⁸ Morrisania Station carrier letter routes are all foot routes. Their routes do not show package volume because the package volume is allocated to the parcel routes.

Appendix H: OIG Sample Districts and Delivery Units

AREA	DISTRICT	DELIVERY UNIT
Atlantic	Central Pennsylvania	Catasauqua, Main Post Office
	Greater Boston	International Mail Center-Chelsea Carrier Annex
	New York	Morrisania Station
Central	Detroit	Warren Post Office
	Hawkeye	Dyersville Post Office
	Lakeland	Mount Prospect Post Office
Southern	Gulf Atlantic	Starke Main Post Office
	Louisiana	Laplace Main Post Office
	South Florida	Snapper Creek Branch
Western Pacific	San Francisco	San Francisco - Napoleon Carrier Complex
	Sierra Coastal	Glendale - Verdugo Viejo Branch
		Thousand Oaks - Newbury Park Branch

Source: OIG.

Appendix I: National and Delivery Unit FY 2019 Daily Package Volume

Area	Number of Routes	DOIS Base Packages	OIG Analysis Daily Average Annual DOIS Packages	DOIS Base Packages and Daily Average Annual DOIS Package Variance	Packages Percent Change
Atlantic	37,902	██████	██████	██████	82%
Central	31,118	██████	██████	██████	74%
Southern	31,137	██████	██████	██████	53%
Western Pacific	34,940	██████	██████	██████	47%
Total	135,097	██████	██████	██████	60%

Source: EDW-DDM.

District/Delivery Unit	Number of Routes	DOIS Base Packages	OIG Analysis Daily Average Annual DOIS Packages	DOIS Base Packages and Daily Average Annual DOIS Package Variance	Packages Percent Change
Central Pennsylvania/Catasauqua Main Post Office	6	██	██	██	138%
Detroit/Warren Post Office	172	██████	██████	██████	52%
Greater Boston/International Mail Center Chelsea, Annex	161	██████	██████	██████	30%
Gulf Atlantic/Starke Main Post Office	3	██	██	██	115%
Hawkeye/Dyersville Post Office	2	██	██	██	36%
Lakeland/Mount Prospect Post Office	56	██████	██████	██████	71%
Louisiana/Laplace Main Post Office	16	██████	██████	██████	151%
New York/Bronx – Morrisania Station ³⁹	29	██	██	██	–
San Francisco/San Francisco – Napoleon Carrier Complex	197	██████	██████	██████	8%
Sierra Coastal/Glendale, Verdugo Viejo Branch	52	██████	██████	██	0%
Sierra Coastal/Thousand Oaks – Newbury Park Branch	25	██████	██	██████	18%
South Florida/Miami – Snapper Creek Branch	83	██████	██████	██████	69%
Total	802	██████	██████	██████	32%

Source: EDW-DDM

³⁹ Morrisania station carrier letter routes are all foot routes. Package volume is allocated to the parcel routes.

Appendix J: Nationwide City Letter Carrier Routes Errors as of FY 2019

Area	Type of Errors							Total
	Indeterminable Route	No Work on Scheduled Miscellaneous Assignment	No Work on Scheduled Office Assignment	No Work on Scheduled Street Assignment	Unscheduled Miscellaneous Assignment	Unscheduled Office Assignment	Unscheduled Street Assignment	
Atlantic	1,200,878	204,614	265,775	586,837	1,252,945	716,878	570,436	4,798,363
Central	543,313	62,110	108,189	317,955	341,859	261,183	252,451	1,887,060
Southern	603,509	51,057	141,665	317,152	374,924	329,196	275,296	2,092,799
Western Pacific	563,356	71,916	144,346	324,073	544,356	403,890	382,300	2,434,237
Total	2,911,056	389,697	659,975	1,546,017	2,514,084	1,711,147	1,480,483	11,212,459

Source: EDW-DDM

Appendix K: Management's Comments

VICE PRESIDENT, DELIVERY OPERATIONS
HEADQUARTERS



February 7, 2022

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: City Delivery Operations - Nationwide Route Management (Report Number 21-127-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations containing in the draft audit report, *Nationwide Route Management*

Management disagrees with all three report findings.

- Finding #1: It is our contention that Base Parcel volume should not be generated via an annual average. We define Base Parcel volume as the expected Parcel volume on a typical day for each individual route.
- Finding #2: The report falsely asserts that the utilization of more than 8 hours 15 minutes or less than 7 hours 40 minutes is indicative of inaccurate workhours. Using the OIG methodology, it is quite possible that every route pivoted would be incorrectly considered to have inaccurate workhours, just as all routes that were worked by management would be.
- Finding #3: The City Delivery and Workplace Improvement Task Force is already exploring alternative methods of evaluating, adjusting and maintaining city delivery routes via technology and other various methods.

Management explicitly disagrees with the monetary impacts. The OIG erroneously links overtime that has not been acted upon to Parcels over base and estimates a \$541M impact. The administrative action of approving overtime has no proven connection to parcels over base.

Recommendation [1]:

We recommend the Vice President, Delivery Operations, develop a detailed action plan, including measurable targets, to resume conducting annual street observations to determine whether a minor route adjustment or a mail count and route inspection review is needed.

Management Response/Action Plan:

Management disagrees with this recommendation. An action plan to resume street observations is unnecessary as inspections resumed in the Fall of calendar year 2021.

VICE PRESIDENT, DELIVERY OPERATIONS
HEADQUARTERS

Target Implementation Date: N/A

Responsible Official:
N/A

Recommendation [2]:
We recommend the Vice President, Delivery Operations, evaluate using alternative methodologies, rather than the five or six consecutive days of a routes' mail volume, to maintain the 8-hour workday and how to account for letter and flat mail base volume.

Management Response/Action Plan:
Management disagrees with this recommendation because it is unnecessary as alternate methodologies are currently being explored via the City Delivery and Workplace Improvement Task Force. This group was established for the purpose of jointly seeking methods to improve the cultural and operational environment in city delivery offices. Among its many duties, the task force will utilize alternative and technological findings to develop and implement a process to efficiently and accurately evaluate delivery routes and assignments; determine the most efficient and effective mix of letter routes, parcel routes, etc.; and jointly (NALC & Management) explore the use of technology, data, advanced analytics and machine learning.

Target Implementation Date: N/A

Responsible Official:
N/A

Recommendation [3]:
We recommend the Vice President, Delivery Operations, develop an oversight process to monitor and confirm that delivery unit management resolve errors in the Time and Attendance Collection System timely to ensure route workhours are accurate.

Management Response/Action Plan:
Management disagrees with this recommendation. Because the cited DOIS clocking discrepancy report is designed to show variations in the actual clockings from the assignments made in DOIS. Not everything on the clocking discrepancy report requires corrections.

Target Implementation Date: N/A

Responsible Official:
N/A

Recommendation [4]:
We recommend the Vice President, Delivery Operations, evaluate the feasibility of replacing manual route evaluation activities with existing delivery systems, tools, and technology.

VICE PRESIDENT, DELIVERY OPERATIONS
HEADQUARTERS

Management Response/Action Plan:

Management disagrees with this recommendation because it is unnecessary as the City Delivery and Workplace Improvement Task Force is already exploring alternative methods of evaluating, adjusting and maintaining city delivery routes via technology and other various methods.

Target Implementation Date: N/A

Responsible Official:

N/A

E-SIGNED by ANGELA.H CURTIS
on 2022-02-07 15:22:42 CST

Angela H. Curtis

OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

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