

Office of Inspector General | United States Postal Service

Audit Report

Mail Delivery, Customer Service, and Property Conditions Review – Rio Rancho Branch, Rio Rancho, NM

Report Number 22-132-1-R22 | August 5, 2022





OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 5, 2022

MEMORANDUM FOR: JOHN S. MORGAN
DISTRICT MANAGER, ARIZONA-NEW MEXICO

A handwritten signature in black ink that reads "Joseph E. Wolski". The signature is written in a cursive style with a large, looping initial "J".

FROM: Joseph E. Wolski
Director, Field Operations 2

SUBJECT: Audit Report – Mail Delivery, Customer Service, and Property Conditions Review –
Rio Rancho Branch, Rio Rancho, NM (Report Number 22-132-1-R22)

This report presents the results of our audit of Mail Delivery, Customer Service, and Property Conditions – Rio Rancho Branch, Rio Rancho, NM.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jennifer Schneider, Operational Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Chief Retail & Delivery Officer & Executive Vice President
Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, WestPac Area Retail & Delivery Operations

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Rio Rancho Branch, Rio Rancho, NM (Project Number 22-132-1). The Rio Rancho Branch is in the Arizona-New Mexico District of the WestPac Area and services ZIP Codes 87124 and 87144.¹ These ZIP Codes serve about 89,081 people and are considered to be urban communities.² We judgmentally selected the Rio Rancho Branch based on the number of customer inquiries the unit received related to package tracking and mail delivery delays.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Rio Rancho Branch in Rio Rancho, NM.

To accomplish our objective, we focused on four audit areas: delayed mail, package scanning, truck arrival scans, and property conditions. Specifically, we reviewed delivery metrics including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and distribution up-time.³ During our site visit, we reviewed mail conditions; package and truck arrival scanning procedures; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left” area⁴ and interviewed unit management and employees.

We discussed our observations and conclusions as summarized in Table 1 with management on July 19, 2022, and included their comments where appropriate.

The Rio Rancho Branch is one of four delivery units⁵ the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of June 6, 2022, that is serviced by the Albuquerque Processing and Distribution Center (P&DC). We are issuing this interim report to provide the Postal Service with timely information regarding the conditions we identified at the Rio Rancho Branch. We will issue a separate report⁶ that provides the Postal Service with the overall findings and recommendations for all four delivery units. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting mail delivery, customer service, and property conditions at the Rio Rancho Branch. Specifically, we found issues with all four areas we reviewed (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Truck Arrival Scanning	X	
Property Conditions	X	

Source: Results of our fieldwork during the week of June 6, 2022.

¹ The unit also services ZIP Code 87174. ZIP Code 87174 is mainly used for post office boxes.

² We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information. Of the people living in this ZIP Code, about 87,366 (about 98.07 percent) are considered to be living in urban areas and 1,715 (about 1.93 percent) are considered to be living in rural communities.

³ Time of day that clerks have completed distributing mail to the carrier routes.

⁴ The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

⁵ The other three units are Richard J. Pino Station (Project Number 22-132-2); Santa Fe Main Post Office (Project Number 22-132-3); and Santa Fe Coronado Station (Project Number 22-132-4).

⁶ Project Number 22-132.

Finding #1: Delayed Mail

What We Found

On the morning of June 7, 2022, we identified 848 pieces of delayed mail in the flat sorting case for three routes and at two carrier cases (see Figure 1). Specifically, we identified about 560 letters and 22 flats in the flat sorting case and about 251 letters and 15 flats at the carrier cases. In addition, this mail was not reported as undelivered in the Delivery Condition Visualization (DCV)⁷ system.

Figure 1. Examples of Delayed Mail

Delayed Mail at Flat Sorting Case



Delayed Mail at Carrier Case



Source: OIG photos taken June 7, 2022.

Why Did It Occur

Management did not verify that all mail was cleared from the unit and taken to the street for delivery. The AM supervisor stated that he was unaware of the delayed mail. In addition, the Manager, Customer Service, started at the unit on May 31, 2022, and did not monitor delayed mail.

What Should Have Happened

Management should have ensured that all mail was taken out for delivery or reported it as delayed mail. Postal Service policy⁸ states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. In addition, managers are required⁹ to report all mail in DCV that remains in a unit after the carriers have left for their street duties.

Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. In addition, inaccurate reporting of delayed mail in DCV provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues.

⁷ A tool for unit management to manually self-report delayed mail, which provides a snapshot of daily mail conditions at the point in time when carriers have departed for the street.

⁸ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

⁹ *Informed Visibility Delivery Condition Visualization*, March 2022.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 359 packages at the delivery unit between February and April 2022 (see Table 2). Further analysis of the Stop-the-Clock (STC)¹⁰ scan data for these packages showed that about 59.05 percent of these packages were scanned as “Delivered”. Note that this data excludes scans that could properly be made at a delivery unit, such as “Delivered - PO Box” and “Customer (Vacation) Hold” but, instead, represents scans performed at the delivery unit that should routinely be made at the point of delivery. In addition, we only included “Delivery Attempted – No Access to Delivery Location” scans performed Monday through Friday to avoid legitimate scans for businesses on weekends.

Table 2. STC Scans at Delivery Unit

STC Scan Type	February	March	April	Total	Percentage
Delivered	68	81	63	212	59.05%
Delivery Attempted – No Access to Delivery Location*	48	21	34	103	28.69%
Receptacle Full / Item Oversized	5	8	8	21	5.85%
Delivery Exception – Animal Interference	6	7	3	16	4.46%
No Authorized Recipient Available	1	2	1	4	1.11%
No Secure Location Available	2	0	1	3	0.84%
Total	130	119	110	359	100%

Source: OIG analysis of the Postal Service’s Product Tracking and Reporting (PTR) System data. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

¹⁰ A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include “Delivered”, “Available for Pick-up”, and “No Access”.

¹¹ We judgmentally selected 30 packages from the carrier cases and 30 packages from the “Notice Left” area.

¹² The Postal Automated Redirection System intercepts mail identified as undeliverable-as-addressed during processing by matching a change-of-address record in the national database with the name and delivery address on the mailpiece. After the new address is applied to the piece, the piece is sent to the appropriate operation for sortation.

¹³ *Notice Left and Return Guidelines*, dated July 2007, states that domestic packages should be returned to sender on the 15th calendar day after a notice is left and international packages should be returned to sender on the 30th calendar day after a notice is left.

In addition, on the morning of June 7, 2022, before carriers arrived for the day, we selected 60 packages¹¹ to review and analyze scanning and tracking history. Of the 60 sampled packages, 13 (21.67 percent) had improper scans or were handled incorrectly, including:

- Four from the carrier cases had “Delivered” scans, which should only be performed when a package is successfully left at the customer’s delivery address.
- Three from the carrier cases had a “Delivery Attempted” scan away from the delivery points. All packages are required to be scanned at the point of delivery attempt.
- Two from the carrier cases had “Addressee Unknown” and “No Such Number” scans and should have been returned to the sender.
- Two from the carrier cases were missing an STC scan to let the customer know the reason for non-delivery.
- One from the “Notice Left” area had a “Forwarded” scan and should have been sent for processing through Postal Automated Redirection System¹² to be sent to the new address.
- One from the “Notice Left” area was missing an “Arrival at Unit” scan, which is required for performance measurement.

Further, nine packages in the “Notice Left” area were not returned to the sender at the end of the required retention period.¹³ These packages ranged from five to 63 days past their return dates.

Why Did It Occur

The PM supervisor had only been performing this role for one day prior to our arrival and stated that she was aware that she needed to follow up with each carrier as they returned from their route. However, she prioritized mail delivery and carriers returning from their routes in a timely manner over monitoring package scan data.

In addition, packages in the “Notice Left” area were not returned due to inadequate management oversight. One of the clerks who handles the “Notice Left” area stated that working the retail window and processing passports does not allow time to review package return dates each day. In addition, the Manager, Customer Service, stated that when starting at this unit, the “Notice Left” area was not the top priority, as there were not a high number of packages in it.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,¹⁴ which includes scanning packages at the time and location of delivery.¹⁵ Packages in the “Notice Left” area should have been reviewed for second notices and returned to sender if they remained after the prescribed number of days.

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand.

¹⁴ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁵ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the Rio Rancho Branch did not scan any incoming trailer/truck barcodes¹⁶ as required. We reviewed data related to morning truck arrival scans from February 1 to April 30, 2022, and found that employees did not perform a scan for any of the 188 scheduled trucks arriving from mail processing facilities.¹⁷

Why Did It Occur

Management did not monitor scan performance data to ensure trucks received an arrival scan. This occurred because the AM supervisor was unfamiliar with proper truck scanning requirements and had not instructed employees to scan the truck barcodes. In addition, neither the Manager, Customer Service, nor the Albuquerque Postmaster provided follow-up about these scans not being performed.

What Should Have Happened

Management should have instructed employees to scan the trucks and monitored truck scan performance to ensure that all expected truck scans were being performed. According to Postal Service policy,¹⁸ employees must scan the trailer barcodes on Postal Service trailer/trucks and Highway Contract Route trucks arriving at the delivery unit during local operating hours.

Effect on the Postal Service and its Customers

When employees do not scan truck barcodes, the Postal Service does not receive timely transportation information and is unable to address issues that may be causing mail delays, which could affect customer service.

¹⁶ The barcode on the back door and inside right and left walls of the trailer.

¹⁷ One hundred trucks arrived from the Albuquerque Auxiliary Service Facility and 88 arrived from the Albuquerque P&DC.

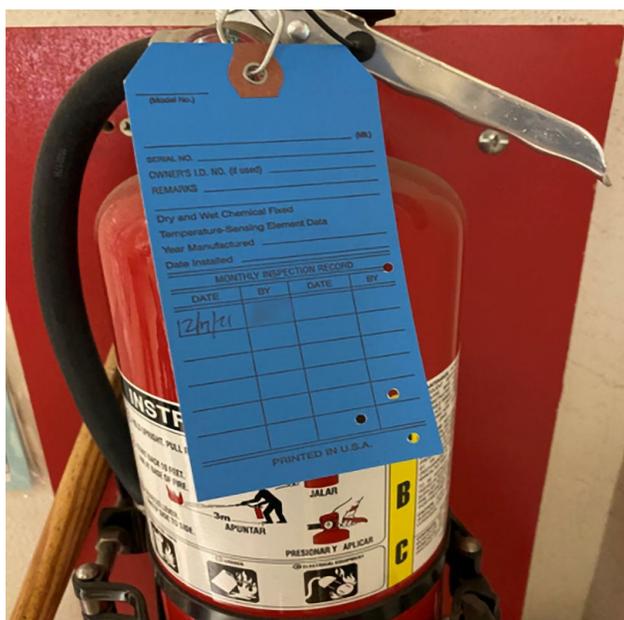
¹⁸ *United States Postal Service Standard Operating Procedure – Subject: Trailer Scans at the Delivery Units (DU)*.

Finding # 4: Property Conditions

What We Found

We found safety and security issues at the Rio Rancho Branch, including fire extinguishers that had not had a monthly inspection since December 17, 2021 (see Figure 2), and no signage posted in the employee parking lot stating that vehicles may be subject to search, as required.

Figure 2. Fire Extinguishers Missing Monthly Inspections



Source: OIG photo taken June 8, 2022.

Why Did It Occur

Management did not take the necessary actions to ensure that facility condition issues were corrected. Unit management was not aware that the monthly fire extinguisher inspections were not being performed or that a sign needed to be posted.

What Should Have Happened

Management should have provided sufficient oversight to personnel responsible for maintaining facilities, reported safety and security issues as they arose, and followed up to ensure completion. The Postal Service is required to maintain a safe environment for employees and customers. In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe

and healthy workplace free of recognized hazards.¹⁹

Effect on the Postal Service and Its Customers

Management's attention to safety and security deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims, lawsuits, and OSHA penalties; and enhance the customer experience and Postal Service brand.

Management's Comments

Management agreed with findings 2, 3, and 4 and partially agreed with finding 1.

Specifically, management disagreed with the number of pieces of delayed mail the OIG reported. Management stated that some of the mail identified as delayed at the hot case²⁰ was 3M mail²¹ that had not been separated from the delayed mail.

Management stated they have begun taking steps to address all four findings. See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

Regarding finding 1, we do not consider any of the delayed mail we identified to be 3M mail. A clerk stated that the bundles found in the flat sorting case were not 3M mail but were from the previous delivery day. Additionally, one of the bundles had a tag that indicated Monday delivery. Consequentially, we believe that our assessment of delayed mail was appropriate.

Regarding finding 1, the mail found in the flat sorting case was for three specific rural routes (see [Figure 1](#)), and we identified that the delayed mail of one of these routes had a nonlinear measurement tag for the prior delivery day attached to it. In addition, on June 7, 2022, a clerk mentioned to us that all mail was distributed the prior day before distribution up time was called for the carriers.

¹⁹ OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*.

²⁰ A case designated for final withdrawal of mail as carriers leave the office.

²¹ Mail that is missorted, mis-sequenced, or missent.

Appendix A: Additional Information

We conducted this audit from June through August 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 relied on computer-generated data from the DCV, PTR, the Surface Visibility²² database, and the electronic Facilities Management System.²³ Although we did not test the validity of the controls over these systems, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

²² Surface Visibility collects end-to-end data by linking multiple scans of a single asset to create visibility data to support planning, management, and optimization of the surface network.

²³ A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs, and alteration contracts, along with real estate contracts.

Appendix B: Management's Comments



July 27, 2022

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Mail Delivery, Customer Service, and Property Conditions Review – Rio Rancho Branch, Rio Rancho, NM - Project Number 22-132-1-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Mail Delivery, Customer Service, and Property Conditions Review – Rio Rancho Branch, Rio Rancho, NM*.

Management agrees with finding #2: Package Scanning, finding #3: Truck Arrival Scanning, and finding #4: Property Conditions.

As for finding #1: Delayed Mail, management disagrees, in part, with the number of pieces reported by the OIG as delayed. The mail identified at the hot case was a mixture of 3M mail and delayed mail. The majority of what the OIG identified as delayed mail was 3M mail that had not been separated from the hot case mail.

Management has begun taking steps to address the four findings.

A handwritten signature in blue ink, appearing to read "John Morgan".

for John Morgan
District Manager, Arizona-New Mexico

cc: Vice President, Area Retail & Delivery Operations (Western-Pacific)
Corporate Audit & Response Management

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