

# Mail Delivery, Customer Service, and Property Conditions Review – North Philadelphia Station, Philadelphia, PA

## AUDIT REPORT

Report Number 22-208-3-R23 | January 10, 2023





# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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January 10, 2023

**MEMORANDUM FOR:** GARY J. VACCARELLA  
MANAGER, DELAWARE-PENNSYLVANIA 2 DISTRICT

A handwritten signature in black ink, reading "Joseph E. Wolski", is positioned above the "FROM:" field.

**FROM:** Joseph E. Wolski  
Director, Field Operations

**SUBJECT:** Audit Report – Mail Delivery, Customer Service, and Property  
Conditions Review – North Philadelphia Station, Philadelphia, PA  
(Report Number 22-208-3-R23)

This report presents the results of our audit of Mail Delivery, Customer Service, and Property Conditions Review – North Philadelphia Station, Philadelphia, PA.

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, Processing and Maintenance Operations  
Vice President, Atlantic 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 North Philadelphia Station in Philadelphia, PA (Project Number 22-208-3). The North Philadelphia Station is in the Delaware-Pennsylvania 2 District of the Atlantic Area and services ZIP Codes 19121, 19132, and 19133. These ZIP Codes serve about 99,657 people and are considered to be an urban area.<sup>1</sup> This delivery unit has 49 city routes. We judgmentally selected the North Philadelphia Station based on the number of Stop-the-Clock (STC)<sup>2</sup> scans occurring at the delivery unit, rather than at the customer's point of delivery, and indicators for undelivered mail.<sup>3</sup>

## Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the North Philadelphia Station in Philadelphia, PA.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, truck arrival scans, arrow keys,<sup>4</sup> 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.<sup>5</sup> During our site visit we reviewed mail conditions; package and truck arrival scanning procedures; arrow key security 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" area<sup>6</sup> and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 1 with management on December 15, 2022, and included their comments where appropriate.

The North Philadelphia Station is one of six delivery units<sup>7</sup> the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of October 24, 2022, that are serviced by the Delaware and Philadelphia Processing and Distribution Centers (P&DC). We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the North Philadelphia Station. We will issue a separate report<sup>8</sup> that provides the Postal Service with the overall findings and recommendations for all six 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 North Philadelphia Station. Specifically, we found issues with all five 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	
Arrow Keys	X	
Property Conditions	X	

Source: Results of our fieldwork during the week of October 24, 2022.

<sup>1</sup> We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information.

<sup>2</sup> A scan event that indicates the U.S. 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."

<sup>3</sup> The undelivered mail metrics include Customer 360 (C360) inquiries, Informed Delivery inquiries, and non-delivered routes.

<sup>4</sup> A distinctively shaped key carriers use to open mail-receiving receptacles such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow keys are accountable property and are subject to strict controls.

<sup>5</sup> Time of day that clerks have completed distributing mail to the carrier routes.

<sup>6</sup> The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

<sup>7</sup> The other five units were the Germantown Station, Philadelphia, PA (Project Number 22-208-1); Logan Station, Philadelphia, PA (Project Number 22-208-2); Marshallton Branch, Wilmington, DE (Project Number 22-208-4); Edgemoor Branch, Wilmington, DE (Project Number 22-208-5); and Lancaster Avenue Station, Wilmington, DE (Project Number 22-208-6).

<sup>8</sup> Project Number 22-208.

# Finding #1: Delayed Mail

## What We Found

On the morning of October 25, 2022, we identified 5,283 delayed mailpieces at the unit. Specifically, we identified 3,398 letters, 1,817 flats, and 68 packages at 37 carrier cases and prepared for delivery on the workroom floor. In addition, this mail was not reported as undelivered in the Delivery Condition Visualization (DCV)<sup>9</sup> system. See Figures 1 and 2 for examples of delayed mail found at carrier cases and on the workroom floor.

**Figure 1. Examples of Delayed Mail at Carrier Cases**



Source: OIG photos taken on October 25, 2022.

**Figure 2. Delayed Mail on Workroom Floor**



Source: OIG photo taken October 25, 2022.

## Why Did It Occur

Management stated that carriers brought back mail at the end of the day due to several contributing factors. Specifically:

- The unit did not have enough arrow keys for all carriers on routes that required them for delivery. The unit has 14 arrow keys to share among 49 carrier routes. This obstructs the delivery of mail because carriers use arrow keys to open mail receptacles.
- The unit did not have experienced delivery personnel. Specifically, 65 percent of the unit's staff have less than one year of experience and did not possess knowledge of the delivery routes. An increase in political mail volume worsened this situation.

In addition, delayed mail was not reported because the supervisor was not aware of proper procedures for reporting mail in DCV.

## What Should Have Happened

Management should have ensured that all committed mail would be delivered and accurately accounted for and reported in DCV. Management should have prioritized the availability of arrow keys to ensure carriers could deliver the mail. In addition,

<sup>9</sup> 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.

carriers should have notified management of undelivered mail and management should have inspected the facility to ensure all mail had been delivered on the required day. Postal Service policy<sup>10</sup> 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, management is required<sup>11</sup> to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. Further, management must update DCV if reported volumes have changed prior to the end of the business day.

### **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.

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<sup>10</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

<sup>11</sup> *Informed Visibility Delivery Condition Visualization User Guide*, September 2022.

## Finding #2: Package Scanning

### What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 454 packages at the delivery unit between July and September 2022 (see Table 2). Further analysis of the STC scan data for these packages showed that 64.98 percent of them were scanned “Delivered”. This data excludes scans that could properly be made at a delivery unit, such as “Delivered – PO Box” and “Customer (Vacation) Hold” but, rather, represent 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 that are closed on weekends.

In addition, on the morning of October 25, 2022, before carriers arrived for the day, we selected 45 packages<sup>12</sup> to review and analyze scanning and tracking history. Of the 45 sampled packages, 11 (24.44 percent) had improper scans including:

- Six (three from the carrier cases and three from the “Notice Left” area) were missing STC scans to let the customer know the reason for non-delivery.
- Three from the carrier cases had a “Delivered” scan, which should only be performed when a package is successfully left at the customer’s point of delivery.
- Two (one from the carrier cases and one from the “Notice Left” area) had a “Delivery Attempted – No Access to Delivery Location” but was scanned away from the point of delivery.

Further, 19 of the sampled packages in the “Notice Left” area were not returned to the sender, as required.<sup>13</sup> These packages ranged from two to 35 days past their return dates.

### Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Management stated that most of the scans that occurred at the delivery unit were for the local university that comes to pick up their packages. Management stated that they were not aware of the process for setting up a caller service for the university.

**Table 2. STC Scans at Delivery Unit**

STC Scan Type	July	August	September	Total	Percentage
Delivered	41	109	145	295	64.98%
Delivery Attempted – No Access to Delivery Location	47	53	40	140	30.84%
Receptacle Full / Item Oversized	6	4	0	10	2.20%
No Secure Location Available	4	1	2	7	1.54%
No Authorized Recipient	0	0	1	1	0.22%
Delivery Exception – Animal Interference	0	1	0	1	0.22%
<b>Total</b>	<b>98</b>	<b>168</b>	<b>188</b>	<b>454</b>	<b>100%</b>

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.

<sup>12</sup> We judgmentally selected 15 packages from the carrier cases and 30 packages from the “Notice Left” area.

<sup>13</sup> *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.



Regarding the 11 packages found at the carrier cases, management did not ensure that carriers were checking in with a supervisor upon return from their street deliveries to determine if all packages were delivered. Further, management did not ensure that a supervisor conducted a PM walkthrough to identify and review undelivered packages.

In addition, management stated that packages in the “Notice Left” area were not returned timely because the unit was understaffed, and management overlooked that it was not being done. During our audit, management took corrective action on October 26, 2022, by returning all the packages that exceeded their return dates to senders.

### **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,<sup>14</sup> which includes scanning packages at the time and location of delivery.<sup>15</sup> 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.

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

<sup>15</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

## Finding #3: Truck Arrival Scanning

### What We Found

Employees at the North Philadelphia Station did not scan all incoming trailer/truck barcodes<sup>16</sup> as required. We reviewed data related to morning truck arrival scans from July 1 through September 30, 2022 and found that employees did not perform scans for all 289 scheduled trucks arriving from the Philadelphia P&DC. During our observation of the truck arrivals at the unit on the morning of October 25, 2022, we confirmed that the clerk did not scan the truck as required.

### Why Did It Occur

Management did not monitor scan performance data to ensure that all trucks received an arrival scan. The station manager stated she had only been on the job one day and has not had a chance to assess the unit. However, one supervisor stated that they previously scanned trucks but stopped because the barcodes were not scanning correctly. In addition, the unit must use a lift to load and unload the truck, which prevents clerks from accessing the barcode inside the truck. Further, a seasoned clerk stated that he was not aware that trucks were supposed to be scanned.

### What Should Have Happened

Management should have reviewed truck arrival tracking reports to ensure that employees were performing all expected truck scans. In addition, unit management could have reached out to Atlantic District management to let them know that clerks could not scan the barcodes so they could have discussed modifications to the scan process. According to Postal Service policy,<sup>17</sup> employees must scan the trailer barcode 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 the truck barcode, 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.

<sup>16</sup> The trailer barcode on the back door and inside right and left walls of the trailer.

<sup>17</sup> *United States Postal Service Standard Operating Procedures – Subject: Trailer Scans at the Delivery Units (DU).*



# Finding #4: Arrow Keys

## What We Found

Unit management did not properly manage and safeguard arrow keys.<sup>18</sup> On the morning of October 27, 2022, we reviewed the unit’s Arrow Key Certification report for arrow keys and conducted a physical inventory of the keys at the unit. We found 14 keys at the unit for the 49 carrier routes and only three were listed on the Arrow Key Certification report. However, two of the three keys listed were reported as lost. Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service nor had they updated the Arrow Key Certification report since September 12, 2022 when the keys were certified by management.

In addition, we found that arrow keys were not always kept secure. Management stated that they had a designated secure area for the keys. However, we found keys at the [REDACTED] and observed that the secure location open and unattended throughout our visit (see Figure 3). We also found that employees

were not signing a daily log to acknowledge the return of their assigned keys.

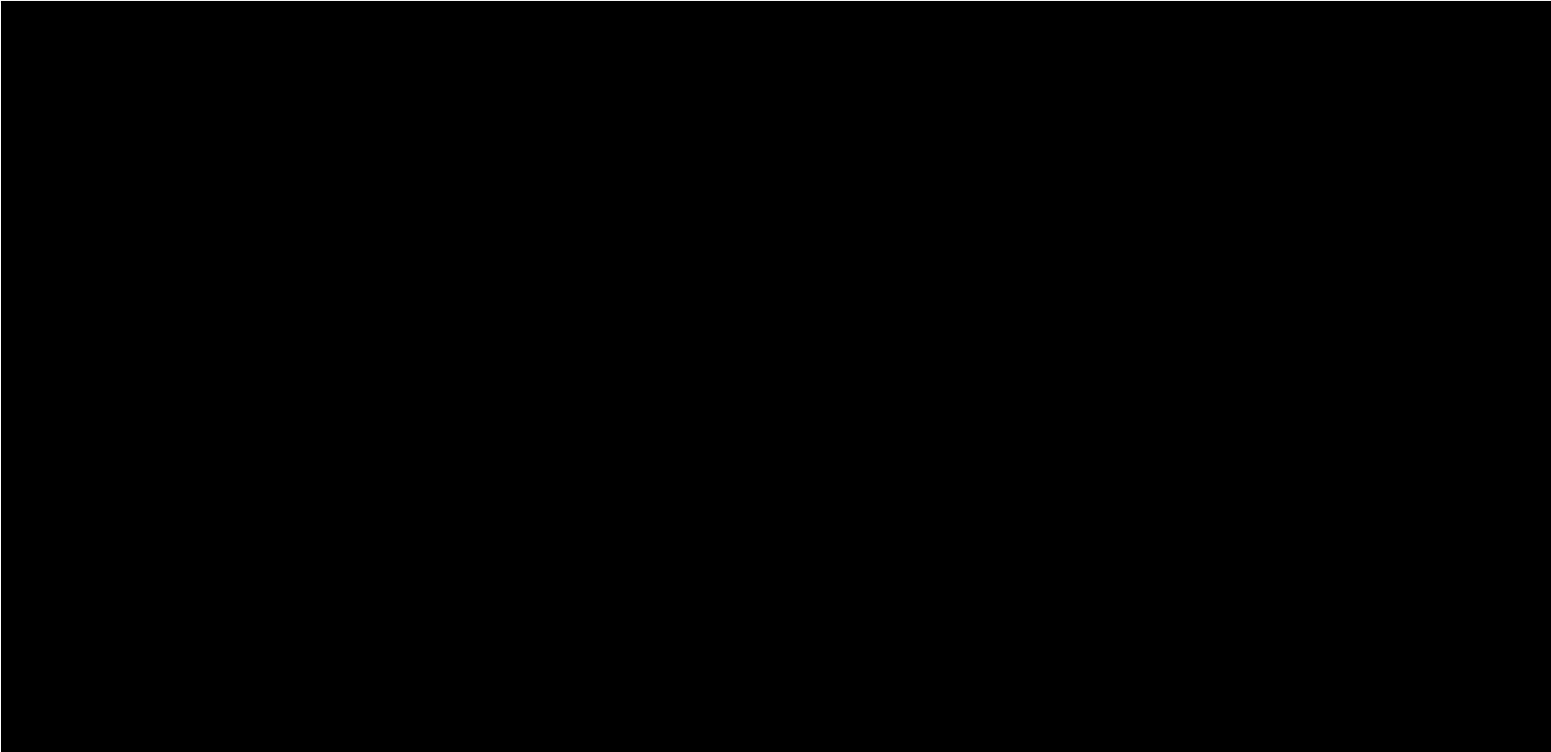
## Why Did It Occur

Management did not properly manage and safeguard arrow keys because they did not have a process in place or provide proper oversight of their inventory. Specifically, management allowed carriers to share the keys and did not have them sign in and out for the keys as accountability was transferred from one carrier to another. In addition, management did not have a process to ensure the keys were signed back in and accounted for after carriers returned from the street.

## What Should Have Happened

Management should have ensured that employees properly followed arrow key security procedures. According to Postal Service policy,<sup>19</sup> management must keep an accurate inventory of all keys, conduct a semiannual physical survey of all building keys,

Figure 3. Arrow Keys Security



Source: OIG photos taken October 25 through 27, 2022.

<sup>18</sup> Arrow keys are used by carriers to open mail receptacles, such as collection boxes and apartment mailboxes. Arrow keys are accountable items and are subject to strict controls.  
<sup>19</sup> *Administrative Support Manual* Issue 13, Sections 273.461, 273.464, and 273.471, July 1999, updated through March 31, 2022.

and immediately report missing keys to the U.S. Postal Inspection Service. In addition, policy<sup>20</sup> states that arrow keys must remain secured until they are individually assigned to personnel and a supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location and a supervisor or clerk must verify all keys have been returned and accounted for daily.

### **Effect on the Postal Service and Its Customers**

When there is insufficient oversight and supervision of accountable items such as arrow keys, there is increased risk of mail theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail.

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<sup>20</sup> *Standard Work: Arrow Key Accountability*, January 2022 and *USPS Arrow Key Standard Work*, January 2022.

## Finding #5: Property Conditions

### What We Found

We found safety, security, and maintenance issues at the North Philadelphia Station including:

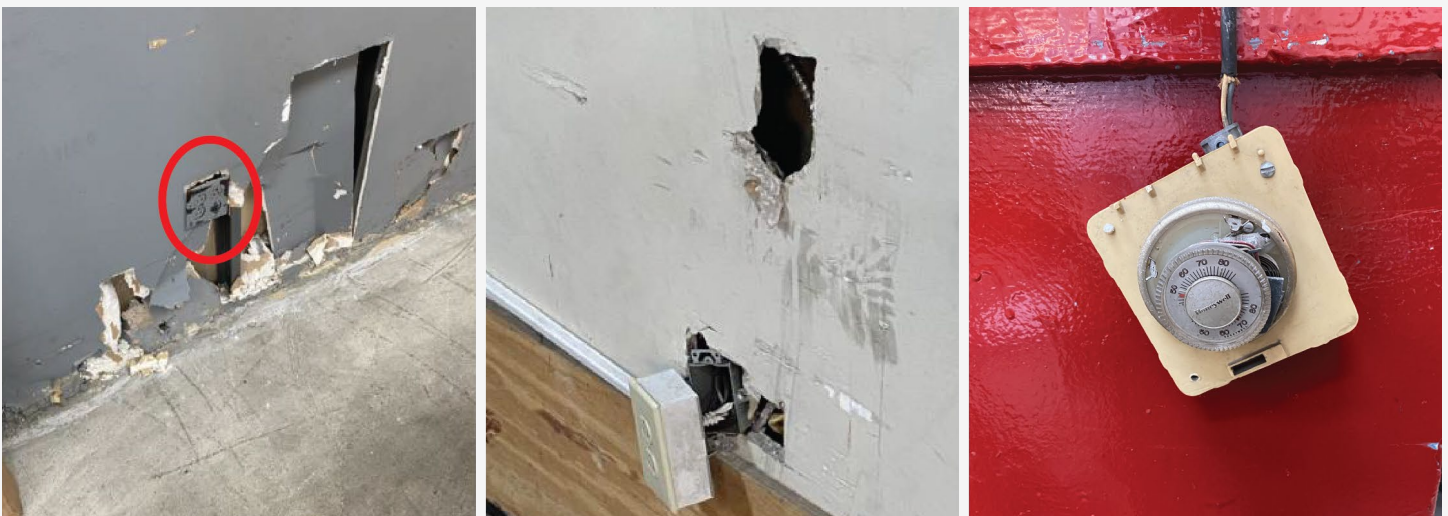
- A blocked electrical panel and fire extinguisher (see Figure 4).
- Three electrical outlets and one thermostat not securely mounted (see Figure 5).
- Damaged walls (see Figure 5).
- Light switches in the conference room with missing switch plates.
- All seven fire extinguishers were missing required monthly and annual inspections.
- No sign posted in the delivery unit employee parking lot stating that vehicles may be subject to search.
- Two leaking faucets, one inoperable toilet, and a closet overflowing with clutter and trash in the men's restroom.
- Inoperable toilets in the women's restroom.

**Figure 4. Blocked Electrical Panel and Fire Extinguisher**



Source: OIG photos taken October 25, 2022.

**Figure 5. Electrical Outlets and Thermostat not Securely Mounted and Damaged Walls**



Source: OIG photos taken October 25, 2022.



## Why Did It Occur

Management did not take the necessary actions to ensure that facility conditions were corrected because they were not aware of the issues.

## What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up for 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.<sup>21</sup>

## Effect on the Postal Service and Its Customers

Management's attention to maintenance, 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 all findings in the report.

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

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<sup>21</sup> OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*.

# Appendix A: Additional Information

We conducted this audit from October 2022 through January 2023 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 PTR, DCV, the Surface Visibility<sup>22</sup> database, and the electronic Facilities Management System.<sup>23</sup> 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.

<sup>22</sup> 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.

<sup>23</sup> 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



December 20, 2022

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Mail Delivery, Customer Service, and Property  
Conditions Review – North Philadelphia Station, Philadelphia, PA (Project  
Number 22-208-3)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Mail Delivery, Customer Service, and Property Conditions Review – North Philadelphia Station, Philadelphia, PA*.

Management agrees with all five findings in the report related to delayed mail, package scanning, truck arrival scanning, arrow keys, and property conditions.

Management has begun taking steps to address the five findings.

A handwritten signature in black ink, appearing to read "E. Williamson", written over a horizontal line.

Edward B. Williamson  
A/District Manager, Delaware-Pennsylvania 2 District

cc: Vice President, Area Retail & Delivery Operations - Atlantic  
Corporate Audit Response Management



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UNITED STATES POSTAL SERVICE



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