Roger P. McAuliffe Station, Chicago, IL: Delivery Operations

AUDIT REPORT
October 11, 2023 | Report Number 23-139-5-R24

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 11, 2023

MEMORANDUM FOR: JEWEL MORROW
MANAGER, ILLINOIS 1 DISTRICT

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Roger P. McAuliffe Station, Chicago, IL: Delivery Operations (Report Number 23-139-5-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the Roger P. McAuliffe Station in Chicago, IL.

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

Attachment

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

Results

Background

The Postal Service's mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. The U. S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Roger P. McAuliffe Station in Chicago, IL (Project Number 23-139-5). The Roger P. McAuliffe Station is in the Illinois 1 District of the Central Area and services ZIP Code 60634. This ZIP Code serves about 74,202 people in an urban community (see Figure 1).

Figure 1. ZIP Code Serviced by the Roger P. McAuliffe Station
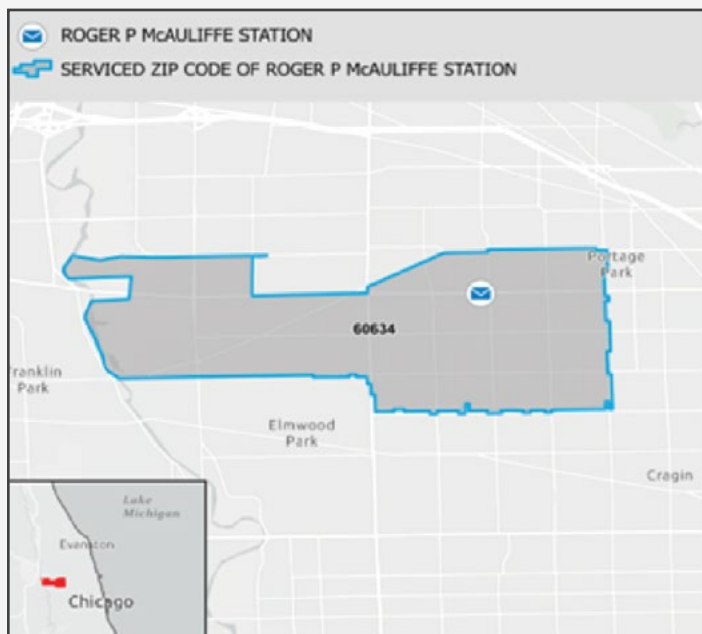
Source: OIG.

This delivery unit has 53 city routes. The Roger P. McAuliffe Station is one of four delivery units[1] the OIG reviewed during the week of July 24, 2023, that are serviced by the Chicago Processing and Distribution Center (P&DC).

We assessed all units serviced by the Chicago, IL, P&DC based on the number of Customer 360[2] (C360) delivery-related inquiries,[3] Informed Delivery[4] contacts, stop-the-clock (STC)[5] scans performed away from the delivery point, and undelivered route information between April 1 and June 30, 2023.

We judgmentally selected the Roger P. McAuliffe Station primarily based on the number of C360 delivery-related inquiries and Informed Delivery contacts. See Table 1 for a comparison of these metrics between the unit and the rest of the district.

Table 1. Delivery Metric Comparison Between April 1 and June 30, 2023

Delivery Metric	Unit Average per Route	District Average per Route
C360: Package Inquiry	4.0	4.3
C360: Package Pickup	0.1	0.0
C360: Daily Mail Service	2.9	1.1
C360: Hold Mail	0.0	0.1
Informed Delivery Contacts	110.4	18.7

Source: OIG analysis of Postal Service's C360 and Informed Delivery.

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1   The other three units were the Cragin Station, Chicago, IL (Project Number 23-139-1); Daniel J. Doffyn Station (Project Number 23-139-2); and the Northtown Station, Chicago, IL (Project Number 23-139-4).
2   A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
3   Delivery-related inquiries include package inquiry, package pickup, daily mail service, and hold mail.
4   Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mailpieces that were expected for delivery but have not arrived.
5   A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pick-up," and "No Access."

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Roger P. McAuliffe Station in Chicago, IL.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,[6] carrier complement and timekeeping, 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, carrier work hours and time adjustments, and distribution up-time.[7] During our site visit we observed mail conditions; package 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[8] and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on September 26, 2023, and included their comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Roger P. McAuliffe Station. We will issue a separate report[9] 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 delivery operations and property conditions at the Roger P. McAuliffe Station. Specifically, we found issues with all five areas we reviewed (see Table 2).

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Arrow Keys	X	
Carrier Complement and Timekeeping	X	
Property Conditions	X	

Source: Results of our fieldwork during the week of July 24, 2023.

We did not identify any issues with carrier complement. We determined that all carriers assigned to the unit had reported to work between April 8 and June 30, 2023. However, we did identify timekeeping issues related to pay adjustments, disallowed time, and unauthorized overtime (see Finding #4).

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6   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.
7   Time of day that clerks have completed distributing mail to the carrier routes.
8   The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
9   Project Number 23-139.

Finding #1: Delayed Mail

What We Found

On the morning of July 25, 2023, we identified about 2,851[10] delayed mailpieces at 32 carrier cases. Specifically, we identified 1,862 letters, 936 flats, and 53 packages. Management reported this mail in the Delivery Condition Visualization (DCV)[11] system.

We also identified 570 collection mailpieces[12] on the workroom floor that should have been sent to the Chicago, IL, P&DC the prior night. In addition, on July 26, 2023, we identified about 567 missent[13] letters that were not dispatched timely to the P&DC for further processing. See Table 3 for the number and type of mailpieces found and Figures 2, 3, and 4 for examples of delayed mail found at carrier cases and the workroom floor.

Table 3. Type of Delayed Mail

Type of Mail	Carrier Cases	Collection Mail	Missent Mail	OIG Estimated Count of Delayed Mail
Letters	1,862	287	567	2,716
Flats	936	86	-	1,022
Packages	53	197	-	250
Totals	**2,851**	**570**	**567**	**3,988**

Source: OIG count of delayed mailpieces identified during our visit on July 25 and 26, 2023.

Figure 2. Examples of Delayed Mail in the Carrier Cases

Source: OIG photos taken on July 25, 2023.

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10   OIG estimate based on individual piece counts and Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.
11   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.
12   Collection mail consists of prepaid letters, flats, and lightweight parcels from street collection boxes, Post Office lobby drops, and other public deposit points. The term also applies broadly to the pickup of prepaid letters, flats, and parcels from business and residential customers in the course of mail delivery.
13   Missent mail is mail that the Postal Service has accidentally misdirected to the wrong post office or transfer station, and it is therefore going to be delayed because it has ended up in the wrong place. There are a few reasons that this can happen, and it usually results in a short delay before delivery will be achieved.

Figure 3. Examples of Delayed Collection Mail

Source: OIG photos taken on July 25, 2023.

Figure 4. Examples of Delayed, Missent Mail

Source: OIG photo taken on July 26, 2023.

Why Did It Occur

Management did not provide adequate oversight to ensure that all mail was cleared from the unit. Unit management stated that the delayed mail at the carrier cases was attributed in part to new employees being unfamiliar with their routes and returning to the unit at the end of their shift with mail. In addition, management stated – and we confirmed – they had a supervisor vacancy, which made it difficult to effectively oversee all carriers as they returned from their routes.

The PM Supervisor did not take the collection mail to the mail processing plant after the last truck was dispatched due to an oversight. The PM supervisor stated she was preoccupied due to three part-time carrier resignations on that day.

Management stated that the missent mail was not processed for timely dispatch to the P&DC because the unit had two new AM supervisors who were not fully aware of their responsibilities.

What Should Have Happened

Postal Service policy[14] 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, PM supervisors are required[15] to ensure the unit is free of all outgoing collection mail. Management should also ensure that missent mail is dispatched on the next trip to the P&DC.[16] Management should also ensure supervisors are adequately trained to perform their expected duties.[17]

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.

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14   *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
15   *Delivery Management System Standard Work Instruction*, September 2018.
16   *3M (Missent, Missort, and Missequence) Standard Work Instruction: Supervisor*, May 2019.
17   Handbook M39: *Management of Delivery Services*, June 2019.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit, scanned packages away from the intended delivery points, and improperly managed packages at the unit. We reviewed package scanning data that occurred at the unit and removed any potentially accurate scans performed.[18] In total, employees improperly scanned 275 packages at the delivery unit between April and June 2023 (see Table 4). Further analysis of the STC scan data for these packages showed that about 57 percent of them were scanned "Delivered."

Table 4. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	156	56.7%
No Authorized Recipient Available	70	25.5%
Delivery Attempted – No Access to Delivery Location	38	13.8%
Refused	10	3.6%
Delivery Exception – Animal Interference	1	0.4%
Total	**275**	**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.

We also reviewed scans occurring away from the delivery unit and over 1,000 feet[19] from the intended delivery point between April and June 2023. We removed scans that could have been performed within policy, such as animal interference and unsafe conditions. The unit had three STC scans (all scanned "Delivered") made over 1,000 feet away from the delivery point during this time.

We also found issues with scanning and handling of packages in the unit. On the morning of July 25, 2023, before carriers arrived for the day, we selected 52 packages[20] to review and analyze scanning and tracking history. Of the 52 sampled packages, 13 (25 percent) had improper scans, including:

- Five packages from the "Notice Left" area were missing STC scans to let the customer know the reason for non-delivery.

- Four packages (three from the carrier cases and one from the "Notice Left" area) were scanned "Delivered," which should only be performed when a package is successfully left at the customer's point of delivery.

- Three packages from the "Notice Left" area, were scanned between 0.6 and 1.8 miles away from their delivery points. Two of these packages were scanned "Delivery Attempted-No Access to Delivery Location" and one was scanned "No Secure Location Available."

- One package from the "Notice Left" area was missing an "Arrival-at-Unit" scan, which is required for performance measurement.

In addition, 15 of the packages we found at the carrier cases were handled incorrectly. These packages were either scanned "Addressee Unknown," "No Such Number," or "Delivery Attempted – No Access to Delivery Location" with scan dates ranging from May 3 to July 23, 2023. These packages should have been moved to the "Notice Left" area for further processing.

Further, 18 packages in the "Notice Left" area were not returned to the sender, as required.[21] These packages ranged from three to 92 days past their scheduled return dates.

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18   This data does not include scans that could properly be made at a delivery unit, such as "Delivered – PO Box" and "Customer (Vacation) Hold." Additionally, P.O. Box scans at the unit were only counted when the delivery point was an address away from the unit. This category does not include mail addressed for a P.O. Box.
19   Packages are expected to be scanned within a designated buffer distance from the delivery point. The U.S. Postal Service considers 900 ft. or less an acceptable buffer. Therefore, the OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.
20   We selected all 22 packages from the carrier cases and workroom floor and judgmentally selected 30 packages from the "Notice Left" area.
21   *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.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Specifically, management did not routinely monitor scan exception reports, which detail improper scans made at the unit and in the field. The unit manager stated she prioritized trying to resolve staffing issues and route coverage over addressing the handling issues of packages we identified. In addition, there was no follow-up with the senior clerk to ensure that packages in the "Notice Left" area were returned to the sender within required timeframes.

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,[22] which includes scanning packages at the time and location of delivery.[23] 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 improve mail visibility, increase customer satisfaction, and enhance both the customer experience and the Postal Service brand.

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22 *Delivery Done Right the First Time* stand-up talk, March 2020.
23 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Safeguarding Arrow Keys

What We Found

Unit management did not properly manage arrow keys. On the morning of July 27, 2023, we reviewed the unit's inventory log for arrow keys and conducted a physical inventory of keys at the unit. We determined that five of the 55 keys listed on the unit's inventory log could not be located. Management stated they loaned out two of the missing keys to another unit. In addition, management had reported only one of the keys as missing to the U.S. Postal Inspection Service.

Management had not updated the inventory log to reflect the status of these three keys and could not tell us the status of the other two keys. We also found one broken key listed on the inventory log that had not been reported to the Postal Inspection Service.

Why Did It Occur

Management did not provide sufficient oversight to properly manage and safeguard arrow keys. Specifically, management had not updated the arrow key log or report the unaccounted arrow keys to the Postal Inspection Service because other duties took priority, such as trying to resolve staffing issues and route coverage at the unit.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[24] management must keep an accurate inventory of all arrow keys. Any missing or broken keys must be immediately reported to the Postal Inspection Service.

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.

Management Actions

During our audit, management at the Roger P. McAuliffe Station provided email confirmation that they reported the two missing keys and the broken key to the Postal Inspection Service.

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24 *Standard Work: Arrow Key Accountability*, January 2022 and *USPS Arrow Key Standard Work*, January 2022.

Finding #4: Timekeeping Management

What We Found

We determined that 10 of the 11 PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request* made between April 8 and June 30, 2023, did not have an employee signature, and five of those forms did not have a supervisor signature.

In addition, unit management did not always complete and retain PS Forms 1017-A, *Time Disallowance Record*,[25] or PS Form 1017-B, *Unauthorized Overtime Record*[26] for this same time period. Specifically:

- We determined 15 of the 16 (93 percent) PS Forms 1017-A did not include a date the employee was notified and did not have any reason code or remarks documented. Further, none of the 16 records were printed and retained by management.

- We found 185 of the 228 (81 percent) PS Forms 1017-B did not have complete entries in the Time and Attendance Collection System (TACS). These 185 entries did not contain dates employees were notified or a reason for the overtime. Further, none of the 228 records were printed and retained by management.

Why Did It Occur

The station manager stated she did not know that signatures were required by both the employee and supervisor on a PS Form 2240. She further stated the incomplete PS Forms 1017-A and 1017-B support was related to limited availability of the PM Supervisor, who was trying to resolve staffing issues. Additionally, there were two new AM supervisors who did not have access to Time and Attendance Collection System (TACS)[27] during the time of our visit and were unaware of the requirement to print and maintain these documents.

What Should Have Happened

Postal Service policy[28] states that pay adjustments are to be kept on file and attached to supporting documentation for the current calendar year, plus the three previous years. Postal Service policy also states unit personnel must complete PS Forms 1017-A and 1017-B and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time or unauthorized overtime.

Effect on the Postal Service and Its Customers

When proper documentation of pay adjustments, time disallowance, and unauthorized overtime is not completed, management could incur excess administrative time. In addition, the Postal Service risks violation of the Fair Labor Standards Act[29] when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

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25   Form used only when a supervisor observes, or has reason to know, that an employee did not work, while "on the clock." The supervisor must document the basis for any such disallowance. The form serves as a cumulative record of disallowed time.
26   Managers and supervisors are required to complete a PS Form 1017-B the first time a non-exempt employee incurs unauthorized overtime. The form serves as a cumulative record of unauthorized overtime.
27   The system used by the Postal Service to automate the collection of employee time and attendance information.
28   Handbook F-21, *Time and Attendance*, February 2016.
29   29 United States Code §8.

Finding #5: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Roger P. McAuliffe Station.

Property Safety:

- Eight fire extinguishers were missing monthly inspections, and two did not have an annual inspection.

- Six exterior lights were not working.

- The rear and side parking lot had large potholes.

- One outlet in the registry cage (see Figure 5) and another by the time clock had exposed wiring.

- Two ladders were unsecured in the vestibule near the loading dock.

- One breaker box in the registry cage was blocked.

- One exit light was not lit.

- One Postal Inspection Service door was blocked. During our audit, management cleared the items blocking the door (see Figures 6 and 7).

Figure 5. Exposed Wiring in the Registry Cage

Source: OIG photo taken on July 27, 2023.

Figure 6. Blocked Postal Inspection Service Door

Source: OIG photo taken on July 25, 2023.

Figure 7. Unblocked Postal Inspection Service Door

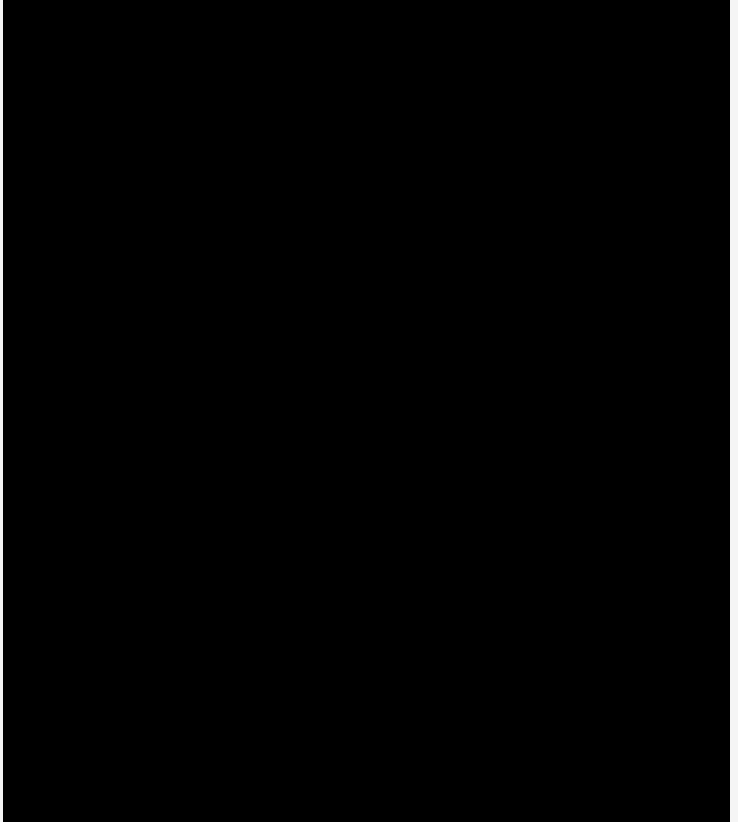Source: OIG photo taken on July 25, 2023.

Property Security:

- ██████████████████████████, and one of the gates was blocked by overgrown brush (see Figure 8).

- ████████████████████████████████ ████████████████████████ (see Figure 9).

- The employee parking lot did not have signage stating that vehicles may be subject to search.

Figure 8. ██████████ **Gate Blocked by Overgrown Brush**

Source: OIG photo taken on July 27, 2023.

Figure 9. ██████████████████████████████

Source: OIG photo taken on July 27, 2023.

Property Maintenance:

- The loading dock had a leaking pipe with a steady stream of water (see Figure 10).

- There were stained and waterlogged ceiling tiles in the front lobby, workroom area, and men's restroom.

- The second-floor men's restroom had and inoperable and improperly fastened sink.

- There was overgrown brush growing on the sides of the building.

- Graffiti was on the building's front retail side (see Figure 11).

- The loading dock had an inoperable lift.

- The rear exterior of the building had a telecom box with no cover and exposed components.

- The air conditioning was inoperable in the retail lobby and a portion of the workroom floor.

Figure 10. Leaking Pipe on the Loading Dock

Source: OIG photo taken on July 27, 2023.

Figure 11. Graffiti on the Building's Front Retail Side

Source: OIG photo taken on July 27, 2023.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. The unit manager formally started on March 6, 2023. During the first few months at the unit, she prioritized trying to resolve staffing issues and route coverage over addressing property condition 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 to ensure resolution. 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.[30]

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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30 Occupational Safety and Health Act of 1970 and Postal Service Handbook EL-801, *Supervisor's Safety Handbook*.

Appendix A: Additional Information

We conducted this audit from July through September 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.

In planning and conducting the audit, we obtained an understanding of the delivery operations internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies in all three areas that were significant within the context of our objectives.

We assessed the reliability of Informed Visibility, PTR, TACS, and electronic Facilities Management System[31] data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

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31   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

![UNITED STATES POSTAL SERVICE logo]

October 2, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Roger P. McAuliffe Station in Chicago, IL: Delivery Operations
(Report Number 23-139-5-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Roger P. McAuliffe Station in Chicago, IL: Delivery Operations.*

Management agrees with the five findings in the report on delayed mail, package scanning, arrow keys, carrier complement and timekeeping, and property conditions.

Management has begun taking steps to address the five findings.

Delayed Mail: Management will implement a process to ensure committed mail is accounted for and reported in DCV, and collection and missent mail are dispatched timely. Additionally, management will conduct reviews to monitor compliance.

Package Scanning: Management will conduct reviews to ensure all packages are scanned accurately. Additionally, management will continue utilizing Integrity Scan dashboard to identify and address improper scanning.

Arrow Keys: Management will retrain staff on Standard Operating Procedures for Arrow Key Management including updating key logs and reporting missing arrow keys to the USPS Inspection Service. Additionally, management created a checklist to use during reviews to verify compliance with arrow key policy.

Timekeeping Management: Management will be retrained on proper record keeping when processing pay adjustments, disallowing time and recording unauthorized overtime.

Property Conditions: Three of the 19 property conditions sited during the visit have been abated and pictures provided as verification. Management is working with the appropriate resources to abate the remaining issues.

E-SIGNED by JEWEL MORROW
on 2023-10-04 08:57:12 EDT

Jewel Morrow
Manager, Illinois 1 District

cc: *Vice President, Area Retail & Delivery Operations (Central)*
Corporate Audit Response Management

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsoig.gov
or call (703) 248-2100