New Brighton Carrier Annex, Saint Paul, MN: Delivery Operations

AUDIT REPORT
Report Number 24-032-3-R24 | January 22, 2024

OFFICE OF
INSPECTOR
GENERAL
UNITED STATES POSTAL SERVICE

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

January 22, 2024

MEMORANDUM FOR: ANGELA L. BYE
MANAGER, MINNESOTA–NORTH DAKOTA DISTRICT

FROM: Sean Balduff
Director, Field Operations, Central and Southern

SUBJECT: Audit Report – New Brighton Carrier Annex, Saint Paul, MN: Delivery Operations (Report Number 24-032-3-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the New Brighton Carrier Annex in Saint Paul, MN.

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 U.S. 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 New Brighton Carrier Annex in Saint Paul, MN (Project Number 24-032-3). The New Brighton Carrier Annex is in the Minnesota-North Dakota (MN-ND) District of the Central Area and services ZIP Code 55112 (see Figure 1). This ZIP Code serves about 46,721 people in an urban area.[1]

This delivery unit has 29 city routes. The New Brighton Carrier Annex is one of three delivery units[2] the OIG reviewed during the week of November 13, 2023, that are serviced by the Saint Paul Processing and Distribution Center (P&DC).

We assessed all units serviced by the Saint Paul P&DC based on the number of Customer 360[3] (C360) delivery-related inquiries,[4] Informed Delivery[5] contacts, stop-the-clock (STC)[6] scans performed away from the delivery point, first and last mile failures,[7] and undelivered route information between July 1 and September 30, 2023.

We judgmentally selected the New Brighton Carrier Annex primarily based on the number of C360 inquiries related to delivery, Informed Delivery contacts, STC scans performed away from the delivery point, and congressional interest. The unit was also chosen based on first and last mile failures and undelivered routes. See Table 1 for a comparison of some of these metrics between the unit and the rest of the district.

Figure 1. ZIP Code Serviced by the New Brighton Carrier Annex
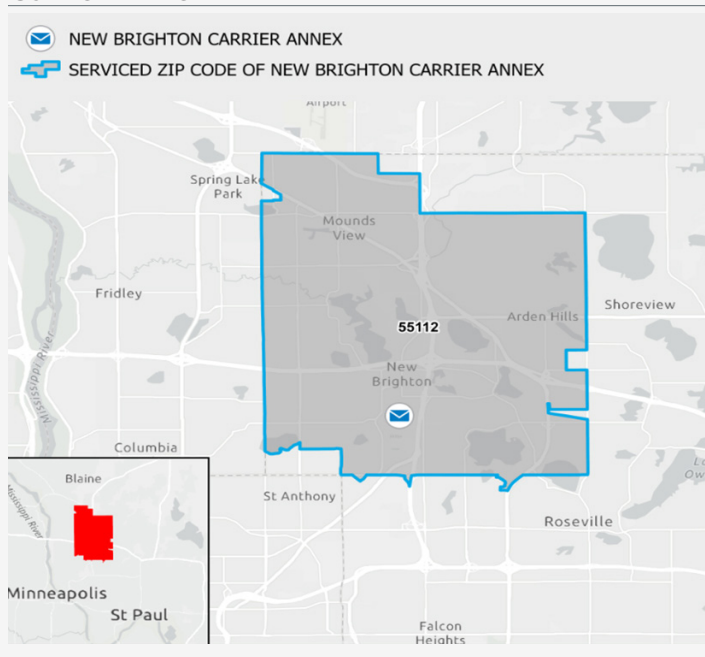
Source: OIG.

---

1   We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
2   The other two units were the Apple Valley Branch, Saint Paul, MN (Project Number 24-032-1) and the Eagan Branch, Eagan, MN (Project Number 24-032-2).
3   A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
4   A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
5   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.
6   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 Pickup," and "No Access."
7   First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.

Table 1. Delivery Metric Comparison Between July 1 and September 30, 2023

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	7.7	2.5
Informed Delivery Contacts	91.0	13.7
Scans Performed Away From Delivery Point	10.5	9.3

Source: OIG analysis of Postal Service's C360, Informed Delivery, and Product Tracking and Reporting (PTR) System data extracted on October 6, 2023. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the New Brighton Carrier Annex in Saint Paul, MN.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,[8] 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 complement and timekeeping, and distribution up-time.[9] During our site visit we observed mail conditions; package scanning procedures; arrow key security procedures; timekeeping documentation; 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[10] and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on January 2, 2024, 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 New Brighton Carrier Annex. We will issue a separate report[11] that provides the Postal Service with the overall findings and recommendations for the district. See Appendix A for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations and property conditions at the New Brighton Carrier Annex. Specifically, we found issues in all five of the 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 November 13, 2023.

---

8   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.
9   Time of day that clerks have completed distributing mail to the carrier routes.
10 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
11 Project Number 24-032.

Finding #1: Delayed Mail

What We Found

On the morning of November 14, 2023, we identified about 14,308 delayed mailpieces at 22 carrier cases. Specifically, we identified 10,158 letters, 4,050 flats, and 100 packages.[12] In addition, management did not accurately report this mail as undelivered in the Delivery Condition Visualization (DCV)[13] system. While they reported 5,884 delayed mailpieces, the delayed mailpieces reported only represented about 41 percent of the delayed mail volume we identified at the unit. See Figure 2 for examples of delayed mail found at carrier cases.

Why Did It Occur

Management did not provide adequate resources to verify that all mail was cleared from the unit and did not provide adequate oversight to verify that all delayed mail was reported accurately in the DCV system. Management stated attendance issues contributed to the delayed mail. Specifically, two carriers did not report to work on November 13, 2023, the day prior to our visit. Management also stated that carriers working restricted hours impeded mail delivery.

Regarding the delayed mail being inaccurately entered into DCV, the PM supervisor stated that he does not have access to DCV. He would leave a note for the AM supervisor detailing the adjusted mail volume quantities to be entered into the DCV the following morning. However, the AM supervisor did not see the note. As a result, the adjustments were not made. Unit management was not aware that the PM supervisor did not have access to DCV.

What Should Have Happened

Management should have provided the station with enough resources to deliver all the mail each day. Postal Service policy[14] states that managers must plan for unscheduled absences and situations that may interfere with normal delivery service, as well as develop contingency plans. Postal Service policy[15] 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 required[16] 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 volumes have changed prior to the end of the business day.

Figure 2. Examples of Delayed Mail in the Carrier Cases
Source: OIG photos taken on November 14, 2023.

---

12 Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, Piece Count Recording System.
13 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.
14 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.
15 Co*mmitted Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
16 *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

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.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit, scanned packages away from the intended delivery point, and handled packages incorrectly at the unit.

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.[17] In total, employees improperly scanned 304 packages at the delivery unit between July and September 2023 (see Table 3). Further analysis of the STC scan data for these packages showed that 58 percent of them were scanned "Delivered."

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	176	57.9%
Delivery Attempted – No Access to Delivery Location	95	31.3%
No Secure Location Available	18	5.9%
Receptacle Full / Item Oversized	11	3.6%
Delivery Exception – Animal Interference	2	.7%
No Authorized Recipient	2	.7%
Total	**304**	**100%***

Source: OIG analysis of the Postal Service's PTR System data.
*Total percentage does not equal 100 percent due to rounding.

We also reviewed scans occurring away from the delivery unit and over 1,000 feet[18] from the intended delivery point between July and September 2023 (see Table 4). We removed scans that could have been performed within policy, such as animal interference and unsafe conditions. Further analysis of the STC scan data for these packages showed that 91 percent of them were scanned "Delivered."

Table 4. STC Scans Over 1000 Feet Away From the Delivery Point

STC Scan Type	Count	Percentage
Delivered	19	90.5%
Delivery Attempted – No Access to Delivery Location	2	9.5%
Total	**21**	**100%**

Source: OIG analysis of the Postal Service's PTR System data.

For example, the map below (see Figure 3) shows an instance where a carrier scanned a package as delivered three miles away from the delivery point.

Figure 3. Scan Away From the Delivery Point

Source: Postal Service Single Package Look Up.

---

[17] 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, PO 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 PO Box.

[18] Packages are expected to be scanned within a designated buffer distance from the delivery point. The OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.
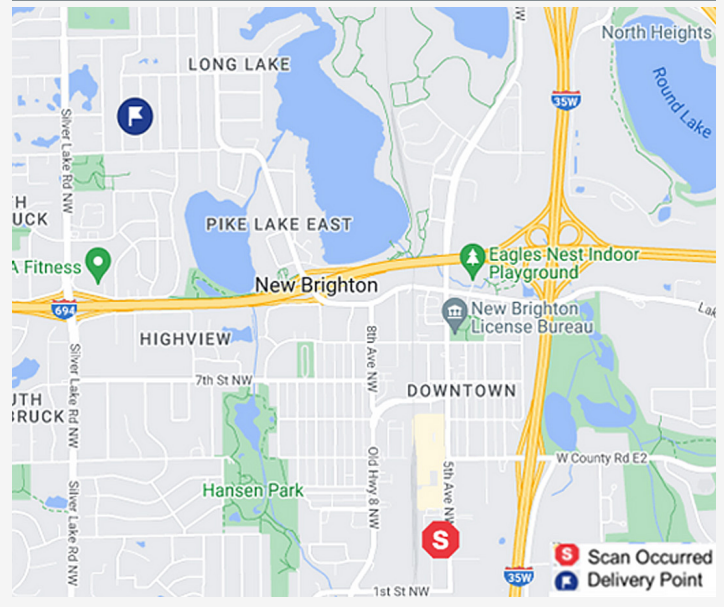
We also found issues with scanning and handling of packages in the unit. On the morning of November 14, 2023, before carriers arrived for the day, we selected 60 packages[19] to review and analyze scanning and tracking history. Of the 60 sampled packages, 28 (46.7 percent) had missing or improper scans, including:

- Fifteen packages from the carrier cases were missing STC scans to let customers know the reason for non-delivery.

- Nine packages (five from the carrier cases and four from the "Notice Left" area) were scanned between .2 and 2.4 miles away from the delivery point with scans that should occur at the point of delivery. Specifically, four of these packages from the carrier cases were scanned "Delivery Attempted-No Access," one was scanned "Delivered, In/At Mailbox," and four packages from the "Notice Left" area were scanned "No Secure Location Available."

- Three packages from the "Notice Left" area did not receive a scan while at the delivery point. They were scanned at the delivery unit with an in-office scanner.

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

In addition, three of the packages found at the carrier cases were handled incorrectly. Specifically, two packages, with scan dates ranging from October 19 to November 8, 2023, were scanned "Delivered, In/At Mailbox," and one package was scanned "Delivery Attempted-No Access" with a scan date of October 23, 2023. These packages should have been moved to the "Notice Left" area for further processing.

Further, five packages in the "Notice Left" area were not returned to the sender, as required. These packages ranged from five to 38 days past their scheduled return dates.[20]

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 prior to October 1, 2023, package scanning data related to the New Brighton Carrier Annex was grouped with the New Brighton Station. As a result, they were not aware that there were scanning issues at the unit. Further, the PM supervisor is often alone in the unit and was overwhelmed with mail being brought back and having to handle competing priorities, such as releasing parcels from the notice left area to customers, responding to accidents out on the road, and monitoring carriers.

Further, management stated that there is no clerk assigned to the notice left area, as they rely on My Post Office (MyPO)[21] to advise when to send second notices and process packages for return to sender. However, once the package has been scanned as "delivered," it is no longer tracked in MyPO. Packages erroneously scanned as "delivered" and subsequently returned to the unit would need to be monitored for return by a clerk.

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.[24]

---

19   We judgmentally selected 30 packages from the carrier cases and 30 packages from the "Notice Left" area.
20   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.
21   My Post Office (MyPO) is used to manage the delivery unit's daily service requests including Package Pickup and Pickup on Demand.
22   *Delivery Done Right the First Time* stand-up talk, March 2020.
23   *Carriers Delivering the Customer Experience* stand-up talk, July 2017.
24   *Notice Left and Return Guidelines*, April 2016.

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.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of November 16, 2023, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)[25] system and conducted a physical inventory of keys at the unit. We found that one of the 62 keys located at the unit was not listed on the inventory log. In addition, arrow keys were not always kept secure. Specifically, arrow keys were kept on ██ ██████████, located outside of the registry cage.

Why Did It Occur

Management did not prioritize arrow key management and safeguarding. Specifically, unit management stated that the PM supervisor was distracted with other duties such as answering the phones, dealing with customers coming to pick up packages and monitoring carriers as they return from the street.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[26] management must keep an accurate inventory of all arrow keys. In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items such as arrow keys, there is an 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.

---

25 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
26 *USPS Arrow Key Standard Work Instructions*, updated August 2023.

Finding #4: Carrier Complement and Timekeeping Management

What We Found

We determined that two of the 37 carriers assigned to the unit had not reported to work for at least nine consecutive weeks between July 1 through September 29, 2023. However, management did not complete the process for taking the carriers off the rolls.

We also determined that one pay adjustment was completed between July 1 and September 29, 2023. However, management did not complete and retain PS Form 2240, *Pay, Leave, or Other Hours Adjustment Request*,[27] for this adjustment. In addition, the station had 12 disallowed time occurrences. However, management did not complete the records in the Time and Attendance Collection System (TACS),[28] print, nor retain PS Forms 1017-A, *Time Disallowance Record*,[29] for any of these instances.

Why Did It Occur

Regarding the carriers who had not reported to work for at least nine consecutive weeks, the station manager stated that one carrier resigned but has refused to complete the required paperwork. The other carrier shows up for work on occasion but has not consistently worked in months. Management is working to have both carriers removed so that they can put the routes up for bid.

The station manager had just returned to the unit after being out on extended leave from May through October 2023. During that time, his access to TACS was revoked. As a result, he was not aware of the pay adjustment or disallowed time transactions processed while he was on leave. Management detailed to the unit did not clear the transactions prior to completing their assignment.

The AM supervisor stated that he never performed any pay and disallowed time adjustments in TACS. He arrived at the unit in August 2023, while the station manager was on leave. During that time, other managers detailed to the unit handled all other TACS functions.

What Should Have Happened

Managers should process employee separations timely to maximize carrier complement.[30] Postal Service policy[31] states that pay adjustment certifications are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. Policy[32] further states unit personnel must complete PS Form 1017-A entries and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time.

Effect on the Postal Service and Its Customers

When inactive employees are not removed from the employee rolls, replacements are unable to be hired. When proper documentation of pay adjustments, and disallowed time is not completed, management could incur additional managerial work hours. In addition, the Postal Service risks violation of the Fair Labor Standards Act[33] when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

---

27 Form used to adjust either an employee's pay or to adjust timecard data which has been incorrectly reported to the postal data center.
28 The system used by the Postal Service to automate the collection of employee time and attendance information.
29 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. These forms serve as a cumulative record of disallowed time.
30 The U.S. Postal Service documented that it is critical to process timely separations, to maximize part-time carrier complement and reduce costs.
31 *AdjustPay User Guide*, Course No. 31202-25, updated February 9, 2017.
32 Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.
33 29 USC § 201-219.

Finding #5: Property Conditions

What We Found

We found safety and security issues at the New Brighton Carrier Annex, including 15 fire extinguishers missing monthly inspections. In addition, while some of the parking areas were shared with other tenants, there was one parking garage used only by the Postal Service. This garage did not have signage stating employee vehicles may be subject to search.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were identified and corrected. The station manager stated that the extinguishers had been replaced the previous year and thought the monthly inspections had been completed. However, he had just returned from extended leave and was not aware that the October 2023 inspection had not been completed. Management stated that since they shared the parking lot, they did not realize a sign was necessary at the facility.

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 requires management to maintain a safe environment for employees and customers.[34]

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 penalties; and enhance the customer experience and Postal Service brand.

Management Actions

During our audit, management completed the October 2023 inspection on all 15 fire extinguishers and ordered the required signage.

Management's Comments

Management agreed with all findings in the report. See Appendix B for management's comments in their entirety.

---

34 Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

Appendix A: Additional Information

We conducted this audit from November 2023 through January 2024 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 related to all three components that were significant within the context of our objective.

We assessed the reliability of PTR, DCV, TACS, and electronic Facilities Management System[35] 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.

---

35 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

January 9, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: New Brighton Carrier Annex, St. Paul, MN:
           Delivery Operations (Report Number 24-032-3-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, New Brighton Carrier Annex, St. Paul, MN: *Delivery Operations*.

Management generally agrees with the five findings in the report on delayed mail, package scanning, arrow keys, carrier complement and timekeeping, and property conditions. However, the report is misleading when reporting scanning data. The report highlights 304 scanning issues from July to September 2023, but fails to mention that the total number of packages scanned during this period was 189,435 for which scanning issues represent less than one percent.

Management has begun taking steps to address the five findings.

Delayed Mail: Management at the district level will conduct reviews to monitor for compliance. Management conducts job fairs and is piloting a Hiring Hub to assist with expediting the hiring process. Additionally, management will conduct a service talk on proper recording of delayed mail in DCV.

Package Scanning: Management will provide a service talk on proper scanning procedures and conduct reviews to monitor compliance.

Arrow Keys: Management will update the inventory log to reflect all arrow keys on hand. Management will conduct a service talk on proper handling of arrow key including key security. Additionally, management will conduct reviews to monitor for compliance.

Carrier Complement & Timekeeping Management: Management is taking action to address attendance issues. Management will be retrained on proper record keeping for pay adjustments, and disallowed time. Management has created binders to store 1017-A forms. Reviews will be conducted to monitor for compliance.

Property Conditions: Property conditions reported have been addressed as noted in the report.

E-SIGNED by ANGELA L BYE
on 2024-01-10 08:51:01 EST

Angela Bye
Manager, Minnesota-North Dakota 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