

# Puerto Rico District: Delivery Operations

## AUDIT REPORT

Report Number 24-079-R24 | June 28, 2024



Toa Baja  
Post Office



Bayamon  
Post Office



Guaynabo  
Post Office





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# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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June 28, 2024

**MEMORANDUM FOR:** CARLOS E DEL TORO  
MANAGER, PUERTO RICO DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is centered below the memorandum header.

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

**SUBJECT:** Audit Report – Puerto Rico District: Delivery Operations (Report  
Number 24-079-R24)

This report presents the results of our audit of mail delivery and property conditions in the Puerto Rico District.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jennifer Schnieder, 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, Processing and Maintenance Operations  
Vice President, Southern 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. To fulfill this role, the Postal Service is committed to ensuring that its delivery platform and services are always a trusted, visible, and valued part of America’s social and economic infrastructure. This includes leveraging people, technology, and systems to provide world-class visibility of mail and packages as they move through the Postal Service’s integrated system. 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 report includes a review of delivery operations across the Puerto Rico District. It further presents a summary of the results of our self-initiated audits of delivery operations and property conditions at three select delivery units in the Puerto Rico District of the Southern Area (Project Number 24-079).

These delivery units include the Bayamon Post Office, Toa Baja Post Office, and Guaynabo Post Office.

We previously issued interim reports<sup>1</sup> to district management for each of the three delivery units regarding the conditions we identified. In addition, we issued a report on the efficiency of operations at the San Juan Mail Processing Annexes in Carolina, Puerto Rico,<sup>2</sup> which services these three delivery units.

We judgmentally selected the three delivery units in Puerto Rico based on the number of Customer 360<sup>3</sup> (C360) inquiries related to delivery, Informed Delivery<sup>4</sup> contacts associated with the unit, and stop-the-clock (STC)<sup>5</sup> scans performed away from the delivery point, compared to the district average. The units were also chosen based on first and last mile failures<sup>6</sup> and undelivered routes.

The three delivery units had a total of 100 city routes, six rural routes, and 10 contract delivery service (CDS)<sup>7</sup> routes that serve about 298,756 people in multiple ZIP Codes (see Table 1), which are predominantly urban communities.<sup>8</sup>

Table 1. Service Area and Population

Delivery Units	Service Area ZIP Code	Population	City Routes	Rural Routes	CDS Routes
Bayamon Post Office	00956, 00959, 00960, and 00961	145,692	50	6	3
Toa Baja Post Office	00949	68,815	19	0	1
Guaynabo Post Office	00966, 00968, 00969, and 00971	84,249	31	0	6
Total		298,756	100	6	10

Source: OIG analysis of Postal Service Address Management System and Census data.

1 Bayamon Post Office, Bayamon, PR: Delivery Operations (Report Number 24-079-1-R24, dated May 22 2024); Toa Baja Post Office, Toa Baja, PR: Delivery Operations (Report Number 24-079-2-R24, dated May 22, 2024); and Guaynabo Post Office, Guaynabo, PR: Delivery Operations (Report Number 24-079-3-R24, dated May 22, 2024).

2 Efficiency of Operations at the San Juan Mail Processing Annexes in Carolina, Puerto Rico (Report Number 24-078-R24, dated May 22, 2024).

3 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

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.”

6 A first mile failure occurs when a mailpiece is collected and does not receive a processing scan at the Processing and Distribution Center (P&DC) on the day that it was intended. A last mile failure occurs 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. First and last mile failures can occur due to processing, transportation, or delivery operations.

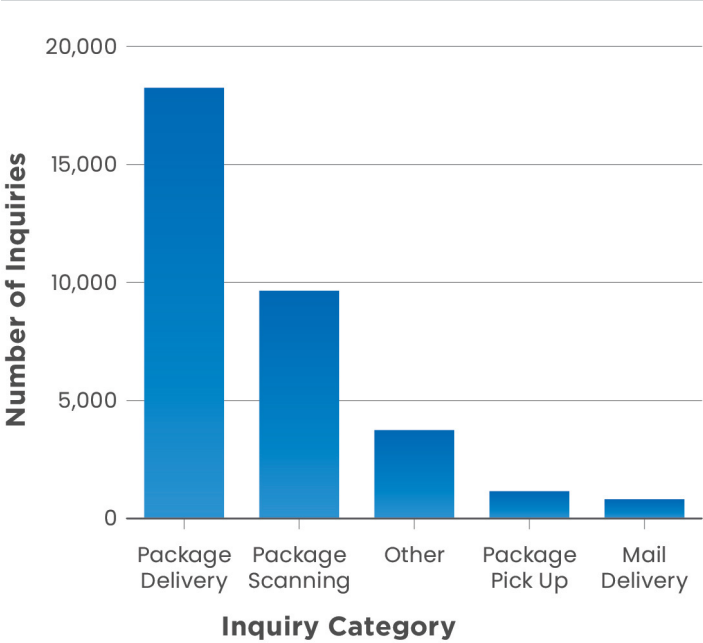
7 Contract agreements between the Postal Service and private individuals or firms for delivery and collection of mail from homes and businesses.

8 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.



We conducted text analysis on C360 inquiries for the Puerto Rico District between October 1, 2022, and February 29, 2024. In total, we reviewed and categorized the customer notes for 36,459 inquiries<sup>9</sup> (see Figure 1).

Figure 1. C360 Inquiry Analysis



Source: OIG analysis of C360 inquiries.

Package delivery and package scanning issues accounted for 83 percent of the complaints over this 17-month period, which made up the majority of the C360 comments. Examples of customer comments about package delivery and scanning issues included:

- Not receiving packages for several days in a row.
- Packages being stuck in transit with no explanation available.
- Package scanned delivered but not received by the customer.

We also analyzed the Postal Service’s Triangulation report<sup>10</sup> to determine how the Puerto Rico District

performed for mail and package delivery in relation to all 50 Postal Service districts. Each day, the Postal Service provides an opportunity ranking, wherein they rank all 50 districts from 1 through 50, where 1 indicates the poorest performing district and 50 is the top performing district. For the period from January 1 through March 31, 2024, the Puerto Rico District had an average opportunity rank of 8 for mail delivery and 39 for package delivery, placing this district as poor performing in mail delivery and above average in package delivery (see Table 2).

Table 2. Puerto Rico District Average Opportunity Rank Out of All 50 Districts

Month	Mail Delivery Opportunity Rank	Package Delivery Opportunity Rank
January	12	38
February	6	41
March	7	37
Average	8	39

Source: Postal Service Triangulation report.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations in the Puerto Rico District.

To accomplish our objective, during the review of the three delivery units, we focused on five audit areas: delayed mail, package scanning, arrow keys,<sup>11</sup> 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, and distribution up-time.<sup>12</sup> During our site visits we observed mail conditions; package scanning procedures; arrow key security procedures; timekeeping documentation; and unit safety, security, and maintenance conditions. We also analyzed

9 We removed 15,373 inquiries, including voice messages and inquiries in which the text description of the ticket was less than 40 characters, and excluded another 660 as outliers.

10 The Triangulation report is designed to provide the health of operations within a delivery unit regarding mail and package delivery. The report includes an analysis of several key performance indicators including C360 inquiries, first and last mile failures, route coverage, employee availability, and scanning integrity.

11 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.

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

the scan status of mailpieces at the carrier cases and in the “Notice Left” area,<sup>13</sup> and interviewed unit management and employees.

In addition to summarizing our findings at the three delivery units, we conducted an analysis of service performance scores for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products. We also reviewed route adjustment data for all routes within the Puerto Rico District. We discussed our observations and conclusions, as summarized in Table 3, with management on June 17, 2024, and included their comments, where appropriate. See [Appendix A](#) for additional information about our scope and methodology.

### Results Summary

We identified issues related to service performance across the Puerto Rico District. We also identified issues affecting delivery operations and property conditions at all three delivery units we visited. Specifically, we found delayed mail and deficiencies with package scanning, arrow keys, carrier complement and timekeeping, and property conditions. Additionally, at the Toa Baja and Guaynabo Post Offices, we encountered issues with the management of contractor badges (see Table 3).

We identified carrier complement and timekeeping issues at the Toa Baja unit and only timekeeping issues at the remaining two units.

Table 3. Summary of Issues Identified

Controls Reviewed	Issues Identified – Yes or No		
	Bayamon Post Office	Toa Baja Post Office	Guaynabo Post Office
Delayed Mail	Yes	Yes	Yes
Package Scanning	Yes	Yes	Yes
Arrow Keys	Yes	Yes	Yes
Carrier Complement and Timekeeping	Yes	Yes	Yes
Property Conditions	Yes	Yes	Yes
Other: Contractor Badges	No	Yes	Yes

Source: Interim reports for select units.

<sup>13</sup> The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.



# Finding #1: Service Performance in the Puerto Rico District

## What We Found

We visited three delivery units in Puerto Rico on the morning of March 19, 2024 and identified about 10,385 pieces of delayed mail.<sup>14</sup> See Table 4 for the number of pieces for each mail type and Figure 2 for examples of delayed mail found at the units.

We found similar results when looking at service performance district-wide. Specifically, we analyzed service performance scores for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products destinating<sup>15</sup> to the Puerto Rico District between October 31, 2023, and March 31, 2024. This analysis showed the Puerto Rico District performance scores for Marketing Mail, Priority Mail, and Ground Advantage were below the targets. First-Class Mail destinating to the district generally met the target score (see Figure 3).

**Figure 2. Examples of Delayed Mail at the Units**  
Delayed Collection Mail at Bayamon Post Office



Delayed Mail at Toa Baja Post Office



Source: OIG photos taken on March 19, 2024.

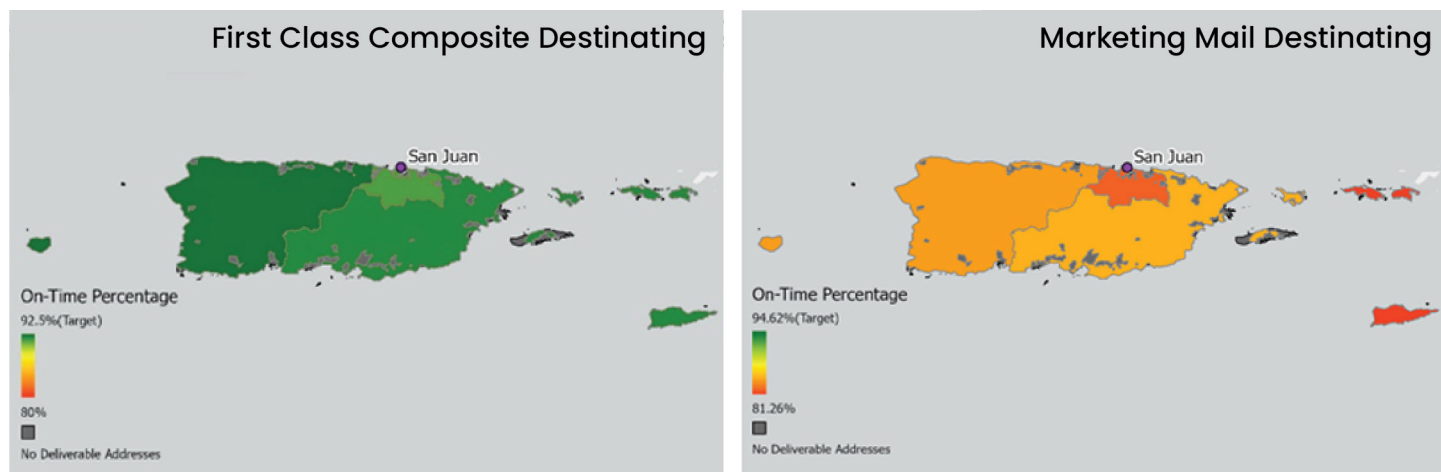
**Table 4. Type of Delayed Mail**

Type of Mail	Bayamon Post Office	Toa Baja Post Office	Guaynabo Post Office	Total
Letters	559	832	3,907	5,298
Flats	15	25	352	392
Packages	4,665	30	0	4,695
Total	5,239	887	4,259	10,385

Source: OIG count of delayed mail pieces identified during our site visits at the three facilities on March 19, 2024.

<sup>14</sup> Count of mail included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System* and Handbook M-32, *Management Operating Data Systems*, Appendix D.  
<sup>15</sup> Mail that is heading to an address in the Puerto Rico District. Two other service performance categories are originating (mail sent from inside the district that is destined outside the district) and within (mail originating and destined within the district). We analyzed destinating mail because it was the largest service performance category of the three by volume.

**Figure 3. Service Performance Heat Maps By 3-Digit ZIP Code in the Puerto Rico District Between October 1, 2023, and March 31, 2024**



Source: OIG analysis of Postal Service Informed Visibility (IV) and Enterprise Data Warehouse (EDW) data. IV provides comprehensive and integrated capabilities for data-driven real-time service performance measurement and diagnostics of market-dominant products, mail inventory and predictive workloads of all mail to include packages, and end-to-end tracking and reporting for mail. EDW is a repository intended for all data and the central source for information on retail, financial, and operational performance.

Service performance failures could have been at a plant or delivery unit outside the district, but these failures may have had a negative impact on customer perceptions within the district.

#### Why Did It Occur

The delayed mail identified at the three delivery units generally occurred because management did not complete annual route reviews. Specifically, we reviewed route adjustment data for the three delivery units and found:

- Routes at the Bayamon Post office had not been adjusted since 2015. The average package volume from the last route adjustment was only nine packages per route. However, the delivery unit averaged 127 packages per route from January 6 to March 22, 2024.
- Some routes at the Toa Baja Post Office were last adjusted in 2022 while others had not been adjusted since 2020. The average volume from the last route adjustments was 32 packages per route. However, the delivery unit averaged 124 packages per route from January 6 through March 22, 2024, with one of the routes averaging 169 packages per day. Management stated they curtailed letters so they could deliver packages.
- One route at the Guaynabo Post Office was last adjusted in 2009, others in 2019, and the rest in 2022. The average volume from each of the



last route adjustments was only 40 packages per route. However, the delivery unit averaged 141 packages per route from January 6 to March 22, 2024, with one of the routes averaging 302 packages per day. Carriers were prioritizing package delivery over letters and flats.

Based on the results of the individual units, we analyzed route adjustment data for all routes in the district. The average volume from each of the last route adjustments in the district was only 31 packages per route. However, the district averaged 91 packages per route from January 6 to March 22, 2024. The dates of adjustments we analyzed — the most recent for each route — ranged from 2009 to 2024.

### What Should Have Happened

Postal Service policy requires management to perform route reviews at least annually. This review consists of an analysis of workhours and mail volumes.<sup>16</sup> Further, Postal Service policy<sup>17</sup> states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt.

### Effect on the Postal Service and Its Customers

When annual route reviews are not performed and routes are not adjusted with current package volume, mail could be delayed. When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. For example, in our analysis of the C360 inquiries detailed in the [Background](#), we found numerous instances of

customers stating mail was not delivered for multiple days in a row.

## Management Actions

During our audit, district management provided documentation showing that they provided training for management at the Bayamon and Guaynabo Post Offices on proper mail delivery practices.

### Recommendation #1

We recommend the **District Manager, Puerto Rico**, conduct route reviews for all routes in the Puerto Rico District, create a prioritized list of routes needing adjustments based on the reviews, and coordinate with Headquarters Delivery Operations to create a plan to perform the necessary adjustments.

### Postal Service Response

Management agreed with the finding and the associated recommendation. Management's target implementation date is December 31, 2026. See [Appendix B](#) for management's comments in their entirety.

### OIG Evaluation

The OIG considers management's comments responsive to the recommendation. The target implementation date is over a year past the issuance of the report. Therefore, we will coordinate with management to set interim reviews regarding the completion of this recommendation.

<sup>16</sup> Handbook M-39, *Management of Delivery Services*, Section 21 – Advance Preparations, June 2019.

<sup>17</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

# Finding #2: Data Validity

## What We Found

We identified issues with the accuracy and reliability of reporting delayed mail along with package scanning and handling issues at each of the three delivery units we visited.

### Delayed Mail Reporting:

During our reviews at the three delivery units, we determined management did not accurately report delayed mail in the Delivery Condition Visualization (DCV) system.<sup>18</sup> Specifically, management at the Bayamon and Toa Baja Post Offices did not report their delayed mail in the DCV system, and management at the Guaynabo Post Office underreported their delayed mail. It is important for units to accurately report delayed mail in DCV so management can monitor operations and adjust, as needed.

Furthermore, the district had a low service performance score for mail delivery opportunity ranking in the Triangulation report. Based on this information, we would expect to see a significant amount of reported delayed mail. However, we reviewed DCV data for the entire district for March 19, 2024<sup>19</sup> and found a low volume of reported delayed mail. Specifically, of the 103 units listed in the DCV

system for the district, 10 units (10 percent) reported 14,674 total pieces of delayed mail on March 19, 2024. This could indicate that the issues with delayed mail reporting we identified during our site visits could be more widespread within the district.

### Package Scanning and Handling:

During our three site visits, we found that employees scanned packages improperly at the delivery unit, scanned packages away from the intended delivery point, and handled packages incorrectly at all three delivery units.

In total, employees scanned 586 packages at the three delivery units instead of at the recipients' delivery point between November 2023 and January 2024. Further analysis of the STC scan data for these packages showed that 199 (34 percent) of them were scanned "No Secure Location Available," 146 (25 percent) were scanned as "Delivery Attempted – No Access to Delivery Location," and 140 (24 percent) were scanned as "Delivered" (see Table 5). This data does not include scans that could properly be made at a delivery unit, such as "Delivered – PO Box" and "Customer (Vacation) Hold," but rather, represents scans performed at the delivery unit that should routinely be made at the point of delivery.

Table 5. STC Scans at the Delivery Unit

STC Scan Type	Bayamon Post Office	Toa Baja Post Office	Guaynabo Post Office	Total	Percent
No Secure Location Available	187	8	4	199	34%
Delivery Attempted – No Access to Delivery Location	125	3	18	146	25%
Delivered	85	8	47	140	24%
Receptacle Full / Item Oversized	49	2	3	54	9%
Refused	38	0	2	40	7%
No Authorized Recipient Available	7	0	0	7	1%
Total	491	21	74	586	100%

Source: OIG analysis of Postal Service's Product Tracking and Reporting System (PTR) data between November 2023 and January 2024. PTR is the database that stores tracking scan data for all barcoded packages and extra service products.

18 A tool for unit management to manually self-report delayed mail that provides a snapshot of daily mail conditions at the point in time when carriers have departed for the street.  
19 This date represents the first day of our on-site visits at the delivery units in Puerto Rico.



In addition, on the morning of March 19, 2024, before carriers arrived for the day, we selected a total of 151 packages at the three delivery units to review and analyze for scanning and tracking history. We judgmentally selected 61 packages<sup>20</sup> from the carrier cases and 90 packages from the “Notice Left” areas of these units. Of the 151 sampled packages, 26 (17 percent) had missing or improper scans or improper handling, including:

- Ten (six from the carrier cases and four from the “Notice Left” area) that were scanned delivered, which should only be used when a package is successfully left at the customer’s delivery address.
- Seven (three from the carrier cases and four from the “Notice Left” section) that were missing an STC scan to inform the customer of the status of their package.
- Six from the carrier cases that were scanned “Delivery Attempted – No Access,” including five during the time when the customer’s establishment was open for business.
- One from the carrier cases that was scanned “No Secure Location Available” to stop the clock since the carrier had been told to return to the office before 8:30 p.m.
- One that was scanned “Available for Pickup” using an in-office scanner and placed in the “Notice Left” area by mistake on March 12, 2024. The carrier found the package and placed it at their case for delivery on March 19, 2024.
- One from the “Notice Left” section was scanned “Addressee Unknown” but was not placed in designated area to be returned to the sender.

Further, 15 of the 60 packages sampled in the “Notice Left” area at the Toa Baja and Bayamon Post Offices should have been returned to sender. The packages ranged from one to 43 days past their return dates.<sup>21</sup>

In addition, employee barcodes were not always properly managed at the Guaynabo Post office. Specifically, unit management left the list of employee barcodes on an unsecured shelf at the supervisor’s desk.

We also analyzed package scans performed over 1,000 feet<sup>22</sup> from the intended delivery point between November 2023 and January 2024. However, we could not perform an accurate review because the data was impacted by unique addressing issues in Puerto Rico. These include both addressing standardization and geospatial identification issues. For example, the address [REDACTED] is the address for 14 different delivery points in a single ZIP Code. This can lead to inaccurate data showing a package was scanned away from the delivery point, even when it was appropriately scanned and delivered to the correct address.

District management began proactively working with Postal Service Headquarters and other federal agencies prior to our audit to improve the addressing standardization and certify delivery points across the Puerto Rico District.

### Why Did It Occur

Management at the three units we visited did not provide adequate oversight to verify all delayed mail was reported accurately or package scanning and handling was completed according to policy.

Specifically, the delayed mail reporting issues occurred because:

- Management at the Bayamon Post Office stated they did not know they had to report collection mail as delayed mail in the DCV system.
- Management at the Toa Baja Post Office stated they thought they had three days to deliver the delayed letters we identified, and that they normally do not apply color codes to identify curtailed mail.

<sup>20</sup> This includes 30 packages at Guaynabo, 19 at Bayamon, and 12 at Toa Baja. The packages sampled at Bayamon and Toa Baja were all that we found at carrier cases.

<sup>21</sup> 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.

<sup>22</sup> 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.

- A supervisor at the Guaynabo Post Office stated he rushed to record the delayed mail before the end of the workday and estimated incorrectly.

The scanning and handling issues occurred because management at the three sites was not adequately monitoring and enforcing proper package scanning and handling procedures.

In addition, management at the Bayamon Post Office stated the packages in the “Notice Left” area were not returned timely because the clerk was not using their time efficiently to review the packages daily. At the Toa Baja Post Office, issues in the Notice Left section were attributed to clerk availability.

Regarding the unsecured employee barcode listing at the Guaynabo Post office, the supervisor stated he normally secures the listing in a locked drawer at the supervisor’s desk. He stated he was multitasking and mistakenly left the list laying on the shelf during our observations.

### What Should Have Happened

Management should have verified that all supervisors were trained to accurately enter delayed mail into the DCV system and enforced compliance. Postal Service policy<sup>23</sup> states that managers are required to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in the DCV system and must update the DCV system if volumes have changed prior to the end of the business day.

For package scanning and handling, management should have monitored scan performance daily and enforced compliance, including verifying all packages were scanned at the delivery point and not at the delivery unit. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,<sup>24</sup> which includes scanning packages at the time and location of delivery.<sup>25</sup> Packages in the “Notice Left” area should have been reviewed for second notices and returned to the sender if they remained after the prescribed

number of days.<sup>26</sup> In addition, management must protect sensitive information against theft and disclosure to unauthorized individuals.<sup>27</sup>

### Effect on the Postal Service and Its Customers

The inaccurate delayed mail and scanning information provided by each of the units we visited could have a negative impact on both internal tracking of unit success and needs, as well as externally, regarding customer satisfaction. Inaccurate delayed mail reporting provides management at the local, district, area, and headquarters levels with an unreliable status of mail delays and can result in improper actions taken to address issues.

For package scanning and handling, 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. Our C360 text analysis, detailed in the [Background](#), showed that package scanning was one of the more common C360 inquiries submitted by customers in the Puerto Rico District. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand. In addition, not securing the employee barcode listing could allow employees to log into package scanners as someone else and could lead to theft or other non-authorized activities.

### Management Actions

During our audit, district management provided documentation showing that management at the Bayamon and Guaynabo Post Offices were provided training on properly reporting delayed mail in the DCV system.

<sup>23</sup> *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

<sup>24</sup> *Delivery Done Right the First Time* stand-up talk, March 2020.

<sup>25</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

<sup>26</sup> *Notice Left and Return Guidelines*, April 2016.

<sup>27</sup> AS-805-C, *Information Security Requirements for All Personnel*, section 4. Protection of Critical and Sensitive Information, November 2021



### Recommendation #2

We recommend the **District Manager, Puerto Rico**, train management at all delivery units in the district on the proper procedures for identifying, quantifying, and reporting delayed mail.

### Recommendation #3

We recommend the **District Manager, Puerto Rico**, train all employees on standard operating procedures for package scanning and handling at the Bayamon, Toa Baja, and the Guaynabo Post Offices and monitor for compliance.

### Recommendation #4

We recommend the **District Manager, Puerto Rico**, verify all employee barcode information is securely stored at the Guaynabo Post Office.

### Postal Service Response

Management agreed with the finding and the associated recommendations. Management's target implementation date for all three recommendations is September 30, 2024.

### OIG Evaluation

The OIG considers management's comments responsive to the recommendations.

# Finding #3: Arrow Keys

## What We Found

Unit management did not properly manage arrow keys at any of the three units we reviewed. In addition, unit management did not properly safeguard arrow keys at the Bayamon Post Office.

Specifically, we could not locate a total of 26 keys listed on the Retail and Delivery Applications and Reports (RADAR)<sup>28</sup> inventory log across the three units. Unit management had not reported any of the

missing keys to the U.S. Postal Inspection Service. In addition, at two of the three units, we identified 57 keys that were not listed on the inventory log. Further, management at the Toa Baja Post Office did not confirm all keys were returned and accounted for each evening, and unit management at the Bayamon Post Office did not keep arrow keys secure. (see Table 6).

Table 6. Arrow Key Inventory and Security

Delivery Units	Keys Kept Secure?	Keys on Inventory Log	Missing Keys	Keys Found at Unit	Keys Not Listed on Log
Bayamon Post Office	No	82	18	80	16
Toa Baja Post Office	Yes	39	2	37	0
Guaynabo Post Office	Yes	44	6	79	41
Total		165	26	196	57

Source: OIG analysis of arrow key inventory during our March 21, 2024, visits.

## Why Did It Occur

These issues occurred because management did not provide sufficient oversight to properly manage arrow keys. Specifically:

- At the Bayamon Post Office, the supervisor responsible for conducting the monthly inventory had only been at the unit for a week and was unfamiliar with the unit’s arrow keys. Instead of physically inventorying the keys, the supervisor relied on outdated February 2024 records, which caused the missing keys to go unnoticed. In addition, management did not properly safeguard the arrow keys because █████ used to secure the arrow keys broke the week prior to our visit. Management stated they did not have time to repair it before we arrived.
- At the Toa Baja Post Office, the officer-in-charge (OIC) had just started his assignment at the unit a week earlier and was primarily focused on managing delivery operations and staff, resulting

in him overlooking arrow key procedures and not being aware that keys were missing. Further, the closing supervisor did not consistently verify the return of all keys before securing the cart at the end of each day because he was focused on managing the carriers coming back to the office on time and answering customer phone calls.

- At the Guaynabo Post Office, the postmaster relied on the supervisor to input the results of a completed review and to report missing keys to the U.S. Postal Inspection Service. However, the postmaster did not follow up to confirm the arrow key certification was done correctly and missing keys were reported.

## What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>29</sup> management must keep an accurate inventory of all keys and missing keys must be immediately reported to the

28 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

29 USPS Arrow Key Guidebook Standard Work Instructions, August 2023.

U.S. Postal Inspection Service. In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel. 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.

#### Recommendation #5

We recommend the **District Manager, Puerto Rico**, train management at the Bayamon, Toa Baja, and Guaynabo Post Offices on the proper procedures for arrow key management.

#### Recommendation #6

We recommend the **District Manager, Puerto Rico**, verify arrow keys are properly managed and confirm missing keys are reported to the U.S. Postal Inspection Service for the Bayamon, Toa Baja, and Guaynabo Post offices.

#### Postal Service Response

Management agreed with the finding and the associated recommendations. Management's target implementation date for all three recommendations is September 30, 2024.

#### OIG Evaluation

The OIG considers management's comments responsive to the recommendations.



## Finding #4: Carrier Complement and Timekeeping

### What We Found

We identified carrier complement issues at the Toa Baja Post office. Specifically, management did not remove an employee from the rolls that had not reported to work for at least 12 consecutive weeks between November 4, 2023, and January 26, 2024.

In addition, we identified timekeeping management issues at all three delivery units. Specifically:

- Management at the Bayamon Post Office did not complete, print, or retain PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request*,<sup>30</sup> for any of the nine pay adjustments made between November 4, 2023, and January 26, 2024. In addition, the unit had 50 unresolved disallowed time occurrences and 172 instances of unresolved unauthorized overtime for the same period. Management did not print and retain PS Forms 1017-A for any of the 50 occurrences of disallowed time. They also did not print and retain PS Forms 1017-B for 168 of the 172 unauthorized overtime occurrences.
- The Toa Baja station had 26 unresolved disallowed time occurrences and four instances of unresolved unauthorized overtime for carriers from November 4, 2023, through January 26, 2024. Further, the unit maintained a binder with Postal Service (PS) Forms 1017-A, *Time Disallowance Record*,<sup>31</sup> and Forms 1017-B, *Unauthorized Overtime Record*,<sup>32</sup> but the binder only contained forms for five of the 26 disallowed time occurrences and did not contain any forms for the four unauthorized overtime occurrences.
- Management at the Guaynabo Post Office had 16 unresolved disallowed time occurrences and five instances of unresolved unauthorized overtime between November 4, 2023, and January 26, 2024. However, management did not

print and retain PS Forms 1017-A or PS Forms 1017-B for any of these occurrences.

- Management at all three delivery units did not complete entries in the Time and Attendance Collection System (TACS)<sup>33</sup> for any of the unresolved disallowed time or unresolved unauthorized overtime instances.

### Why Did It Occur

Management did not provide adequate oversight for employee pay adjustments and overtime. For example:

- Management at the Bayamon Post Office stated they were aware of the policy for completing and retaining the forms but were focused on competing operational duties, such as getting the mail processed and delivered.
- Management at the Toa Baja Post Office did not follow up on the removal process for the carrier who did not report for work. Management stated they had limited training and were not aware of the requirements for completing timekeeping adjustments and maintaining PS Forms 1017-A and 1017-B.
- Management at the Guaynabo Post Office was not aware hard copies of the PS Forms 1017-A and 1017-B were required to be retained locally since the forms were retained in TACS. Further, the postmaster prioritized other duties, such as mail delivery and employee discipline issues, over timekeeping management.

### What Should Have Happened

Managers should process employee separations timely to maximize carrier complement.<sup>34</sup> In addition, Postal Service policy<sup>35</sup> 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. Policy also states unit personnel

<sup>30</sup> Form used to adjust either an employee's pay or to adjust timecard data that has been incorrectly reported to the postal data center.

<sup>31</sup> 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.

<sup>32</sup> Managers and supervisors are required to complete a PS Form 1017-B the first time a non-exempt employee incurs unauthorized overtime. These forms serve as a cumulative record of unauthorized overtime.

<sup>33</sup> The system used by the Postal Service to automate the collection of employee time and attendance information.

<sup>34</sup> The U.S. Postal Service documented that it is critical to process timely separations, to maximize part-time carrier complement and reduce costs.

<sup>35</sup> Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.

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 inactive employees are not removed from the employee rolls, replacements are unable to be hired. In addition, when proper documentation of pay adjustments, time disallowance, and unauthorized overtime is not completed, management could incur excess administrative time. Further, the Postal Service risks violation of the Fair Labor Standards Act<sup>36</sup> when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

#### Management Actions

During our audit, district management provided documentation showing that management at all three delivery units were provided training on timekeeping record requirements.

#### Recommendation #7

We recommend the **District Manager, Puerto Rico**, develop a plan to monitor and enforce compliance with timekeeping record requirements at the Bayamon, Toa Baja, and Guaynabo Post Offices.

#### Recommendation #8

We recommend the **District Manager, Puerto Rico**, verify unit management completes the process for removing the employee from the rolls that was identified as not reporting to work at the Toa Baja Post Office.

#### Postal Service Response

Management agreed with the finding and associated recommendations. Management's target implementation date for recommendation 7 is September 30, 2024, and for recommendation 8 is December 31, 2024.

#### OIG Evaluation

The OIG considers management's comments responsive to the recommendations.

<sup>36</sup> 29 United States Code § 201-219.

## Finding #5: Property Conditions

### What We Found

We found property safety, security, and maintenance issues at the three delivery units.

#### Property Safety:

- At the Bayamon Post Office, we found three fire extinguishers were missing monthly inspections; two fire extinguishers were not mounted on the wall; the fire alarm for the hearing impaired was hanging from the ceiling and not mounted on the wall; the pedestrian door on the dock was blocked by pallets of packages; and the microwave in the employee breakroom was plugged into a power surge protector instead of the wall outlet.
- At the Toa Baja Post Office, we found an electrical outlet on the workroom floor was missing the cover and was exposed to water leaks from the ceiling (see figure 4); an internal Postal Inspection Service door was blocked; one fire extinguisher in the employee breakroom had an expired monthly inspection; the handicap automatic door button for entry into the retail lobby was inoperable; and there was no handicap automatic door button for the Post Office Box section.

**Figure 4. Exposed Electrical Outlet at the Toa Baja Post Office**



Source: OIG photo taken on March 20, 2024.

- At the Guaynabo Post Office, we found two damaged concrete areas near the employee entrance and one damaged concrete area in the work room floor near the contract carrier cases that could cause a tripping hazard. In addition, none of the 10 fire extinguishers throughout the building had the annual inspection for years 2020 through 2023, and all 10 had expired monthly fire extinguisher inspections.

#### Property Security:

- At the Bayamon Post Office, the sensor on the Postal Service vehicle parking lot gate was covered with a glove to keep the gate open during business hours.
- At the Guaynabo Post Office, a portion of the fence under the tent where parcels were stored was missing a security measure to prevent theft. In addition, a ladder leading to the roof of the building was missing a gate lock to prevent unauthorized individuals from entering secured Postal Service space. The building is shared with other businesses that can access the roof.

#### Property Maintenance:

- At the Toa Baja Post Office, we found missing and damaged tiles on the floors in the workroom and customer lobby area; rusted lockers in the employee locker room; and damaged walls throughout the unit including the workroom floor, vestibule, and PO Box areas. In addition, the men's restroom had two inoperable sinks, and the women's restroom had an inoperable sink and toilet. The dock area was also littered with trash and overgrown weeds.

### Why Did It Occur

Management at all three units did not provide sufficient oversight and take the necessary actions to verify that property condition issues were identified and corrected. Specifically, management at all three units prioritized other duties over addressing the property condition problems. Management at the Toa Baja Post Office was aware of some of the issues and had submitted work orders for the damaged



and missing ceiling tiles in the workroom and the inoperable sink prior to our visit.

#### 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 requires management to maintain a safe environment for employees and customers.<sup>37</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 penalties; and enhance the customer experience and Postal Service brand.

### Management Actions

During our audit, management at the Toa Baja Post Office cleared the area in front of the Inspection Service doors.

#### Recommendation #9

We recommend the **District Manager, Puerto Rico**, address all remaining building safety, security, and maintenance issues identified at the Bayamon, Toa Baja, and Guaynabo Post Offices.

#### Postal Service Response

Management agreed with the finding and associated recommendation. Management's target implementation date is March 31, 2025.

#### OIG Evaluation

The OIG considers management's comments responsive to the recommendation.

<sup>37</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July, 2020.

## Finding #6: Other Issues – Contractor Badges

### What We Found

During our review at the Toa Baja Post Office, we determined one of the CDS carriers did not have a Postal Service photo identification (ID) barcoded badge. In addition, the regular CDS carrier's ID badge expired in June 2022 and showed he was assigned to a different office. A postal ID badge indicates that a background check has been completed and that clearance has been granted to enter the facility and access the mail.

Similarly, at the Guaynabo Post Office, three CDS carriers did not have a Postal Service photo ID barcoded badge and one CDS carrier's ID badge, assigned to the Gurabo Post Office, expired in November 2023. Instead, all four CDS carriers were using a printed barcode label located at the top of the contract carrier cases to log into the scanner for mail delivery.

### Why Did It Occur

Management at the Toa Baja and Guaynabo Post Offices were unaware that the current CDS carriers did not have badges.

### What Should Have Happened

The Postal Service requires that management obtain screening information from highway transportation suppliers and their contractor personnel to verify their eligibility.<sup>38</sup> Postal Service guidance states highway transportation suppliers, suppliers' personnel, and subcontractors' personnel who transport mail or who are allowed access to Postal Service operational areas must receive nonsensitive clearances. Pending clearance, a temporary photo ID badge, PS Form 5139, *Non-Postal Service Temporary Employee*, allows such access. Once clearance is obtained, a photo ID badge, PS Form 5140, *Non-Postal Service Contract*

*Employee*, allows access to mail and mail processing facilities. A barcode for an ID badge is provided once the contract driver has been granted a nonsensitive clearance.

### Effect on the Postal Service and Its Customers

When CDS carriers do not have an appropriate contractor Postal ID badge, management is unable to determine if the carrier is allowed access to Postal Service operational areas or allowed to deliver mail. In addition, CDS carriers using barcodes from previous contractors causes inaccurate package scanning data, which makes it difficult for management to hold these carriers responsible for inaccurate scanning.

### Management Actions

During our audit, the OIC at the Toa Baja Post Office informed the CDS carrier without an ID badge that he was not authorized to be in the unit and could not deliver mail. The OIC escorted him off the premises.

#### Recommendation #10

We recommend the **District Manager, Puerto Rico**, verify that all Contract Delivery Service route carriers and their assistants at the Toa Baja and Guaynabo Post Offices possess a valid Postal Service photo identification badge.

#### Postal Service Response

Management agreed with the finding and the associated recommendation. Management's target implementation date is December 31, 2024.

#### OIG Evaluation

The OIG considers management's comments responsive to the recommendation.

<sup>38</sup> Management Instruction PO-530-2009-4, *Screening Highway Transportation Contractor Personnel*, September 2009.

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# Appendix A: Additional Information

We conducted this audit from May through June 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 in all three components that were significant within the context of our objective. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of PTR, DCV, TACS, IV, and EDW 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.

# Appendix B: Management's Comments



June 26, 2024

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Puerto Rico District: Delivery Operations (Report Number 24-079-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report *Puerto Rico District: Delivery Operations*

Management generally agrees with the findings related to delayed mail, package scanning, arrow keys, complement and timekeeping, property conditions, and contractor badges.

**Following are our comments on each of the ten recommendations.**

Recommendation 1: We recommend the District Manager, Puerto Rico, conduct route reviews for all routes in the Puerto Rico District, create a prioritized list of routes needing adjustments based on the reviews, and coordinate with Headquarters Delivery Operations to create a plan to perform the necessary adjustments.

Management Response/Action Plan: Management agrees with this recommendation.

District management has begun conducting annual route reviews in conjunction with HQ management and will make necessary route adjustments for all delivery routes.

Target Implementation Date: 12/31/2026

Responsible Official: District Manager, Puerto Rico

Recommendation 2: We recommend the District Manager, Puerto Rico, train management at all delivery units in the district on the proper procedures for identifying, quantifying, and reporting delayed mail.

Management Response/Action Plan: Management agrees with this recommendation.

District management will provide training for non-bargaining employees at all delivery units on the proper procedures for identifying, quantifying, and reporting delayed mail.

Target Implementation Date: 09/30/2024

Responsible Official: District Manager, Puerto Rico

Recommendation 3: We recommend the District Manager, Puerto Rico, train all employees on standard operating procedures for package scanning and handling at the Bayamon, Toa Baja, and the Guaynabo Post Offices and monitor for compliance.

Management Response/Action Plan: Management agrees with this recommendation.

A service talk will be conducted to reiterate proper scanning and handling procedures for packages. Additionally, management will conduct reviews to monitor for compliance.

Target Implementation Date: 9/30/2024

Responsible Official: District Manager, Puerto Rico

Recommendation 4: We recommend the District Manager, Puerto Rico, verify all employee barcode information is securely stored at the Guaynabo Post Office.

Management Response/Action Plan: Management agrees with this recommendation.

Management will include with daily GEMBA, emails confirming employee barcode information is maintained in a secure location.

Target Implementation Date: 9/30/2024

Responsible Official: District Manager, Puerto Rico

Recommendation 5: We recommend the District Manager, Puerto Rico, train management at the Bayamon, Toa Baja, and Guaynabo Post Offices on the proper procedures for arrow key management.

Management Response/Action Plan: Management agrees with this recommendation.

District management will conduct a stand-up talk with non-bargaining employees at Bayamon, Toa Baja, and Guaynabo post offices on proper procedures for arrow key management.

Target Implementation Date: 09/30/2024

Responsible Official: District Manager



Recommendation 6: We recommend the District Manager, Puerto Rico, verify arrow keys are properly managed and confirm missing keys are reported to the U.S. Postal Inspection Service for the Bayamon, Toa Baja, and Guaynabo Post offices.

Management Response/Action Plan: Management agrees with this recommendation.

Management will adhere to arrow key standard operating procedures, including updating key logs and reporting missing keys to the US Postal Inspection Service. Additionally, management will conduct reviews to monitor for compliance.

Target Implementation Date: 09/30/2024

Responsible Official: District Manager, Puerto Rico

Recommendation 7: We recommend the District Manager, Puerto Rico, develop a plan to monitor and enforce compliance with timekeeping record requirements at the Bayamon, Toa Baja, and Guaynabo Post Offices.

Management Response/Action Plan: Management agrees with this recommendation.

District management will conduct a SUT on timekeeping record requirements at Bayamon, Toa Baja, and Guaynabo post offices and conduct reviews to monitor and ensure compliance. Corrective action will be enforced as appropriate.

Target Implementation Date: 09/30/2024

Responsible Official: District Manager, Puerto Rico

Recommendation 8: We recommend the District Manager, Puerto Rico, verify unit management completes the process for removing the employee from the rolls that was identified as not reporting to work at the Toa Baja Post Office.

Management Response/Action Plan: Management agrees with this recommendation.

Management will take the required administrative actions evidencing the identified employee is formally removed from the rolls.

Target Implementation Date: 12/31/2024

Responsible Official: District Manager, Puerto Rico

Recommendation 9: We recommend the District Manager, Puerto Rico, address all remaining building safety, security, and maintenance issues identified at the Bayamon, Toa Baja, and Guaynabo Post Offices.

Management Response/Action Plan: Management agrees with this recommendation.

Management has begun correcting the remaining safety, security, and maintenance issues identified.

Target Implementation Date: 03/31/2025

Responsible Official: District Manager, Puerto Rico

Recommendation 10: We recommend the District Manager, Puerto Rico, verify that all Contract Delivery Service route carriers and their assistants at the Toa Baja and Guaynabo Post Offices possess a valid Postal Service photo identification badge.

Management Response/Action Plan: Management agrees with this recommendation.

District management will verify at the Inspection Service level, that all Contract Delivery Service carriers and assistants at Toa Baja and Guaynabo post offices, possess a valid Postal Service photo identification badge.

Target Implementation Date: 12/31/2024

Responsible Official: District Manager, Puerto Rico

E-SIGNED by CARLOS E DEL TORO  
on 2024-06-26 17:32:07 EDT

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Carlos E. Del Toro  
Manager, Puerto Rico District

cc: Vice President, Retail & Delivery (Southern)  
*Corporate Audit Response Management*

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UNITED STATES POSTAL SERVICE



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

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