

Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC

AUDIT REPORT

Report Number 24-116-R24 | August 13, 2024



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 13, 2024

MEMORANDUM FOR: SHARON YOUNG
SOUTHEAST DIVISION DIRECTOR, PROCESSING OPERATIONS

BARBARA MURPH
SOUTHEAST DIVISION DIRECTOR, LOGISTICS

A handwritten signature in black ink, reading "Joseph E. Wolski", is positioned below the names of the recipients.

FROM: Joseph E. Wolski
Director, Field Operations, Atlantic and WestPac

SUBJECT: Audit Report – Efficiency of Operations at the Charleston Processing and
Distribution Center, North Charleston, SC
(Report Number 24-116-R24)

This report presents the results of our audit of the Charleston Processing and Distribution Center.

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

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

Attachment

cc: Postmaster General
Chief Processing and Distribution Officer and Executive Vice President
Chief Logistics Officer and Executive Vice President
Vice President, Processing and Maintenance Operations
Vice President, Logistics
Vice President, Eastern Regional Processing Operations
Southern Regional Director, Logistics
Corporate Audit Response Management

Results

Background

The U.S. Postal Service needs effective and productive operations to fulfill its mission of providing prompt, reliable, and affordable mail service to the American public. It has a vast transportation network that moves mail and equipment among about 330 processing facilities and 31,100 post offices, stations, and branches. The Postal Service is transforming its processing and logistics networks to become scalable, reliable, visible, efficient, automated, and digitally integrated. This includes modernizing operating plans and aligning the workforce; leveraging emerging technologies to provide world-class visibility and tracking of mail and packages in near real time; and optimizing the surface and air transportation network. The U.S. Postal Service Office of Inspector General (OIG) reviews the efficiency of mail processing operations at facilities across the country and provides management with timely feedback to further the Postal Service’s mission.

This report presents the results of our self-initiated audit of the efficiency of operations at the Charleston Processing and Distribution Center (P&DC) in North Charleston, SC (Project Number 24-116). We judgmentally selected this P&DC based on a review of first and last mile failures;¹ workhours; scanning compliance;² and late, canceled, and extra trips. The Charleston P&DC is in the Southeast Division and processes letters, flats, and packages. The Charleston P&DC services two 3-digit ZIP Codes in urban and rural communities³ (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban	Rural	Total
294	708,737	156,290	865,027
299	155,435	81,407	236,842

Source: Postal Service National Distribution Labeling List and 2020 Census Bureau data.

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Charleston P&DC. To accomplish our objective, we focused on five audit areas: mail clearance times;⁴ delayed mail; late, canceled, and extra outbound trips; scanning; and security of registry items. We reviewed Surface Visibility Web (SVWeb)⁵ data for late, canceled, and extra trips, as well as scan compliance for the period from May 1, 2023, to April 30, 2024. Further, we identified mail clearance time goals for the Charleston P&DC and compared them with operations shown in the Run Plan Generator (RPG) report.⁶ During our site visit the week of June 3, 2024, we interviewed P&DC management and observed mail processing and dock operations.

During this time, the OIG also audited three delivery units⁷ serviced by the Charleston P&DC. We will provide the results of those audits to South Carolina District management in separate reports. See [Appendix A](#) for additional information about our scope and methodology.

1 First mile failures occur when a mailpiece is collected and does not receive a processing scan at the origin processing facility on the day that it was intended. Last mile failures occur after the mailpiece has been processed at a processing facility on a final processing operation and is not delivered to the customer on the day it was intended.

2 Scans include load, depart, unload, close, assign, and arrive.

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

4 The latest time committed mail can clear an operation for proper dispatch or delivery.

5 A website dedicated to the Surface Visibility program, which provides real-time transportation updates and reports on the movement of trailers in the surface network. The data captured to identify early, on time, late, or canceled trips is also used to evaluate and improve transportation schedules.

6 An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.

7 The three delivery units were East Bay Station, Charleston, SC (project number 24-117-1); Mount Pleasant Post Office, Mount Pleasant, SC (project number 24-117-2); and North Charleston Branch, North Charleston, SC (project number 24-117-3).

Results Summary

We identified deficiencies for four of the five areas we reviewed that affected the efficiency of operations at the Charleston P&DC. We also identified other issues related to safety and security, as well as the profile of packages arriving from delivery units (see Table 2).

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Clearance Times	X	
Delayed Mail	X	
Late, Canceled, and Extra Outbound Trips	X	
Scan Compliance	X	
Security of Registry Items		X
Other Issues	X	

Source: Results of OIG data reviewed from May 1, 2023, to April 30, 2024, and fieldwork conducted from June 3 to June 6, 2024.

We observed registry cage conditions and interviewed personnel to determine if procedures over the handling and security of registered mail were being followed. We did not find any systemic issues.

Finding #1: Clearance Times

What We Found

From February through April 2024, the Charleston P&DC did not consistently meet its clearance times for letters, flats, and packages. During this period of 90 days, the P&DC missed its clearance time goals for letters on 19 days (21.1 percent) by one minute up to almost three hours; for flats on eight days (8.9 percent) by one minute up to almost five hours; and for Priority Mail on 16 days (17.8 percent) by two minutes to one hour.

During our observations, on June 6, 2024, we observed that the Charleston P&DC did not meet clearance time for processing letters, missing the goal of 5 a.m. by 19 minutes.

Why Did it Occur

The missed clearance times were primarily due to employee attendance issues. Specifically, management indicated unscheduled leave by managers and employees, and related attendance issues, have impacted their ability to properly staff operations for timely completion. From February 10, 2024, through May 3, 2024, the Charleston P&DC had an average employee availability rate of 84.6 percent. The Postal Service goal for employee availability is 89 percent for processing facilities in fiscal year 2024. Plant management also said that supervisors and managers did not hold their employees accountable for attendance and performance issues. In October 2023, a manager was assigned to assist with employee attendance issues, such as tracking employees with zero work hours and unscheduled leave. Further, many of the supervisors and managers are in acting or new roles and they are not familiar with the facility's RPG report and do not utilize it to plan for and monitor their operational areas of responsibility.

Machine performance issues also contributed to missed clearance times. Management stated machine issues with the Automated Flats Sorting

Machine, Delivery Barcode Sorter (DBCS),⁸ and DBCS Input/Output Subsystem⁹ have caused downtime, which affected their ability to meet the clearance time goals. Insufficient preventative maintenance may have contributed to these machine performance issues. From October 2023 through May 2024, daily preventative maintenance on processing machines at the Charleston P&DC had a completion rate of 73 percent, well below the goal of 95 percent. Management attributed the low completion rate for preventative maintenance to employees' unscheduled leave and vacant maintenance positions. Between June and July 2024, management filled one of four maintenance positions and slightly increased the daily preventative maintenance completion rate. For example, from June 29 through July 12, 2024, daily preventative maintenance on processing machines at the P&DC improved slightly to a completion rate of 86 percent, still below the goal.

Additionally, maintenance personnel's ability to meet their preventative maintenance goals was further impacted when operations ran over their processing times into the scheduled maintenance window. For example, for the period of June 2 through June 6, 2024, there were 10 out of 50 instances when mail was processed on machines during the time planned for daily preventative maintenance.

What Should Have Happened

The Postal Service has established service standards¹⁰ for measuring service performance. Management should ensure the mail is processed timely to meet clearance times and the established service standards. According to Postal Service policy,¹¹ management is responsible for controlling unscheduled absences; including informing employees of leave regulations and discussing attendance records with individual employees when warranted. Additionally, operational managers and supervisors should use the RPG to produce run plans.¹²

⁸ An automated letter sorting machine that is used for letter-size mail.

⁹ A multifunction letter mail processing system based on the DBCS with additional components for optical character recognition.

¹⁰ A stated goal for service achievement for each mail class.

¹¹ *Employee and Labor Relations Manual*, Section 511.42, dated September 2022.

¹² The *OIG Use of the Run Plan Generator Report* (Report Number NO-AR-17-004, dated January 26, 2017) recommended this, and management agreed to the recommendation.

The Postal Service instructed supervisors to review daily RPG plan and comply with the plan.¹³ Further, management should ensure that they maintain mail processing equipment and postal operating equipment to provide optimum performance and minimal downtime.¹⁴

Effect on the Postal Service and its Customers

When mail processing clearance times are not met, there is an increased risk that the mail can become delayed and result in customer dissatisfaction, which may adversely affect the Postal Service brand.

Management Actions

During our audit, plant management provided documentation showing they had trained managers and supervisors on the RPG report, clearance time goals, and the process for moving mail through the P&DC. Management also provided documentation that they were monitoring completion of daily preventative maintenance.

Recommendation #1

We recommend the **Southeast Division Director, Processing Operations**, provide training for supervisors and managers on attendance control to address attendance issues at the Charleston Processing and Distribution Center.

Recommendation #2

We recommend the **Southeast Division Director, Processing Operations**, verify they are following and meeting the daily operation plan at the Charleston Processing and Distribution Center.

Recommendation #3

We recommend the **Southeast Division Director, Processing Operations**, fill the vacant maintenance positions needed to service and maintain processing machines at the Charleston Processing and Distribution Center.

Recommendation #4

We recommend the **Southeast Division Director, Processing Operations**, verify daily preventative maintenance is completed on all processing machines to increase compliance at the Charleston Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and associated recommendations. Management's target implementation date for recommendation 1 is October 31, 2024, for recommendations 2 and 4, January 31, 2025, and for recommendation 3, May 31, 2025. See [Appendix B](#) for management's comments in their entirety.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations, and corrective actions should resolve the issues identified in the report.

¹³ *Leader Standard Work Instruction: Function 1 Operations EPPS Supervisor*, dated February 21, 2019.

¹⁴ *Maintenance Handbook MS-63, Maintenance Operations, Section 11.1*, dated June 22, 2006.

Finding #2: Delayed Mail

What We Found

We observed delayed mail in the facility on each day from June 3 through June 6, 2024. Specifically, we identified delayed mail in manual package operations and on the dock. We identified:

- Approximately 839 delayed packages¹⁵ in manual operations that were manually processed but were not moved to the docks for timely dispatch to the delivery units on the morning of June 5 and 6, 2024 (see Figure 1).
- Five packages on the dock were delayed on the morning of June 4 at approximately 6 a.m. The container indicated they were scheduled for departure on June 4, at 4:30 a.m.

Figure 1. Delayed Packages Sorted for Dispatch



Source: OIG photos taken June 5 and June 6, 2024.

We also observed mail on June 3 through June 6 in the manual letter, flat, and package operations, on the workroom floor, and by the Advanced Facer and Canceler System (AFCS)¹⁶ that were delayed or at risk of being delayed (see Figure 2). The delayed mail identified on the workroom floor and by the AFCS included mail that arrived late to the P&DC

from delivery units or other processing facilities. For example, on June 4, at approximately 6 a.m., we identified approximately 1,669 unprocessed collection mailpieces¹⁷ next to the AFCS machine that arrived at the facility from a delivery unit after the critical entry time.¹⁸ According to plant management, they often receive late collection mail from the same delivery units (see Figure 3). The mail observed in the manual operations, workroom floor, and by the AFCS was reported by management as delayed in the Mail Condition Visualization (MCV)¹⁹ system.

Figure 2. Examples of Delayed Mail in Manual Operations and on Workroom Floor



Source: OIG photos taken June 4 through 6, 2024.

¹⁵ OIG estimates based on calculations made using Mail Condition Visualization, Manual Line-Item Entry Job Aid, dated October 26, 2020.

¹⁶ Faces and cancels collection mail and reads barcodes.

¹⁷ Mail deposited into a collection box or lobby drop, as well as mail collected by carriers on their delivery rounds.

¹⁸ The latest time that committed mail can be received in an operation and still be processed before clearance time to meet the service standard for mail processing, dispatch, and final delivery.

¹⁹ Mail Condition Visualization provides near real-time visibility of a facility's on-hand volume, delayed processing volume, delayed dispatch volume, and oldest mail date by mail category and processing operation and stores historical trailer information.

Figure 3. Late Arriving Collection Mail by the AFCS



Source: OIG photos taken June 4 and June 5, 2024.

In total, plant management reported 170,368 delayed mailpieces in the MCV system during our visit (see Table 3), which represented the mail we observed in the manual operations, workroom floor, and by the AFCS. It did not include the manually sorted packages that missed dispatch to the delivery units and the packages identified on the dock.

We also identified poor placarding practices²⁰ at the Charleston P&DC. Specially, we observed numerous containers without placards throughout the workroom floor. We were unable to determine if this mail was delayed due to the missing placards.

Why Did it Occur

The delayed mail in the manual mail operation areas was primarily due to a lack of management oversight. Specifically, supervisors and managers did not verify the manual operations were properly staffed to process the mail in time for dispatch. Additionally, in the manual package unit, supervisors did not ensure that employees followed the procedures to move sorted packages to the dock for dispatch in a timely manner. In addition, plant management indicated some supervisors are inexperienced and require training on the operational procedures. In addition, we found that some trucks are scheduled to depart to delivery units before the official clearance time. Plant management told us the 4:30 a.m. departure time, before the clearance time of 5 a.m., is for delivery units located further away from the P&DC.

Also, management did not use Mail Arrival Quality/Plant Arrival Quality system (MAQ/PAQ)²¹ to communicate issues to address late arriving collection mail nor did they take action to respond to issues raised by the delivery units. Management acknowledged that they need to use MAQ/PAQ as a tool to resolve issues with the delivery units, such as late arriving mail; however, the new supervisors did not know how to use the system.

Table 3. Reported Delayed Mail

Date	Delayed Letters	Delayed Flats	Delayed Packages	Total Reported in MCV
June 3	4,242	6,207	1,188	11,637
June 4	86,145	4,912	696	91,753
June 5	29,794	5,277	833	35,904
June 6	16,414	13,475	1,185	31,074
Total	136,595	29,871	3,902	170,368

Source: MCV.

20 A large sign or card attached to various types of mail transport equipment that provides internal information about the content, mail processing operation, or dispatch of the mail.
21 The Mail Arrival Quality/Plant Arrival Quality system facilitates communication and resolution of issues with the movement of mail, including collection mail, between postal facilities.

Additionally, management did not provide oversight to ensure all mail containers had a placard at the facility.

What Should Have Happened

Postal Service policy²² states that management should continually gauge how well they are managing the flow of mail and have managerial control over the workload, personnel, and equipment needed for a well-run operation. As part of Postal Service practice, a delayed-mail count should be performed and accurately reported in the MCV system daily.²³ This practice indicates that undeparted processed mail due for delivery that day should be reported as delayed dispatch mail. Additionally, management should use the MAQ/PAQ to communicate and resolve issues with mail arriving from delivery units. Further, Postal Service policy²⁴ addresses the importance of accurately labeling mail containers, as label information is used throughout the mailstream to ensure timely processing.

Effect on the Postal Service and Its Customers

When mail is not processed in accordance with proper procedures, there is an increased likelihood of delays. When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. Inaccurate reporting of delayed mail in the MCV system 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. Also, when plant management does not communicate about issues with delivery unit management, those issues are less likely to be resolved. In addition, incomplete labels on mail as it moves through a processing facility make it difficult to manage the mail flow and correctly prioritize the processing of mail.

Management Actions

During our audit, plant management provided documentation that managers and supervisors at the P&DC have started using the MAQ/PAQ system

to communicate issues with mail arriving from one delivery unit.

Recommendation #5

We recommend the **Southeast Division Director, Processing Operations**, verify the manual operations are properly staffed to process the mail in time and proper procedures are followed for timely dispatch of mail at the Charleston Processing and Distribution Center.

Recommendation #6

We recommend the **Southeast Division Directors, Processing Operations and Logistics**, align clearance times with trip departure times to ensure timely dispatch of mail at the Charleston Processing and Distribution Center.

Recommendation #7

We recommend the **Southeast Division Director, Processing Operations**, establish a plan to confirm delayed mail counts are fully completed and entered correctly into the Mail Condition Visualization system at the Charleston Processing and Distribution Center.

Recommendation #8

We recommend the **Southeast Division Director, Processing Operations**, use the Mail Arrival Quality/Plant Arrival Quality system to communicate and resolve issues with mail arriving from delivery units or processing facilities at the Charleston Processing and Distribution Center.

Recommendation #9

We recommend the **Southeast Division Director, Processing Operations**, provide training on proper placarding procedures and verify they are followed on the workroom floor at the Charleston Processing and Distribution Center.

²² Handbook PO-413, Platform Operations, Sections 2-1 and 2-4.4, dated December 2013.

²³ MCV Manual Line-Item Entry Job Aid, dated October 26, 2020.

²⁴ Handbook PO-441, *Rehandling of Mail Best Practices*, Section 4-8.1, dated April 2002.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Management's target implementation date for recommendations 5, 6, 7, 8, and 9 is November 30, 2024.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations, and corrective actions should resolve the issues identified in the report.

Finding #3: Late, Canceled, and Extra Trips

What We Found

From May 1, 2023, through April 30, 2024, there were a total of 45,087 outbound trips from the Charleston P&DC. Of the total outbound trips, there were 7,438 late trips, 1,826 canceled trips, and 1,048 extra trips at the Charleston P&DC. These trips represent about 22.9 percent of all trips at the facility (see Table 4).

Table 4. Outbound Transportation Metrics

Transportation Metric	Number	Percentage of Total Outbound Trips
Late Trips	7,438	16.5 %
Canceled Trips	1,826	4.1%
Extra Trips	1,048	2.3%

Source: SVWeb.

We did not find any systematic issues with canceled and extra outbound trips.

Why Did it Occur

The top two reasons for late outbound trips at the Charleston P&DC were contractor failure and traffic. According to a transportation manager, the contract drivers are not always showing up on time, causing the contractor failures, and that the contracts need to be reassessed. In addition, management attributed some late trips to increased travel time due to traffic congestion. The transportation manager stated that scheduled outbound transportation trips from the P&DC have not been adjusted in over five years.

What Should Have Happened

According to Postal Service policy,²⁵ key elements to effective dispatch and routing include evaluating transportation performance to planned schedules and ensuring that planned dispatches are compatible with an effective mail arrival profile at the destination.

Effect on the Postal Service and Its Customers

When there are late trips, there is an increased risk the mail will not be delivered on time, which can adversely affect Postal Service customers, harm the brand, send mailers to competitors, increase operating costs, and cause the Postal Service to lose revenue.

Recommendation #10

We recommend the **Southeast Division Director, Logistics Operations**, complete a review of transportation schedules and identify actions to address contractor failures at the Charleston Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendation. Management’s target implementation date for recommendation 10 is November 30, 2024.

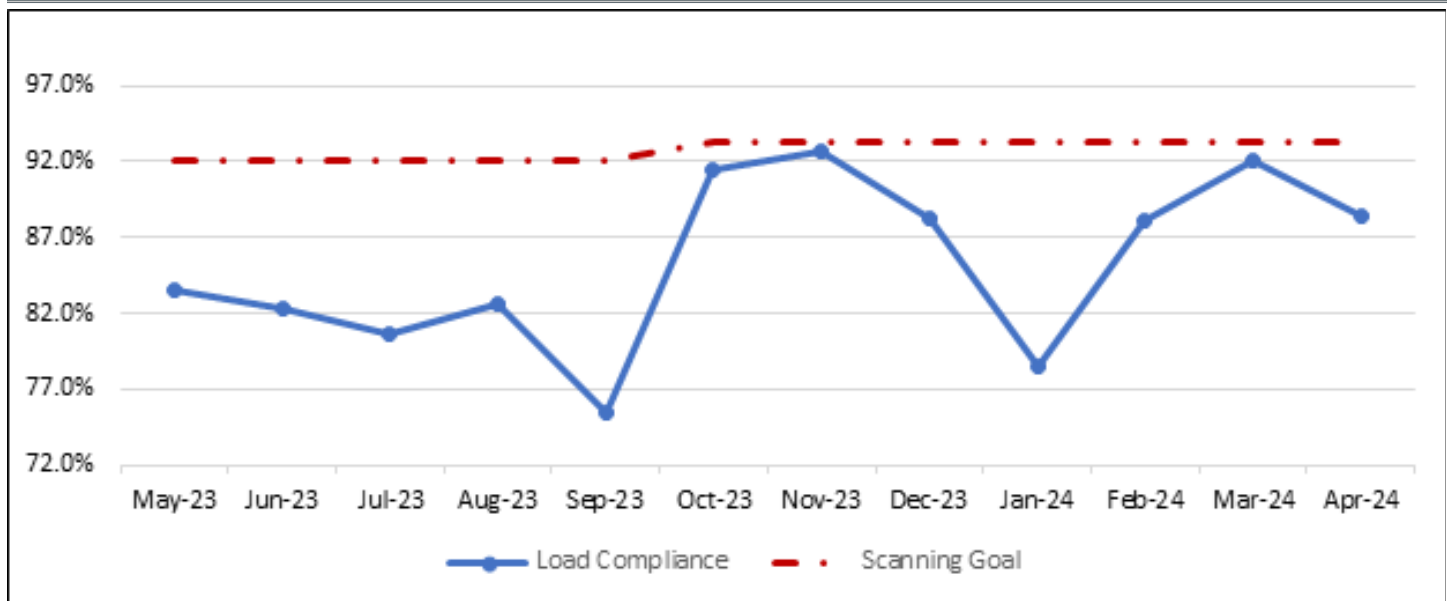
OIG Evaluation

The OIG considers management’s comment responsive to the recommendation, and corrective actions should resolve the issue identified in the report.

²⁵ Handbook M-22, *Dispatch and Routing Policies*, dated July 2013.

Finding #4: Scan Compliance

Figure 4. Scanning Compliance at the Charleston P&DC From May 1, 2023, to April 30, 2024



Source: SVWeb.

What We Found

The Charleston P&DC did not meet load scan²⁶ goals. From May 1, 2023, through April 30, 2024, the average compliance for load scans at the Charleston P&DC was 85.2 percent (see Figure 4). The Postal Service goal for load scans was 92 percent in fiscal year 2023 and 93.25 percent in fiscal year 2024. Additionally, during the week of June 3, 2024, we observed load scans were not always performed.

Why Did it Occur

Load scans were not being performed consistently due to a lack of oversight by Processing and Logistics management. Specifically, management was not holding the employees accountable for performing load scans. In addition, plant management stated that sometimes too many placards are printed, and the extra placards are not canceled, as required, resulting in lower scan compliance scores.

What Should Have Happened

Postal Service policy²⁷ states that employees are required to perform outbound and inbound scans of containers and trailers to ensure mail visibility.

Effect on the Postal Service and its Customers

Scans help the Postal Service track mail as it flows through the network. Low scanning compliance contributes to inaccurate use data, missent mail, and operational inefficiencies. Management uses scanning data to streamline outbound container operations, enhance dispatch quality, and increase efficiency in the use of transportation containers and trailers. When scans are not made, management may not have the information needed to make accurate operational decisions.

Management Actions

During this audit, plant management provided documentation that employees were trained on scanning requirements. In addition, they provided documentation that supervisors are monitoring scanning compliance. From June 1 through July 16, 2024, the average compliance for load scans at the Charleston P&DC was 84.8 percent.

²⁶ Load scans are performed when a container is loaded onto a trailer for dispatch.

²⁷ Surface Visibility Program User booklet, updated January 10, 2023.

Recommendation #11

We recommend the **Southeast Division Directors, Processing Operations and Logistics**, verify load scanning is consistently completed in accordance with policy at the Charleston Processing and Distribution Center.

Recommendation #12

We recommend the **Southeast Division Director, Processing Operations**, take action to verify the appropriate number of placards are printed, and extra placards are canceled at the Charleston Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Management's target implementation date for recommendation 11 is January 31, 2025, and for recommendation 12, November 30, 2024.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations, and corrective actions should resolve the issues identified in the report.

Finding #5: Safety and Security

What We Found

During our site observations, we observed several safety and security issues. Specifically, we observed the following:

- Trucks and trailers parked at the docks without wheel chocks placed next to the tire to prevent them from rolling away (see Figure 5).
- Drivers did not always secure trailer doors when departing from the facility (see Figure 6).
- One exit door on the dock area was propped open (see Figure 7).

Figure 5. Trailers Without Wheel Chocks



Source: OIG photos taken June 4 and June 5, 2024.

Figure 6. Unsecured Door on Trailer



Source: OIG photo taken June 4, 2024.

Figure 7. Propped Open Exit Door



Source: OIG photo taken June 4, 2024.

Why Did it Occur

Management did not provide sufficient oversight to ensure safety and security rules were consistently followed. Employees at the Charleston P&DC did not consistently follow safety rules to properly secure trucks and trailers at the docks and keep exit doors free from obstructions.

What Should Have Happened

The Postal Service must preserve the security of the mail and ensure drivers comply with security policies regarding the transportation of mail in trailers. Postal Service policy²⁸ states that all doors to the cargo compartment must be equipped with locks and kept locked while en route. Additionally,

²⁸ Postal Operations Manual Issue 9, *Sealing Program and Procedures*, Section 476.2, Item H, updated November 30, 2023, and Handbook PO-515, *Highway Contractor Safety*, Section 448.2, dated July 2010.

Postal Service policy²⁹ states that drivers must prevent trailers from rolling away from docks by using wheel chocks. Postal Service policy also states that door locks must not be disabled or doors propped open.³⁰

Effect on the Postal Service and Its Customers

When employees do not observe safe working practices and safety rules, there is an increased risk of employee accidents and injuries. Also, when the Postal Service does not preserve and protect the security of the mail in its custody, there is an increased risk of unauthorized opening, inspection, reading, tampering, delaying, or committing other unauthorized acts.

Management Actions

In response to our observations, plant management took actions to conduct a stand-up talk on the need to use wheel chocks, secure trailer and dock exit doors; order trailer locks; and verify daily that safety operations are followed in the dock area. Therefore, we will not be making a recommendation regarding these matters.

Postal Service Response

The Postal Service agreed with this finding.

²⁹ Handbook EL-803, *Maintenance Employee's Guide to Safety*, Section 1.-C dated July 2020.

³⁰ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, section 8-16, dated July 2020.

Finding #6: Profile of Packages Arriving From Delivery Units

What We Found

We observed, and management confirmed, that the Charleston P&DC received packages from some delivery units that did not properly separate Priority Mail³¹ from Ground Advantage,³² as required.³³ According to plant management, the separation of Priority Mail from other packages would allow employees to stage the priority packages to be processed first.

Why Did it Occur

Management did not communicate effectively to the delivery units when the units' dispatched packages to the facility were not properly separated. Plant management acknowledged they did not use the MAQ/PAQ system to communicate directly with delivery units about this issue.

What Should Have Happened

Management should use the MAQ/PAQ system to communicate and resolve issues with mail separation for packages arriving from delivery units.

Effect on the Postal Service and Its Customers

Proper mail preparation is required for visibility throughout the Postal Service network. When mail is not properly separated for dispatch to the processing facility, in accordance with proper procedures, there is an increased likelihood that mail will require additional processing steps. This can result in delays and service failures and increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

As stated in recommendation 8, Charleston Processing and Distribution Center should use the MAQ/PAQ system to communicate and resolve issues with mail arriving from delivery units. Implementation of this recommendation will resolve the issue; therefore, we will not make a separate recommendation for this finding.

Postal Service Response

The Postal Service agreed with this finding.

³¹ An expedited service that may contain any mailable matter weighing no more than 70 pounds.

³² A service providing an affordable and reliable way to send parcels inside the U.S. Parcels under 70 pounds arrive in two to five business days.

³³ As of September 26, 2023, the Postal Service required delivery units level-22 and higher to separate Priority Mail from other packages for dispatch to the processing facility.

Appendix A: Additional Information

We conducted this audit from May through August 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. We discussed our observations and conclusions with management on July 25, 2024, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the mail processing 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 control activities, information and communication, and monitoring that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of WebEOR, MCV, and SVWeb 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.

Appendix B: Management's Comments



August 5, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC (Report Number 24-116-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC*.

Management generally agrees with the findings on Clearance Times, Delayed Mail, Late, Canceled, and Extra Trips, Scan Compliance, Safety and Security and Profile of packages arriving from delivery units.

Following are our comments on each of the twelve recommendations.

Recommendation 1: We recommend the Southeast Division Director, Processing Operations, provide training for supervisors and managers on attendance control to address attendance issues at the Charleston Processing and Distribution Center.

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

Management will provide training to supervisors and managers on attendance control to assist in addressing attendance issues at the Charleston P&DC.

Target Implementation Date: 10/31/2024

Responsible Official: Division Director, Processing Operations

Recommendation 2: We recommend the Southeast Division Director, Processing Operations, verify they are following and meeting the daily operation plan at the Charleston Processing and Distribution Center.

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

Management will conduct daily reviews/meetings using the Operating Plan Precision tool as a reference to verify compliance.

Target Implementation Date: 1/31/2025

Responsible Official: Division Director, Processing Operations

Recommendation 3: We recommend the Southeast Division Director, Processing Operations, fill the vacant maintenance positions needed to service and maintain processing machines at the Charleston Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will post the vacant maintenance positions needed to service and maintain processing machines at Charleston P&DC in an effort to fill them.

Target Implementation Date: 05/31/2025

Responsible Official: Charleston P&DC Maintenance Manager

Recommendation 4: We recommend the Southeast Division Director, Processing Operations, verify daily preventative maintenance is completed on all processing machines to increase compliance at the Charleston Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will conduct daily meeting to discuss daily preventative maintenance issues and will follow-up to ensure compliance.

Target Implementation Date: 01/31/2025

Responsible Official: Charleston P&DC Maintenance Manager

Recommendation 5: We recommend the Southeast Division Director, Processing Operations, verify the manual operations are properly staffed to process the mail in time and proper procedures are followed for timely dispatch of mail at the Charleston Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will assign adequate staffing to manual operations and monitor to ensure proper procedures are followed for timely dispatch.

Target Implementation Date: 11/30/2024

Responsible Official: Division Director, Processing Operations

Recommendation 6: We recommend the Southeast Division Directors, Processing Operations and Logistics, align clearance times with trip departure times to ensure timely dispatch of mail at the Charleston Processing and Distribution Center.

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

Management will make necessary adjustment if needed to align clearance times with trip departure times to ensure timely dispatch of mail.

Target Implementation Date: 11/30/2024

Responsible Official: Division Directors, Logistics

Recommendation 7: We recommend the Southeast Division Director, Processing Operations, establish a plan to confirm delayed mail counts are fully completed and entered correctly into the Mail Condition Visualization system at the Charleston Processing and Distribution Center.

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

Management created a checklist for use to ensure delayed mail counts are completed and entered in the MCV system daily.

Target Implementation Date: 11/30/2024

Responsible Official: Division Director, Processing Operations

Recommendation 8: We recommend the Southeast Division Director, Processing Operations, use the Mail Arrival Quality/Plant Arrival Quality system to communicate and resolve issues with mail arriving from delivery units or processing facilities at the Charleston Processing and Distribution Center.

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

Management is using MAQ/PAQ to help resolve issues with mail arriving late from delivery units or processing facilities.

Target Implementation Date: 11/30/2024

Responsible Official: Division Director, Processing Operations

Recommendation 9: We recommend the Southeast Division Director, Processing Operations, provide training on proper placarding procedures and verify they are followed on the workroom floor at the Charleston Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will provide documented training on proper placarding procedures and will monitor for compliance.

Target Implementation Date: 11/30/2024

Responsible Official: Division Director, Processing Operations

Recommendation 10: We recommend the Southeast Division Director, Logistics Operations, complete a review of transportation schedules and identify actions to address contractor failures at the Charleston Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management reviews transportation schedules daily and makes appropriate adjustments. Additionally, management will continue issuing PS Forms 5500 to suppliers. Also, management will continue to hold supplier meetings to address supplier performance.

Target Implementation Date: 11/30/2024

Responsible Official: Division Director, Logistics Operations

Recommendation 11: We recommend the Southeast Division Directors, Processing Operations and Logistics, verify load scanning is consistently completed in accordance with policy at the Charleston Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will monitor load scanning daily to ensure compliance.

Target Implementation Date: 1/31/2025

Responsible Official: Division Directors, Processing Operations and Logistics

Recommendation 12: We recommend the Southeast Division Director, Processing Operations, take action to verify the appropriate number of placards are printed, and extra placards are canceled at the Charleston Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will create a staging area for any extra placards and will collect extra placards from the staging area to ensure they are properly terminated.

Target Implementation Date: 11/30/2024

Responsible Official: Division Director, Processing Operations

E-SIGNED by Mark.E Wilson
on 2024-08-02 13:28:09 EDT

Sharon Young
Sr. Division Director, Processing Operations

E-SIGNED by BARBARA.F MURPH
on 2024-08-01 14:32:14 EDT

Barbara Murph
Division Director, Logistics Operations

cc: Vice President, Regional Processing Operations (Eastern)
Corporate Audit & Response Management

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