

East Bay Station in Charleston, SC: Delivery Operations

AUDIT REPORT

Report Number 24-117-1-R24 | August 13, 2024



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 13, 2024

MEMORANDUM FOR: COREY D. RICHARDS
MANAGER, SOUTH CAROLINA DISTRICT

A handwritten signature in black ink, reading "Joseph E. Wolski", is positioned below the memorandum header.

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

SUBJECT: Audit Report – East Bay Station, Charleston, SC: Delivery Operations
(Report Number 24-117-1-R24)

This report presents the results of our audit of delivery operations and property conditions at the East Bay Station in Charleston, South Carolina.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Ricardo Martinez, 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, Southern Area Retail & Delivery Operations
Director, Retail & Post Office Operations Maintenance
Corporate Audit and Response Management

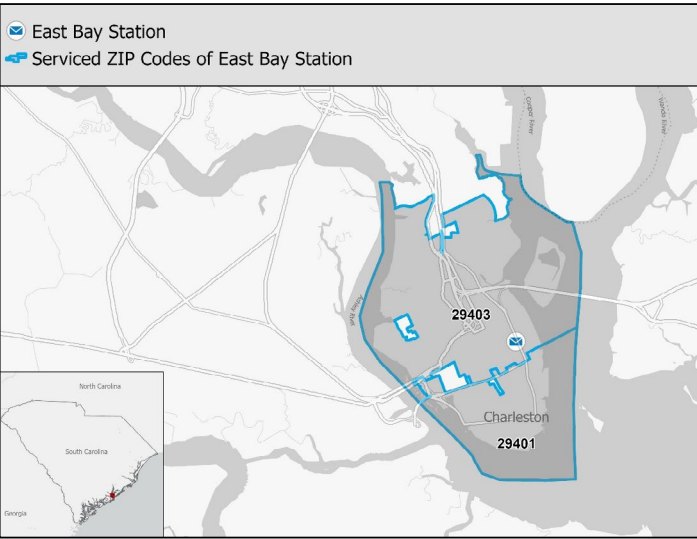
Results

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. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the East Bay Station in Charleston, SC (Project Number 24-117-1). The East Bay Station is in the South Carolina District of the Southern Area and services ZIP Codes 29401 and 29403 (see Figure 1)¹. These ZIP Codes serve 30,759 people in an urban area.²

Figure 1. ZIP Codes Served by the East Bay Station



Source: OIG analysis of ZIP Code data.

This delivery unit has 30 city routes. The East Bay Station is one of three delivery units³ the OIG reviewed during the week of June 3, 2024, that are serviced by the Charleston Processing and Distribution Center (P&DC).

We assessed all units serviced by the Charleston P&DC based on the number of Customer 360⁴ (C360) delivery-related inquiries,⁵ Informed Delivery⁶ contacts, Stop-the-Clock⁷ (STC) scans performed away from the delivery point, and undelivered route information between February 1 and April 30, 2024. We also reviewed first and last mile failures⁸ between February 3 and May 3, 2024.

We judgmentally selected the East Bay Station primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. See Table 1 for a comparison of some of these metrics between the unit and the rest of the district.

Table 1. Delivery Metric Comparison Between February 1 and April 30, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	7.9	6.5
Informed Delivery Contacts	28.2	20.4

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service’s C360 and Informed Delivery.

1 The unit also services ZIP Code 29413 for Post Office Boxes.
2 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
3 The other two units were the Mount Pleasant Post Office, Mount Pleasant, SC (Project Number 24-117-2) and the North Charleston Branch, North Charleston, SC (Project Number 24-117-3).
4 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
5 A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
6 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.
7 A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include “Delivered,” “Available for Pick-up,” and “No Access.”
8 First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the East Bay Station in Charleston, SC.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,⁹ inaccurate carrier complement and timekeeping, and property conditions. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, carrier complement and timekeeping, and distribution up-time.¹⁰ During our site visit we observed mail conditions; package scanning procedures; arrow key security procedures; timekeeping documentation; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left” area¹¹ and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on July 25, 2024, and included their comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the East Bay Station. We will issue a separate report¹² that provides the Postal Service with the overall findings and recommendations for all three delivery units, as well as the district. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations and property conditions at the East Bay Station. Specifically, we found issues with four of the five areas we reviewed (see Table 2).

Table 2. Summary of Results

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

Source: Results of our fieldwork during the week of June 3, 2024.

We did not identify any issues with carrier complement. However, we did identify issues with timekeeping management (see [Finding 3](#)).

9 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.
10 Time of day that clerks have completed distributing mail to the carrier routes.
11 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
12 Project Number 24-117.

Finding #1: Delayed Mail

What We Found

On the morning of June 4, 2024, we identified 828 delayed mailpieces at 17 carrier cases and the workroom floor. Specifically, we identified 748 letters, 72 flats, and 8 packages. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)¹³ system. See Table 3 for the number of pieces for each mail type and Figure 2 for an example of the 688 delayed mail pieces found on the workroom floor that were assigned to a carrier. In addition, that carrier did not complete Postal Service (PS) Form 1571, *Undelivered Mail Report*,¹⁴ to document the undelivered mailpieces.

Table 3. Types of Delayed Mail Identified

Type of Mail	Carrier Cases	Workroom Floor	Total Count of Delayed Mail
Letters	105	643	748
Flats	27	45	72
Packages	8	0	8
Totals	140	688	828

Source: OIG count of delayed mailpieces identified during our visit on June 04, 2024.

Figure 2. Delayed Mail on the Workroom Floor



Source: OIG photo taken on June 4, 2024.

Why Did It Occur

Management did not conduct an adequate walkthrough to ensure that all mail was cleared from the unit, that carriers documented on PS Form 1571 the reason for undelivered mail, and that undelivered mail was properly documented and reported in the DCV system. The unit manager had only been in the unit since March 2024 and stated that staff was not fully trained yet. The unit manager stated that the carrier that brought back most of the undelivered mail had not yet been trained on how to complete PS Form 1571. The unit manager stated that the AM and PM supervisors were relatively new and needed access and training on how to use the DCV system.

¹³ A tool for unit management to manually self-report delayed mail, which provides a snapshot of daily mail conditions at the point in time when carriers have departed for the street.

¹⁴ PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

What Should Have Happened

Management should have conducted an adequate walkthrough of the workroom to verify that all mail was delivered, and that carriers documented on PS Form 1571 the reason for undelivered mail brought back from the street. Postal Service policy¹⁵ states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. In addition, managers are required¹⁶ 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. Further, management must update the DCV system if volumes have changed prior to the end of the business day.

Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. In addition, inaccurate reporting of delayed mail in the DCV 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.

Postal Service Response

The Postal Service agreed with this finding. See [Appendix B](#) for management's comments in their entirety.

¹⁵ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁶ *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

Finding #2: Package Scanning

What We Found

Employees scanned packages improperly at the delivery unit, scanned packages away from the intended delivery point, and handled packages incorrectly at the unit. We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.¹⁷ In total, employees improperly scanned 74 packages at the delivery unit between February and April 2024 (see Table 4). Further analysis of the STC scan data for these packages showed that 71.6 percent of them were scanned “Delivery Attempted – No Access” and 24 percent were scanned as “Delivered.”

Table 4. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivery Attempted – No Access to Delivery Location	53	71.6%
Delivered	18	24.3%
No Secure Location Available	2	2.7%
Delivery Exception – Animal Interference	1	1.3%
Total	74	100%*

Source: OIG analysis of the Postal Service’s Product Tracking and Reporting (PTR) System data. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.
*Total percentage does not equal 100% due to rounding.

We also reviewed 33 scans occurring away from the delivery unit and over 1,000 feet¹⁸ from the intended delivery point between February and April 2024 (see Table 5). We removed scans that could have been performed within policy, such as “Animal Interference” and “Unsafe conditions.” Further analysis of the STC scan data for these packages showed that 75.8 percent of them were scanned “Delivered.”

17 This data does not include scans that could properly be made at a delivery unit, such as “Delivered - PO Box” and “Customer (Vacation) Hold.” Additionally, P.O. Box scans at the unit were only counted when the delivery point was an address away from the unit. This category does not include mail addressed for a P.O. Box.
18 Packages are expected to be scanned within a designated buffer distance from the delivery point. The OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.

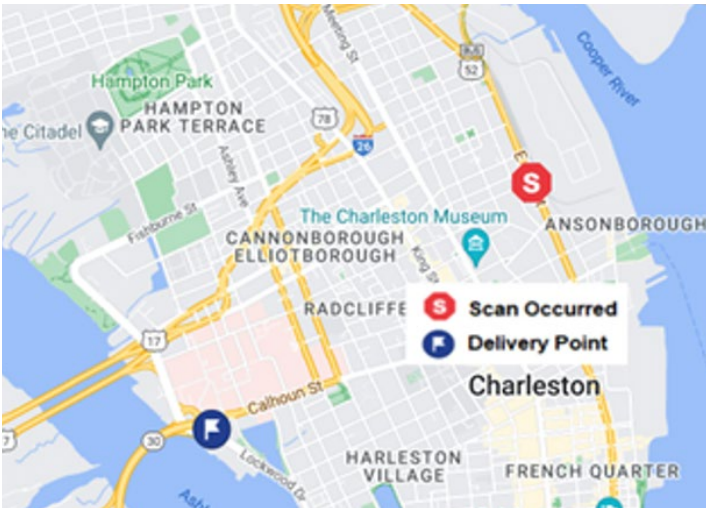
Table 5. STC Scans Over 1,000 Feet Away from the Delivery Point

STC Scan Type	Count	Percentage
Delivered	25	75.8%
Delivery Attempted – No Access	5	15.2%
Delivered to Agent for Final Delivery	2	6.1%
Held at Post Office at Customer Request	1	3.0%
Total	33	100%

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

For example, the map below (see Figure 3) shows an instance where a carrier scanned a package as delivered 2.2 miles away from the delivery point.

Figure 3. Scan Away from the Delivery Point in Charleston, SC



Source: Postal Service Single Package Look Up.

We also found issues with scanning and handling of packages in the unit. On the morning of June 4, 2024, before carriers arrived for the day, we selected 60 packages¹⁹ to review and analyze scanning and tracking history. Of the 60 sampled packages, 30 (50 percent) had improper scans or handling issues, including:

- Seventeen packages (13 from the carrier cases and 4 from the “Notice Left” area) were scanned over 1,000 feet away from the delivery point. These scans occurred between .2 and 2.6 miles away from the delivery point.
- Thirteen packages (11 from the carrier cases and 2 from the “Notice Left” area) were scanned delivered, which should only be performed when a package is successfully left at the customer’s delivery address.

Further, 18 packages in the “Notice Left” area did not have scanning issues but were not returned to the sender, as required. These packages ranged from 11 to 74 days past their scheduled return dates.

Why Did It Occur

These scanning issues occurred because unit management did not always adequately monitor and enforce proper package scanning and handling procedures and, therefore, was not aware of the issues. Also, management did not provide adequate training to new city carrier assistants on proper package handling and scanning procedures.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,²⁰ which includes scanning packages at the time and location of delivery.²¹ Packages in the “Notice Left” area should have been reviewed for second notices and returned to sender if they remained after the prescribed number of days.²²

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

Postal Service Response

The Postal Service agreed with this finding.

¹⁹ We judgmentally selected 30 packages from the carrier cases and 30 packages from the “Notice Left” area.

²⁰ *Delivery Done Right the First Time* stand-up talk, March 2020.

²¹ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

²² *Notice Left and Return Guidelines*, April 2016. 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.

Finding #3: Timekeeping Management

What We Found

We determined that the station had 22 unresolved disallowed time occurrences²³ between February 10 through May 10, 2024. Management did not complete PS Forms 1017-A *Time Disallowance Record*,²⁴ entries in the Time and Attendance Collection System (TACS)²⁵ or on the printed copies for any of these occurrences. Further, the unit had a binder that contained some, but not all PS Forms 1017-A, and the binder was unsecured on the Supervisor's desk on the workroom floor.

Why Did It Occur

The unit manager stated that he did not complete the disallowed time occurrence documentation in TACS or on the printed copies due to competing priorities such as getting the mail delivered. He also stated he was unaware of the requirement to secure the binder.

What Should Have Happened

Postal Service policy²⁶ states that unit personnel must complete PS Form 1017-A entries and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time. Postal Service guidance²⁷ also provides instructions on how to complete the entries in TACS.

Effect on the Postal Service and Its Customers

When proper documentation of time disallowance is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act²⁸ when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

Postal Service Response

The Postal Service agreed with this finding.

²³ We did not have any issues with PS Form 2240, Pay, Leave, or Other Hours Adjustment Requests or any unresolved 1017-B Unauthorized Overtime occurrences.

²⁴ 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.

²⁵ The system used by Postal Service to automate the collection of employee time and attendance information.

²⁶ Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.

²⁷ TACS Training Page, Training Video 1017-A 1017 B Enhancement Demo.

²⁸ 29 USC § 201-219.

Finding #4: Property Conditions

What We Found

We found safety, security, and maintenance issues at the East Bay Station.

Property Safety

- A blocked Inspection Service door.

Property Security

- No “All Vehicles Subject to Search” signs on the unit property.
- No “US Property No Trespassing” signs around the facility perimeter.
- Damaged fence at the rear of the facility.

Property Maintenance

- Walls throughout the facility were scuffed, damaged, and needed repairing and repainting.
- Multiple stained, missing, and misaligned ceiling tiles throughout the facility. (See Figure 4.)

Figure 4. Stained, Missing, and Misaligned Ceiling Tiles



Source: OIG photo taken on June 5, 2024

- Lobby entry and exit doors at the retail area needed painting.
- Letters “CA” missing from the words South Carolina in the sign at the front of the facility (see Figure 5).

Figure 5. Missing Letters “CA” From the Front Sign



Source: OIG photo taken on June 5, 2024

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected because the unit manager was more focused on getting the mail out and completing other duties, such as organizing the unit that took priority over addressing maintenance issues. Additionally, the unit manager was new to the unit as of March 2024.

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.²⁹

²⁹ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July, 2020.

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.

Postal Service Response

The Postal Service agreed with this finding.

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.

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

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three components that were significant within the context of our objectives. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for the East Bay Station, Mount Pleasant Post Office, and the North Charleston Branch, as well as the district. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of PTR, DCV, and the TACS 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



July 30, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: East Bay Station, Charleston, SC: Delivery Operations
(Report Number 24-117-1-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *East Bay Station, Charleston, SC: Delivery Operations*.

Management generally agrees with the four findings in the report on delayed mail, package scanning, timekeeping, and property conditions.

Management has begun taking steps to address the four findings.

Delayed Mail: Management will conduct a service talk on proper handling and recording of delayed mail in DCV. Management will also reiterate the requirement to use PS Form 1571 *Undelivered Mail Report*. Reviews will be conducted to monitor for compliance.

Package Scanning: Management will provide a service talk on proper scanning procedures and conduct reviews to monitor compliance. Management has verified all packages in Notice Left Area were returned.

Timekeeping Management: Local management will be retrained on proper record keeping for disallowed time. Management will accurately maintain and secure logbook for PS Forms 1017-A *Time Disallowance Record*. Additionally, reviews will be conducted to monitor for compliance.

Property Conditions: Management has abated six of the seven property conditions related to safety, security, and maintenance and is working to fix the remaining issue.

E-SIGNED by COREY D RICHARDS
on 2024-07-30 20:10:16 EDT

Corey D. Richards
District Manager, South Carolina District

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

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