

Center Point Branch, Center Point, AL: Delivery Operations

AUDIT REPORT

Report Number 24-125-1-R24 | September 9, 2024



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 9, 2024

MEMORANDUM FOR: JUNE M. MARTINDALE
MANAGER, ALABAMA-MISSISSIPPI DISTRICT

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

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

SUBJECT: Audit Report – Center Point Branch, Center Point, AL: Delivery
Operations (Report Number 24-125-1-R24)

This report presents the results of our audit of delivery operations and property conditions at the Center Point Branch in Center Point, AL.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jennifer Schneider, 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

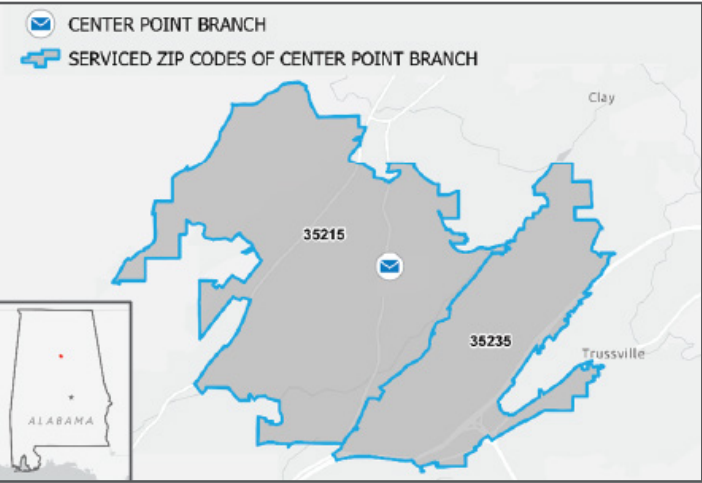
Results

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 Center Point Branch in Center Point, AL (Project Number 24-125-1). The Center Point Branch is in the Alabama-Mississippi District of the Southern Area and services ZIP Codes 35215 and 35235 (see Figure 1). These ZIP Codes serve 67,169 people in a predominantly urban area. Specifically, 66,374 (99 percent) live in urban communities and 795 (1 percent) live in rural communities.¹

Figure 1. ZIP Codes Served by the Center Point Branch



Source: U.S. Postal Service OIG.

This delivery unit has 27 city routes and 14 rural routes. The Center Point Branch is one of three delivery units² the OIG reviewed during the week of July 8, 2024, that are serviced by the Birmingham Processing and Distribution Center (P&DC) and the Birmingham Mail Processing Annex (MPA).

We assessed all units serviced by the Birmingham P&DC and MPA based on the number of Customer 360³ (C360) delivery-related inquiries,⁴ Informed Delivery⁵ contacts, stop-the-clock⁶ (STC) scans performed away from the delivery point, and undelivered route information between March 1 and May 31, 2024. We also reviewed first and last mile failures⁷ between March 2 and May 31, 2024.

We judgmentally selected the Center Point Branch primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. The unit was also chosen based on last mile failures. 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 March 1 and May 31, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360's Related to Delivery	12.6	6.5
Informed Delivery Contacts	46.3	14.8

Source: OIG analysis of Postal Service's C360 and Informed Delivery data extracted on June 11, 2024.

1 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
2 The other two units were the Northport Post Office, Northport, AL (Project Number 24-125-2) and the Tuscaloosa Main Post Office, Tuscaloosa, AL (Project Number 24-125-3).
3 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
4 A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
5 Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mailpieces that were expected for delivery but have not arrived.
6 A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pick-up," and "No Access."
7 First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Center Point Branch in Center Point, AL.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,⁸ 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.⁹ During our site visit we observed mail conditions; package scanning procedures; arrow key security procedures; timekeeping documentation; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left” area¹⁰ and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on August 22, 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 Center Point Branch. We will issue a separate report¹¹ 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 Center Point Branch. 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 July 8, 2024.

We did not identify any systemic issues with the unit’s arrow key security procedures or inventory. We also did not identify any issues with carrier complement; however, we did identify issues with timekeeping management (see [Finding #3](#)).

8 A distinctively shaped key carriers use to open mail-receiving receptacles, such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow keys are accountable property and are subject to strict controls.
9 Time of day that clerks have completed distributing mail to the carrier routes.
10 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
11 Project Number 24-125.

Finding #1: Delayed Mail

What We Found

On the morning of July 9, 2024, we identified about 1,084¹² delayed mailpieces at 41 carrier cases. Specifically, we identified 964 letters, 110 flats, and 10 parcels. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)¹³ system. See Figure 2 for an example of delayed mail found at a carrier case. In addition, the carriers did not place missent, missorted, and missequenced mail in the 3M case¹⁴ or complete Postal Service (PS) Forms 1571, *Undelivered Mail Report*,¹⁵ to document undelivered mailpieces.

Figure 2. Example of Delayed Mail at the Carrier Cases



Source: OIG photo taken on July 9, 2024.

Why Did It Occur

Management had not fully implemented and enforced the Postal Service red line process — a standardized clearance process, including the proper disposition of mail types, for carriers returning to the office upon completion of delivery assignments. This enabled carriers to take undelivered mail they brought back from street duties to their cases. Additionally, the supervisors and carriers stated they were not aware of the requirement to document undelivered mail items on PS Forms 1571.

Further, unit management stated, they usually do not have delayed mail and did not report any for July 8, 2024, because other duties, such as following up on C360 inquiries, monitoring mail deliveries, and checking trucks for collection mail, took priority. Management stated these tasks consumed most of their time and impacted their awareness of any delayed mail that needed to be reported.

What Should Have Happened

Postal Service policy¹⁶ 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 required¹⁷ 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.

In addition, Postal Service policy¹⁸ states delivery units must follow the redline process. This process includes having a 3M case for carriers to deposit Delivery Point Sequence¹⁹ mail that was brought back from their route.²⁰ In addition, carriers must complete a PS Form 1571 for any undelivered mail that was brought back to the delivery unit.

¹² Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*, and Handbook M-32, *Management Operating Data Systems*, Appendix D.

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 The area of the delivery unit where carriers place their missent, missorted, and missequenced mail.

¹⁵ PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

¹⁶ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁷ *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

¹⁸ *Standard Operating Procedures, Redline Policy*.

¹⁹ Mail that arrives at a unit in sequential order and is ready to be taken directly to the street for delivery.

²⁰ *3M (Missent, Missorted, and Missequenced)*, *Standard Work Instruction: Supervisor*, May 8, 2019.

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.

Finding #2: Package Scanning

What We Found

Employees scanned packages improperly at the delivery unit and handled packages incorrectly at the unit.²¹

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.²² In total, employees improperly scanned 117 packages at the delivery unit between March and May 2024 (see Table 3). Further analysis of the STC scan data for these packages showed that 50 percent of them were scanned delivered.

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	59	50.4%
Delivery Attempted – No Access to Delivery Location	24	20.5%
No Secure Location Available	22	18.8%
Receptacle Full / Item Oversized	11	9.4%
Delivery Exception – Animal Interference	1	.9%
Total	117	100%

Source: OIG analysis of the Postal Service's Product Tracking and Reporting (PTR) System data. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

We also found issues with scanning and handling of packages in the unit. On the morning of July 9, 2024, before carriers arrived for the day, we selected 50 packages²³ to review and analyze scanning and tracking history. Of the 50 sampled packages, 26 (52 percent) had improper scans or handling issues, including:

- Eleven packages from the carrier cases were scanned "Held at the Post Office at the Customer's Request," however, no hold card was on file.

- Four packages (three from the carrier case and one from the "Notice Left" area,) were scanned "Delivered," which should only be performed when a package is successfully left at the customer's delivery address.
- Four packages from the carrier cases were scanned "Delivery Attempted, No Access to Delivery Location," however, two of the packages were scanned between 0.2 and 1.5 miles away from the customer's delivery address and two packages did not get a second delivery attempt. Scans should be made as close to the delivery point as possible.
- Two packages from the carrier cases were missing an STC scan to inform the customer about the status of their package.
- Two packages from the carrier cases were scanned "Return to the Post Office for Address Verification," however, the packages were not returned to the sender once the addresses could not be determined.
- One package from the carrier case was scanned "No Secure Location," and was not placed in the "Notice Left" area after the second delivery attempt.
- One package from the "Notice Left" area scanned "No Authorized Recipient," was scanned 0.2 miles away from the customer's delivery address.
- One package from the "Notice Left" area was missing an "Arrival at Unit" scan, which is required for performance measurement.

Further, seven packages in the "Notice Left" area were not returned to the sender, as required. These packages ranged from three to 73 days past their scheduled return dates.

²¹ We found a nominal amount of scans occurring away from the delivery unit and over 1,000 feet from the intended delivery point between March and May 2024.

²² This data does not include scans that could properly be made at a delivery unit, such as "Delivered - PO Box" and "Customer (Vacation) Hold." Additionally, PO Box scans at the unit were only counted when the delivery point was an address away from the unit. This category does not include mail addressed for a PO Box.

²³ We judgmentally selected 30 packages from the carrier cases and all 20 packages from the "Notice Left" area.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Although management has a process in place for monitoring package scan failures, the supervisors were not aware of the scanning exception reports used to monitor scans performed away from the delivery point. Further, management was not aware that the clerk assigned to the “Notice Left” responsibilities performed the process twice monthly instead of daily. Unit management stated other competing responsibilities, such as attending conference calls, training new carriers, sorting mail, and performing route evaluations, has consumed most of their time and impacted their ability to effectively monitor the “Notice Left” area.

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,²⁴ which includes scanning packages at the time and location of delivery.²⁵ 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.²⁶

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.

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

²⁵ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

²⁶ *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 management did not complete, print, or retain PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request*,²⁷ for five pay adjustments made between March 30 and June 21, 2024.

Although management provided two of the five pay adjustment forms, neither were signed by the employee nor management.

In addition, the unit had 15 unresolved disallowed time occurrences and two instances of unresolved, unauthorized overtime for the same period. Management did not complete PS Forms 1017-A, *Time Disallowance Record*,²⁸ or 1017-B, *Unauthorized Overtime Record*,²⁹ entries in the Time and Attendance Collection System (TACS).³⁰ Further, management did not print and retain PS Forms 1017-A, or 1017-B for any of the occurrences.

Why Did It Occur

The manager stated he usually saves the pay adjustment forms on his hard drive and could not locate the three remaining pay adjustment forms due to his poor filing system. Regarding the unresolved 15 disallowed time and two unauthorized overtime instances, the manager stated he completed TACS

training more than 20 years ago, and he was not trained how to correct erroneous disallowed time and unauthorized overtime transactions in TACS.

What Should Have Happened

Postal Service policy³¹ states that pay adjustment certifications are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. Postal Service Policy³² further states unit personnel must complete PS Form 1017-A and PS Form 1017-B entries documenting the reason for the disallowed time or unauthorized overtime, and place them in a notebook binder that is secured from unauthorized access.

Effect on the Postal Service and Its Customers

When proper documentation of pay adjustments, time disallowance, and unauthorized overtime is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act³³ 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.

27 Form used to adjust either an employee's pay or to adjust timecard data which has been incorrectly reported to the postal data center.

28 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.

29 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.

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

31 *AdjustPay User Guide*, Course No. 31202-25, Updated February 9, 2017.

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

33 29 USC § 211.

Finding # 4: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Center Point Branch including:

Property Safety:

- There were exposed wires in the dock area of the delivery unit.
- All seven fire extinguishers were missing annual inspections and two had expired monthly inspections.
- We identified two potholes in the vehicle parking lot.
- Two electrical panels in the electrical room were blocked.

Property Security:

- [REDACTED]

Property Maintenance:

- There were missing and dirty/stained ceiling tiles in the workroom area.
- The dock vestibule and storage room area walls had peeling paint.
- The sink in the employee breakroom was clogged.
- There were broken floor tiles in the men's restroom.
- A toilet in the women's restroom was broken.
- The water fountain in the work room area was not operational.

Why Did It Occur

Management did not always provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. The Center Point Branch is a leased facility, and management stated that some of the items we identified, such as the [REDACTED] missing floor tiles in the men's restroom, missing ceiling tiles in the workroom areas, and dirty vents were delayed or rejected due to lease agreement issues between facility management and the property management. However, there were other safety and maintenance issues, such as fire extinguishers missing monthly and annual inspections, exposed wiring in the dock area, two potholes in the postal vehicles parking lot, and blocked electrical panels in the electrical room that remained unattended and unreported. The unit manager stated he relied on the unit supervisors to report property condition issues.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up to ensure resolution. The Postal Service requires management to maintain a safe environment for employees and customers.³⁴

Effect on the Postal Service and Its Customers

Management's attention to safety, security, and maintenance 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.

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

Appendix A: Additional Information

We conducted this audit from June through September 2024 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three components that were significant within the context of our objectives. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for the Center Point Branch, Northport Post Office, and the Tuscaloosa Main Post Office, as well as the district.

We assessed the reliability of PTR, DCV, and 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



August 23, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Center Point Branch, Center Point, AL: Delivery Operations (Report Number 24-125-1-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Center Point Branch, Center Point, AL: 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* and the redline process. 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.

Timekeeping Management: Local management will be retrained on proper record keeping for pay adjustments, disallowed time, and unauthorized overtime. Management will create, accurately maintain and secure logbooks for PS Forms 1017-A *Time Disallowance Record* and PS Forms 1017-B *Unauthorized Overtime Record*. Files will be maintained for all PS Forms 2240 *Pay, Leave, or Other Hours Adjustments Request*. Additionally, reviews will be conducted to monitor for compliance.

Property Conditions: Management has abated five of the eleven property conditions related to safety, security and maintenance. Management is working to resolve the remaining issues, in which some may require submission of workorders for assistance from other resources.

E-SIGNED by JUNE M MARTINDALE
on 2024-08-26 17:30:25 EDT

June M. Martindale
District Manager, AL-MS District

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

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