

Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN

AUDIT REPORT

Report Number 23-099-R23 | June 27, 2023



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

June 27, 2023

MEMORANDUM FOR: SHARON YOUNG
SOUTHEAST DIVISION DIRECTOR, PROCESSING OPERATIONS

BARBARA MURPH
SOUTHEAST DIVISION DIRECTOR, LOGISTICS

A handwritten signature in black ink, appearing to read "Sean Balduff", is positioned above the "FROM:" field.

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN (Report Number 23-099-R23)

This report presents the results of our audit of the Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monica Brym, Operations Manager, 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
Processing and Maintenance Operations Vice President
Logistics Vice President
Eastern Region Processing Operations Vice President
Southern Regional Director, Logistics
Corporate Audit Response Management

Results

Background

This report presents the results of our self-initiated audit of the efficiency of operations at the Memphis Processing and Distribution Center (P&DC) and Mail Processing Annex (MPA) in Memphis, TN (Project Number 23-099). We judgmentally selected the Memphis P&DC and MPA based on a review of first and last mile failures;¹ work hours; mail volume and productivity; overall scanning performance; and late, canceled, and extra trips. The Memphis P&DC and MPA are in the Southeast Processing Division. The P&DC processes letters and flats. The MPA processes parcels. The Memphis P&DC and MPA services multiple 3-digit ZIP Codes in urban and rural communities² (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
380-383	1,157,384	404,442	1,561,826
386	209,173	196,998	406,171
388	80,944	180,746	261,690
723-724	222,528	173,584	396,112

Source: Postal Service National Distribution Labeling List and Esri.

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Memphis P&DC and MPA. To accomplish our objective, we focused on four audit areas: mail clearance times;³ delayed mail; late, canceled, and extra outbound trips; and load scans. Specifically, we analyzed Enterprise Data Warehouse (EDW)⁴ data for workhours, overtime, and penalty overtime from April 2022 to March 2023. We reviewed Surface Visibility Web (SVWeb)⁵ data

for late, canceled, and extra trips, as well as load scans between April 2022 and March 2023. Further, we identified mail clearance times in Web End of Run (WebEOR)⁶ data for the Memphis P&DC and MPA and compared them with operations shown in the Run Plan Generator report.⁷ During our site visit the week of May 1, 2023, we interviewed P&DC and MPA management and observed mail processing and dock operations.

During the week of May 1, 2023, the U.S. Postal Service Office of Inspector General (OIG) also audited five delivery units⁸ serviced by the Memphis P&DC and MPA. We will provide the results of those audits to Tennessee District management in separate reports. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified deficiencies in all four areas we reviewed that affected the efficiency of operations at the Memphis P&DC or MPA. We also identified issues related to security and safety (see Table 2).

Table 2. Summary of Results

Audit Area	Deficiencies Identified - Yes or No			
	Memphis P&DC		Memphis MPA	
	Yes	No	Yes	No
Clearance Times		X	X	
Delayed Mail	X			X
Late, Canceled, and Extra Outbound Trips	X		X	
Load Scans	X		X	
Other Issues	X		X	

Source: Results of OIG review conducted the week of May 1, 2023.

- 1 First mile failures occur when a mailpiece is collected and does not receive a processing scan at a 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 We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on Census Bureau information.
- 3 The latest time committed mail can clear an operation for proper dispatch or delivery.
- 4 The central source for information on retail, financial, and operational performance. Mission-critical information comes to EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.
- 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 A server-based software application that stores End-of-Run data from mail processing equipment.
- 7 An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.
- 8 The five delivery units were Collierville Main Post Office, Collierville, TN (project number 23-100-1); Cordova Main Post Office, Cordova, TN (project number 23-100-2); Desoto Carrier Annex, Memphis, TN (project number 23-100-3); Germantown Main Post Office, Germantown, TN (project number 23-100-4), and Hickory Hill Station, Memphis, TN (project number 23-100-5).

Finding #1: Clearance Times

What We Found

We did not identify any deficiencies with clearance times affecting the efficiency of operations at the Memphis P&DC.

From January 1, 2023 through March 31, 2023, the MPA did not meet clearance times for processing Priority Mail parcels in 12 of 71 (16.90 percent) instances.

On May 2, 2023, we observed that the MPA did not complete the processing operation for Priority Mail parcels on the Automated Parcel Bundle Sorter (APBS)⁹ until approximately 4:00 a.m. The clearance time for this operation was 2:30 a.m.

Why Did it Occur

MPA management stated the facility did not meet clearance times for Priority Mail parcels due to insufficient staffing available to process mail arriving late to the facility. Specifically, management said staffing is not aligned on Mondays and Tuesdays to process the Priority Mail parcels they receive towards the end of the processing window. WebEOR reports confirmed that the MPA generally did not meet clearance times on Mondays and Tuesdays for the period we reviewed.

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.

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.

Recommendation #1

We recommend the **Southeast Division Director, Processing Operations**, implement a plan to process all Priority Mail parcels to meet clearance times at the Memphis Mail Processing Annex.

⁹ An upgraded Small Parcel and Bundle Sorter with a new control system, barcode and optical character reader technology, and improved induction stations.

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

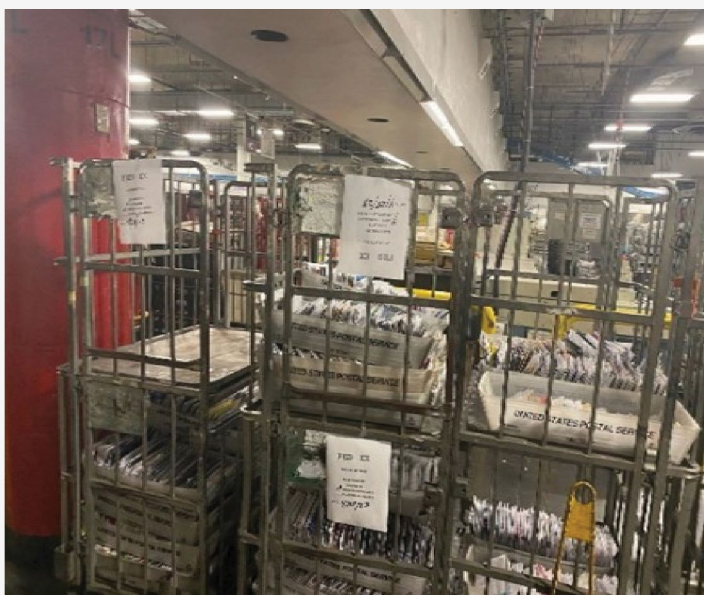
Finding #2: Delayed Mail

What We Found

We observed delayed mail in the manual letters and flats areas at the Memphis P&DC during our three days of observations. Management reported 8,850 pieces on May 2; 5,415 pieces on May 3; and 1,050 pieces on May 4 of delayed mail for the two areas.

In addition, we observed delayed mail on the workroom floor at the P&DC. On May 1, 2023, we identified three General Purpose Mail Containers (GPMC)¹¹ with mail that was received by the P&DC from a contract carrier¹² on April 27 and April 28, 2023 (see Figure 1). We observed this mail on the workroom floor for three days (May 1 through May 3, 2023). When we brought this to management's attention on May 3, they assigned staff to process it that day. We also observed hampers of delayed mail received from the contract carrier that needed to be manually placed into trays for processing each day on the workroom floor (see Figure 2). For this type of delayed mail, management reported 22,628 pieces on May 1; 32,126 pieces on May 2; and 19,490 pieces on May 3.

Figure 1. Delayed Mail on Workroom Floor from Contracted Carrier at the Memphis P&DC



Source: OIG photo taken on May 2, 2023.

Figure 2. Delayed Mail in Hampers from Contracted Carrier at Memphis P&DC



Source: OIG photo taken on May 3, 2023.

We did not observe any delayed mail at the Memphis MPA.

Why Did it Occur

The delayed mail at the Memphis P&DC was primarily due to a lack of management oversight. Management did not ensure the mail received from the contract carrier was prepared for automation and processed timely. Management at the P&DC stated they have several newly promoted supervisors who are still learning how to properly flow mail through the facility.

The delayed mail in the manual unit was due to excessive rejects from processing machines and employee attendance issues. Management stated excessive amounts of mail was rejected by two letter processing machines and sent to the manual area when it should have been processed by the machine. Management stated they were aware of this issue and were investigating possible reasons for these rejects. Management also stated that they have an issue with employees not coming into work as scheduled. As a result, employees are reassigned from the manual unit to other mail processing operations to meet service standards in

¹¹ A wheeled multipurpose container constructed of square steel tubing and sheet steel material.

¹² The Memphis P&DC regularly receives already-delayed mail from a contract carrier that requires re-processing.

those operations. In December 2022, management assigned an Attendance Control Officer to help address attendance issues at the Memphis P&DC. Therefore, we are not making a recommendation for the attendance issues.

What Should Have Happened

Postal Service policy¹³ states that management should continually gauge how well they are managing the flow of mail and have control over the workload, personnel, and equipment needed for a well-run operation.

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.

Recommendation #2

We recommend the **Southeast Division Director, Processing Operations**, implement a plan to train supervisors at the Memphis Processing and Distribution Center on proper mail flow procedures in processing operations and verify these procedures are followed by employees.

Recommendation #3

We recommend the **Southeast Division Director, Processing Operations**, address the excessive rejected mail volume generated by the two processing machines at the Memphis Processing and Distribution Center.

¹³ Handbook PO-413, *Platform Operations*, Section 2-1.1, dated December 2013

Finding #3: Late, Canceled, and Extra Trips

What We Found

From April 1, 2022, through March 31, 2023, the Memphis P&DC had 20,440 outbound late trips (30.31 percent of the total outbound trips) and 5,974 outbound canceled trips (8.86 percent of total outbound trips), which represents more than 39 percent of the total outbound trips (see Table 3).

Table 3. Memphis P&DC Outbound Transportation Metrics

Transportation Metric	Number	Percentage of Total Trips
Late Trips	20,440	30.31%
Canceled Trips	5,974	8.86%
Extra Trips	269	0.40%

Source: OIG Analysis of SVWeb.

From November 5, 2022 through March 31, 2023,¹⁴ the Memphis MPA had 7,110 outbound late trips (or 45.03 percent of the total outbound trips), 2,473 outbound canceled trips (15.66 percent of total outbound trips) and 1,121 outbound extra trips (7.10 percent of total outbound trips), which represents nearly 68 percent of the total outbound trips (see Table 4).

Table 4. Memphis MPA Outbound Transportation Metrics

Transportation Metric	Number	Percentage of Total Trips
Late Trips	7,110	45.03%
Canceled Trips	2,473	15.66%
Extra Trips	1,121	7.10%

Source: OIG Analysis of SVWeb.

The Memphis P&DC manages the transportation schedules for the P&DC and the MPA.

Why Did it Occur

The late outbound trips at the Memphis P&DC were primarily caused by late inbound trips arriving from other facilities. Specifically, management stated they received late inbound trips arriving from the MPA and the Memphis Network Distribution Center (NDC) with mail that needed to be cross-docked¹⁵ at the P&DC for transport to other facilities. We analyzed all inbound trips to the Memphis P&DC between April 1, 2022 and March 31, 2023, and identified a high percentage of trips (42.79 percent) that were arriving late to the facility (see Table 5). Late inbound trips can result in late outbound trips from the P&DC.

Table 5. Memphis P&DC Inbound Transportation Metrics

Transportation Metric	Number	Percentage of Total Trips
Late Trips	27,213	42.79%
Canceled Trips	6,895	10.84%

Source: OIG Analysis of SVWeb.

The late and extra trips at the Memphis MPA were due to the transportation schedule and staffing not being aligned with the actual mail volume processed at the facility. When the MPA opened in November 2022, its transportation schedules and staffing were based on a lower mail volume estimate than what the MPA processed since it opened. During our visit, MPA management said they were processing 40 percent more mail than estimated.

¹⁴ The MPA began processing mail on November 5, 2022.

¹⁵ A dock transfer that entails transporting mail that has not and will not be processed in the facility. Mail or equipment may be transported directly between two vehicles, between a vehicle and a staging area, or between two staging areas.

Due to the additional mail volume processed by the MPA, management said that many trucks were loaded to capacity, and extra trips were required to meet service standards. Management also stated they routinely do not have enough contracted transportation and must use extra trips to transport the mail. Management further stated that the use of some of these extra trips was intentional and related to an initiative to increase the transportation of mail volume from air to surface.

In addition, management stated that they do not have adequate staffing to move processed mail to the dock area in time for scheduled transportation. For example, on the morning of May 2, 2023, we observed 117 Gaylord¹⁶ containers of Priority Mail parcels that were processed but had not been moved to the dock due to inadequate staffing. This mail was transported to the network later that day with late and extra trips.

What Should Have Happened

According to Postal Service policy,¹⁷ 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. These two elements can minimize the receipt of larger volumes at or near critical entry time.

Effect on the Postal Service and Its Customers

Mail arriving late to a facility could be an indication that there are transportation and/or mail processing issues, such as schedule alignment and staffing. When there are late, canceled, and extra 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 #4

We recommend the **Southeast Division Director, Logistics**, analyze current transportation schedules and implement appropriate changes at the Memphis Processing and Distribution Center and Memphis Mail Processing Annex.

Recommendation #5

We recommend the **Southeast Division Director, Processing Operations**, analyze current staffing plans and implement appropriate changes to align with mail volume at the Memphis Mail Processing Annex.

¹⁶ A pallet-size box used for shipping mail in bulk quantities. It is usually constructed of triple wall corrugated fiberboard that fits on standard pallets.

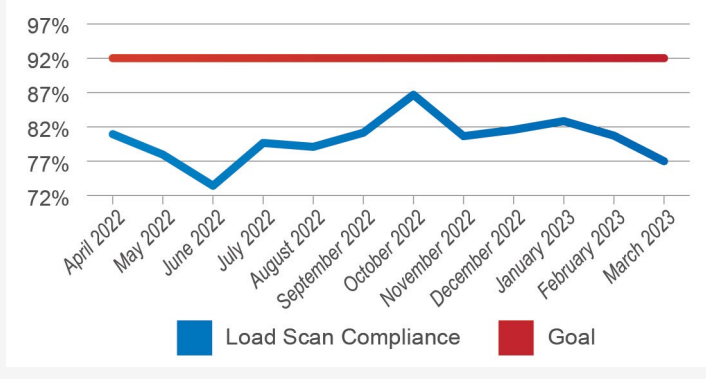
¹⁷ Handbook M-22, *Dispatch and Routing Policies*, dated July 2013.

Finding #4: Load Scanning

What We Found

From April 1, 2022 through March 31, 2023, average scanning compliance for load scans¹⁸ at the Memphis P&DC was 80.08 percent, which did not meet the current Postal Service's National Performance Assessment goals¹⁹ (see Figure 3).

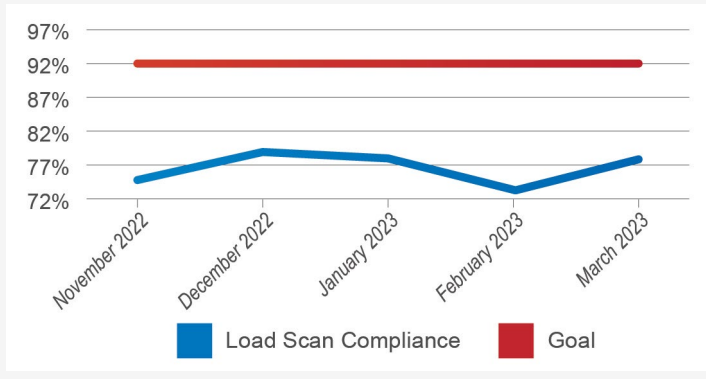
Figure 3. Memphis P&DC Average Monthly Load Scan Performance from April 2022 – March 2023



Source: SVWeb

During the period November 5, 2022 through March 31, 2023, the Memphis MPA average scanning compliance for load scans was 76.72 percent, which also did not meet the Postal Service's National Performance Assessment goals (see Figure 4).

Figure 4. Memphis MPA Average Monthly Load Scan Performance from November 2022 – March 2023



Source: SVWeb

Why Did it Occur

Load scans were not being performed consistently due to a lack of management oversight at the Memphis P&DC and MPA. Management at the P&DC stated that supervisors are not enforcing proper scanning and had not provided new employees with correct access to scanners. MPA management also said that supervisors were not enforcing proper scanning.

What Should Have Happened

Postal Service policy²⁰ states that management should ensure employees are scanning containers before loading them onto a trailer.

Effect on the Postal Service and Its Customers

Low load scans attribute to inaccurate utilization data. Specifically, when containers do not receive a load scan, management is unable to determine trailer utilization and mail visibility for customers is hindered. Due to the data integrity issues caused by missing load scans, management could not rely on this data to accurately measure trailer utilization and make operational decisions.

Recommendation #6

We recommend the **Southeast Division Director, Processing Operations** and **Southeast Division Director, Logistics**, coordinate to develop and implement a plan to verify load scanning at the Memphis Processing and Distribution Center and Mail Processing Annex is consistently completed in accordance with policy.

¹⁸ Performed when the container is loaded onto the trailer for dispatch.

¹⁹ The National Performance Assessment goal for all required scans is 93.25 percent for Mail Processing Operations and 92 percent for Logistics.

²⁰ *Surface Visibility Program User booklet*.

Finding #5: Safety and Security

What We Found

During our site observations at the Memphis P&DC, 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 were not always securing trailer doors when departing from the facility (see Figure 6).
- There were 46 out of 78 dock bays with damaged dock plates²¹ and one dock bay with damaged cement (see Figure 7).

According to management, some of the bars to manually lower the dock plate are missing or not functioning properly, and many of the plates were damaged by forklifts and are no longer flush to the ground or truck (see Figure 8).

Figure 5. Trailer Without Wheel Chocks at the Memphis P&DC



Source: OIG photo taken on May 3, 2023.

Figure 6. Unsecured/Open Door on Trailer Departing Memphis P&DC



Source: OIG photo taken on May 2, 2023.

Figure 7. Dock with Damaged Concrete, Memphis P&DC



Source: OIG photo taken on May 2, 2023.

Figure 8. Dock Plate Not Flush to Ground, Memphis P&DC



Source: OIG photo taken on May 3, 2023.

²¹ Dock plates are used to bridge the gap between a trailer and the loading dock for loading and unloading wheeled equipment from vehicles.

At the MPA, we also observed many of the trucks and trailers parked at the dock that did not have wheel chocks placed next to the tire to prevent them from rolling away.

Why Did it Occur

The inconsistent use of wheel chocks and locks at the Memphis P&DC was due to a lack of management oversight. We observed supervisors were not verifying that drivers were using wheel chocks or locks. In addition, the facility did not have enough available wheel chocks and locks. Management at the P&DC stated they ordered replacement locks and wheel chocks, and they were planning to distribute them when received. In addition, management plans to conduct stand-up talks with drivers on the required use of wheel chocks and complete daily inspections to identify noncompliance.

Management at the Memphis P&DC was aware of the damaged and broken dock plates and had submitted requests to repair four of the plates. At the time of our visit, management was awaiting the repairs on these four plates to be started by a contractor.

In response to our observations of the damaged cement floor on the dock at the Memphis P&DC, management took immediate action to repair the floor. Therefore, we will not be making a recommendation regarding this matter.

The lack of wheel chocks at the Memphis MPA was also due to management oversight. In response to our observations at the MPA, facility management conducted a stand-up talk with drivers during the week of our visit regarding the required use of wheel chocks and have implemented daily inspections to identify noncompliance. Since Memphis MPA management took action to correct the issue during our visit, we will not be making a recommendation regarding this matter.

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 policy²² states that all doors to the cargo compartment must be equipped with locks and kept locked while en route. Additionally, Postal Service policy²³ states that PVS drivers must prevent trailers from rolling away from docks by using wheel chocks. In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe and healthy workplace free of recognized hazards.²⁴

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.

Recommendation #7

We recommend the **Southeast Division Director, Logistics**, verify all drivers are securing trailer cargo and are using wheel chocks at the Memphis Processing and Distribution Center.

Recommendation #8

We recommend the **Southeast Division Director, Processing Operations**, repair or replace all damaged dock plates at the Memphis Processing and Distribution Center.

Management's Comments

Management agreed with the findings and recommendations in the report. See [Appendix B](#) for management's comments in their entirety.

²² Postal Operations Manual Issue 9, *Sealing Program and Procedures*, Section 476.2, Item H, updated January 31, 2021, and Handbook PO-515, *Highway Contractor Safety*, Section 448.2, dated July 2010.

²³ Handbook EL-803, *Maintenance Employee's Guide to Safety*, Section 1.-C dated July 2020.

²⁴ OSHA Act of 1970.

Regarding recommendation 1, management stated that realignments and start-time adjustments are in progress to better align staffing to process all parcels and meet clearance times daily. The target implementation date is August 31, 2023.

Regarding recommendation 2, management stated they distributed standard work instructions to all employees to include mail flow process charts and that employees have received training on the mail flow process. The target implementation date is August 31, 2023.

Regarding recommendation 3, management stated that standard work instructions have been distributed to the workroom floor and training has been provided to all responsible employees. Additionally, maintenance will review at-risk indicators daily. The target implementation date is August 31, 2023.

Regarding recommendation 4, management stated they implemented dedicated route schedules to move timely dispatches from the Memphis MPA and NDC to the Memphis P&DC. In addition, a performance report of on-time trips will be shared with and discussed daily with Division management. Management also provided records of on-time trips for the Memphis facilities from June 5 through 9, 2023. The target implementation date is July 31, 2023.

Regarding recommendation 5, management stated that bid realignments and start-time adjustments are in progress to better align staffing. The target implementation date is July 31, 2023.

Regarding recommendation 6, management stated they conducted service talks with all responsible employees and posted surface visibility scores. The Plant Manager has also assigned surface visibility leads to monitor compliance with the load/unload procedures. In addition, management stated a joint meeting is held daily with Logistics and Mail Processing to review performance. The target implementation date is November 30, 2023.

Regarding recommendation 7, management stated they submitted work orders to repair or replace damaged chocks and are conducting daily checks. Management also purchased padlocks for

drivers to use in securing trailer cargo. The target implementation date is August 31, 2023.

Regarding recommendation 8, management stated they have a process in place to address damaged dock plates. To date, five dock levers have been ordered, with the first four expected to be installed at the most critical docks starting in June 2023. Management stated they will continue efforts to replace dock plates until all are repaired. In subsequent communications, management provided us with a target implementation date of January 31, 2024.

Evaluation of Management's Comments

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

Regarding recommendation 2, management stated they provided employees with training on the mail flow process. In order to close this recommendation, management will need to also provide evidence they are verifying the mail flow process is followed by employees.

Regarding recommendation 4, the reports of on-time trips that management provided are evidence that trip performance analysis is shared and discussed daily with division management. To close this recommendation, management will also need to provide evidence of the dedicated route schedules that have been implemented to improve the timely dispatches from the Memphis MPA and the Memphis P&DC.

Regarding recommendation 5, management stated they provided the OIG with documentation to support closing this recommendation. However, as of June 20, 2023, we have not received any documentation to support that bid realignments and start-time adjustments have been made to better align staffing at the MPA.

All eight recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. These 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.

Appendix A: Additional Information

We conducted this audit from April through June 2023, 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 June 8, 2023, and included their comments where appropriate.

We assessed the reliability of EDW, WebEOR, 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



June 12, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN (Project #23-099-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN*.

Management agrees with the five findings related to: Clearance Times, Delayed Mail, Late, Canceled, and Extra Outbound Trips, Load Scanning, and Safety and Security.

Management has begun addressing the eight recommendations.

Recommendation #1: We recommend the Southeast Division Director, Processing Operations, implement a plan to process all Priority Mail parcels to meet clearance times at the Memphis Mail Processing Annex.

Mgmt Response/Action Plan: Management agrees with this recommendation. Bid realignments and start-time adjustments on Tour 2 and Tour 3 are in progress to better align staffing to process all parcels and meet clearance times daily.

Target Implementation Date: 08/31/2023

Responsible Official: Southeast Division Director, Processing Operations

Recommendation #2: We recommend the Southeast Division Director, Processing Operations, implement a plan to train supervisors at the Memphis Processing and Distribution Center on proper mail flow procedures in processing operations and verify these procedures are followed by employees.

Mgmt Response/Action Plan: Management agrees with this recommendation. Standard Work Instructions (SWIs) were distributed to all employees to include mail flow process charts. In addition, employees have received training on the mail flow process.

Target Implementation Date: 08/31/2023

Responsible Official: Plant Manager, Memphis Processing & Distribution Center

Recommendation #3: We recommend the Southeast Division Director, Processing Operations, address the excessive rejected mail volume generated by the two processing machines at the Memphis Processing and Distribution Center.

Mgmt Response/Action Plan: Management agrees with this recommendation. Standard Work Instructions (SWIs) have been distributed to the workroom floor and training has been provide to all responsible employees. Additionally, Maintenance will conduct daily reviews of at-risk indicators.

Target Implementation Date: 08/31/2023

Responsible Official: Plant Manager, Memphis Processing & Distribution Center

Recommendation #4: We recommend the Southeast Division Director, Logistics, analyze current transportation schedules and implement appropriate changes at the Memphis Processing and Distribution Center and Memphis Mail Processing Annex.

Mgmt Response/Action Plan: Management agrees with the recommendation. Management has implemented dedicated route schedules to move Memphis MPA and NDC dispatches timely to the Memphis PDC. Logistics and Processing developed a performance report of on-time trips to share with division and discuss daily.

Target Implementation Date: 07/31/2023

Responsible Official: Southeast Division Director, Logistics

Recommendation #5: We recommend the Southeast Division Director, Processing Operations, analyze current staffing plans and implement appropriate changes to align with mail volume at the Memphis Mail Processing Annex.

Mgmt Response/Action Plan: Management agrees with this recommendation. Bid realignments and start-time adjustments on Tour 2 and Tour 3 are in progress to better align staffing. Management has provided documentation to support closing this recommendation is issuance of the final report.

Target Implementation Date: 07/31/2023

Responsible Official: Southeast Division Director, Processing Operations

Recommendation #6: We recommend the Southeast Division Director, Processing Operations and Southeast Division Director, Logistics, coordinate to develop and implement a plan to verify load scanning at the Memphis Processing and Distribution Center and Mail Processing Annex is consistently completed in accordance with policy.

Mgmt Response/Action Plan: Management agrees with the recommendation. Management has conducted service talks to all responsible employees and posted surface visibility (SV) scores. The plant manager has assigned SV leads to monitor compliance with the load/unload procedures. A joint meeting is hosted daily with Logistics and Mail Processing to review performance.

Target Implementation Date: 11/30/2023

Responsible Official: Southeast Division Director, Processing Operations and Southeast Division Director, Logistics

Recommendation #7: We recommend the Southeast Division Director, Logistics, verify all drivers are securing trailer cargo and are using wheel chocks at the Memphis Processing and Distribution Center.

Mgmt Response/Action Plan: Management agrees with the recommendation. Management has submitted work orders to repair or replace damaged chocks. Management is also conducting daily checks to address issues in real-time. Management purchased padlocks for drivers to secure trailer cargo.

Target Implementation Date: 08/31/2023

Responsible Official: Southeast Division Director, Logistics

Recommendation #8: We recommend the Southeast Division Director, Processing Operations, repair or replace all damaged dock plates at the Memphis Processing and Distribution Center.

Mgmt Response/Action Plan: Management agrees with the recommendation. Management has a process in place to address damaged dock plates. To date, five dock levelers have been ordered, with the first four expected to be installed starting in June at the most critical docks. Management will continue efforts to replace dock plates until all are repaired.

Target Implementation Date: 08/31/2027

Responsible Official: Plant Manager, Memphis Processing & Distribution Center

E-SIGNED by SHARON.M YOUNG
on 2023-06-12 19:54:20 CDT

Sharon Young
Southeast Division Director, Processing Operations

E-SIGNED by Barbara.F Murph
on 2023-06-13 16:32:12 CDT

Barbara Murph
Southeast Division Director, Logistics

cc: Vice President, Regional Processing (Eastern Region)
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