Germantown Main Post Office in Germantown, TN: Delivery Unit Operations

AUDIT REPORT
Report Number 23-100-4-R23 | June 27, 2023

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

June 27, 2023

MEMORANDUM FOR: OMAR R. COLEMAN
MANAGER, TENNESSEE DISTRICT

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Germantown Main Post Office in Germantown, TN:
Delivery Unit Operations (Report Number 23-100-4-R23)

This report presents the results of our audit of mail delivery, customer service, and property conditions at the Germantown Main Post Office in Germantown, TN.

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

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Germantown Main Post Office (MPO) in Germantown, TN (Project Number 23-100-4). The Germantown MPO is in the Tennessee District of the Southern Area and services ZIP Codes 38138 and 38139.[1] These ZIP Codes serve about 39,970 people in an urban area.[2] This delivery unit has 10 rural routes and 20 city routes. We judgmentally selected the Germantown MPO based on the number of Customer 360[3] inquiries, Informed Delivery[4] contacts, undelivered route information, and stop-the-clock (STC)[5] scans performed at the unit.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Germantown MPO in Germantown, TN.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, truck arrival scans, arrow keys,[6] and property conditions. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and distribution up-time.[7] During our site visit we reviewed mail conditions; package and truck arrival scanning procedures; arrow key security procedures; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the "Notice Left" area[8] and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 1 with management on June 8, 2023, and included their comments, where appropriate.

The Germantown MPO is one of five delivery units[9] the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of May 1, 2023, that are serviced by the Memphis Processing and Distribution Center and the Memphis Mail Processing Annex. We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Germantown MPO. We will issue a separate report[10] that provides the Postal Service with the overall findings and recommendations for all five delivery units. See Appendix A for additional information about our scope and methodology.

Results Summary

We identified issues affecting mail delivery, customer service, and property conditions at the Germantown MPO. Specifically, we found issues with four of the five areas we reviewed (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Truck Arrival Scanning	X	
Arrow Keys		X
Property Conditions	X	

Source: Results of our fieldwork during the week of May 1, 2023.

Regarding arrow keys, we conducted an inventory of the keys at the unit, observed security procedures, and found no issues.

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1. The unit also provides PO Box service for ZIP Code 38183.
2. We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on Census Bureau information. These ZIP Codes are considered urban communities.
3. A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
4. Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mailpieces that were expected for delivery but have not arrived.
5. A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pick-up," and "No Access."
6. A 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.
7. Time of day that clerks have completed distributing mail to the carrier routes.
8. The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
9. The other four units were the Collierville MPO, Collierville, TN (Project Number 23-100-1); Cordova MPO, Cordova, TN (Project Number 23-100-2); Desoto Carrier Annex, Memphis, TN (Project Number 23-100-3); and Hickory Hill Station, Memphis, TN (Project Number 23-100-5).
10. Project Number 23-100.

Finding #1: Delayed Mail

What We Found

On the morning of May 2, 2023, we identified about 2,546[11] delayed mailpieces at 24 carrier cases. Specifically, we identified about 1,155 flats and 1,391 letters. Much of this mail was taken out for delivery the previous day and brought back but was not identified with a Postal Service (PS) Form 1571, *Undelivered Mail Report*. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)[12] system. See Table 2 for the number of delayed pieces for each mail type and Figure 1 for examples of delayed mail found at carrier cases.

Table 2. Type of Delayed Mail

Type of Mail	Total OIG Count of Delayed Mail
Letters	1,391
Flats	1,155
Totals	**2,546**

Source: OIG count of delayed mailpieces identified during our visit on May 2, 2023.

Why Did It Occur

We interviewed carriers who stated that much of the mail we identified in the cases was due to management's instructions to return to the unit by a specified time. Specifically, management sent a message the previous evening to all carriers through the package scanners stating, "only do packages everyone back at 7 pm per management." In addition, some carriers were not using the 3M case[13] for mis-sequenced mail, but instead were instructed by the acting postmaster to place it back in their cases upon returning from their routes. Furthermore, the PM supervisor was not aware of the delayed mail at the carrier cases to report it in DCV because she did not complete a thorough walkthrough of the unit the previous evening.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily and that any mail returned from a route was properly identified. Postal Service policy[14] states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. In addition, managers are required to report in DCV all mail that remains in a unit after the carriers have left for their street duties.[15]

Figure 1. Examples of Delayed Mail in the Carrier Cases

Source: OIG photos taken on May 2, 2023.

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11 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.
12 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.
13 The area of the delivery unit where carriers place their mis-sent, mis-sorted, and mis-sequenced mail.
14 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
15 *Informed Visibility Delivery Condition Visualization User Guide,* March 2023.

Furthermore, carriers should place mis-sequenced mail into the 3M case when they return from their routes.[16] A supervisor should review and report this mail on a 3M Daily Log and notify the appropriate operations support office.[17]

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 DCV 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.

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16 *3M (Mis-sent, Mis-sort and Mis-sequence)* Standard Work Instruction: Carrier, May 8, 2019.
17 *3M (Mis-sent, Mis-sort and Mis-sequence)* Standard Work Instruction: Supervisor, May 8, 2019.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned or keyed 123 packages at the delivery unit between January 1, 2023, and March 31, 2023 (see Table 3). Further analysis of the STC scan data for these packages showed that 69.92 percent of them were scanned delivered. We also found that 50 (40.65 percent) of the scans were made by one employee at the unit. This data does not include scans that could properly be made at a delivery unit, such as "Delivered – PO Box" and "Customer (Vacation) Hold," but rather, represents scans performed at the delivery unit that should routinely be made at the point of delivery.

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	86	69.92%
Delivery Attempted – No Access to Delivery Location	27	21.95%
Receptacle Full / Item Oversized	4	3.25%
Delivery Exception – Animal Interference	6	4.88%
Total	123	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.

In addition, on the morning of May 2, 2023, before carriers arrived for the day, we selected 38 packages[18] to review and analyze for scanning and tracking history. Of the 38 sampled packages, 10 (26.32 percent) from carrier cases had missing or improper scans, including:

- Five packages that were missing STC scans to let the customer know the reason for non-delivery.

- Three packages had an STC scan[19] performed away from the delivery point. These packages were scanned between 0.3 and 1.5 miles away from the delivery point.

- Two packages had "Delivered" scans, which should only be performed when the package is successfully left at the delivery point.

Further, three packages in the "Notice Left" area were not returned to the sender, as required.[20] These packages ranged from 10 to 51 days past their return dates.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor proper package scanning and handling procedures, as they were more focused on mail delivery. In addition, unit management receives a daily report from the district showing STC scans made at the unit. However, this report is limited to STC scans made after 3 p.m. Management was not aware of any other report to identify STC scans made at the unit.

The three packages in the "Notice Left" area were not returned to the sender because they were not properly marked with the date of attempted delivery, and the responsible clerk did not follow up.

What Should Have Happened

Management should have monitored scan performance daily, including verifying all packages were scanned at the delivery point and not at the delivery unit. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,[21] which includes scanning packages at the time and location of delivery.[22] 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.

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18   We reviewed all 29 packages from the carrier cases and all nine from the "Notice Left" area.
19   All packages should be scanned at the point of the delivery attempt.
20   *Notice Left and Return Guidelines*, dated July 2007, states that 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.
21   *Delivery Done Right the First Time* stand-up talk, March 2020.
22   *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

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 potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the Germantown MPO did not scan all incoming trailer/truck barcodes,[23] as required. We reviewed data related to morning truck arrival scans from January 1, 2023, to March 31, 2023, and found that employees did not perform a scan for any of the 214 scheduled incoming mail trucks (see Table 4). In addition, during observations on the morning of May 2, 2023, we noted that employees were not scanning the incoming trucks.

Table 4. Truck Arrival Scans Between January 1 and March 31, 2023

Month	Count of Inbound Trips	Count of Missed Scans	Percentage Missing
January	70	70	100%
February	61	61	100%
March	83	83	100%
Total	**214**	**214**	**100%**

Source: OIG analysis of data extracted from the Postal Service's Surface Visibility Web (SVWeb) System. SVWeb collects end-to-end data by linking multiple scans of a single asset to create visibility data to support planning, management, and optimization of the surface network.

Why Did It Occur

Unit personnel stated that they were not aware of the need to scan the trucks upon arrival. Management stated that the clerks should have known to scan the trucks, but it had been a while since training had been given to reinforce the requirement. In addition, management did not monitor scan performance data to ensure that all trucks received an arrival scan. Specifically, management was not aware of any reports available for monitoring truck scanning performance.

What Should Have Happened

Management should have reviewed truck arrival tracking reports to ensure that employees were performing all expected truck scans. According to Postal Service policy,[24] employees must scan the trailer barcode on Postal Service trailer/trucks and Highway Contract Route trucks arriving at the delivery unit during local operating hours.

Effect on the Postal Service and Its Customers

When employees do not scan the truck barcode, the Postal Service does not receive timely transportation information and is unable to address issues that may be causing mail delays, which could affect customer service.

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23 The trailer barcode on the back door and inside right and left walls of the trailer.
24 *United States Postal Service Standard Operating Procedure – Subject: Trailer Scans at the Delivery Units (DUs).*

Finding #4: Property Conditions

What We Found

We found safety and security issues at the Germantown MPO, including:

Property Safety:

- Missing monthly inspections for all eight fire extinguishers. Also, one extinguisher was not mounted.

- Multiple cords plugged into power strips, near a water source, in the server room (see Figure 2).

- A portable heater located behind the counter in the retail lobby that was plugged into an extension cord (see Figure 3).

- Large potholes in the rear parking lot (see Figure 4).

Figure 2. Multiple Cords in Server Room Plugged into Power Strips

Source: OIG photo taken on May 3, 2023.

Figure 3. Portable Heater Plugged into an Extension Cord

Source: OIG photo taken on May 2, 2023

Figure 4. Large Potholes in the Rear Parking Lot

Source: OIG photos taken on May 3, 2023. For reference, a six-foot tape measure was used to measure the potholes.

Property Security:

- Doors to the electrical/furnace room and storage room located on the loading dock that could not be locked (see Figure 5).

Figure 5. Doors to the Electrical/Furnace Room Could Not Be Locked

Source: OIG photos taken on May 3, 2023

In addition, we identified property safety issues that management addressed during our audit, including:

- A large hole in the front lawn (approximately 20" wide by 15" deep) (see Figure 6).
- Two blocked U.S. Postal Inspection Service doors.
- One unsecured ladder.
- One blocked electrical panel.

Figure 6. Hole in the Front Lawn

Source: OIG photo taken on May 2, 2023.

Source: Photo provided by Germantown MPO Management on May 9, 2023.

Why Did It Occur

Management did not take the necessary actions to ensure that facility condition issues were corrected. Specifically, the acting postmaster had only been at the unit for about two months and was not aware of some of the issues we identified, including the unmounted fire extinguisher, the multiple cords plugged into power strips, the doors that could not be locked, the blocked Inspection Service doors, the unsecured ladder, and the blocked electrical panel. In addition, he was not aware that fire extinguishers required monthly inspections. Management reported the potholes in the electronic Facilities Management System (eFMS) on March 15, 2023. As of May 17, 2023, management was waiting on a quote to repair the parking lot. The acting postmaster was also aware of the large hole in the front lawn but did not know that it was a safety hazard.

What Should Have Happened

Management should have provided sufficient oversight of facility maintenance; reported safety, security, and maintenance issues as they arose; and followed up to ensure resolution. The Postal Service is required to maintain a safe environment for employees and customers. In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe and healthy workplace free of recognized hazards.[25]

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 OSHA penalties; and enhance the customer experience and Postal Service brand.

Management's Comments

Management agreed with findings 1, 3, 4, and 5. Management partially agreed with finding 2. See Appendix B for management's comments in their entirety.

Management stated that some of the 123 parcels scanned in the office were for the city of Germantown and that their mail is picked up at the Germantown MPO. Therefore, these parcels were not taken to the delivery point.

25 Occupational Safety and Health Act of 1970 and Postal Service Handbook EL-801, *Supervisor's Safety Handbook.*

Evaluation of Management's Comments

Regarding finding 2, eight of the 123 packages scanned at the unit were addressed to the city of Germantown and received an STC scan by the carrier of "Delivered – in\at mailbox". If a representative picked up the parcels at the delivery unit, a clerk should have scanned the packages "Delivered – Tendered to Authorized Agent". Therefore, the scans were improper.

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 assessed the reliability of PTR, DCV, eFMS 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

UNITED STATES POSTAL SERVICE

June 21, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Germantown Main Post Office in Germantown, TN:
Delivery Unit Operations (Report Number 23-100-4)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, Germantown Main Post Office in Germantown, TN: Delivery Unit Operations.

Management agrees, in part, with the five findings in the report on delayed mail, package scanning, truck arrival scanning, arrow keys, and property conditions.

Management has begun taking steps to address the five findings.

Delayed Mail: On May 1, 2023, Germantown received 27,566 letters and 12,017 flats for delivery. The 2,546 pieces of delayed mail identified by the OIG represents 6.43% of that volume. Management will retrain local EAS on the Standard Work for properly reporting delayed mail in DCV. Management continues to pursue recruitment activities in the Tennessee District and post career opportunities weekly until all vacancies are filled.

Package Scanning: From January 1, 2023, to March 31, 2023, Germantown received 204,235 parcels in total for delivery. The 123 identified in this report by the OIG as scanned in the office represents 0.06% of total parcels delivered. The OIG also identified parcels scanned in the office by a single carrier. Those parcels were for the city who picks up their mail at the Post Office therefore it is not taken to the delivery point. Personnel will be retrained on the proper way to scan parcels for non-delivery due to No Access, Weather Delays, and Integrity Scans. The Standard Work for proper scanning due to Weather Delays or No Access is communicated on a regular basis and always in advance of an expected weather event.

Truck Arrival Scanning: Management will retrain personnel on the proper way to scan Truck Arrivals. The Standard Work instructions has also been sent out to all offices and reminders will be sent weekly.

Arrow Keys: The office will be retrained on Standard Work and operating procedures for Arrow Key Management including updating key logs, reporting missing arrow keys to the USPS Inspection Service, returning any broken arrow keys to Topeka, and ensuring arrow keys are verified and secured daily. Recent Gemba's were completed and office in full compliance.

Property Conditions: Eleven of the 12 property conditions have been abated. A work order has been submitted for the remaining issue.

Omar Coleman
Manager, Tennessee District

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

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

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