

Elmwood Branch in New Orleans, LA: Delivery Operations

AUDIT REPORT

Report Number 23-113-4-R23 | August 17, 2023



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 17, 2023

MEMORANDUM FOR: JULIA G. WILBERT
ACTING MANAGER, LOUISIANA DISTRICT

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

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Elmwood Branch in New Orleans, LA: Delivery
Operations (Report Number 23-113-4-R23)

This report presents the results of our audit of mail delivery, customer service, and property conditions review at the Elmwood Branch, New Orleans, LA.

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 Elmwood Branch in New Orleans, LA (Project Number 22-113-4). The Elmwood Branch is in the Louisiana District of the Southern Area and services ZIP Codes 70121 and 70123.¹ These ZIP Codes serve about 38,472 people in an urban area.² This delivery unit has 37 city routes. We judgmentally selected the Elmwood Branch based on the number of Customer 360³ inquiries, Informed Delivery⁴ 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 Elmwood Branch in New Orleans, LA.

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 from June 13–15, 2023, 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” area⁸ and interviewed unit management and employees. We discussed our observations and conclusions as summarized

in Table 1 with management on July 31, 2023, and included their comments, where appropriate.

The Elmwood Branch is one of five delivery units⁹ the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of June 12, 2023, that are serviced by the New Orleans Processing and Distribution Center. We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Elmwood Branch. We will issue a separate report¹⁰ 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 Elmwood Branch. Specifically, we found issues with all 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 June 12, 2023.

1 The unit also provides P.O. Box service for Zip Code 70141, 70181, and 70183.

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 mail piece. 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 Bywater Station, New Orleans, LA (Project Number 23-113-1); Carrollton Station, New Orleans, LA (Project Number 23-113-2); Central Carrier Station, New Orleans, LA (23-113-3); and Lake Forest Station, New Orleans, LA (Project Number 23-113-5).

10 Project Number 23-113.

Finding #1: Delayed Mail

What We Found

On the morning of June 13, 2023, we identified about 5,793 delayed letters, flats, and packages at 24 carrier cases and on the workroom floor. Specifically, we identified about 4,965 letters, 802 flats, and 26 packages.¹¹ In addition, management did not report any of this mail as undelivered in the Delivery Condition Visualization (DCV)¹² system. See Table 2 for the number of pieces for each mail type, Figure 1 for examples of delayed mail found at carrier cases, and Figure 2 for examples of delayed mail found on the workroom floor.

Table 2. Type of Delayed Mail

Type of Mail	Carrier Case	Workroom Floor	OIG Estimated Count of Delayed Mail
Letters	4,738	227	4,965
Flats	802	0	802
Packages	0	26	26
Totals	5,540	253	5,793

Source: OIG count of delayed mailpieces identified during our visit on June 13, 2023.

Why Did It Occur

Unscheduled leave caused the delayed mail we identified. Specifically, the unit had 14 unscheduled carrier absences on Saturday, June 10, 2023, and 10 unscheduled carrier absences on Monday, June 12, 2023. The station manager stated he and the two supervisors recently transferred to the unit in April 2023, and they were overwhelmed by the carriers' consistent unscheduled absences. The station manager stated he requested additional resources from the Customer Service Operations Manager during their daily morning conferences but had not received any assistance.

Figure 1. Examples of Delayed Mail in the Carrier Cases



Source: OIG photos taken on June 13, 2023.

Figure 2. Examples of Delayed Mail on the Workroom Floor



Source: OIG photos taken on June 13, 2023.

In addition, the PM supervisor stated she was not aware of the requirement to report delayed mail in the DCV system. She further stated she does not have access to the DCV system, nor has she been trained on how to report delayed mail.

What Should Have Happened

Management should have provided the station with enough resources to deliver all the mail each day. Postal Service policy¹³ states that managers must review all communications that may affect the

¹¹ Count of mail included individual piece counts and OIG estimates 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 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

day's workload and be sure that replacements are available for unscheduled absences. In addition, managers are required¹⁴ 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.

¹⁴ *Informed Visibility Delivery Condition Visualization User Guide*, March 2023.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 245 packages at the delivery unit between February 1 and April 30, 2023 (see Table 3). Further analysis of the STC scan data for these packages showed that 57.14 percent of them were scanned “Delivered.” This data does not include scans that could properly be made at a delivery unit, such as “Delivered – P.O. 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	140	57.14%
Delivery Attempted – No Access to Delivery Location	39	15.92%
Receptacle Full/Item Oversized	30	12.24%
Delivery Exception – Animal Interference	26	10.61%
No Secure Location Available	8	3.27%
Refused	1	0.41%
No Authorized Recipient Available	1	0.41%
Total	245	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 June 13, 2023, before carriers arrived for the day, we selected 50 packages¹⁵ to review and analyze scanning and tracking history. Of the 50 sampled packages, 13 (26 percent) had improper scans. Specifically:

- Twelve (seven from the carrier cases and five 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.

- One from the carrier case was scanned “Delivery Attempted – No Access to Delivery Location” at the delivery unit. All packages are required to be scanned at the delivery point.

Further, 19 packages in the “Notice Left” area were not returned to the sender, as required.¹⁶ These packages ranged from two to 95 days past their scheduled return dates. On June 14, 2023, the unit took corrective action by returning all 19 packages to the sender.

Why Did It Occur

These scanning issues occurred due to inadequate management oversight as unit management did not monitor and enforce proper package scanning and handling procedures. Specifically, carriers scanned packages “Delivered” for the caller service customers and placed them aside for the customer to pick up, even though the packages had the customer’s street address on them and should have been delivered to the customer’s address. The station manager stated he was not aware these scans were being performed by the carriers.

In addition, the PM supervisor stated she was trained to scan the packages “Delivered” to make sure they received an STC scan. The station manager stated he was not aware the PM supervisor was making the scans, nor was he aware of her training. He further stated he only monitors scans when there is a problem.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance, 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,¹⁷ which includes scanning packages

¹⁵ We selected all 21 packages from the carrier cases and all 29 packages from the “Notice Left” area.

¹⁶ *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.

¹⁷ *Delivery Done Right the First Time* stand-up talk, March 2020.

at the time and location of delivery.¹⁸ 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.

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.

¹⁸ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the Elmwood Branch did not scan all incoming trailer/truck barcodes¹⁹ as required. We reviewed data related to morning truck arrival scans from February 1 to April 30, 2023, and found that employees did not perform a scan for 151 of 165 (91.52 percent) scheduled incoming trucks (see Table 4).

Why Did It Occur

Management did not monitor scan performance data to verify that all trucks received an arrival scan. The station manager stated he was not aware of the policy to scan trailer/truck barcodes on incoming trucks arriving at the delivery unit because his prior unit was located inside the plant and truck scans fell under the responsibility of the plant.

What Should Have Happened

Unit management should have instructed employees to perform the truck scans as required and performed reviews of truck arrival tracking reports to verify that employees were performing all expected truck scans. According to Postal Service Policy,²⁰ 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.

Table 4. Truck Arrival Scans

Month	Count of Inbound Trips	Count of Missed Scans	Percentage Missing
February	45	41	91.11%
March	56	50	89.29%
April	64	60	93.75%
Total	165	151	91.52%

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.

¹⁹ The trailer barcode on the back door and inside right and left walls of the trailer.

²⁰ United States Postal Service Standard Operating Procedure - Subject: Trailer Scans at the Delivery Units (DU).

Finding #4: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of June 15, 2023, we reviewed the unit's inventory log for arrow keys and conducted a physical inventory of keys at the unit. We found nine of the 25 keys located at the unit were not listed on the inventory log. We also determined seven of the 23 keys listed on the inventory log could not be located. Management had not reported these missing keys to the U.S. Postal Inspection Service and had not updated the unit's arrow key log in over a year.

In addition, management did not always keep arrow keys secure. For example, on the evening of June 14, 2023, we observed the [REDACTED] containing arrow keys often unattended next to the PM supervisor's desk on the workroom floor. The [REDACTED] was placed there so carriers could return their keys after returning from their routes. However, the PM supervisor did not verify that all carriers returned their arrow keys, and we found three arrow keys at the [REDACTED] on the morning of June 15, 2023.

Why Did It Occur

Management did not properly manage and safeguard arrow keys due to inadequate oversight. Specifically, the station manager and PM supervisor stated that they were responsible for performing the morning opening procedures at their prior unit and were not as familiar with the closing procedures.

Further, the station manager stated he was aware of the missing arrow keys but did not know how many were missing. In addition, he stated he was aware missing keys should be reported to the Postal Inspection Service but had not reported any due to other duties taking priority, such as getting mail delivered.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,²¹ management must keep an accurate inventory of all keys and conduct a semiannual physical survey of all building keys. Missing keys must be immediately reported to the Postal Inspection Service. In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items such as arrow keys, there is increased risk of mail theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail.

²¹ Standard Work: Arrow Key Accountability, January 2022 and USPS Arrow Key Standard Work, January 2022.

Finding # 5: Property Conditions

What We Found

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

- **Property Safety** – An inspection door that was blocked by an electrical wire (see Figure 3).

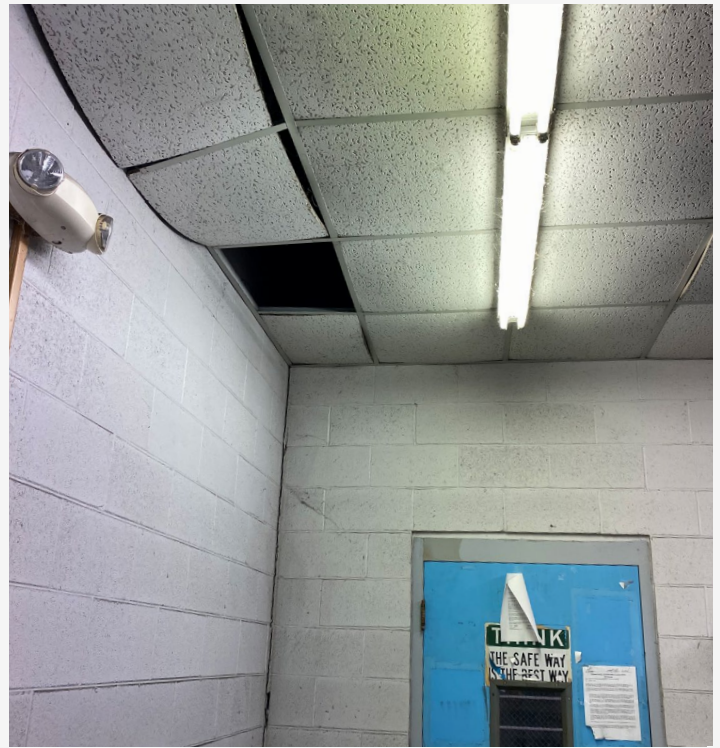
Figure 3. Blocked Inspection Door



Source: OIG photo taken on June 14, 2023.

- **Property Security** – No signage posted in the employee parking lot stating that vehicles may be subject to search.
- **Property Maintenance** – Missing and damaged ceiling tiles near the entrance door from the dock (see Figure 4).

Figure 4. Missing and Damaged Tiles



Source: OIG photo taken on June 14, 2023.

Why Did It Occur

The station manager stated he did not know about the issues because he was not aware of his responsibility over the property conditions. He further stated his previous office was located inside a plant, and he was not responsible for reporting property conditions at that facility.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and security issues as they arose, and followed up for completion. 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.²²

²² Occupational Safety and Health Act of 1970 and Postal Service Handbook EL-801, *Supervisor's Safety Handbook*.

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

Appendix A: Additional Information

We conducted this audit from June through August 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.

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 that were significant within the context of our objectives.

We assessed the reliability of PTR, DCV, SVWeb, and electronic Facilities Management System²³ 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.

²³ A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs, and alteration contracts, along with real estate contracts.

Appendix B: Management's Comments



August 8, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Elmwood Branch in New Orleans, LA: Delivery Operations
(Report Number 23-113-4-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Elmwood Branch in New Orleans, LA: Delivery Operations*.

Management agrees 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: Management will train required personnel on how to accurately report delayed mail in DCV. Additionally, management created a checklist to use during reviews to ensure all committed mail is delivered daily.

Package Scanning: Management at all the units completed "Scanning Integrity Play" training in HERO. Bargaining staff completed scanning integrity training through a series of twelve service talks. Additionally, management created a checklist to use during reviews to ensure all packages are scanned accurately.

Truck Arrival Scanning: All required personnel completed "Bundle Visibility" training of which management documented on PS Form 2548. Additionally, management created a checklist to use during reviews to ensure all trucks are scanned properly.

Arrow Keys: The office will be trained on Standard Work and operating procedures for Arrow Key Management including updating key logs, reporting missing arrow keys to the USPS Inspection Service, and ensure arrow keys are verified and secured daily. Additionally, management created a checklist to use during reviews to verify compliance with arrow key policy.

Property Conditions: Two of the three property conditions have been fixed and a work order has been submitted for the remaining issue.

E-SIGNED by Julia G Wilbert
on 2023-08-07 13:34:54 CDT

Julia G. Wilbert
Acting Manager, New Orleans District

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

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



Contact us via our [Hotline](#) and [FOIA](#) forms. Follow us on social networks. Stay informed.

1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsig.gov or call (703) 248-2100