

Cragin Station in Chicago, IL: Delivery Operations

AUDIT REPORT

Report Number 23-139-1-R24 | October 11, 2023



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 11, 2023

MEMORANDUM FOR: JEWEL MORROW
MANAGER, ILLINOIS 1 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 – Cragin Station in Chicago, IL: Delivery Operations
(Report Number 23-139-1-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the Cragin Station in Chicago, IL.

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

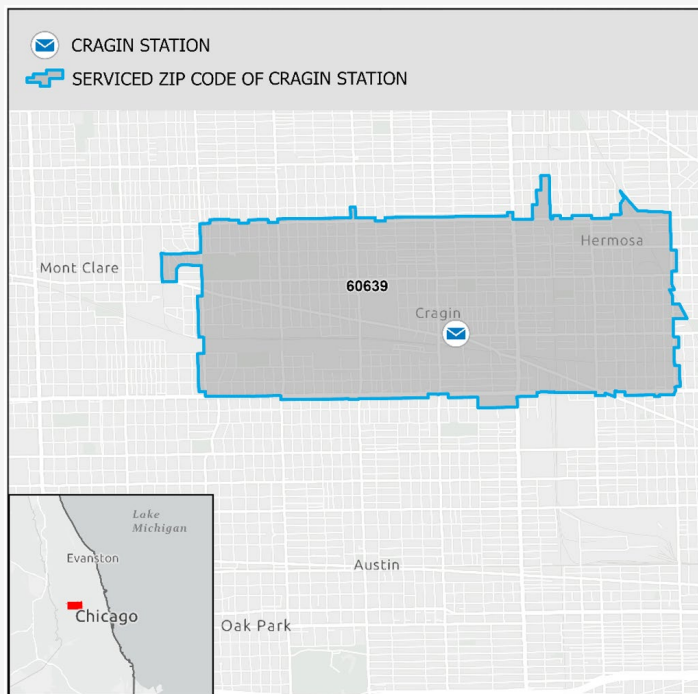
Results

Background

The 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 Cragin Station in Chicago, IL (Project Number 23-139-1). The Cragin Station is in the Illinois 1 District of the Central Area and services ZIP Code 60639. This ZIP Code serves about 88,901 people in an urban area (see Figure 1).

Figure 1. ZIP Code Serviced by the Cragin Station



Source: OIG.

This delivery unit has 42 city routes. The Cragin Station is one of four delivery units¹ the OIG reviewed during the week of July 24, 2023, that are serviced by the Chicago Processing and Distribution Center (P&DC).

We assessed all units serviced by the Chicago P&DC based on the number of Customer 360² (C360) delivery-related inquiries,³ Informed Delivery⁴ contacts, stop-the-clock (STC)⁵ scans performed at the delivery unit, and undelivered route information between April 1 and June 30, 2023.

We judgmentally selected the Cragin Station primarily based on the number of C360 delivery-related inquiries, Informed Delivery contacts, and STC scans performed at the delivery unit. See Table 1 for a comparison of these metrics between the unit and the rest of the district.

Table 1. Delivery Metric Comparison Between April 1 and June 30, 2023

Delivery Metric	Unit Average per Route	District Average per Route
C360: Package Inquiry	5.2	4.3
C360: Package Pickup	0.0	0.0
C360: Daily Mail Service	2.5	1.1
C360: Hold Mail	0.1	0.1
Informed Delivery Contacts	34.9	18.7
Scans Performed at the Delivery Unit	57.3	9.4

Source: OIG analysis of Postal Service’s C360, Informed Delivery, and 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.

1 The other three units were the Daniel J. Doffyn Station, Chicago, IL (Project Number 23-139-2), Northtown Station, Chicago, IL (Project Number 23-139-4), and Roger P. McAuliffe Station, Chicago, IL (Project Number 23-139-5).
 2 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
 3 Delivery-related inquiries include package inquiry, package pickup, daily mail service, and hold mail.
 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.”

Objective, Scope, and Methodology

Our objective was to evaluate delivery operations and property conditions at the Cragin Station in Chicago, IL.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,⁶ 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 work hours and time adjustments, and distribution up-time.⁷

During our site visit we observed mail conditions; 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 2 with management on September 26, 2023, 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 Cragin Station. We will issue a separate report⁹ that provides the Postal Service with the overall findings and recommendations for all four delivery units. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

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

Table 2. Summary of Results

Audit Area	Issues 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 24, 2023.

We determined unit management properly managed and safeguarded arrow keys. Management accounted for the number of arrow keys on their inventory log, and we did not identify any systemic issues.

We also did not identify any issues with carrier complement. We determined that all carriers assigned to the unit had reported to work between April 8 and June 30, 2023. However, we did identify timekeeping issues related to pay adjustments, disallowed time, and unauthorized overtime (see [Finding #3](#)).

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 Project Number 23-139.

Finding #1: Delayed Mail

What We Found

On the morning of July 25, 2023, we identified 3,480 delayed mailpieces at 35 carrier cases. Specifically, we identified about 2,817 letters, 597 flats, and 66 packages.¹⁰ In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)¹¹ system. See Figure 2 for examples of delayed mail found at the carrier cases.

Figure 2. Examples of Delayed Mail at the Carrier Cases



Source: OIG photos taken on July 25, 2023.

Why Did It Occur

Management did not provide adequate oversight to verify that all mail was delivered, and any delayed mail was reported in the DCV system. According to unit management, insufficient staffing and management's preference for carriers to return to the office by 8:30 p.m. contributed to the delayed mail. We confirmed that the unit had 14 employees on limited duty due to job-related injuries or illness, and one was on a temporary detail assignment on July 24, 2023 – the day prior to our arrival.

The AM supervisor stated she was aware of the DCV reporting requirement but did not report the delayed mail due to other priorities, such as trying to resolve staffing issues and route coverage. In addition, the PM supervisor stated he did not report the undelivered

mail because he had not been trained on how to enter it into the DCV system.

What Should Have Happened

Management should have provided the station with enough resources to deliver all the mail each day. Postal Service policy¹² states that managers must review all communications that may affect the day's workload and be sure that replacements are available for unscheduled absences and develop contingency plans for situations that may interfere with normal delivery service. In addition, Postal Service policy¹³ states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Further, 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 DCV and must update DCV 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 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.

¹⁰ 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*.

¹¹ 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.

¹² Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

¹³ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

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, scanned packages away from the intended delivery point, and improperly managed packages at the unit. We reviewed package scanning data that occurred at the unit and removed any potentially accurate scans performed.¹⁵ In total, employees improperly scanned 2,407 packages at the delivery unit between April and June 2023 (see Table 3). Further analysis of the STC scan data for these packages showed that about 90 percent of them were scanned “Delivered.”

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	2,166	90.0%
Delivery Attempted - No Access to Delivery Location	165	6.9%
Refused	41	1.7%
No Secure Location Available	15	0.6%
Receptacle Full / Item Oversized	8	0.3%
No Authorized Recipient Available	7	0.3%
Delivery Exception - Animal Interference	5	0.2%
Total	2,407	100%

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

We also reviewed 84 scans occurring away from the delivery unit and over 1,000 feet¹⁶ from the intended delivery point between April and June 2023 (see Table 4). We removed scans that could have been performed within policy, such as animal interference and unsafe conditions. Further analysis of the STC scan data for these packages showed that about 71 percent of them were scanned “Delivered.”

¹⁵ This data does not include scans that could properly be made at a delivery unit, such as “Delivered - PO Box” and “Customer (Vacation) Hold.” Additionally, P.O. Box scans at the unit were only counted when the delivery point was an address away from the unit. This category does not include mail addressed for a P.O. Box.

¹⁶ Packages are expected to be scanned within a designated buffer distance from the delivery point. The U.S. Postal Service considers 900 ft. or less an acceptable buffer. Therefore, the OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.

¹⁷ We judgmentally selected 30 packages from the “Notice Left” area and all 14 packages from the carrier cases.

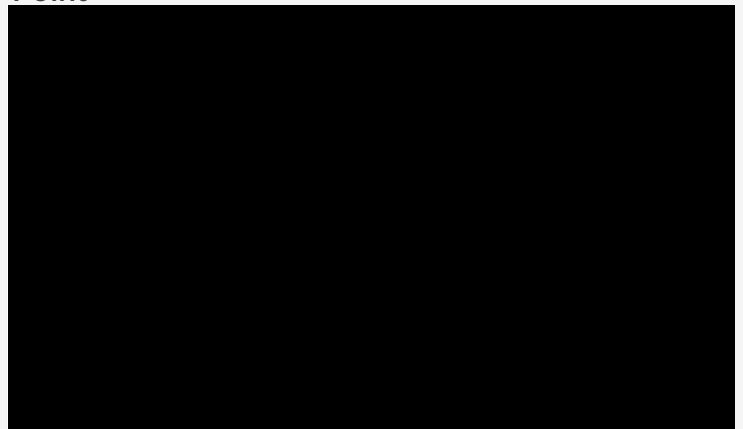
Table 4. STC Scans Over 1,000 Feet Away from the Delivery Point

STC Scan Type	Count	Percentage
Delivered	60	71.4%
Delivery Attempted - No Access to Delivery location	23	27.4%
No Authorized Recipient Available	1	1.2%
Total	84	100%

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

For example, the map in Figure 3 below shows an instance where a carrier scanned a package as delivered almost a mile away from the delivery point.

Figure 3. Scan Made Away from the Delivery Point



Source: Postal Service Single Package Look Up.

We also found issues with scanning and handling of packages in the unit. On the morning of July 25, 2023, before carriers arrived for the day, we selected 44 packages¹⁷ to review and analyze scanning and tracking history. Of the 44 sampled packages, 10 (23 percent) had missing or improper scans, including:

- Six from the “Notice Left” area were missing STC scans to let the customer know the status of their package.
- One from the “Notice Left” area was scanned as “Receptable Full/Item Oversized” at the delivery unit, which is 0.9 miles away from the delivery point.
- Three from the carrier cases were scanned “Delivery Attempted – No Access to Delivery Location.” These packages were scanned between 1.0 and 1.67 miles from the delivery point.
- Further, six packages in the “Notice Left” area were not returned to the sender, as required.¹⁸ These packages ranged from one to 71 days past their scheduled return dates.

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 both the customer experience and the Postal Service brand.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor proper package scanning and handling procedures. Although management stated they regularly enforce proper scanning procedures during stand-up talks, they do not monitor STC scans made away from the delivery point. They said their focus was only on package scanning failures. In addition, management did not verify that the clerk assigned to the “Notice Left” section was monitoring the area daily for packages that should be returned.

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,¹⁹ which includes scanning packages at the time and location of delivery.²⁰ 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.

¹⁸ *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.

¹⁹ *Delivery Done Right the First Time* stand-up talk, March 2020.

²⁰ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Timekeeping Management

What We Found

We determined that management did not print and retain PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request*, for three pay adjustments made between April 8 and June 30, 2023. In addition, the station had four disallowed time occurrences and 379 instances of unauthorized overtime for the same period. However, management did not complete and retain PS Forms 1017-A, *Time Disallowance Record*,²¹ or PS Forms 1017-B, *Unauthorized Overtime Record*²² for any of these occurrences.

Why Did It Occur

Unit management stated they did not know that they were required to keep and document these forms, since they were entering them in the Time and Attendance Collection System (TACS).²³

What Should Have Happened

Postal Service policy²⁴ states that pay adjustments are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. Policy also states unit personnel must complete PS Form 1017-A and PS Form 1017-B and place them in a notebook binder that is secured from unauthorized access, documenting the reason for the disallowed time or unauthorized overtime.

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 excess administrative time. In addition, the Postal Service risks violation of the Fair Labor Standards Act²⁵ when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

²¹ 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.

²² Managers and supervisors are required to complete a PS Form 1017-B when a non-exempt employee incurs unauthorized overtime. These forms serve as a cumulative record of unauthorized overtime.

²³ The system used by the Postal Service to automate the collection of employee time and attendance information.

²⁴ Handbook F-21, *Time and Attendance*, February 2016.

²⁵ 29 United States Code §8.

Finding # 4: Property Conditions

What We Found

We found safety and maintenance issues at the Cragin Station.

Property Safety:

- An electrical cover in the lobby was broken and half was missing.
- One fire extinguisher in the workroom area was blocked.

Property Maintenance:

- The women's restroom had peeling paint and stained floor tiles, and the men's restroom had an inoperable urinal.
- The retail lobby had stained floor tiles, peeling plaster, and damaged or missing ceiling tiles.
- The men's locker room had burned out light bulbs and stained or misaligned ceiling tiles.
- The workroom area had stained ceiling tiles.
- The parking lot by the dock had multiple potholes and a misaligned ground plate causing a potential trip hazard (see Figure 4).

Figure 4. Misaligned Ground Plate in Parking Lot



Source: OIG photo taken July 26, 2023.

- There was standing dirty water and a loose handrail leading to the exterior basement door (see Figure 5).

Figure 5. Standing Water and Damaged Handrail Outside Basement Door



Source: OIG photos taken July 26, 2023.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. The station manager stated she was unaware of most of these issues. May 1, 2023 was her first day as the new station manager, and other duties, such as coordinating staffing and resolving personnel issues, took priority.

What Should Have Happened

Management should have provided sufficient oversight of facility safety and maintenance 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.²⁶

²⁶ 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 findings in the report. See [Appendix B](#) for management's comments in their entirety.

Appendix A: Additional Information

We conducted this audit from July through October 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 related to all three components that were significant within the context of our objective.

We assessed the reliability of PTR, DCV, TACS, and the electronic Facilities Management System²⁷ 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.

²⁷ 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



October 2, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Cragin Station in Chicago, IL: Delivery Operations (Report Number 23-139-1-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Cragin Station in Chicago, IL: Delivery Operations*.

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

Management has begun taking steps to address the four 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. Management follows the bidding process for vacant job postings.

Package Scanning: District management will conduct regular reviews to ensure all packages are scanned accurately.

Timekeeping Management: Local management will be retrained on proper record keeping when processing pay adjustments, disallowing time, and recording unauthorized overtime.

Property Conditions: Three of the eight property conditions cited during the visit have been abated and pictures provided as verification. Work orders have been submitted to fix the remaining issues.

E-SIGNED by JEWEL MORROW
on 2023-10-04 08:56:44 EDT

Jewel Morrow
Manager, Illinois 1 District

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

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