Northtown Station in Chicago, IL: Delivery Operations

AUDIT REPORT
Report Number 23-139-4-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

FROM: Joseph Wolski
Director, Field Operations

SUBJECT: Audit Report – Northtown Station in Chicago, IL: Delivery Operations
(Report Number 23-139-4-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the Northtown 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 Ricardo Martinez, 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 U.S. Postal Service's mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Northtown Station in Chicago, IL (Project Number 23-139-4). The Northtown Station is in the Illinois 1 District of the Central Area and services ZIP Codes 60645 and 60659 (see Figure 1). These ZIP Codes serve about 83,202 people in an urban community.

Figure 1. ZIP Codes Serviced by the Northtown Station
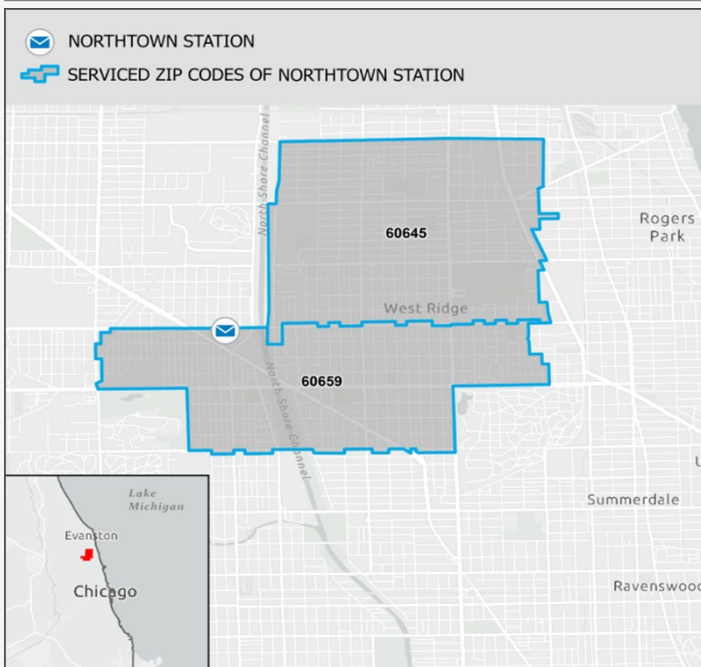
Source: OIG.

This delivery unit has 55 city routes. The Northtown Station is one of four delivery units[1] 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 360[2] (C360) delivery-related inquiries,[3] Informed Delivery[4] 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 Northtown Station primarily based on the number of C360 delivery-related inquiries and Informed Delivery contacts. 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	8.5	4.3
C360: Package Pickup	0.1	0.0
C360: Daily Mail Service	1.9	1.1
C360: Hold Mail	0.1	0.1
Informed Delivery Contacts	46.0	18.7

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

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1   The other three units were the Cragin Station, Chicago, IL (Project Number 23-139-1); Daniel J. Doffyn Station, Chicago, IL (Project Number 23-139-2); and the Roger P. McAuliffe Station (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 tracking, pickup mail, 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 mail delivery operations and property conditions at the Northtown 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 complement and timekeeping, and distribution up-time.[7] During our site visit we observed mail conditions; package scanning procedures; arrow key security procedures; timekeeping documentation; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the "Notice Left" area[8] 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 Northtown Station. We will issue a separate report[9] 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 Northtown Station. Specifically, we found issues with four of the five areas we 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.

The Northtown Station maintained adequate documentation to support carrier complement and timekeeping issues as required.

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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 about 34,390[10] delayed mailpieces at 44 carrier cases, the hot case[11] and on the workroom floor.[12] Specifically, we identified about 26,328 letters, 8,000 flats, and 62 packages. Management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)[13] system. See Table 3 for the number of pieces for each mail type and Figure 2 for examples of delayed mail found on the workroom floor and at the carrier cases.

Table 3. Type of Delayed Mail

Type of Mail	Carrier Cases	Hot Case Area	Workroom Floor	OIG Estimated Count of Delayed Mail
Letters	14,048	7,390	4,890	26,328
Flats	3,489	4,123	388	8,000
Packages	14	0	48	62
Totals	**17,551**	**11,513**	**5,326**	**34,390**

Source: OIG count of delayed mailpieces identified during our visit on July 25, 2023.

Figure 2. Examples of Delayed Mail at a Carrier Case and on the Workroom Floor

Source: OIG photos taken on July 25, 2023.

Why Did It Occur

Management did not provide adequate oversight over staffing so that all the mail would be delivered on the day it was committed for delivery. The unit manager stated that delayed mail occurred because they had an ongoing issue with carriers taking unscheduled leave on Saturdays. The station manager instructed the carriers to deliver any delayed mail from Saturday, and this impacted their ability to deliver Monday's mail. Additionally, the unit manager did not oversee the morning reporting in the DCV system, and the PM supervisor stated she did not know how to input delayed mail into the DCV system.

What Should Have Happened

Management should have provided the station with enough resources to deliver all the mail each day and verified that delayed mail was reported in the DCV system. Postal Service policy[14] states that managers must plan for unscheduled absences and situations that may interfere with normal delivery service.

In addition, Postal Service policy[15] states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day

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10   Count of mail included individual piece counts and OIG estimates based on individual piece counts and Postal Service conversion factors in Management Instruction PO-610 2007-1, *Piece Count Recording System*.
11   A case designated for final withdrawal of mail as carriers leave the office.
12   Workroom floor refers to the unit's undeliverable mail, return to sender, and change of address working area.
13   A tool for unit management to manually self-report delayed mail, which provides a snapshot of daily mail conditions at the point in time when carriers have departed for the street.
14   Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.
15   *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

of receipt. Further, managers are required[16] 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 and 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.

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16 *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.[17] In total, employees improperly scanned 151 packages at the delivery unit between April and June 2023 (see Table 4). Further analysis of the STC scan data for these packages showed that about 48 percent of them were scanned "Delivered."

Table 4. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	73	48.3%
Receptacle Full / Item Oversized	37	24.5%
Delivery Attempted – No Access	21	13.9%
No Secure Location Available	13	8.6%
No Authorized Recipient Available	4	2.7%
Delivery Exception – Animal Interference	3	2.0%
Total	**151**	**100%**

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

We also reviewed 30 scans occurring away from the delivery unit and over 1,000 feet[18] from the intended delivery point between April and June 2023 (see Table 5). 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 97 percent of them were scanned "Delivered."

Table 5. STC Scans Over 1000 Feet Away From the Delivery Point

STC Scan Type	Count	Percentage
Delivered	29	96.7%
No Secure Location Available	1	3.3%
Total	**30**	**100%**

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

For example, the map in Figure 3 shows an instance where a carrier scanned a package as delivered 2.5 miles away from the delivery point.

Figure 3. Scan Away From the Delivery Point in Chicago, IL
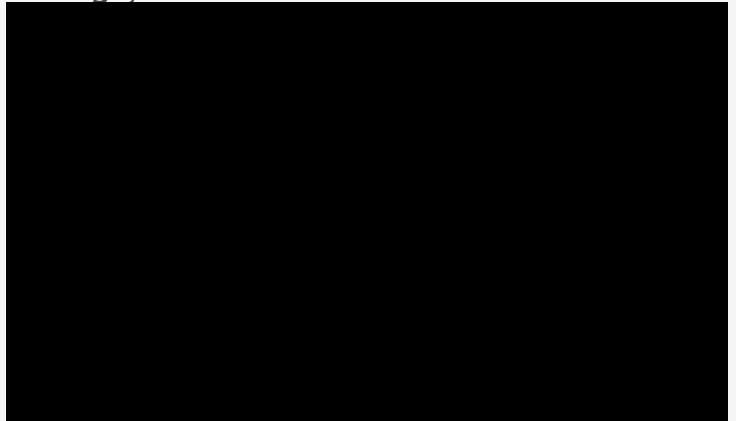
Source: Postal Service Single Package Look Up.

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 46 packages[19] to review and analyze scanning and tracking history. Of the 46 sampled packages, 31 (67.4 percent) had missing or improper scans, including:

- Fourteen packages (11 from the carrier cases and three from the "Notice Left" area) were scanned "Delivered, In/At Mailbox", which should only be performed when a package is successfully left at the customer's delivery address. These packages

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were scanned between 0.6 and 2.5 miles away from the delivery point.

- Nine packages (six from the carrier cases and three from the "Notice Left" area) were scanned "Delivery Attempted- No Access to Delivery location." These packages were scanned between 0.4 and 1.6 miles away from the delivery point.

- Six packages in the carrier cases were scanned "Addressee Unknown" four to 17 days before our arrival but had not been returned to sender.

- Two packages were missing STC scans to let customers know the reason for non-delivery.

Further, 10 packages in the "Notice Left" area were not returned to the sender, as required.[20] These packages ranged from 11 to 39 days past their scheduled return dates.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. The unit manager stated that they were not aware of available scanning exception reports they could have used to monitor and enforce proper package scanning and handling procedures. The unit manager stated that they have not shown up on the area integrity reports they rely on for scanning issues and was unaware that there were scanning issues at the unit. Further, unit management stated that the 10 packages in the "Notice Left" section were not returned timely because they prioritized other duties, such as ensuring that all the outgoing mail (collection and retail) is transferred from the unit to the P&DC and ensuring the retail window was covered.

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,[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.

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

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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.

Finding #3: Safeguarding Arrow Keys

What We Found

Unit management did not properly safeguard arrow keys. Specifically, when we arrived at the unit the morning of July 25, 2023, the arrow keys were inside the ███████████████████, and the ███████████ door was open.

Why Did It Occur

Management did not provide sufficient oversight to safeguard arrow keys. Specifically, management stated that the normal process is to remove the ███████████████████████ in the evenings and lock it up inside of the ███████████. However, they overlooked doing so, and the ███████████████ ███████████ which may have been the reason it was left open (see *Property Security* in Finding #4: Property Conditions).

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[23] arrow keys must remain secured while not individually assigned to personnel.

Effect on the Postal Service and Its Customers

When there is insufficient oversight of accountable items such as arrow keys, there is increased risk of mail theft.

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

Finding #4: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Northtown Station.

Property Safety:

- An exposed wire near the equipment room (see Figure 4).

- A blocked electrical panel in the boiler room.

- Tripping hazard at an exit due to power cords connected from one case to another.

- Exit signs not illuminated or reflective.

- Seven of nine fire extinguishers missing updated monthly and yearly inspections.

- Three blocked fire extinguishers.

- The ladders in the boiler room and in the PO Box area not secured.

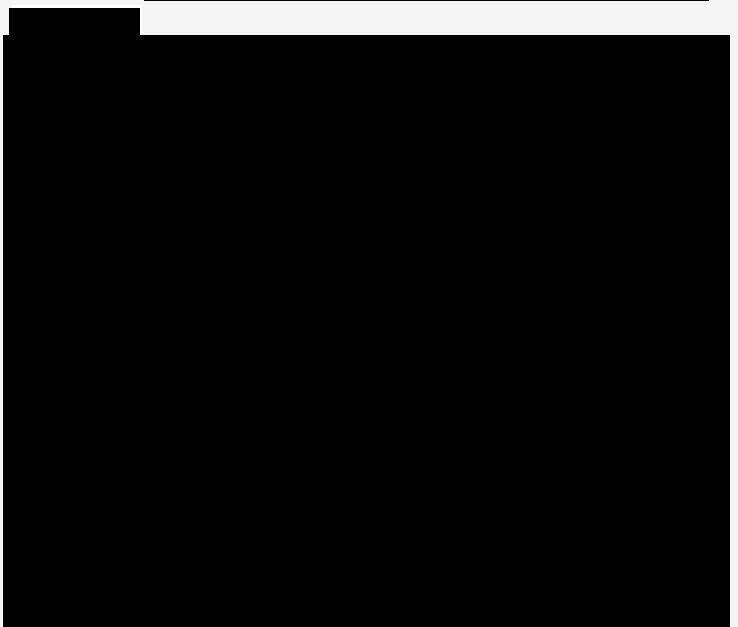**Figure 4. Exposed Wiring Near Equipment Room**

Source: OIG photo taken on July 27,2023

Property Security:

- ████████████████████████████████████ .

- Missing sign stating that vehicles may be subject to search in the parking lot.

- █████████████████████████████████████ (see Figure 5).

Figure 5. ██████████████████████████████████████
████████

Source: OIG photo taken on July 27, 2023

Property Maintenance:

- Peeling and tearing wallpaper around the retail walls.

- One stained ceiling tile and a leak around the supervisor's desk.

- Dirty restroom floors and wall stains.

- A broken urinal in the men's restroom.

- Two broken paper towel holders in the men's restroom.

- A crack along the wall in the men's restroom (see Figure 6).

- Holes in the boiler room ceiling and stained ceiling tiles (see Figure 7).

- Three missing lights in the breakroom.

- Two non-working light fixtures in the PO Box area.

- Six lights on the workroom floor not working.

- Vestibule lightning not working.

- Two dirty water fountains with rusty pipes.

- Trash in the parking lot and weeds and trees growing along the fence line (see Figure 8). Trees are growing into the powerlines along the wall that borders a nearby business.

Figure 6. Crack on Wall in Men's Restroom

Source: OIG photo taken on July 27, 2023

Figure 7. Roof Leak in Boiler Room

Source: OIG photo taken on July 27, 2023

Figure 8. Trash in Parking Lot

Source: OIG photo taken on July 27, 2023

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected due to competing priorities.

The unit manager indicated that she was aware of a lot of the issues, and most of them had been submitted into the electronic Facilities Management System[24] (eFMS) however, they were either marked completed or denied and she had not followed up to determine why they had been improperly closed due to prioritizing mail delivery and addressing other issues at the unit.

What Should Have Happened

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

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24 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.

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 all the findings in the report. See Appendix B for management's comments in their entirety.

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

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 in all three areas that were significant within the context of our objectives.

We assessed the reliability of PTR, DCV, and eFMS 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.

UNITED STATES POSTAL SERVICE

October 2, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Northtown Station in Chicago, IL: Delivery Operations (Report Number 23-139-4-DRAFT)

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

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

Management has begun taking steps to address the five findings.

Delayed Mail: Management implemented a process to ensure committed mail is accounted for and reported in DCV. Management will retrain supervisors on reporting mail in the DCV system. Additionally, management will conduct reviews to monitor for compliance.

Package Scanning: Management will reinforce proper scanning and package handling procedures through documented training and conduct regular reviews to ensure all packages are scanned accurately.

Arrow Keys: A work order has been submitted to ███████████████ and in the interim management is using ████████████ Additionally, management created a checklist to use during reviews to verify compliance with arrow key policy.

Property Conditions: One of the 23 property conditions sited during the visit have been abated and pictures provided as verification. Management is working with the appropriate resources to fix the remaining issues.

E-SIGNED by JEWEL MORROW
on 2023-10-04 08:57:26 EDT
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Jewel Morrow
Manager, Illinois 1 District

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

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

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