



July 26, 2004

CARL T. JANUARY  
MANAGER, DALLAS DISTRICT

SUBJECT: Audit Report – City Letter Carrier Office Preparation – Dallas District  
(Report Number DR-AR-04-005)

This report presents the results of our self-initiated audit of City Letter Carrier Office Preparation in [REDACTED] delivery units in the Dallas District (Project Number 04WG001DR000).

### **Background**

The Postal Service binds the nation together through delivery of personal and business correspondence (letters and packages). In fiscal year (FY) 2003, over 200 billion pieces of mail were delivered to more than 141 million business and household addresses nationwide using city and rural carriers, vehicles, and delivery support systems.

The Postal Service continues to improve productivity and reduce costs. Despite the fact that delivery point sequencing mail has saved time for office preparation and mail volume has continued to decrease for the last three years, the Postal Service is experiencing increased office workhours in delivery units. Mail volume, mail arrival and dispatch times, scheduled reporting times for carriers, and office hours may vary for each delivery unit, and are managed by the unit supervisor/manager. The Delivery Operations Information System (DOIS), deployed in FY 2002, provides actionable data, such as mail volume, mail arrival and dispatch times, and projected office and street hours for routes, to the delivery unit supervisors/managers to assist them in managing daily office activities and reduce costs.

Delivery operations constitute 43 percent of the workhours in the FY 2004 field operating budget, which is mainly attributable to office and street workhours. Salary and benefits for rural and city carriers totaled approximately \$20 billion. In the FY 2004 field budget, the Postal Service established a goal to reduce delivery workhours by 11.2 million. The Southwest Area's budget performance goal is to reduce delivery workhours by 891,000. However, as of February 2004, the Dallas District's actual office workhours had exceeded planned office workhours by 104,000.

## **Objective, Scope, and Methodology**

The overall objective was to review the efficiency and effectiveness of office preparation for city letter carrier operations. Specifically, we determined whether:

- Delivery supervisors/managers adequately matched workhours with workload.
- City letter carrier's office work activities, such as reporting times, arrival times, mail casing<sup>1</sup> methods, and clock out procedures were appropriate to ensure that carriers departed the delivery unit as scheduled.
- Supervisors/managers effectively used DOIS to provide actionable data to assist in managing office activities.

To accomplish our objective, we visited [REDACTED] in the Dallas District of the Southwest Area. We judgmentally selected delivery units in [REDACTED]

[REDACTED] had office effectiveness scores of less than -15,<sup>2</sup> and had implemented DOIS. We obtained, reviewed, and analyzed documentation, applicable policies and procedures, and delivery unit data for the period January 1 through February 29, 2004, for the units visited. Additionally, we observed delivery supervisor/managers and carriers' office activities, conducted interviews to obtain information on carrier operations, and analyzed tools developed and/or used to improve efficiency. Although we relied on data obtained from Web Enabled Enterprise Information System (WebEIS) and DOIS, we did not test the validity of the data and controls over the system.

This audit was conducted from January through July 2004, in accordance with generally accepted government auditing standards and included such tests of internal controls as were considered necessary under the circumstances. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

## **Prior Audit Coverage**

The Office of Inspector General (OIG) has issued three reports related to the objective of this audit.

City Carrier Productivity – Letter Carrier Delays in the Baltimore District  
(Report Number TD-AR-03-011, July 28, 2003). The report stated that early reporting

<sup>1</sup> To sort mail into a case that contains separations.

<sup>2</sup> Office effectiveness indicates a unit's ability to meet its office workload projections based on current mail volumes and carrier demonstrated performance. A negative result indicates that the delivery unit is working more hours than projected. The accuracy of the workhours projection increases as the effectiveness metrics approach zero.

wasted carriers morning time, and exposed the Baltimore District to potential unnecessary evening overtime costs. Also, supervisors were not using DOIS to manage carrier schedules, and consequently, could not use the system to evaluate carrier scheduling or take corrective action. Management agreed with all recommendations. The actions taken and planned were responsive to the recommendations.

Management Advisory – Delayed Letter Carrier Operations in the Capital Metro Area (Report Number TD-MA-02-005, August 29, 2002). The report stated that letter carriers in Northern Virginia and Baltimore, who were prepared to begin their delivery routes, were substantially delayed while waiting for “missent” mail, which processing and distribution centers had distributed to the wrong post office. An analysis of Capital Metro Area records indicated that the cost of making carriers wait for missent mail might have included unnecessary overtime. Management agreed with all recommendations. The actions taken and planned were responsive to the recommendations.

Delivery Operations Information System (Report Number DA-AR-01-003, March 29, 2001). This report stated that DOIS did not fully address emerging Postal Service-wide business goals, such as the information platform, which affected and changed the original requirements. The audit highlighted limitations in key areas for controlling system development such as structured methodology, contract negotiations, contract details, and independent reviews of deliverables. Management agreed with all recommendations. The actions taken and planned were responsive to the recommendations.

## **Audit Results**

Opportunities exist to improve Dallas District city letter carrier office preparation operations in the Valley Ranch, Pleasant Grove, and Huffhines delivery units. Specifically, impediments existed that adversely impacted delivery supervisors/managers ability to adequately match workhours with workload. In addition, city letter carriers’ work activities were not always appropriate to ensure they departed the delivery units as scheduled. Further, supervisors/managers did not effectively use DOIS to assist in managing office activities.

### **Workhours to Workload Not Adequately Matched**

Impediments existed that impacted delivery supervisors/managers’ ability to adequately match workhours with workload. For example, carriers in the Valley Ranch and Huffhines delivery units reported for duty before the mail was available for them to case. Carriers in two units, Valley Ranch and Huffhines waited as much as 15 minutes for mail to become available to begin casing. In addition, carriers in the Valley Ranch unit withdrew mail at various times from the mail staging area while casing their routes before supervisors could measure and record the mail volumes. This occurred because delivery supervisors/managers did not ensure distribution clerks dispersed

the mail to the carriers' cases before they reported for duty. In addition, delivery supervisors/managers did not monitor carriers withdrawing mail from the mail staging area before the supervisors measured and recorded the daily mail volumes. This hampered the supervisors' ability to accurately record mail volumes to determine the office workhour and workload requirements for the delivery units.

Handbook M-39, Management of Delivery Services, states that 80 percent of the caseable mail should be at the carriers' case when they report to work. Supervisors/managers should ensure distribution clerks provide an even flow of mail to carriers each day. In addition, in offices where it is impractical to place mail on or near the carrier's case before the reporting time, management should consider establishing a fixed schedule for mail withdrawals or establish a minimum number of controlled withdrawals. Carriers are not allowed to withdraw their mail except under controlled conditions in order to facilitate the volume recording process.

We discussed these issues with the xxxxxxxxxxxxxxxxxxxxxxxx delivery supervisors and Dallas District officials and both agreed that mail should be at the carriers' stations to begin casing the mail for their assigned routes when they report to work. In addition, they agreed supervisors must control mail withdrawals to ensure mail is accurately measured and recorded to meet daily planned office workhours.

Managing disbursement of carriers' caseable mail and controlling mail withdrawals allow supervisors to improve the accuracy of recorded mail volume and enables a better determination of the workhours needed to deliver the workload.

### **Recommendations**

We recommend the Manager, Dallas District, direct [REDACTED] Delivery Unit Supervisors to:

1. Disburse caseable mail to carriers' stations before they report for duty.
2. Monitor carrier activities to ensure that mail is not withdrawn until supervisors record daily mail volumes.

### **Management's Comments**

Management disagreed with both recommendations because the findings in the report reflect on the performance of the entire Dallas District and not the three delivery units we visited. Management stated that they appreciate the observations and take the recommendations constructively. They used the findings in the report as an opportunity to strengthen their compliance process and validate their accountability factors. Management stated that on April 19, 2004, Operations Program Support implemented an aggressive city delivery review addressing the findings identified in our report. The review is an ongoing part of the Operations Program Support Customer Service

Analyst's activities, which includes observations at delivery units and coaching and training managers. As of June 4, 2004, this process was completed at 29 units and 11 units are scheduled for review by July 9, 2004. Management's comments, in their entirety, are included in the appendix of this report.

### **Evaluation of Management's Comments**

Management's comments are responsive to the recommendations. We met with management on June 29, 2004, to address their disagreement with the report recommendations. As a result, we have revised the report sections to reflect findings at the specific delivery units visited in the Dallas District. Management's actions taken or planned should correct the issues identified in the finding.

### **Carriers' Office Activities Not Always Appropriate**

City letter carriers' office work activities in the [REDACTED] units were not appropriate to ensure that carriers departed their delivery units as scheduled. City letter carriers in the xxxxxxxx unit engaged in time wasting practices, such as loud talking, eating at case, and standing in line waiting for accountable mail and scanners before placing mail in the proper separation for delivery. In addition, carriers at the [REDACTED] units left for street delivery at times established by the supervisors or according to the base office time instead of the DOIS estimated schedule. Also, carriers in the [REDACTED] units loaded mail in delivery vehicles while charging office time instead of street delivery time. These activities occurred because delivery supervisors/managers did not enforce a more diligent and courteous performance of duties. In addition, supervisors did not post the required leaving times at the carrier's case to ensure carriers maintained the daily leaving schedules estimated in DOIS to begin their routes. Further, supervisors/managers did not monitor and enforce correct clock out procedures when carriers ended office time to begin street delivery.

Handbook M-41, City Delivery Carrier Duties and Responsibilities, states that carriers are to be prompt, courteous, and obliging in the performance of duties, and attend quietly and diligently to work while refraining from loud talking. Handbook M-39, Management of Delivery Services, requires the delivery supervisor on a daily basis to determine if carriers reporting, leaving, returning, and ending times are consistent with established schedules. DOIS also provides estimated leave times for carriers on a daily basis. In addition, after clearing accountable mail cages, making final withdrawal, and pulling down mail for delivery, carriers should inspect their vehicles, clock out, load their vehicles, and leave for street delivery.

We discussed the carriers' office activities with the [REDACTED] unit supervisors and district officials and they agreed that carriers should maintain appropriate office conduct as to minimize time in the office. Further, district officials stated that supervisors should inform carriers of the DOIS daily

estimated leave time and monitor carriers when they clock out to end office time and begin street time.

Engaging in inappropriate work activities and using incorrect clocking out procedures may negatively impact workhours by causing increases in planned office and street workhours.

### **Recommendations**

We recommend the Manager, Dallas District, direct [REDACTED]  
[REDACTED] Delivery Unit Supervisors to:

3. Reemphasize and enforce the importance of appropriate office work activities to ensure carriers are prompt, courteous, and obliging in the performance of duties.
4. Use daily leave times as established in DOIS for carrier departures.
5. Require carriers to correctly clock out when office preparation activities are completed and before street activities begin.

### **Management's Comments**

Management disagreed with both recommendations because the findings in the report reflect on the performance of the entire Dallas District and not the three delivery units we visited. Management stated that they appreciate the observations and take the recommendations constructively. They used the findings in the report as an opportunity to strengthen their compliance process and validate their accountability factors. Management stated that on April 19, 2004, Operations Program Support implemented an aggressive city delivery review addressing the findings identified in our report. The review is an ongoing part of the Operations Program Support Customer Service Analyst's activities, which includes observations at delivery units and coaching and training managers. As of June 4, 2004, this process was completed at 29 units and 11 are scheduled for review by July 9, 2004

### **Evaluation of Management's Comments**

Management's comments are responsive to recommendations 3, 4, and 5. We met with management on June 29, 2004, to address their disagreement to the report recommendations. As a result, we have revised the report sections to reflect findings at the three delivery units visited and not all of the delivery units in the Dallas District. Management's actions taken or planned should correct the issues identified in the finding.

## **Supervisors Not Effectively Using DOIS**

Delivery unit supervisors/managers did not effectively use DOIS to assist in managing office activities in the [REDACTED] delivery unit. Instead, supervisors/ managers used DOIS more as a reporting tool rather than using the system to manage the daily office delivery activities such as assigning carriers to routes and posting the DOIS estimated daily leaving schedules for carriers. They relied more on experience and personal knowledge to manage their units' daily delivery unit activities instead of the delivery information provided by DOIS. This occurred because supervisors/managers indicated they were not comfortable using DOIS in managing daily office activities and had not received any formal training using DOIS.

DOIS was designed to provide actionable data to the delivery unit supervisors/ managers to assist them in managing office activities, planning street activities, and managing route inspection and adjustment activities. In 2003, the Time and Attendance Collection System (TACS) and DOIS were integrated to provide a robust tool to build a solid, effective management foundation to manage daily business operations and reduce costs.

Supervisors indicated that they used DOIS to retrieve reports as needed but they were not comfortable using the system to manage daily office activities. Dallas District officials stated that the Associate Supervisor Program, a 16-week training program for candidates for first-line supervisory positions, does not contain DOIS training. However, they informed us that the district provides DOIS training to those individuals who have participated in the program.

Using DOIS information enables supervisors to improve management of office activities by providing a baseline of historic data to help them plan and determine how many hours carriers should need to deliver the daily mail volume for each carrier route.

## **Recommendation**

We recommend the Manager, Dallas District:

6. Develop and implement an integrated training process that includes teaching, coaching, and training of supervisors/managers in using DOIS to manage office activities.

## **Management's Comments**

Management agreed with the recommendation. Management stated that continued DOIS training is critical and as a result of our audit, they realized the Associate Supervisor Program did not include DOIS in their curriculum. Management stated that they have added DOIS training to the district curriculum and included the graduates from earlier classes. The Associate Supervisor Program Web based training was

conducted March 9, 10, 16, and 17, 2004. DOIS workshops took place on March 30 and 31, 2004, as well as April 21 and 22, 2004. In addition, management stated that all supervisors have been trained in DOIS procedures and they continue to provide refresher workshops. Operations Programs Support and senior management are continuing to provide on-site coaching.

### **Evaluation of Management's Comments**

Management's comments are responsive to the recommendation. Management's actions taken or planned should correct the issues identified in the finding.

We appreciate the cooperation and courtesies provided by your staff during our review. If you have any questions or need additional information, please contact Debra D. Pettitt, Director, Delivery and Retail, or me at (703) 248-2300.

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Deputy Assistant Inspector General  
for Operations and Human Capital

Attachment

cc: John A. Rapp  
Jack D. Weatherford  
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James E. Martinez  
Joseph K. Moore

## APPENDIX. MANAGEMENT'S COMMENTS

DISTRICT MANAGER  
DALLAS PERFORMANCE CLUSTER  
 UNITED STATES  
POSTAL SERVICE

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June 18, 2004

Kim H. Stroud  
Director, Audit Operations  
1735 N. Lynn St  
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**SUBJECT:** City Letter Carrier Office Preparation - Dallas District  
(Report Number DR-AR-04-DRAFT)

This is in response to the findings and recommendations identified in the OIG's City Letter Carrier Office Preparation Report in the Dallas District (Project Number 04WG001DR000) dated May 21, 2004.

### ACTIVITIES

The OIG's report reflects three units that were reviewed: [REDACTED]  
[REDACTED] We have addressed the findings and it is our position that the findings in the OIG report are not reflective of the overall City Delivery performance in the Dallas District. There may have been some isolated occurrences in one or two units, however the report reflects on all units.

The report contained six recommendations to be implemented to resolve noncompliance of critical City Delivery activities. Beginning the week of April 19, 2004, Operations Programs Support implemented an aggressive City Delivery Review, addressing the issues identified in the OIG's report. This review is ongoing and a part of Operations Programs Support Customer Service Analyst's (CSA) daily activities. CSA's visited units identified by the Manager Post Office Operation's and Customer Service Operations Managers to conduct observations and provided coaching and training to the Customer Service Managers. This process was completed in 29 units on June 4, 2004. An exit was conducted with Supervisors, Postmasters, Station Managers, MPOOs and CSOMs and accountability was assigned. Eleven units are currently scheduled for review and will be completed by July 9, 2004.

Operations Programs Support has been tasked with tracking and monitoring process compliance in City Delivery. This includes posting weekly scheduled CSA review results, notifying Operational Managers CSOMs/MPOOs, the Postmaster of Dallas and the District Manager. Findings are also posted on the

Dallas web page to ensure Managers at all levels are informed and able to track individual unit performance.

**OIG RECOMMENDATIONS**

**1. Disburse caseable mail to carriers' stations before they report for duty.**

**MANAGEMENT'S RESPONSE:**

We do not concur with the findings for the following reasons:

- ↓ The processes described are a part of the Southwest Area and the Dallas District requirements, as previously established, and illustrated in the training we provided to the OIG Audit team.
- ↓ We are unable to validate contentions because written reports lack specifics by office.
- ↓ Written report does not correspond with the verbal exits conducted by the OIG Audit team at each unit, or the District level.

Non-compliance of the F2B processes and procedures is dealt with by Senior Operations Managers.

**OIG RECOMMENDATIONS**

**2. Monitor carrier activities to ensure that mail is not withdrawn until supervisors record daily mail volumes.**

**MANAGEMENT'S RESPONSE:**

The process described is a part of the Southwest Area and Dallas District requirements, as previously established, and illustrated in the training we provided to the OIG Audit Team. In accordance with the F2B (city delivery) play, letter carriers are required to refrain from withdrawing mail until after it has been counted. Withdrawal of mail is scheduled and not done randomly at the carriers discretion.

We do not concur with the findings for the following reasons:

- ↓ The processes described are a part of the Southwest Area and the Dallas District requirements, as previously established, and illustrated in the training we provided to the OIG Audit team.
- ↓ We are unable to validate contentions because written reports lack specifics by office.
- ↓ Written report does not correspond with the verbal exits conducted by the OIG Audit team at each unit, or the District level.

**OIG RECOMMENDATIONS**

**3. Reemphasize and enforce the importance of appropriate office work activities to ensure carriers are prompt, courteous, and obliging in the performance of duties.**

**MANAGEMENT’S RESPONSE:**

The process described is a part of the Southwest Area and Dallas District requirements, as previously established, and illustrated in the training we provided to the OIG Audit team. In accordance with the M41, section 112.25, letter carriers are required to be prompt, courteous, and obliging in the performance of their duties. Attend quietly and diligently to work and refrain from loud talking and the use of profane language.

We do not concur with the findings for the following reasons:

- ↓ The processes described are a part of the Southwest Area and the Dallas District requirements, as previously established, and illustrated in the training we provided to the OIG Audit team.
- ↓ We are unable to validate contentions because written reports lack specifics by office.
- ↓ Written report does not correspond with the verbal exits conducted by the OIG Audit team at each unit, or the District level.

**OIG RECOMMENDATIONS**

**4. Use daily leave times as established in DOIS for carrier departures.**

**MANAGEMENT’S RESPONSE:**

The process described is a part of the Southwest Area and Dallas District requirements as previously established, and illustrated in the training we provided to the OIG Audit team. In accordance with District policy, the supervisors are required to utilize DOIS to help gauge carriers leaving times. To ensure compliance, this policy was reissued Friday June 18, 2004.

We do not concur with the findings for the following reasons:

- ↓ The processes described are a part of the Southwest Area and the Dallas District requirements, as previously established, and illustrated in the training we provided to the OIG Audit team.

- ↓ We are unable to validate contentions because written reports lack specifics by office.
- ↓ Written report does not correspond with the verbal exits conducted by the OIG Audit team at each unit, or the District level.

#### **OIG RECOMMENDATIONS**

**5. Require carriers to correctly clock out when office preparation activities are completed and before street activities begin.**

#### **MANAGEMENT'S RESPONSE:**

The process described is a part of the Southwest Area and the Dallas District requirements as previously established, and illustrated in the training we provided to the OIG Audit team. In accordance with the M41, letter carriers were re-instructed on office and street activities. A stand-up talk was given on Friday, June 18, 2004 in all units in the Dallas District.

We do not concur with the findings for the following reasons:

- ↓ The processes described are a part of the Southwest Area and the Dallas District requirements, as previously established, and illustrated in the training we provided to the OIG Audit team.
- ↓ We are unable to validate contentions because written reports lack specifics by office.
- ↓ Written report does not correspond with the verbal exits conducted by the OIG Audit team at each unit, or the District level.

#### **OIG RECOMMENDATIONS**

**6. Develop and implement an integrated training process that includes teaching coaching, and training of supervisors/managers in using DOIS to manage office activities.**

#### **MANAGEMENT'S RESPONSE**

- ↓ We agree that continued training in DOIS is critical. As a result of the OIG's audit, we realized the Associate Supervisor Program training did not include DOIS in their curriculum. We have since corrected that and

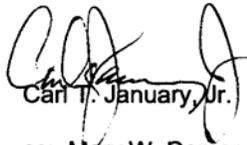
added it to our curriculum and included the graduates from earlier classes as well.

Associate Supervisor Program Web base training was conducted March 9, 10, 16, & 17, 2004. DOIS workshops were provided March 30 and 31, as well as April 21, and 22, 2004.

To date all Supervisors have been trained in DOIS procedures. We continue to provide refresher workshops. Operation Programs Support and the Senior Managers are continuing to provide on site coaching.

**IN CONCLUSION:**

It is our opinion that the offices visited were a very small sampling of our Customer Service Operations and do not reflect the performance of the entire District. We do appreciate the observations and take the recommendations constructively. We have used this opportunity to strengthen our compliance processes and validate our accountability factors.



Carl T. January, Jr.

cc: Mary W. Demory  
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