



June 5, 2006

VICTOR BENAVIDES
ACTING MANAGER, ALBUQUERQUE DISTRICT

SUBJECT: Management Advisory – Las Cruces,
New Mexico Delayed Mail
(Report Number DR-MA-06-001)

This management advisory presents the results of our review of allegations of delayed mail in Las Cruces, New Mexico (Project Number 06XS002DR000). The report is in response to a congressional request the U.S. Postal Service Office of Inspector General (OIG) received. Our overall objective was to evaluate allegations of delayed mail in Las Cruces, New Mexico, and determine whether management was taking action to correct the situation.

Results in Brief

Delayed mail existed from May 2005 until at least the time of our review in the Las Cruces Carrier Annex and the Main Post Office, causing customer complaints. Further, management had not taken timely action to correct the situation as of December 2005. District officials stated the delayed mail problem was continuing due to turnover of district management staff, insufficient facility staffing, and untimely response to recommendations in a management review. District officials visited Las Cruces during the OIG's December visit to address the congressional inquiry and discuss means to correct the delayed mail problem. District officials were confident they could correct conditions associated with delayed mail.

Even though management has developed plans to correct the delayed mail problems, we suggest district officials reduce the likelihood of the condition occurring in the future by establishing procedures to track and monitor the implementation of recommendations from management reviews. We also suggest management evaluate and respond timely to customer complaints.

Management agreed with our findings and suggestions. Management established a procedure to track and monitor the implementation of recommendations from management reviews and plans to conduct follow up reviews to evaluate corrective actions. Management also directed all managers/postmasters to investigate and respond to customer complaints in a timely manner and established a central tracking point for congressional inquiries. In addition to responding to our suggestions, management outlined specific actions taken to correct the Las Cruces delayed mail. Management's comments in their entirety are included in the appendix.

Background

In response to a November 2005, congressional inquiry, the OIG reviewed allegations of delayed and undelivered mail in Las Cruces, New Mexico. The congressman's letter specifically stated delayed mail resulted in businesses putting stop payments on undelivered, lost, or late checks; the Department of Labor levying fees for late reports that were posted on time; the need to reissue employee child support checks; contracting bids lost in the mail; and generally, lost and delayed mail (sometimes even taking 2 weeks within the state).

The Postal Service considers mail delayed when it is not processed or dispatched to meet its scheduled delivery date. Under normal circumstances, First-Class Mail should reach its destination anywhere within the continental U.S. within 3 business days.

The Albuquerque District conducted a Function 4 Review¹ of mail processing operations in Las Cruces over a 7-day period (May 17 through 23, 2005). The review identified 59 points for improvement, 42 of which concerned delayed mail. The review team observed delayed mail at both the

¹ A Function 4 Review is a review to improve the effectiveness of management and labor activities at the unit level.

carrier annex and main post office each day of the review period. In one instance, they observed mail dating back as far as October 2004. The review concluded delayed mail was due in part to inadequate staffing levels and inadequately trained staff to accomplish the workload. The review recommended managing workhours to workload, training supervisors to work preferred mail, working with the processing plant to improve mailflow, and reviewing staffing levels.

Objective, Scope, and Methodology

Our overall objective was to evaluate the allegations of delayed mail in Las Cruces and to determine whether management was taking action to correct the situation. To accomplish our objective, we visited postal facilities in Las Cruces, observed mail delivery preparation and operations practices at the main post office and the carrier annex, reviewed pertinent documentation and held discussions with unit and district officials, and attended a town hall meeting of city officials and customers. Because this was a limited scope review to verify the delayed mail allegation and actions taken by management to correct the problem, we relied primarily on observations, review of available documentation, and discussions with management to draw our conclusions. We also did not conduct tests of internal controls or rely on computer-generated data to support our report.

We conducted this review from December 2005 through June 2006 in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Inspections*. We discussed our observations and conclusions with management officials and included their comments where appropriate.

Prior Audit Coverage

We did not identify any prior audits or reviews related to the objective of this review.

Delayed Mail

Delayed mail existed during the time of our review in December 2005 at the Las Cruces Carrier Annex and the Main Post Office, causing customer complaints. Management had not taken timely action to correct the situation. This continuing problem was the result of turnover of district management staff, insufficient facility staffing, and untimely response to recommendations in a management

review. District officials addressed the congressional inquiry and corrective actions associated with delayed mail issues.

Las Cruces Carrier Annex

During our visit to the carrier annex on December 13, 2005, we observed mail that was delayed at least 1 day. For example, we found Priority and First-Class Mail on the annex dock dispatched after the critical period (8:00 a.m.) for processing and delivery on that day. We also observed tubs of bulk business mail tagged to be delivered no later than Wednesday; however, the mail was still in the facility as of 12:30 p.m. Wednesday.

We identified similar conditions on December 14, 2005. The station manager stated that on a daily basis, the carrier annex received 15 to 30 feet of Delivery Point Sequenced² rejected mail from the plant that employees had to manually sort. The station manager further stated that the volume of mail requiring manual sorting, coupled with the lack of adequate staff, made it difficult to process the mail in time for carrier deliveries.

Las Cruces Main Post Office

We observed mail processing at the main post office on December 14, 2005, during tour 3³ — the peak of the holiday season. We observed what seemed to be a heavy mail volume and questioned whether management had hired additional employees to help with the heavier mail volume. The supervisor acknowledged this was an ongoing problem and stated tour 3 had 19 employees 2 years ago, but now had only 12. He also estimated that the main post office was processing close to 63 percent more mail than it did 2 years ago.⁴

Additionally, the supervisor stated the district did not replace a “flats” sorter machine because they believed flats could be better handled at the processing plant. As a result, employees manually sorted flats arriving at the main post office.

² Delivery Point Sequencing is the process of getting barcoded mail into the carrier’s Line of Travel so the carrier can deliver it without manual sorting before going to the street.

³ Tour 3 is from 4:00 p.m. to 1:00 a.m. Outgoing mail is processed on this tour.

⁴ Per district management, Las Cruces had 2,000 new residents during calendar year 2005.

The OIG noted that the district's Function 4 Review mentioned both staffing and equipment issues as areas needing improvement.

Albuquerque District Management

The Albuquerque District manager and the Las Cruces manager, Post Office Operations, had been in place since August 2005. However, they had not corrected the delayed mail problems identified in the May 2005 Function 4 Review. According to the district manager, staff at the district level had been constantly changing and continuity of information, such as that reported in the Function 4 Review, was not always communicated to new management staff. In addition, management stated they were not aware of major complaints with delayed mail at Las Cruces until receipt of the November 2005 congressional inquiry, as they lacked an effective system to monitor complaints and identify trends in the district.

District officials stated there were two main issues causing mail delays in Las Cruces — mailflow and staffing. The district manager informed us they were taking a number of actions to correct the problem. Specifically, the district was in the process of updating their agreement with the Albuquerque Processing Plant, which should correct the majority of the mail sorting problem. Additionally, the district requested that the El Paso Processing Plant use larger trucks to transport mail to the Las Cruces facilities to ensure timely receipt. Finally, the district planned to hire eight additional employees to address staffing issues.

District officials also informed us the Southwest Area established a third-party contractor to evaluate mail processing in Las Cruces to isolate other potential issues they need to address.

Town Hall Meetings with City Officials and Customers

City officials voiced complaints about delayed mail and untimely response to customers' complaints. Specifically, we attended a town hall meeting where the Las Cruces City manager and other mailers highlighted numerous mail delivery problems. The Las Cruces City manager discussed instances where mail took as long as 6 days to get to a Las Cruces address from a Las Cruces Post Office. City Council members also expressed concerns that people were experiencing problems when calling the post office with

complaints. Customers waited 10 minutes to talk to supervisors only to have calls disconnected with no return phone calls.

The Las Cruces postmaster and the Albuquerque district manager of Post Office Operations attended the town hall meeting. They addressed customers' complaints⁵ and provided information on operational changes in mail processing that have addressed, or will address, delayed mail delivery.

Suggestion	<p>We suggest the acting manager, Albuquerque District:</p> <ol style="list-style-type: none"> 1. Establish procedures to track and monitor the implementation of recommendations from management reviews.
Management's Comments	<p>Management agreed with the finding and suggestion. Management stated the district established a procedure to track and monitor the implementation of recommendations from management reviews on February 28, 2006. Management further stated that the district department that conducted the initial review owns the process. Management also stated each department will conduct follow-up reviews to determine if implementation of the necessary corrections to the operations occurred. In addition, management stated they will send follow-up reports to the Post Office Operations manager and copies to the district manager.</p>
Suggestion	<ol style="list-style-type: none"> 2. Direct all managers to evaluate and investigate customer complaints timely, in accordance with Management Instruction PO-160-2002-1, <i>Complaint Resolution and Proper Use of Notice 4314-C, We Want To Know</i>.
Management's Comments	<p>Management agreed with the finding and suggestion. Management directed all managers/postmasters on January 5, 2006, to investigate and respond to customer</p>

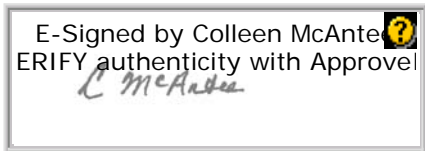
⁵ Postal Service policy states that management should review and respond to customer complaints and maintain a log of those complaints (see Management Instruction PO-160-2002-1, *Complaint Resolution and Proper Use of Notice 4314-C, We Want To Know*, dated April 26, 2002).

complaints in a timely manner. Management also established a central tracking point for congressional inquiries at the same time.

Evaluation of Management's Comments

Management's comments are responsive to our findings and suggestions 1 and 2 and their actions taken should correct the issues identified in the report.

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

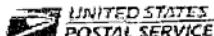


Colleen A. McAntee
Deputy Assistant Inspector General
for Core Operations

cc: William P. Galligan
Ellis A. Burgoyne
Steven R. Phelps

APPENDIX. MANAGEMENT'S COMMENTS

District Manager
Customer Services and Sales



May 25, 2006

Memorandum for: Kim H. Stroud
Director Audit Reporting
1735 North Lynn Street
Arlington, VA 22209-2020

Subject: Draft Management Advisory – Las Cruces NM Delayed Mail
(Report Number DR-MA-06-DRAFT)

The Albuquerque District has reviewed the Draft Management Advisory concerning the review of Las Cruces delayed mail. We do agree that there was delayed mail at the Las Cruces Main Post Office as well as the Las Cruces Carrier Annex resulting in customer complaints and service decline.

Following are the actions taken to correct the situation:

- Red Tag/Red Tray SOP established December 20, 2005 to identify local originating/destinating mail.
- National Color Code Policy Training provided to all EAS and 204-B employees from December 28, 2005 – January 6, 2006.
- The floor plan at the Main Office was reconfigured to provide a more efficient mail flow, completed January 2, 2006
- All rejects are being processed immediately began December 20, 2006.
- Planet code testing began on December 28, 2005 to provide an analysis and to track failures, trends and problem areas.
- A Delayed Mail Tracking binder was started to document any and all delayed incoming mail volumes and to notify the sending offices. This was completed/implemented January 9, 2006.
- A Tour-Turn-Over Binder was created January 2, 2006 to track and document significant observations, employee events, issues and/or anything that would impact any tour.

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- A consumer advisory council was established for Las Cruces with the final screening and selection of member on 04/28/06. The first meeting is scheduled for 05/23/06.

Recommendation:

Establish procedures to track and monitor the implementation of recommendations from management reviews:

Response:

The District established a procedure to track and monitor the implementation of recommendations from management reviews on February 28, 2006. This process is owned by the district department that conducted the initial review. Each department is tasked with conducting follow up reviews to determine if the necessary corrections to the operations have been implemented. Follow up reports are to be sent to the Post Office Operations Manager and copy to the District Manager.

Recommendation:

Direct all managers to evaluate and investigate customer complaints timely, in accordance with management Instruction PO-160-2002-1, *Complaint resolutions and proper use of notice 4314-C, We Want To Know.*

Response:

All Managers/Postmasters were directed to investigate and respond to customer complaints in a timely manner on January 5, 2006. A central tracking point for congressional inquiries was established for the Albuquerque District at the same time.



Victor Benavides
A/District Manager