



Office of Inspector General | United States Postal Service

Management Alert

Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center

Report Number 21-071-R21 | March 10, 2021



Table of Contents

- Cover
- Transmittal Letter 1
- Results..... 2
 - Introduction..... 2
 - Conclusion 2
 - Facilities Capacity Issues 2
 - Recommendation #1 5
 - Recommendation #2 5
 - Limited Visibility into Drop Shipment Conditions 5
 - Recommendation #3 6
- Management’s Comments 6
- Evaluation of Management’s Comments 7
- Appendix A: Management’s Comments..... 8
- Contact Information 11

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

March 10, 2021

MEMORANDUM FOR: DANE COLEMAN
VICE PRESIDENT, REGIONAL PROCESSING
OPERATIONS EASTERN

SCOTT TOSCH
DIRECTOR, LAKESHORE DIVISION
PROCESSING OPERATIONS

A handwritten signature in cursive script that reads "Melinda M. Perez".

FROM: Melinda Perez
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Management Alert – Excessive Wait Times to Accept
Commercial Mail Shipments at the Cleveland Processing &
Distribution Center (Report Number 21-071-R21)

This management alert presents issues identified in our review of Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center (P&DC) (Project Number 21-071). This alert responds to media and mailer concerns indicating that drivers experienced excessive wait times for drop shipments at the Cleveland P&DC. Our objective was to assess the U.S. Postal Service's efficiency of processing drop shipments at the Cleveland P&DC.

We appreciate the cooperation and courtesies provided by your staff. If you have questions or need additional information, please contact Carmen Cook, Director, Transportation, or me at 703-248-2100.

Attachment

cc: Postmaster General
Vice President, Processing and Maintenance Operations
Vice President, Logistics
Vice President, Controller
Director, Eastern Region Logistics
Director, Lakeshore Division Logistic
Plant Manager, Cleveland Processing and Distribution Center
Corporate Audit Response Management

Results

Introduction

Due to the COVID-19¹ pandemic and the November 2020 general election, the U.S. Postal Service's Cleveland Processing and Distribution Center (P&DC) experienced earlier than normal Peak Season mail, including package volume. This management alert responds to media and mailer concerns indicating that drivers experienced excessive wait times for drop shipments at the Cleveland P&DC. Our objective was to assess the efficiency of processing drop shipments at the Cleveland P&DC in the Northern Ohio District.

“We found delayed mail processing operations and limited employee availability resulted in facility capacity issues, which further resulted in inefficiencies and delays in processing drop shipments at the Cleveland P&DC.”

The Postal Service processes mail in its processing facilities from two sources: mail accepted by delivery and retail units² and mail accepted from commercial mailers.³ Commercial mailers often drop mail at Postal Service plants using their own or contracted vehicles, referred to as drop shipments.

Commercial mailers use an electronic system called the Facility Access and Shipment

Tracking (FAST) system to schedule appointments at a postal facility to enter mail into the mailstream for processing. FAST allows the Postal Service to collect

and monitor data about drop shipments and communicate mail conditions to stakeholders.

Conclusion

We found delayed mail processing operations and limited employee availability resulted in facility capacity issues, which further resulted in inefficiencies and delays in processing drop shipments at the Cleveland P&DC. The Postal Service implemented mitigating operations by limiting incoming mail drop shipments through temporary redirects to the Pittsburgh P&DC. However, Cleveland P&DC management did not communicate the need for a redirect to Postal Service Headquarters timely and, once management implemented the temporary redirect, it was not recorded accurately in the FAST system. Furthermore, Surface Visibility⁴ data did not reflect reported drop shipment delay conditions; therefore, media and mailer concerns about excessive wait times could not be substantiated.

Facilities Capacity Issues

We observed gridlock conditions at the Cleveland P&DC on December 11, 2020, via Closed-Circuit Television (CCTV) system footage and during our site visits on December 15 and 16, 2020. Specifically, the plant experienced issues accepting additional mail, including drop shipments, because previously accepted mail had reached the dock doors (see [Figure 1](#)). Cleveland P&DC capacity issues also made it difficult for employees to move mail handling equipment around the workroom because of the congestion (see [Figure 2](#)).

1 The President of the United States issued the national emergency declaration concerning the novel Coronavirus disease outbreak (COVID-19) on March 13, 2020.
2 This includes all types and classes of mail (e.g., First Class, Priority, Express, letter, parcel, etc.).
3 Mail from commercial mailers usually consists of catalogues, letters, parcels, and flats.
4 Provides management with real-time network information.

Figure 1. Cleveland P&DC Dock Area on December 11, 2020



Source: The Office of Inspector General (OIG) observed P&DC dock area conditions on December 11, 2020, through Postal Service CCTV systems.

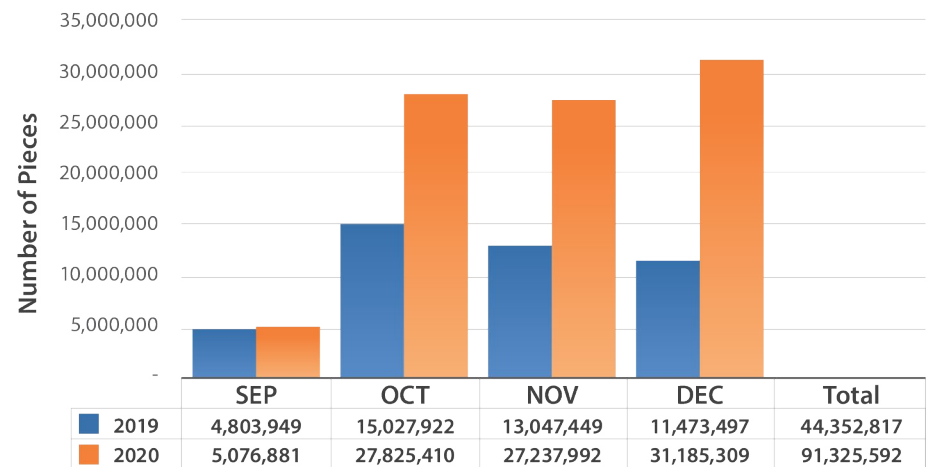
Figure 2. Cleveland P&DC Main Hallway



Source: OIG photograph of facility conditions taken on December 15, 2020.

Delayed mail processing operations along with limited employee availability resulted in facility capacity issues. We reviewed the Postal Service’s Mail Condition Visualization⁵ system and determined the Cleveland P&DC experienced an increase in delayed mail inventory from September 19 through December 25, 2020, compared to the same period last year. Specifically, delayed mail inventory increased from 44 million pieces during this period in 2019 to 91 million pieces (106 percent increase) during the same period in 2020 (see Figure 3).

Figure 3. Delayed Mail Inventory Comparison



Source: Mail Condition Visualization within Informed Visibility.

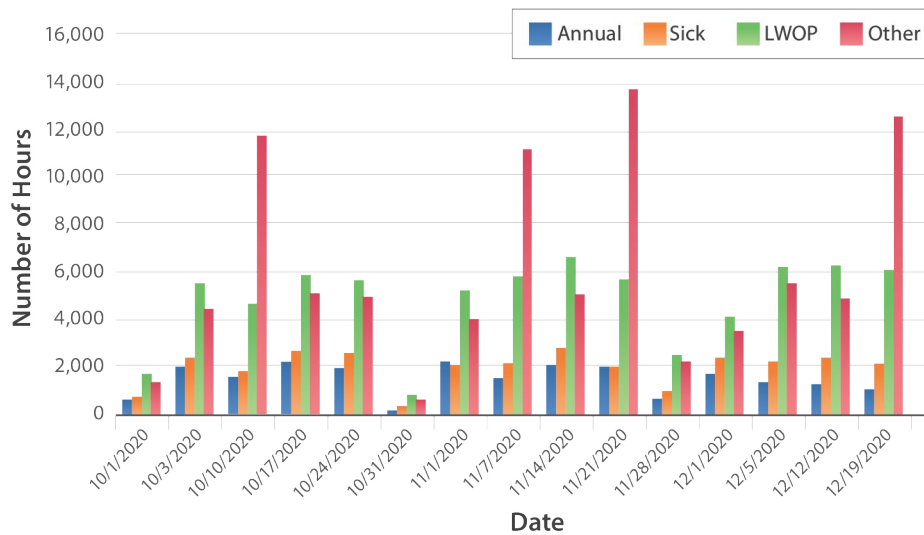
Furthermore, from October through December 2020, employee availability ranged from 73 to 80 percent (compared to 79 to 85 percent during the same time the previous year), with “Other” being the most significant category of leave taken (see Figure 4).⁶ The “Other” leave category can include holiday, military, and certain types of COVID-19 leave. In addition, Cleveland P&DC management was only able to hire 127 of the planned 259 (49 percent) seasonal mail handler assistants during this time period.⁷

⁵ An application within Informed Visibility to provide near real-time visibility of a facility’s delayed mail volumes.

⁶ We used October 1, 2020, as the starting point of this figure because Informed Visibility only allows data pulls two operational periods before the current period.

⁷ Seasonal mail handler assistants assist with loading, unloading, and moving mail.

Figure 4. Number of Leave Hours Taken at the Cleveland P&DC from October 1 to December 25, 2020



Source: Informed Visibility.

The Postal Service took mitigating actions to help alleviate the strained operating conditions; however, Cleveland P&DC management did not seek approval for a redirect from Postal Service Headquarters timely because local management was unaware of when to request a redirect. Specifically, even though the Cleveland P&DC was showing almost double the amount of delayed mail inventory compared to the previous year as early as October 2020, Postal Service local management did not request a redirect from Postal Service Headquarters

until December 8, 2020. Once the request was received, Postal Service Headquarters announced a temporary redirect of drop shipments involving only letter mail through an Industry Alert⁸ on December 9, 2020. While the Cleveland P&DC would continue to accept catalogs, parcels, and flats, the redirect instructed mailers who normally drop letter mail at the Cleveland P&DC to drop it off at the Pittsburgh P&DC. The temporary redirect was scheduled to end December 15, 2020, but on December 11, 2020, Postal Service management decided to extend it through December 26, 2020.

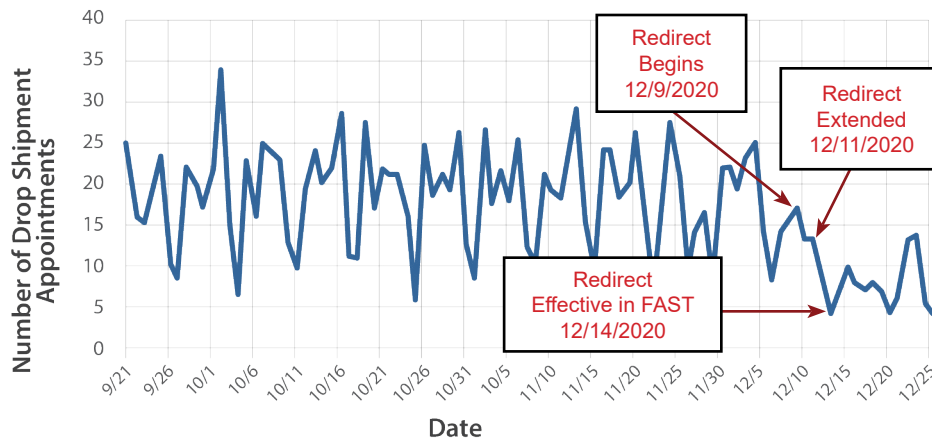
In addition, once the redirect was announced, the Cleveland P&DC FAST coordinator⁹ entered the wrong effective date in FAST. Instead of entering December 9, 2020, the FAST coordinator mistakenly entered December 14, 2020 — a five-day difference. We reviewed the FAST system and determined that although the number of appointments decreased during the redirect, mailers continued to make drop ship appointments and facility management continued to accept the mail (see Figure 5).

“Specifically, even though the Cleveland P&DC was showing almost double the amount of delayed mail inventory compared to the previous year as early as October 2020, Postal Service local management did not request a redirect from Postal Service Headquarters until December 8, 2020.”

⁸ Industry alerts inform industry stakeholders about important information regarding Postal Service webinars, promotions, products, and other news.

⁹ Manages the appointment process, monitors general drop shipment compliance by shippers, and ensures irregularities are properly recorded. The FAST coordinator is required to enter mitigation techniques, such as redirects, into FAST.

Figure 5. Number of Drop Shipment Appointments at the Cleveland P&DC



Source: FAST.

In the instance where drop shippers transported mail other than letters, those trucks could still be accepted into the Cleveland P&DC and all mail on the truck would be accepted and processed into the facility. Therefore, the redirect did not eliminate all drop shipment appointments or the acceptance of mail but did reduce them.

These conditions resulted in the significant back-up of drop shipments by commercial mailers and put the Postal Service’s brand, reputation, and customer loyalty at risk. We plan to conduct future nationwide audit work in this area.

“These conditions resulted in the significant back-up of drop shipments by commercial mailers and put the Postal Service’s brand, reputation, and customer loyalty at risk.”

Recommendation #1

We recommend the **Vice President, Regional Processing Operations Eastern**, in conjunction with the **Director, Lakeshore Division Processing Operations**, develop, document, and implement timely mitigation plans when processing indicators identify the facilities processing capabilities are being compromised.

Recommendation #2

We recommend the **Vice President, Regional Processing Operations Eastern**, in conjunction with the **Director, Lakeshore Division Processing Operations**, implement internal control checks ensuring employees accurately report effective start and end dates of mitigation techniques in the Facility Access and Shipment Tracking system and reinforce compliance through written communication.

Limited Visibility into Drop Shipment Conditions

Surface Visibility data did not reflect the reported drop shipment delay conditions. We reviewed Surface Visibility data and found no indications of transportation delays at the Cleveland P&DC and could not substantiate media and mailer concerns indicating that drivers experienced excessive wait times at the P&DC. However, the Postal Service’s CCTV systems reflected transportation delays (see Figure 6).

Figure 6. Trucks Waiting to be Unloaded at the Cleveland P&DC on December 11, 2020



Source: OIG observed tractor trailers waiting outside the Cleveland P&DC on December 11, 2020, through Postal Service CCTV systems.

Surface Visibility data, site observations, and interviews with plant personnel revealed that due to facility conditions, Cleveland P&DC expeditors¹⁰ did not follow policy to properly record truck arrival times for drop shipments. Specifically, the expeditor recorded unload time as arrival time at the dock door. However, according to Postal Service policy,¹¹ truck arrival times are the times trucks enter the P&DC yard and truck unload times depend on the drop shipment appointment:

- If a truck arrives on time for the appointment, the recorded unload time should be the scheduled appointment time or when the truck is docked, whichever is first.
- If the truck is early for the appointment, the recorded unload time should be the scheduled appointment time or when the truck is unloaded, whichever is first.
- If the truck is late for the appointment, the recorded unload time should be when the truck is unloaded.

“Data in Surface Visibility did not reflect actual arrival times and Postal Service management was unable to determine the true operating conditions at the Cleveland P&DC.”

As a result, data in Surface Visibility did not reflect actual arrival times and Postal Service management was unable to determine the true operating conditions at the Cleveland P&DC. For example, on December 11, 2020, Surface Visibility data reported trucks arrived at the facility and were assigned a dock within two minutes for all seven accepted drop shipments. The Surface Visibility data did not match media and mailer concerns of extensive driver wait times or the trucks waiting outside of the facility shown from the CCTV footage in [Figure 6](#).

¹⁰ The expeditor or dock clerk is responsible for recording the truck arrival times in the Daily Appointment Tracking Sheet for drop shipment appointments.

¹¹ Publication 804, Section 6-3.2.

This discrepancy highlights the fact that the Postal Service could be at risk of making decisions based on inaccurate data.

Recommendation #3

We recommend the **Vice President, Regional Processing Operations Eastern**, in conjunction with the Director, Lakeshore Division Processing Operations, reinforce through formal communication and refresher training the recording of drop shipment data in the Surface Visibility system in accordance with Postal Service policy.

Management’s Comments

Management partially agreed with recommendation 1, disagreed with recommendation 2, and agreed with recommendation 3. Management also disagreed that the Cleveland P&DC experienced gridlock conditions in October and expressed that it experienced delayed volume due to the unprecedented increase in package volume the COVID-19 pandemic and the holiday shipping season caused. See [Appendix A](#) for management’s comments in their entirety.

Regarding recommendation 1, management partially agreed and stated that the Postal Service routinely uses various site-specific options, including redirects, to expand processing capabilities. The Director, Lakeshore Division Processing Operations, agreed to communicate to Cleveland P&DC management the processes available when conditions require mitigation. Management will provide a copy of this communication to the OIG with a target implementation date of March 31, 2021.

Regarding recommendation 2, management disagreed and stated that a series of unique events culminated in the delay of the redirect entry in the FAST system. Management also stated that the redirect was not initially input into FAST due to its short duration of less than one week; however, once the redirect was extended, the information was entered into FAST. Further, redirects take one business day to process in FAST, but an error was identified in the FAST system resulting in the delay of processing the Cleveland P&DC entry by an additional day.

Regarding recommendation 3, management agreed and stated that the Director, Logistics, Lakeshore will reiterate the importance and communicate the requirement to management at the Cleveland P&DC to establish refresher training related to drop shipment data in the Surface Visibility system. The target implementation date is March 31, 2021.

Evaluation of Management's Comments

We consider management's comments responsive to recommendations 1 and 3 and the corrective actions should resolve the issues identified in the report. We consider management's comments nonresponsive to recommendation 2.

Regarding management's comments about the Cleveland P&DC experiencing gridlock conditions as early as October 2020, the OIG based this conclusion on site visit observations and data similarities in Surface Visibility during that timeframe. However, we understand management's concern and modified the language in the final report.

Regarding management's comments about the unprecedented volume caused by COVID-19 and the holiday season, although the scope of this project was limited to a specific time frame during 2020 and the same period of the previous year for

comparison; we agree package volume has remained higher than pre-pandemic levels. We considered package volume as part of mail volume and clarified this in the report.

Regarding recommendation 2, although management explained the unique events impacting the redirect start date entered into FAST, without updating FAST or taking an alternative effective action, the Postal Service would be unable to effectively communicate with mailers about redirects, placing redirects at risk of being ineffective. Further, we could not locate Postal Service policy stating that redirects of less than a week are not entered into FAST. We view the disagreement on recommendation 2 as unresolved and will work with management through the audit resolution process.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendix A: Management's Comments



March 3, 2021

JOSEPH E. WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: USPS Management Response to OIG Management Alert - Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing and Distribution Center (Project Number 21-071)

Thank you for the opportunity to respond to the Office of Inspector General (OIG) management alert/performance audit of "Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing and Distribution Center".

Management disagrees with the assumption made in the report that the Cleveland Processing and Distribution Center (P&DC) was "... experiencing gridlock conditions as early as October 2020, ...". This assumption appears to be based upon a presumed correlation between gridlock conditions and delayed mail. This does not take into consideration relative sizes of the mail volumes involved or the availability of transportation to service the delayed volumes. Gridlock is a condition resulting from bulk containers taking up excessive space in a facility and restricting the movement within the facility. Delayed volumes can present different space requirements depending upon the type of mail. For example, several hundred letters can be staged in the same space as a single Priority Mail package. Also, delayed conditions can exist due to processing lateness which is cleared within a short timeframe, as opposed to transportation deficiencies as existed during December. The Cleveland Processing and Distribution Center was not gridlocked in October 2020 as implied in this audit.

Although not mentioned in the audit report, the Postal Service in general, and the Cleveland P&DC in particular, experienced unprecedented increases in package volume as a result of the COVID-19 pandemic and the increase during the holiday shipping season. In addition, the pandemic reduced employee availability, further impacting our ability to manage these increased volumes.

Management partially agrees with recommendation #1, disagrees with recommendation #2, and agrees with recommendation #3, as outlined in the audit, per the responses below. Details of the FAST issue are included in management's response to recommendation #2, below. We also want to clarify that redirections are advisory and not mandatory. USPS encourages mailers to comply with a temporary redirection as soon as possible. Mailers have the option to comply with a redirect if possible. Shipments already in transit and mixed loads may not be divertible and must be received, as we cannot refuse the mail in part or in whole. Employees at both facilities (Cleveland P&DC and Pittsburgh P&DC) were notified of the optional redirection and the need to accept, not refuse, any mail. Even when the redirection was input into

FAST, it remained an optional redirection and allowed mailers to schedule an appointment at either facility.

Recommendation #1

We recommend the Vice President, Regional Processing Operations Eastern, in conjunction with the Director, Lakeshore Division Processing Operations, develop, document, and implement timely mitigation plans when processing indicators identify the facilities processing capabilities are being compromised.

Management Response/Action Plan

Management partially agrees with this recommendation. The Postal Service routinely uses various site-specific options to expand processing capabilities. This includes, but is not limited to, utilizing annexes and offloads as part of our mitigation plan. We have reiterated to the facility managers that the use of the redirect option - a request that mailers dropship to other locations - is another tool to help alleviate gridlock conditions. To request closure of this recommendation, the Director, Lakeshore Division Processing Operations, will communicate to management at the Cleveland P&DC the processes available to use when conditions require. A copy of this communication will be provided to OIG.

Target Implementation Date

March 31, 2021

Responsible Official

Director, Lakeshore Division Processing Operations

Recommendation #2

We recommend the Vice President, Regional Processing Operations Eastern, in conjunction with the Director, Lakeshore Division Processing Operations, implement internal control checks ensuring employees accurately report effective start and end dates of mitigation techniques in the Facility Access and Shipment Tracking system and reinforce compliance through written communication.

Management Response/Action Plan

Management disagrees with this recommendation. A series of unique events culminated in the delay of the redirection entry in the FAST system for the Cleveland P&DC. The Operations group at Postal Headquarters, which is responsible for the redirection inputs to FAST, initially distributed the notification for a temporary redirection of DADC/DSCF Letters from Cleveland P&DC to Pittsburgh P&DC via an Industry Alert

on December 9, 2020. At that time, Cleveland was expected to resume operations on December 15, so the redirection information was not submitted in FAST due to the short duration. However, on December 11, an updated Industry Alert was distributed to extend the redirection until December 22. At that time, because the redirection exceeded one week, the redirection was entered into FAST. Although the redirection was entered on Friday, December 11, the data was not processed by the FAST system until the next business day, on Monday, December 14. An error was identified in the FAST system on that date, requiring corrections to the program coding on Tuesday, December 15, resulting in the delay of processing of the Cleveland entry. As a result, the redirection files were generated on Wednesday, December 16 in FAST to allow appointment scheduling based on the redirects.

Recommendation #3

We recommend the Vice President, Regional Processing Operations Eastern, in conjunction with the Director, Lakeshore Division Processing Operations, reinforce through formal communication and refresher training the recording of drop shipment data in the Surface Visibility system in accordance with Postal Service policy.

Management Response/Action Plan

Management agrees with this recommendation and has implemented it by reiterating Standard Work related to drop shipment data in the Surface Visibility system. To request closure of this recommendation, the Director, Logistics, Lakeshore will communicate to management at the Cleveland P&DC the requirement to provide refresher training. A copy of this communication will be provided to OIG.

Target Implementation Date

March 31, 2021

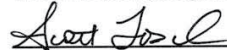
Responsible Official

Director, Logistics, Lakeshore Division

Dane A. Coleman

Digitally signed by Dane A. Coleman
Date: 2021.03.03 14:14:46 -05'00'

Dane Coleman
Vice President, Regional Processing Operations Eastern



Scott Tosch
Director, Lakeshore Division Processing Operations

cc: Manager, Corporate Audit & Response Management

OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

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

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

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