



AUDIT REPORT

Mail Delivery and Customer Service Operations – West Milwaukee Branch, Milwaukee, WI

March 16, 2021



Report Number 21-087-R21



March 16, 2021

MEMORANDUM FOR: EDDIE N. MASANGCAY
MANAGER (A), LAKELAND DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is centered below the "MEMORANDUM FOR" section.

FROM: Sean Balduff
Director, Delivery and Retail Response Team

SUBJECT: Audit Report – Mail Delivery and Customer Service
Operations – West Milwaukee Branch, Milwaukee, WI
(Report Number 21-087-R21)

This report presents the results of our audit of Mail Delivery and Customer Service Operations – West Milwaukee Branch, Milwaukee, WI.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jennifer Schneider, Operational Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Vice President, Delivery Operations
Vice President, Retail & Delivery Operations, Central Area

Background

This report presents the results of our self-initiated audit of Mail Delivery and Customer Service Operations at the West Milwaukee Branch in Milwaukee, WI (Project Number 21-087). The West Milwaukee Branch is in the Lakeland District of the Central Area. This audit was designed to provide U.S. Postal Service management with timely information on potential scanning and mail delivery risks at the West Milwaukee Branch.

The delivery unit has 88 city routes, delivered by 100 full-time carriers and 12 city carrier assistants. The West Milwaukee Branch also has 11 clerks, including 10 full-time and one postal support employee. We chose the West Milwaukee Branch based on the number of stop-the-clock¹ (STC) scans occurring at the delivery unit.

Objective, Scope, and Methodology

Our objective was to evaluate select mail delivery and customer service operations and determine whether internal controls were effective at the West Milwaukee Branch in Milwaukee, WI.

To accomplish our objective, we reviewed delivery metrics including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, distribution up-time,² and carriers return to office time. During our site visit on January 26-28, 2021, we reviewed unit safety and security procedures, mail conditions, Voyager credit card and arrow lock key³ security procedures, and COVID-19 safety procedures. We analyzed the scan status of mailpieces at the carrier cases and in the "Notice Left"⁴ area and interviewed unit management and employees.⁵

We conducted this audit from January through March 2021, in accordance with generally accepted government auditing standards. 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. We discussed our observations and conclusions with management on February 19, 2021 and included their comments where appropriate.

¹ 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", "No Access", and "Business Closed".

² Time of day that clerks have completed distributing mail to the carrier routes after it has arrived from the processing center.

³ 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 lock keys are accountable property and subject to strict controls.

⁴ The area of a postal facility where letters or packages that the carriers were unable to deliver are stored for customer pickup.

⁵ The city carriers we interviewed had from one to 22 years of service.

We relied on computer-generated data from the Product Tracking and Reporting (PTR). Although we did not test the validity of controls over this system, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, and interviewing Postal Service officials knowledgeable about the data. Therefore, we determined the data were sufficiently reliable for the purposes of this report.

Finding #1: Package Delivery Scanning

Delivery unit employees improperly scanned 6,715 packages at the unit rather than at the delivery point between September and November 2020 (see Table 1). These STC scans were being performed for multiple addresses by multiple employees.

Table 1. STC Scans at Delivery Unit

September	October	November	Total
1,921	2,446	2,348	6,715

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of the Postal Service's PTR system data.

Further analysis of scan data for these packages showed multiple instances where packages were scanned in batches at the same time. We also found that many of the scans at the unit were completed by supervisors who had been instructed by prior management⁶ to scan all packages as "Delivered" prior to 8:00 p.m. each night. Supervisors were instructed to access the Package Manifest List from the Regional Intelligent Mail Servers system to identify packages that had not been delivered prior to 8:00 p.m. They would then scan the packages "Delivered" either by manually entering the tracking number into the scanner or scanning a barcode generated from an online program.

We also conducted on-site observations at the unit the morning of January 26, 2021, before the carriers arrived for the day. During our observations, we judgmentally selected 60 packages (30 from the carrier cases and 30 from the "Notice Left" area) to review and analyze their scanning and tracking data. Of the 60 packages we reviewed, 18 of the 30 packages from the carrier cases (60 percent) and 14 of the 30 packages in the "Notice Left" area (47 percent) were missing an STC scan or had improper scans. Specifically:

- Eighteen packages (six from the carrier cases and 12 in the "Notice Left" area) had a "Delivered" scan. A "Delivered" scan should only be made when a package is successfully left at the delivery address. Ten of the packages in the "Notice Left" area were destined for Post Office (PO) Box addresses and were scanned as "Delivered, PO Box" but were not placed in the customers' PO Boxes. Packages that cannot fit into the PO Box or parcel locker should be scanned "Attempted".

⁶ The current Manager, Customer Service, has been detailed to the unit since November 2020, while the previous Manger, Customer Service, is currently detailed to the Lakeland District.

- Eight packages from the carrier cases were scanned “No Access” away from the delivery address and five of these were scanned at the West Milwaukee Branch.
- Four packages from the carrier cases did not have an STC scan to inform the customer of the reason for non-delivery. All packages should receive an STC scan at the time of attempted delivery.
- Two packages in the “Notice Left” area were scanned “No Secure Location Available” at the West Milwaukee Branch, rather than at the delivery point.

Further we observed eight packages⁷ in the “Notice Left” area that should have been returned to sender.⁸ These packages ranged from six to 33 days past their return dates.

These package scanning issues occurred because management did not adequately monitor scan performance. Management stated their primary focus was getting mail delivered and they were often short staffed. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,⁹ which includes scanning packages at the time and location of delivery.¹⁰

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 potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand.

Recommendation #1: We recommend the **District Manager, Lakeland**, instruct **management at the West Milwaukee Branch** to provide training to carriers and supervisors on proper scanning procedures.

⁷ This includes two of the 18 packages cited as scanned delivered in the first bullet above.

⁸ *Notice Left and Return Guidelines* dated July 2007, states that domestic packages should be returned to sender on the 15th calendar day and international packages should be returned to sender on the 30th calendar day after a notice is left.

⁹ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁰ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Recommendation #2: We recommend the **District Manager, Lakeland**, instruct **management at the West Milwaukee Branch** to ensure that employees follow standard operating procedures for scanning and handling packages, and periodically review and monitor scan data for compliance.

Finding #2: Safeguarding of Assets

West Milwaukee Branch management did not properly manage and safeguard Postal Service assets including arrow lock keys and mail delivery vehicles.

Arrow Lock Keys

On the morning of January 26, 2021, we reviewed the unit's inventory log for arrow lock keys and conducted a physical inventory of keys at the unit. One of the 88 keys on the inventory log was missing and two keys we found were not included on the inventory log. In addition, the keys were kept inside the registry cage, which was often left open and unattended throughout our visit.

This condition occurred due to insufficient management oversight. Specifically, there are times when a supervisor or clerk is not available to assign keys to the carriers. During these times, the carriers are allowed to obtain their keys from the registry cage without signing them out.

According to Postal Service policy,¹¹ management must keep an accurate inventory of all keys and conduct a semiannually physical survey of all building keys. Further, Postal Service policy¹² states that keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out or using a "key check" system to receive keys. Insufficient oversight of arrow lock keys increases the risk of mail theft.

Delivery Vehicles

Employees did not always lock and secure delivery vehicles. We inspected 88 unattended vehicles on the morning of January 26, 2021 and found 56 (64 percent) were not locked and secured as required. In addition, we found mail in two unlocked vehicles. Specifically, one vehicle had 45 letters; three flats; three packages; and six outgoing collection pieces and the other had one tub of mixed letters and flats and one tub of outgoing collection mail (see Figure 1).

¹¹ Administrative Support Manual Issue 13, Sections 273.461 and 273.464, July 1999 - updated through January 31, 2021.

¹² Administrative Support Manual Issue 13, Section 273.461 July 1999 - updated through January 31, 2021 and Postal Operations Manual Issue 9, Sections 633.51 and 633.52, July 2002 - updated through January 31, 2021.

Figure 1. Delayed Mail Found in Unlocked Vehicles



Source: OIG photos taken on January 26, 2021.

These conditions occurred because unit management did not ensure carriers were securing and locking their vehicles at the end of the day and were not following the PM Verification of Activity Checklist. This checklist requires supervisors to verify that vehicles are free of mail and trash and are locked and secure. When vehicles are left unlocked, there is an increased risk that they could be vandalized or stolen.

Recommendation #3: We recommend the **District Manager, Lakeland**, instruct **management at the West Milwaukee Branch** to follow procedures for properly securing the registry cage, distributing arrow lock keys, and updating the arrow lock key inventory log.

Recommendation #4: We recommend the **District Manager, Lakeland**, instruct **management at the West Milwaukee Branch** to complete PM Verification of Activity Checklist daily and ensure delivery vehicles are free of mail and properly secured.

Management's Comments

Management agreed with all recommendations in the report and in subsequent communications stated that they agree with all the findings. See [Appendix A](#) for management's comments in their entirety.

Regarding recommendation 1, district management stated that they provided training to carriers and supervisors on proper scanning procedures on March 1, 2021 and will

provide ongoing training to new hires and refresher training as necessary. In addition, district management stated that they have conducted investigative interviews with unit management regarding scan integrity.

Regarding recommendation 2, district management stated the Manager, Customer Services, has begun periodically monitoring, reviewing, and following up on scan data for compliance. Management stated they implemented these actions on March 1, 2021 and the actions are ongoing.

Regarding recommendation 3, district management stated the unit has implemented procedures for properly securing the registry cage, distributing arrow lock keys, and updating the arrow lock key inventory log. District management will continually validate that employees are following procedures. Management stated they implemented these actions on March 1, 2021 and they will continue to follow-up to ensure compliance.

Regarding recommendation 4, district management has implemented procedures to complete the PM Verification of Activity Checklist daily and ensure delivery vehicles are free of mail and properly secured. District management is validating that employees are following procedures. Management stated they implemented these actions on March 1, 2021 and they will continue to follow-up to ensure compliance.

Management also noted that the unit faced challenges with employee availability and turnover, including three regular supervisors taking extended leave. This prompted the need for craft employees who may not be fully versed in the standard operating procedures to act as supervisors. To address the employee availability challenges, management has advertised in social and print media the need to hire additional employees.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when actions are completed and supporting documentation for those actions that have already been completed. 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

DISTRICT MANAGER
LAKELAND DISTRICT



March 12, 2021

To: James E. Wolski
Director, Audit Operations
U.S. Postal Service Office of the Inspector General

SUBJECT: Project Number 21-087-DRAFT
Mail Delivery and Customer Service Operations
West Milwaukee Branch
Milwaukee, WI

Lakeland District has received the audit findings and recommendations on the above captioned project. The following are our response to each of the four recommendations.

Recommendation #1: OIG recommends the District Manager, Lakeland, instruct management at the West Milwaukee Branch to provide training to carriers and supervisors on proper scanning procedures.

Management Response and Action Plan: We agree with the findings and recommendation. Led by Manager, Customer Service Operations, we have started training carriers and supervisors on proper scanning procedures. Training is ongoing with refresher sessions provided as necessary.

Manager, Customer Service Operations has conducted investigative interviews with every permanent and acting supervisor regarding scan integrity. She has also completed an investigative interview with the Manager, Customer Services who was identified as having provided "Delivered" scan instructions to supervisors. Lakeland District will forward written confirmation of action taken.

Responsible officials: Manager, Customer Service Operations and Manager, Customer Services West Milwaukee Station.

Target Implementation Date: Monday, March 1, 2021 and is completed. This process is ongoing as with new hires and refresher sessions as necessary. The investigative interview with the Manager, Customer Services is completed. Manager, Customer Service Operations is working with Lakeland District Labor Relations on appropriate next steps.

Recommendation #2: OIG recommends the District Manager, Lakeland, instruct management at the West Milwaukee Branch to ensure that employees follow standard operating procedures for scanning and handling packages, and periodically review and monitor scan data for compliance.

Management Response and Action Plan: We agree with the findings and recommendations that employees follow standard operating procedures for scanning and handling packages and periodically review and monitor scan data for compliance. This has been implemented and continually being followed up by Manager, Customer Services for compliance. Manager, Customer Service Operations will periodically validate. Data review to be performed under the direction of Manager, Operations Programs Support.

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Responsible officials: Manager, Customer Service Operations and Manager, Customer Services West Milwaukee Station will ensure adherence to standard operating procedures. Review and monitor of scan data to be performed and Operations Programs Support under the direction of district's Manager, Operations Programs Support.

Target Implementation Date: Monday, March 1, 2021 and is completed. This process is ongoing.

Recommendation #3: OIG recommends the District Manager, Lakeland, instruct management at the West Milwaukee Branch to follow procedures for properly securing the registry cage, distributing arrow lock keys, and updating the arrow lock key inventory log.

Management Response and Action Plan: We agree with recommendations to follow procedures for properly securing the registry cage, distributing arrow lock keys, and updating the arrow lock key inventory log. This has been implemented and continually being followed up and validated by Manager, Customer Service Operations for compliance.

Responsible officials: Manager, Customer Services West Milwaukee Station will ensure adherence to procedures.

Target Implementation Date: Monday, March 1, 2021 and is completed. This process is ongoing with periodic follow-up to ensure it remains in place and sustained.

Recommendation #4: We recommend the District Manager, Lakeland, instruct management at the West Milwaukee Branch to complete PM Verification of Activity Checklist daily and ensure delivery vehicles are free of mail and properly secured.

Management Response and Action Plan: We agree with the findings and recommendations to complete PM Verification of Activity Checklist daily and ensure delivery vehicles are free of mail and properly secured. This has been implemented by Manager, Customer Services West Milwaukee and continually followed up and validated by Manager, Customer Service Operations for compliance.

Responsible officials: Manager, Customer Services West Milwaukee Station will ensure adherence to procedures.

Target Implementation Date: Monday, March 1, 2021 and is completed. This process is ongoing with periodic follow-up to ensure it remains in place and sustained.

As note, part of the challenge faced in West Milwaukee is the employee availability and turnover. Among EAS staff, as an example, three regular supervisors have been on extended leave, one of which has just been approved for disability retirement. This has prompted the need for craft employees to act as supervisors, some of whom are not fully versed in the standard operating procedures while covering all the route assignments on a daily basis.

Since the pandemic started, Lakeland District has had 1,272 COVID positive cases with 116 of the cases among employees in the Milwaukee Post Office. This does not include those who were not able to report to work due to contact tracing, work and non-work related, and employees who had to stay home and care for their children caused by daycare closures, school closures, or the unavailability of a primary caregiver as a result of the pandemic.

To address the employee availability challenges we had, we advertised hiring additional employees to cover our operations. We did this through social and print media. We continue to hire to fill the needs of the service.


Eddie N. Masangcay
District Manager (A)
Lakeland District