

Audit Report

Efficiency of Operations at the Albuquerque, NM, Processing and Distribution Center

Report Number 22-134-R22 | August 5, 2022



Table of Contents

- Cover
- Transmittal Letter1
- Results.....2
 - Background2
 - Objective, Scope, and Methodology2
 - Results Summary.....2
 - Finding #1: Mail Not Secured During Transportation3
 - What We Found3
 - Why Did it Occur3
 - What Should Have Happened3
 - Effect on the Postal Service and its Customer3
 - Recommendation #1.....3
 - Management’s Comments3
 - Evaluation of Management’s Comments.....4
- Appendix A: Additional Information5
- Appendix B: Management’s Comments6
- Contact Information8

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 5, 2022

MEMORANDUM FOR: ERIKA V. RAMIREZ
DIRECTOR DIVISION LOGISTICS,
WESTERN LOGISTICS DIVISION

A handwritten signature in black ink, reading "Joseph E. Wolski", is positioned below the recipient information.

FROM: Joseph E. Wolski
Director, Field Operations

SUBJECT: Audit Report – Efficiency of Operations at the Albuquerque,
NM, Processing and Distribution Center
(Report Number 22-134-R22)

This report presents the results of our audit of the Efficiency of Operations at the Albuquerque, NM, Processing and Distribution Center.

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
Chief Processing Operations Officer and Executive Vice President
Chief Logistics Officer and Executive Vice President
Vice President, Processing and Maintenance
Vice President, Logistics
Vice President, Western Region Processing Operations
Division Director, Western Region Processing Operations
Corporate Audit Response Management

Results

Background

This report presents the results of our self-initiated audit of efficiency of operations at the Albuquerque Processing and Distribution Center (P&DC) in Albuquerque, NM (Project Number 22-134). We conducted this audit to provide U.S. Postal Service management with timely information on operational risks at this P&DC. We judgmentally selected the Albuquerque P&DC based on a review of processing indicators and in coordination with delivery performance indicators during fiscal years (FY) 2021 and 2022. The Albuquerque P&DC is in the Western Region Processing Operations and processes letters and flats.¹ The Albuquerque P&DC services multiple 3-digit ZIP Codes in urban and rural communities (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
813	26,494	39,564	66,058
865	9,906	50,884	60,790
870-871	823,262	108,651	931,913
873-879	310,269	195,976	506,245
884	7,899	9,550	17,449

Source: Postal Service National Distribution Labeling List and Esri.

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Albuquerque P&DC. To accomplish our objective, we focused on four audit areas: mail

¹ Parcels are processed at the Albuquerque Auxiliary Service Facility.

² The latest time committed mail can clear an operation for proper dispatch or delivery.

³ A repository intended for data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

⁴ The four delivery units were Rio Rancho Station, Rio Rancho, NM (Project Number 22-132-1); Richard J. Pino Station, Albuquerque, NM (Project Number 22-132-2); Santa Fe Main Post Office, Santa Fe, NM (Project Number 22-132-3); and Santa Fe Coronado Station, Santa FE, NM (Project Number 22-132-4).

clearance times,² delayed mail, late and extra outbound trips, and load scans. Specifically, we analyzed the Albuquerque P&DC's Enterprise Data Warehouse (EDW)³ information for productivity, workhours, overtime, and load scans from May 2021 to April 2022. During our site visit we interviewed P&DC management and observed mail processing and dock operations.

During the week of June 6, 2022, the U.S. Postal Service Office of Inspector General (OIG) also audited four delivery units⁴ serviced by the Albuquerque P&DC. We will provide the results of those audits to Arizona-New Mexico management in separate reports. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We reviewed areas related to efficiency of operations at the Albuquerque P&DC (see Table 2).

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Clearance Times		X
Delayed Mail		X
Late and Extra Outbound Trips		X
Load Scans		X
Other - Transportation	X	

Source: Results of OIG review conducted the week of June 6, 2022.

For the audit areas where issues were not identified, we performed the following:

- **Clearance Times** – we analyzed mail processing schedules and data to verify that the plant was meeting the scheduled clearance times. During our visit, we observed the timely processing of mail.
- **Delayed Mail** – during our observations, we did not identify any delayed mail/systemic issues related to delayed mail. We reviewed the morning mail counts performed by plant personnel which confirmed these observations.
- **Late and Extra Outbound Trips** – we observed departing trucks and analyzed data related to late and extra outbound trips and did not find any systemic issues.
- **Load Scans** – we analyzed load scan data and observed employees scanning containers loaded onto outgoing trucks. Our observations confirmed the data reported in Surface Visibility Web (SVWeb)⁵ was accurate.

Finding #1: Mail Not Secured During Transportation

What We Found

Trucks and trailers containing processed mail for delivery by Highway Contract Route⁶ (HCR) drivers in the processing network and to delivery units were not secured as required by Postal Service policy. Specifically, we observed trailer doors on outgoing HCR mail transportation were not secured with locks before leaving the P&DC.

Why Did it Occur

Unlocked trailers resulted from changes in managers and a lack of management oversight. Specifically, the P&DC had measures in place to facilitate the use of locks on trailer doors. However, as the P&DC experienced management turnover in various positions, these measures were overlooked and not enforced.

What Should Have Happened

The Postal Service must preserve the security of the mail and ensure HCR contractors comply with security policies regarding the transportation of mail in trailers. Postal Service policy states that all doors to the cargo compartment must be equipped with locks and kept locked while enroute.⁷

Effect on the Postal Service and its Customer

When the Postal Service does not preserve and protect the security of the mail in its custody there is an increased risk of unauthorized opening, inspection, reading, tampering, delaying, or committing other unauthorized acts.

Recommendation #1

We recommend the **Director, Division Logistics, Western Logistics Division**, develop and execute a plan to ensure all employees are trained on the standard operating procedures for securing trailer cargo.

Management's Comments

Management partially agreed with the recommendation and based on subsequent correspondence, partially agreed with the finding.

Management stated that the wording in the recommendation should state the doors to the trailers are locked and that the employees know the process. They thought the recommendation should be limited to employees assigned to platform operations. Management agreed to train the identified employees on the correct processes for sealing and securing vehicles that contain mail prior to departure in accordance with policy. The target implementation date is September 30, 2022.

See [Appendix B](#) for management's comments in their entirety.

⁵ A website dedicated to the Surface Visibility program. Provides real time transportation updates and reporting on the movement of trailers in the surface network. The data captured to identify early, on time, late or cancelled trips is also used to evaluate and improve transportation schedules.

⁶ A route of travel served by a Postal Service contractor to carry mail over highways between designated points.

⁷ Handbook PO-515, *Highway Contractor Safety*, Section 448.2, Securing Doors, and Containers.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendation and corrective actions planned and implemented should resolve the issue identified in the report.

Regarding managements partial agreement to the recommendation, we agree the employees assigned to platform operations should be trained on locking the trailers.

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

Appendix A: Additional Information

We conducted this audit from May through August 2022, 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. We discussed our observations and conclusions with management on July 25, 2022, and included their comments where appropriate.

We relied on computer-generated data from EDW, Application System Reporting,⁸ and SVWeb 2.0. Although we did not test the validity of controls over these systems, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. Therefore, we determined the data were sufficiently reliable for the purposes of this report.

⁸ An application within the Corporate Reporting Portal that contains data for project areas such as Accounting, Facilities, and Network Operations Management.

Appendix B: Management's Comments



August 2, 2022

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Operations at the Albuquerque, NM, Processing and Distribution Center - Project Number 22-134-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment on the finding and recommendation contained in the draft audit report, Efficiency of Operations at the Albuquerque, NM, Processing and Distribution Center.

Management partially agrees with the recommendation.

Recommendation #1

We recommend the **Director, Division Logistics, Western Logistics Division**, develop and execute a plan to ensure all employees are trained on the standard operating procedures for securing trailer cargo.

Management stated that the wording in the recommendation, should state, we recommend management should establish a process to ensure that the doors to the trailers are locked and that the employees know the process.

Management Response:

Management partially agrees with the recommendation. This requirement should not be considered for all employees. Requirement should be limited to employees assigned to platform operations which have the responsibility to receive and depart HCR and PVS transportation.

For the Albuquerque Processing and Distribution Center (PDC) and the Albuquerque Auxiliary Service Facility (ASF) this is limited to the position of an Expeditor PS07. Management does agree to train the identified employees on the correct processes for sealing and securing vehicles that contain mails prior to departure, as identified in Postal Operations Manual 476 and Handbook PO 413 Platform Operations.

Training of Expeditors PS07 to be completed by no later than September 30, 2022.

- 2 -

Responsible Official: Transportation Manager

TID Date: 9/30/2022

A handwritten signature in black ink, appearing to read 'Erika V. Ramirez', is written over a horizontal line.

Erika V. Ramirez
Director Division Logistics, Western Logistics Division

cc: Vice President, Western Region Processing Operations
Corporate Audit & Response Management

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

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