

Mail Delivery, Customer Service, and Property Conditions Review - Industrial Park Annex, Saco, ME

AUDIT REPORT

Report Number 23-076-1-R23 | May 10, 2023



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

May 10, 2023

MEMORANDUM FOR: REGINA M. BUGBEE
MANAGER, MAINE-NEW HAMPSHIRE-VERMONT DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is centered below the memorandum header.

FROM: Sean Balduff
Director, Field Operations

SUBJECT: Audit Report – Mail Delivery, Customer Service, and Property Conditions
Review – Industrial Park Annex, Saco, ME
(Report Number 23-076-1-R23)

This report presents the results of our audit of Mail Delivery, Customer Service, and Property Conditions Review – Industrial Park Annex, Saco, ME.

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

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Chief Retail & Delivery Officer & Executive Vice President
Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, Atlantic Area Retail & Delivery Operations
Director, Retail & Post Office Operations Maintenance

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Industrial Park Annex in Saco, ME (Project Number 23-076-1), and responds to Representative Chellie Pingree’s interest in mail operations in the Portland, ME, area. The Industrial Park Annex is in the Maine-New Hampshire-Vermont District of the Atlantic Area and services ZIP Codes 04005, 04064, and 04072. These ZIP Codes serve about 50,345 people in a predominantly urban area.¹ This delivery unit has 32 city routes and 12 rural routes. We judgmentally selected the Industrial Park Annex based on the number of Customer 360² and Informed Delivery³ contacts associated with the unit, undelivered route information, and Stop-The-Clock (STC)⁴ scans performed at the unit.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Industrial Park Annex in Saco, ME.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, truck arrival scans, arrow keys,⁵ and property conditions. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and distribution up-time.⁶ During our site visit we reviewed mail conditions; package and truck arrival scanning procedures; arrow key security procedures; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mail pieces at the carrier cases and interviewed unit management and employees. We discussed

our observations and conclusions as summarized in Table 1 with management on April 27, 2023, and included their comments, where appropriate.

The Industrial Park Annex is one of five delivery units⁷ the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of March 13, 2023, that are serviced by the Southern Maine Processing and Distribution Center. We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Industrial Park Annex. We will issue a separate report⁸ that provides the Postal Service with the overall findings and recommendations for all five delivery units. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting mail delivery, customer service, and property conditions at the Industrial Park Annex. Specifically, we found issues with all five areas we reviewed (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Truck Arrival Scanning	X	
Arrow Keys	X	
Property Conditions	X	

Source: Results of our fieldwork during the week of March 13, 2023.

¹ We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information. Of the people living in these ZIP Codes, about 39,244 (77.95 percent) are considered living in urban communities and about 11,101 (22.05 percent) are considered living in rural communities.

² A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

³ Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mail pieces that were expected for delivery but have not arrived.

⁴ 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,” and “No Access.”

⁵ A distinctively shaped key that carriers use to open mail-receiving receptacles, such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow keys are accountable property and are subject to strict controls.

⁶ Time of day that clerks have completed distributing mail to the carrier routes.

⁷ The other four units were the Lewiston Main Post Office, Lewiston, ME (Project Number 23-076-2), Main Office Carrier Section, Portland, ME (Project Number 23-076-3), Sanford Main Post Office, Sanford, ME (Project Number 23-076-4), and Southern Maine Carrier Unit, Scarborough, ME (Project Number 23-076-5).

⁸ Project Number 23-076.

Finding #1: Delayed Mail

What We Found

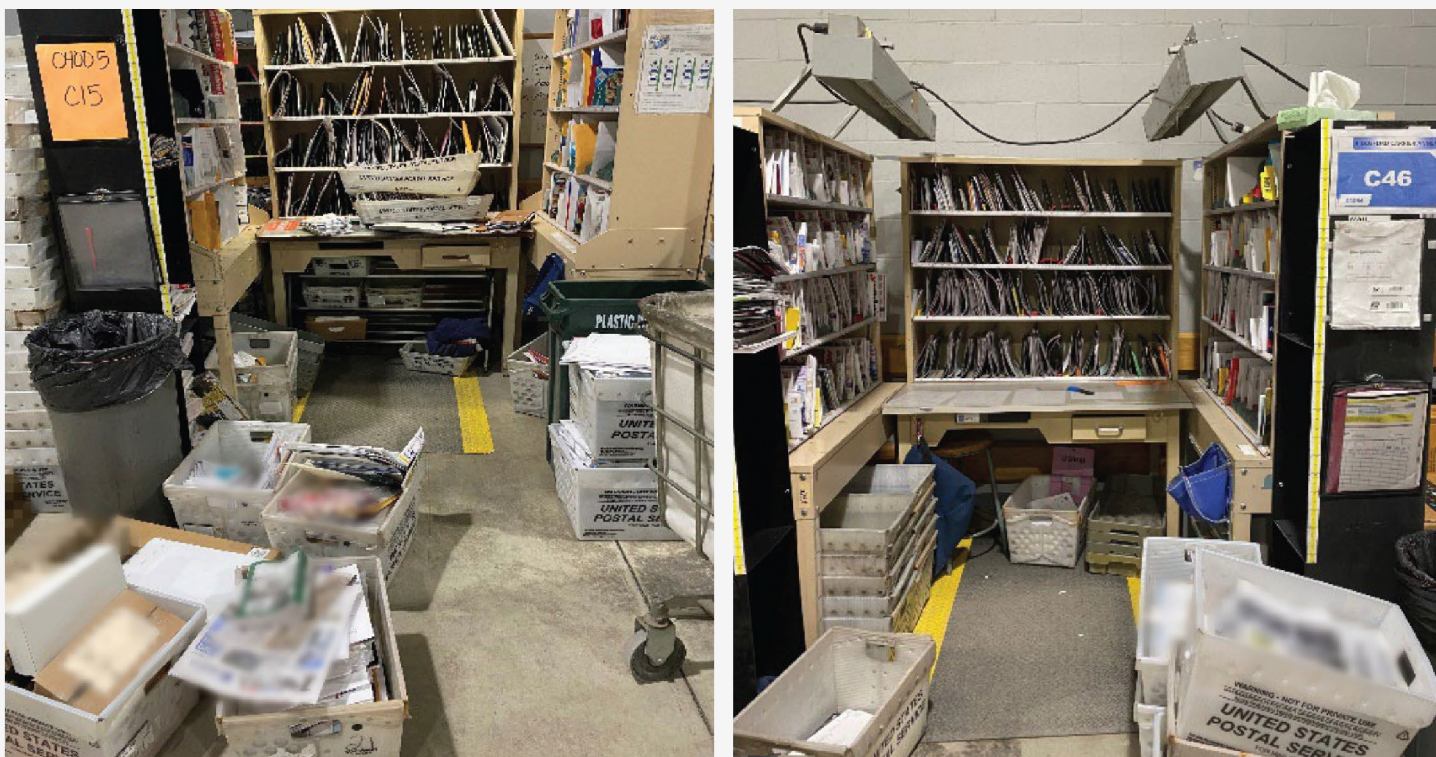
On the morning of March 14, 2023, we identified about 43,841 delayed mail pieces at 43 carrier cases and the workroom floor.⁹ We found undelivered mail on the workroom floor dating back to Thursday, March 9, 2023. In addition, management did not accurately report this mail as undelivered in the Delivery Condition Visualization (DCV)¹⁰ system. Management reported 7,319 delayed letters and flats from the previous day, representing only 16.69 percent of the delayed mail we identified at the unit. See Table 2 for the number of delayed pieces for each mail type and Figures 1, 2, and 3 for examples of delayed mail found at carrier cases and on the workroom floor.

Table 2. Type of Delayed Mail

Type of Mail	Carrier Cases	Workroom Floor	Total OIG Estimated Count of Delayed Mail
Letters	10,545	12,098	22,643
Flats	20,930	0	20,930
Packages	268	0	268
Totals	31,743	12,098	43,841

Source: OIG count of delayed mail pieces identified during our visit on March 14, 2023.

Figure 1. Examples of Delayed Mail in Carrier Cases



Source: OIG photos taken on March 14, 2023.

⁹ Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*, and Handbook M-32, *Management Operating Data Systems*, Appendix D.

¹⁰ A tool for unit management to manually self-report delayed mail, which provides a snapshot of daily mail conditions at the point in time when carriers have departed for the street.

Figure 2. Example of Delayed Packages at Carrier Case



Source: OIG photo taken on March 14, 2023.

Figure 3. Example of Delayed Mail on Workroom Floor



Source: OIG photos taken on March 14, 2023.

Why Did It Occur

Management stated the Industrial Park Annex did not have enough employees to deliver the mail each day. We analyzed vacancy data provided by the District Manager of Field Human Resources and determined the unit was understaffed by nine part-time carriers as of March 24, 2023. In addition, management stated that they did not know how to properly report delayed mail in the DCV system and had not received proper training.

What Should Have Happened

Management should have made sure the station had enough resources to deliver all the mail each day. Postal Service policy¹¹ states that managers must review all communications that may affect the day's workload, and be sure replacements are available for unscheduled absences. Management also should have ensured that all mail was delivered daily and that any delayed mail was reported properly into DCV. Postal Service policy¹² states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. In addition, managers are required¹³ to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. Further, management must update DCV if volumes have changed prior to the end of the business day.

Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. In addition, inaccurate reporting of delayed mail in DCV provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues.

¹¹ Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

¹² *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹³ *Informed Visibility Delivery Condition Visualization User Guide*, September 2022.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 270 packages at the delivery unit between November 2022 and January 2023 (see Table 3). Further analysis of the STC scan data for these packages showed that half of them were scanned “Delivery Attempted – No Access to Delivery Location.” This data excludes scans that could properly be made at a delivery unit, such as “Delivered – PO Box” and “Customer (Vacation) Hold” but, rather, represent scans performed at the delivery unit that should routinely be made at the point of delivery.

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivery Attempted – No Access to Delivery Location	135	50.00%
Delivered	105	38.89%
No Secure Location Available	18	6.67%
Delivery Exception – Local Weather Delay	4	1.48%
No Authorized Recipient Available	4	1.48%
Receptacle Full / Item Oversized	2	0.74%
Delivery Exception – Animal Interference	1	0.37%
Refused	1	0.37%
Total	270	100%

Source: OIG analysis of the Postal Service’s Product Tracking and Reporting (PTR) System data. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

In addition, on the morning of March 14, 2023, before carriers arrived for the day, we selected 30 packages¹⁴ to review and analyze scanning and tracking history. Of the 30 sampled packages, seven (23.33 percent) had missing or improper scans.¹⁵

¹⁴ We judgmentally selected 30 packages from the carrier cases. The Industrial Park Annex sends their notice left packages to retail units for customer pickup. Therefore, we did not sample any notice left packages.

¹⁵ Seven of the sampled packages were missing an STC scan to let the customer know the reason for non-delivery because an attempt had not been made to deliver these packages. We included these seven packages in the delayed mail finding above.

¹⁶ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁷ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

- Five packages were scanned as “Delivery Attempted – No Access to Delivery Location.” One was scanned at the delivery unit while the others were scanned between 500 feet and .4 miles away from the delivery points. One of the five packages was also missing an “Arrival at Unit” scan.
- Two packages had a “Delivered” scan, which should only be performed when a package is successfully left at the delivery point.

Further, two of the 30 packages (6.67 percent) had handling issues. These packages were scanned “Forwarded” and “Forward Expired” and should have been returned to sender. The package marked “Forward Expired” was last scanned on February 15, 2023.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Specifically, the Postmaster explained that he did not instruct the interim PM supervisor to check the carriers for packages that are brought back from the street for proper scanning.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance, including verifying that all packages are scanned at the delivery point and not at the delivery unit. The Postal Service’s goal is to ensure proper delivery attempts for mail pieces to the correct address with proper service,¹⁶ which includes scanning packages at the time and location of delivery.¹⁷

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mail pieces 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 the Postal Service brand.

Finding #3: Truck Arrival Scanning

What We Found

Employees at the Industrial Park Annex did not scan all incoming trailer/truck barcodes,¹⁸ as required. We reviewed data related to morning truck arrival scans from November 1, 2022, through January 31, 2023, and found that employees did not perform a scan for 48 of 160 (30 percent) scheduled incoming trucks (see Table 4). On the morning of March 14, 2023, we observed an incoming truck being scanned by a clerk.

Effect on the Postal Service and Its Customers

When employees do not scan the truck barcode, the Postal Service does not receive timely transportation information and is unable to address issues that may be causing mail delays, which could affect customer service.

Table 4. Truck Arrival Scans from November 1, 2022, through January 31, 2023

Month	Count of Inbound Trips	Count of Missed Scans	Percentage Missing
November	50	7	14.00%
December	58	26	44.83%
January	52	15	28.85%
Total	160	48	30.00%

Source: OIG analysis of data extracted from the Postal Service's Surface Visibility Web (SVWeb) System. SVWeb collects end-to-end data by linking multiple scans of a single asset to create visibility data to support planning, management, and optimization of the surface network.

Why Did It Occur

Management did not monitor scan performance data to verify that all trucks received an arrival scan because they thought the clerks were performing them. Management also stated they were unaware of how to access the truck arrival tracking reports to be able to monitor the daily scans.

What Should Have Happened

Management should have performed reviews of truck arrival tracking reports to verify that employees were performing all expected truck scans. According to Postal Service Policy,¹⁹ employees must scan the trailer barcode on Postal Service trailer/trucks and Highway Contract Route trucks arriving at the delivery unit during local operating hours.

¹⁸ The trailer barcode on the back door and inside right and left walls of the trailer.

¹⁹ United States Postal Service Standard Operating Procedure - Subject: Trailer Scans at the Delivery Units (DUs).

Finding #4 Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of Thursday March 16, 2023, we reviewed the unit's inventory log for arrow keys and conducted a physical inventory of the keys at the unit. We found two of the 48 keys located at the unit had an inaccurate serial number listed on the key log.

In addition, arrow keys were not always kept secure. Specifically, arrow keys were kept inside the [REDACTED] [REDACTED] which was often left open and unattended throughout our visit. We also found keys sitting on [REDACTED] and on the [REDACTED]

Why Did It Occur

A clerk stated that the arrow key log used to assign keys to carriers was an older copy. She said she developed a corrected copy, but the copy was not in use during our visit and it was not provided to us. In addition, management stated that they do not have enough personnel to oversee the [REDACTED] when carriers are coming back in the evening.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,²⁰ management must keep an accurate inventory of all keys and conduct a semiannual physical survey of all building keys. In addition, policy²¹ states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items such as arrow keys, there is increased risk of mail theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail.

²⁰ Administrative Support Manual Issue 13, Sections 273.461, 273.464, and 273.471, July 1999 – updated through February 28, 2023.

²¹ Standard Work: Arrow Key Accountability, January 2022, and USPS Arrow Key Standard Work, January 2022.

Finding # 5: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Industrial Park Annex including:

- One fire extinguisher that was not mounted or clearly marked on the wall.
- Two unsecured ladders (Figure 4).
- One electrical outlet in the carrier loading area that was broken and unsecured against a post (Figure 5).
- Five areas with missing, damaged, and stained ceiling tiles (Figure 6).
- A hole in the wall in the custodian's closet (Figure 7).
- No signage posted in the employee parking lot stating that vehicles may be subject to search.

Figure 4. Unsecured Ladders



Source: OIG photos taken on March 15, 2023.

Figure 5. Broken and Unsecured Electrical Outlet



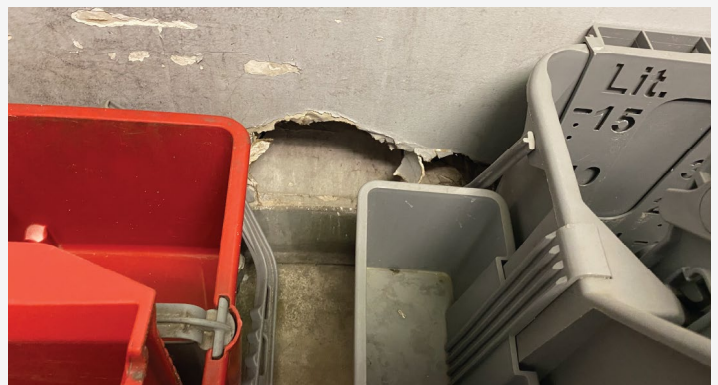
Source: OIG photo taken on March 15, 2023.

Figure 6. Examples of Missing and Stained Ceiling Tiles



Source: OIG photos taken on March 15, 2023.

Figure 7. Hole in Wall in Custodian Closet



Source: OIG photo taken on March 15, 2023.

Why Did It Occur

Unit management did not take the necessary actions to verify that property condition issues were corrected because they were unaware of the issues we identified, except for the ceiling tiles. Management stated that they do not routinely walk around the facility to check for issues. Management also stated that they had fixed the roof leak which caused the stained ceiling tiles but had not made replacing the tiles a priority.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up for completion. The Postal Service is required to maintain a safe environment for employees and customers. In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe and healthy workplace free of recognized hazards.²²

Effect on the Postal Service and Its Customers

Management's attention to maintenance, safety, and security deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims, lawsuits, and OSHA penalties; and enhance the customer experience and Postal Service brand.

Management's Comments

Management agreed with all findings in the report.

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

²² OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*.

Appendix A: Additional Information

We conducted this audit from March through May 2023 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 assessed the reliability of PTR, DCV, SVWeb, and the electronic Facilities Management System²³ data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

²³ A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs, and alteration contracts, along with real estate contracts.

Appendix B: Management's Comments



May 4, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Mail Delivery, Customer Service, and Property Conditions Review
Industrial Park Annex, Saco, ME (Report Number 23-076-1-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Mail Delivery, Customer Service, and Property Conditions Review – Industrial Park Annex, Saco, ME*.

Management agrees with the five findings in the report on delayed mail, package scanning, truck arrival scanning, arrow keys, and property conditions.

Management has begun taking steps to address the five findings.

Delayed Mail: Management will retrain local EAS on the Standard Work for properly reporting delayed mail in DCV. Management continues to pursue recruitment activities in the Southern Maine area and post career opportunities weekly until all vacancies are filled.

Package Scanning: Personnel will be retrained on the proper way to scan parcels for non-delivery due to No Access, Weather Delays, and Integrity Scans. The Standard Work for proper scanning due to Weather Delays or No Access is communicated on a regular basis and always in advance of an expected weather event.

Truck Arrival Scanning: Management will retrain personnel on the proper way to scan Truck Arrivals. The Standard Work instructions has also been sent out to all offices and reminders will be sent weekly.

Arrow Keys: The office will be retrained on Standard Work and operating procedures for Arrow Key Management including updating key logs, reporting missing arrow keys to the USPS Inspection Service, returning any broken arrow keys to Topeka, and ensuring arrow keys are verified and secured daily. Recent Gemba's were completed and office in full compliance.

Property Conditions: Five of the six property conditions sited during the visit have been abated and pictures provided as verification as well as onsite review. A requisition is pending for the sign "Vehicles Subject to Search" and will be posted upon arrival.

E-SIGNED by Regina.M Bugbee
on 2023-05-04 11:00:46 CDT

Regina M. Bugbee
Manager, Northern New England District

cc: Vice President, Area Retail & Delivery Operations (Atlantic)
Manager, Corporate Audit Response Management

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