Eagan Branch, Eagan, MN: Delivery Operations

AUDIT REPORT

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

January 22, 2024

MEMORANDUM FOR: ANGELA L. BYE
MANAGER, MINNESOTA – NORTH DAKOTA DISTRICT

FROM: Sean Balduff
Director, Field Operations, Central and Southern

SUBJECT: Audit Report – Eagan Branch, Eagan, MN: Delivery Operations (Report Number 24-032-2-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the Eagan Branch in Eagan, MN.

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

Attachment

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

Results

Background

The U.S. Postal Service's mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Eagan Branch in Eagan, MN (Project Number 24-032-2). The Eagan Branch is in the Minnesota-North Dakota (MN-ND) District of the Central Area and services ZIP Codes 55118, 55120, 55121, 55122, and 55123 (see Figure 1). These ZIP Codes serve about 95,513 people living in urban communities.[1]

Figure 1. ZIP Codes Serviced by the Eagan Branch
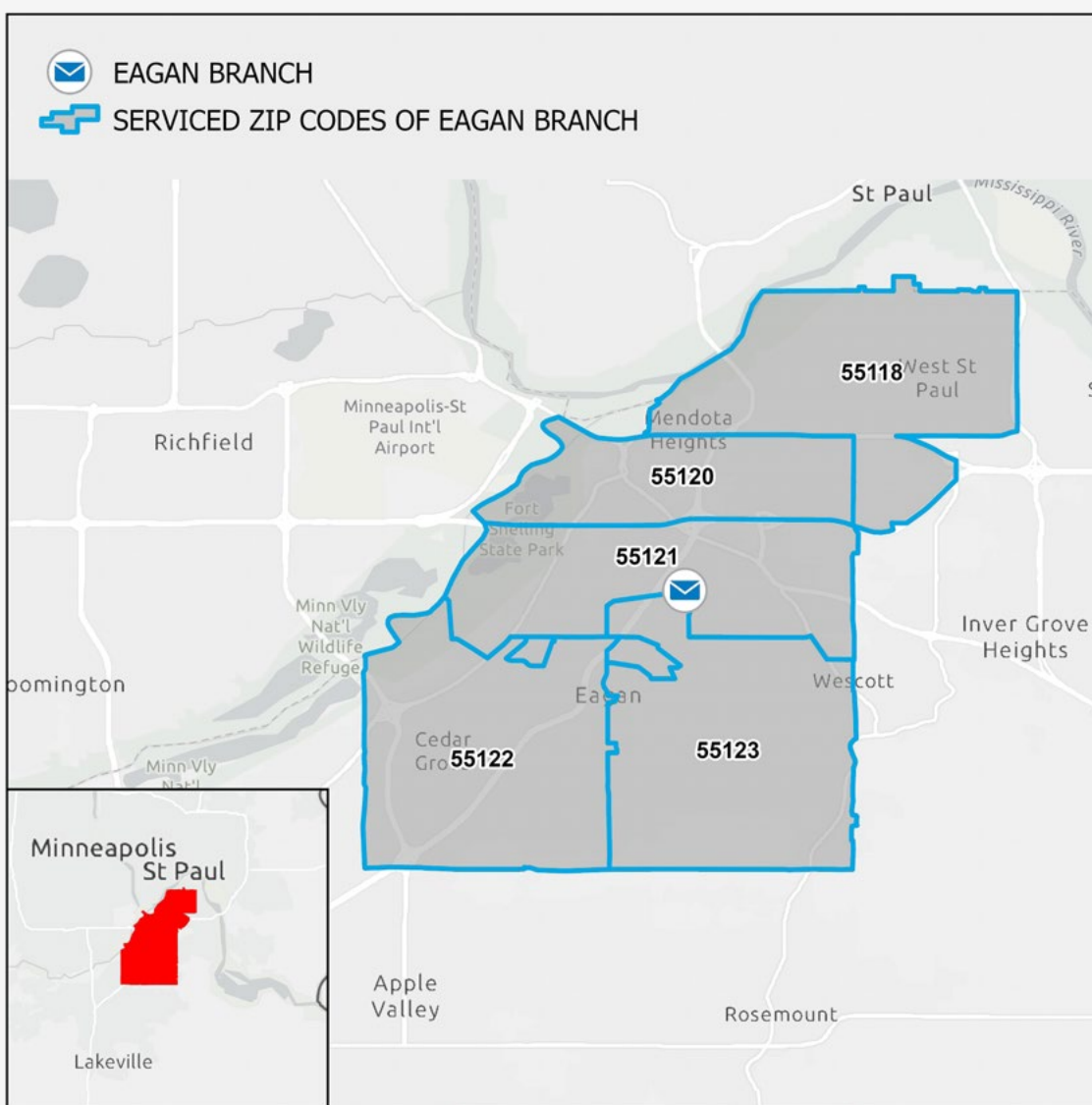
Source: OIG.

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[1] We obtained ZIP Code information related to population and urban/rural classification from the 2020 Census Bureau information.

This delivery unit has 80 city routes. The Eagan Branch is one of three delivery units[2] the OIG reviewed during the week of November 13, 2023, that are serviced by the Saint Paul Processing and Distribution Center (P&DC).

We assessed all delivery units serviced by the Saint Paul P&DC within the MN-ND District based on the number of Customer 360[3] (C360) delivery-related inquiries,[4] Informed Delivery[5] contacts, Stop-the-Clock (STC)[6] scans performed away from the delivery point, undelivered route information, and first and last mile failures[7] between July 1 and September 30, 2023.

We judgmentally selected the Eagan Branch primarily based on the number of C360 inquiries related to delivery, Informed Delivery contacts, and congressional interest. The unit was also chosen based on first and last mile failures and undelivered routes. See Table 1 for a comparison of some of these metrics between the unit and the rest of the district.

Table 1. Delivery Metric Comparison Between July 1 and September 30, 2023

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	3.3	2.5
Informed Delivery Contacts	24.4	13.7

Source: OIG analysis of Postal Service's C360 and Informed Delivery data extracted on October 6, 2023.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Eagan Branch in Eagan, MN.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,[8] carrier complement and timekeeping, 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, carrier complement and timekeeping, and distribution up-time.[9]

During our site visit we observed mail conditions; arrow key security procedures; timekeeping documentation; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the "Notice Left" area[10] and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on January 2, 2024, and included their comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Eagan Branch. We will issue a separate report[11] that provides the Postal Service with the overall findings and recommendations for the district. See Appendix A for additional information about our scope and methodology.

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2   The other two units were the Apple Valley Branch (Project Number 24-032-1) and New Brighton Carrier Annex (Project Number 24-032-3).
3   A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
4   A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
5   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 mailpieces that were expected for delivery but have not arrived.
6   A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pickup," and "No Access."
7   First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.
8   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 keys are accountable property and are subject to strict controls.
9   Time of day that clerks have completed distributing mail to the carrier routes.
10 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
11 Project Number 24-032.

Results Summary

We identified issues affecting delivery operations and property conditions at the Eagan Branch. Specifically, we found issues with all five areas we reviewed (see Table 2).

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Arrow Keys	X	
Carrier Complement and Timekeeping	X	
Property Conditions	X	

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

We did not identify any issues with inaccurate carrier complement. However, we did identify issues with timekeeping management (see Finding #4).

Finding #1: Delayed Mail

What We Found

On the morning of November 14, 2023, we identified about 53,129 delayed mailpieces at the carrier cases, undeliverable as addressed (UAA)[12] area, Post Office (PO) Box section, business reply mail (BRM) area, delivery point sequence (DPS)[13] mail area, postage due area, and hot case.[14] In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)[15] system. See Table 3 for the number of pieces for each mail type and Figures 2 and 3 for examples of delayed mail found at the unit.

Table 3. Areas Where Delayed Mail Was Identified

Type of Mail	Carrier Cases	UAA Mail	PO Box Section	BRM	DPS Area	Postage Due	Hot Case	OIG Count of Delayed Mail
Letters	21,295	6,357	0	1,703	147	0	0	29,502
Flats	18,754	574	4,139	0	0	0	32	23,499
Packages	66	0	0	0	0	62	0	128
Totals	**40,115**	**6,931**	**4,139**	**1,703**	**147**	**62**	**32**	**53,129**

Source: OIG count of delayed mailpieces identified during our visit on November 14, 2023.

Figure 2. UAA Delayed Mail

Source: OIG photo taken on November 14, 2023.

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12 UAA mail is mail that cannot be delivered as addressed because the recipient has either moved and filed a change of address order or physical delivery is impossible due to reasons other than a move, such as illegible writing, refused, attempted not known, and no such street.
13 Mail sorted by carrier route into delivery order by an automated process.
14 Distribution case for last-minute sorting of mail that a carrier collects before leaving for their route.
15 A tool for unit management to manually self-report delayed mail, which provides a snapshot of daily mail conditions.

Figure 3. Examples of Delayed Mail at the Carrier Cases

Source: OIG photos taken on November 14, 2023.

Why Did It Occur

Management did not provide adequate resources and oversight to verify that all mail was cleared from the unit and any delayed mail was reported in the DCV system. Additionally, some carriers stated they were told by management to prioritize package deliveries, since management's focus was on reducing package scanning failures. Management stated that insufficient staffing was the main contributor to the mail delays. Specifically, On November 13, 2023, the day prior to our visit, the unit had six unscheduled absences. In addition, management stated the unit had four open routes up for bid, five routes pending retirement or removal of carriers, and three new auxiliary routes.[16] The carriers that did work that day were instructed not to work more than 12 hours, which resulted in undelivered mail being brought back to the unit. We analyzed complement data[17] and determined that the unit had three career city carrier vacancies for the week ending November 17, 2023.

The delayed mail we observed was not reported in DCV because unit management relied on the closing supervisor to report it, and he was out delivering packages on the evening of November 13, 2023. By the time he returned to the unit, around midnight, he thought it was too late to enter delayed mail in DCV for that day.

What Should Have Happened

Management should have provided the unit with enough resources to deliver all the mail each day. Postal Service policy[18] states that managers must plan for unscheduled absences and situations that may interfere with normal delivery service. Management must also develop contingency plans for situations that may interfere with normal delivery service. In addition, Postal Service policy[19] states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Further, managers are required[20] to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. Management must update DCV if volumes have changed prior to the end of the business day.

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16 A carrier route that is regularly scheduled for completion in less than eight hours and is not up for bid by full-time carriers.
17 Complement data retrieved from the Postal Service Workforce webpage, which is a centralized hub with links to staff planning, insights, and analytics.
18 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.
19 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
20 *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

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.

Finding #2: Package Scanning

Table 4. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered Attempted – No Access to Delivery Location	59	64.8%
Delivered	25	27.5%
Receptacle Full / Item Oversized	4	4.4%
Delivery Exception – Animal Interference	2	2.2%
Refused	1	1.1%
Total	**91**	**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.

What We Found

Employees scanned packages improperly at the delivery unit, scanned packages away from the intended delivery point, and handled packages incorrectly at the unit.

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.[21] In total, employees improperly scanned 91 packages at the delivery unit between July and September 2023 (see Table 4). Further analysis of the STC scan data for these packages showed that about 65 percent of them were scanned "Delivery Attempted – No Access to Delivery Location."

We also reviewed 114 scans occurring away from the delivery unit and over 1,000 feet[22] from the intended delivery point between July and September 2023 (see Table 5). We removed scans that could have been performed within policy, such as animal interference and unsafe conditions. Further analysis of the STC scan data for these packages showed that about 96 percent of them were scanned "Delivered."

For example, the map below (see Figure 4) shows an instance where a carrier scanned a package as "Delivery Attempted – No Access to Delivery Location" 4.5 miles away from the delivery point.

**Table 5. STC Scans Over 1,000 Feet Away From the Delivery Point**

STC Scan Type	Count	Percentage
Delivered	109	95.6%
Delivery Attempted – No Access to Delivery Location	4	3.5%
Return to Sender	1	0.9%
Total	**114**	**100%**

Source: OIG analysis of the Postal Service's PTR System data.

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21 This data does not include scans that could properly be made at a delivery unit, such as "Delivered - PO Box" and "Customer (Vacation) Hold." Additionally, PO Box scans at the unit were only counted when the delivery point was an address away from the unit. This category does not include mail addressed for a PO Box.

22 Packages are expected to be scanned within a designated buffer distance from the delivery point. The OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.

Figure 4. Scan Away From the Delivery Point
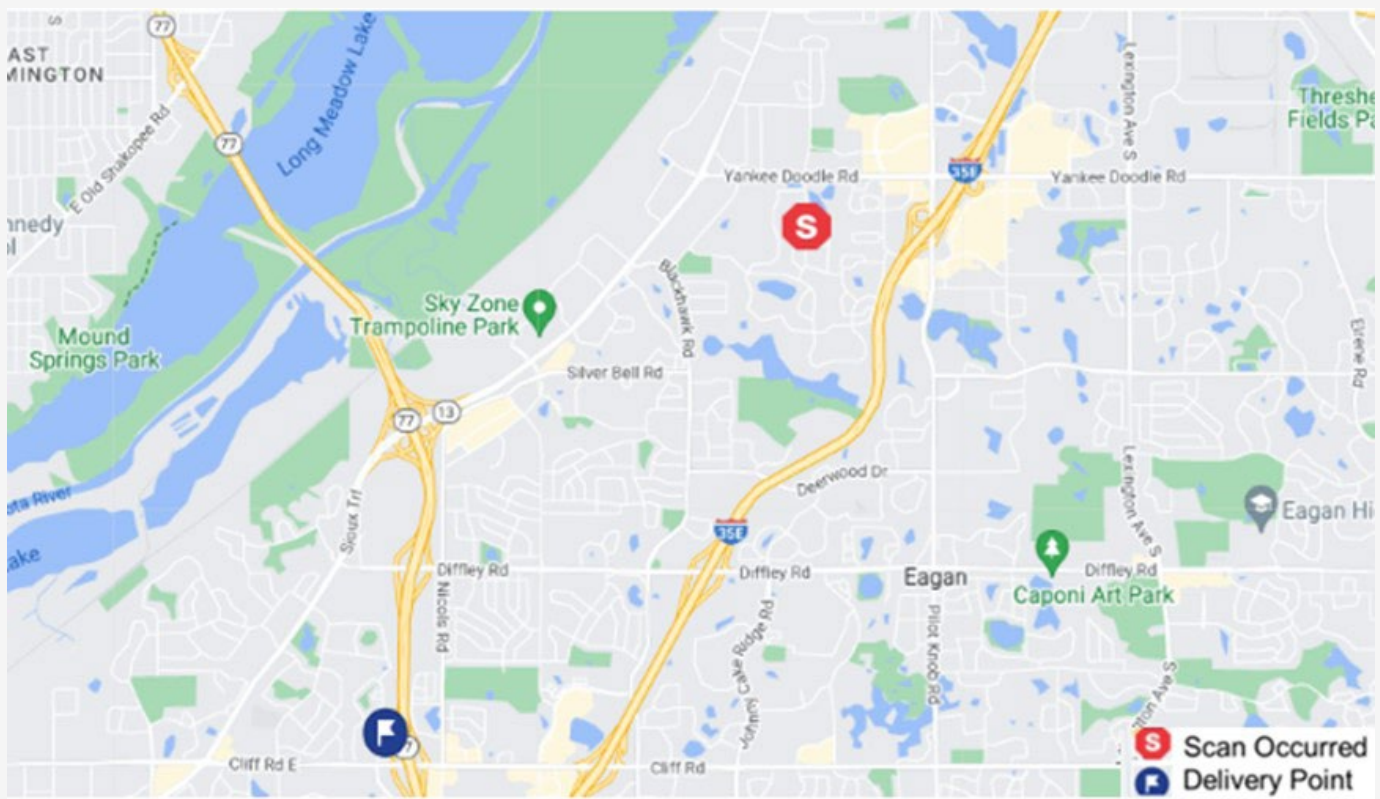
Source: Postal Service Single Package Look Up.

We also found issues with scanning and handling of packages in the unit. On the morning of November 14, 2023, before carriers arrived for the day, we selected 60 packages[23] to review and analyze scanning and tracking history. Of the 60 sampled packages, 29 (48 percent) had missing/improper scans or handling issues, including:

- Sixteen packages (nine from the carrier cases and seven from the "Notice Left" section) were missing an STC scan or "Arrival at Unit" scan to inform the customer of the status of their package.

- One package from the carrier case was scanned "Delivered," which should only be performed when a package is successfully left at the customer's delivery address.

- One package from the "Notice Left" section was scanned "Refused" and had not been returned to the sender.

- One package from the "Notice Left" section had not had a delivery reattempt, as the recipient had requested.

- Ten packages in the "Notice Left" section were not returned to the sender, as required. These packages ranged from two to 37 days past their scheduled return dates.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Management stated they do not monitor STC scans made away from the delivery point, since their focus is only on package scanning failures. One supervisor stated that some of the packages missing STC scans were due to carriers returning with undelivered packages. In addition, supervisors were not aware of the scanning exception reports since they were all newly assigned or promoted and had

23 We judgmentally selected 30 packages from the carrier cases and 30 packages from the "Notice Left" section.

been at the unit less than one year. Management also did not verify that a clerk monitored the "Notice Left" section daily for packages that should be returned.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,[24] which includes scanning packages at the time and location of delivery.[25] Packages in the "Notice Left" area should have been reviewed for second notices and returned to sender if they remained after the prescribed number of days.[26]

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 mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance both the customer experience and the Postal Service brand.

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24 *Delivery Done Right the First Time* stand-up talk, March 2020.
25 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.
26 Domestic packages should be returned to sender on the 15th calendar day after a notice is left, and international packages should be returned to sender on the 30th calendar day after a notice is left. *Notice Left and Return Guidelines*, April 2016.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage or safeguard arrow keys. On the morning of November 16, 2023, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)[27] system and conducted a physical inventory of keys at the unit. We found 21 of the 145 arrow keys located at the unit were not listed on the certification report, and 17 of the 141 keys listed on the certification report could not be located. Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service. In addition, arrow keys were not always kept secure. Specifically, carriers left arrow keys on ▮▮▮▮▮▮▮▮▮▮▮▮▮▮ when they returned in the evening. We also found that carriers were not always signing the unit's daily accountable log to acknowledge their acceptance of the keys, and no one was verifying that all arrow keys had been returned and accounted for each evening.

Why Did It Occur

Management did not provide sufficient oversight to properly manage and safeguard arrow keys. Specifically, the accountable clerk did not make sure all carriers signed out for their keys each morning. In addition, the branch manager did not confirm the arrow keys on the certification report matched the unit's accountable log. She stated that she relied on the accountable clerk and a supervisor to update the arrow key numbers on the unit's accountable log and provide her any revisions. Furthermore, management was not aware of any missing arrow keys.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[28] management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the U.S. Postal Inspection Service. In addition, policy 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.

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27 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
28 *USPS Arrow Key Guidebook Standard Work Instructions*, updated August 2023.

Finding #4: Timekeeping Management

What We Found

We determined that management did not print and retain Postal Service (PS) Forms 2240, *Pay, Leave, or Other Hours Adjustment Request*,[29] for seven pay adjustments made between July 1 and September 29, 2023. In addition, the unit had 31 disallowed time occurrences for the same period. However, management did not complete the PS Forms 1017-A, *Time Disallowance Record*,[30] in the Time and Attendance Collection System (TACS)[31] nor retain hard copy PS Forms 1017-A for any of these occurrences.

Why Did It Occur

Management did not follow procedures for pay adjustments and disallowed time for impacted employees. Unit management stated they were not trained and were not aware of their reporting requirements and completion process in TACS.

What Should Have Happened

Postal Service policy[32] states that pay adjustment certifications are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. Policy[33] further states unit personnel must complete PS Forms 1017-A and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time.

Effect on the Postal Service and Its Customers

When proper documentation of pay adjustments and time disallowance is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act[34] when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

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29 Form used to adjust either an employee's pay or to adjust timecard data that has been incorrectly reported to postal data center.
30 Form used only when a supervisor observes, or has reason to know, that an employee did not work while "on the clock." The supervisor must document the basis for any such disallowance. These forms serve as a cumulative record of disallowed time.
31 The system used by the Postal Service to automate the collection of employee time and attendance information.
32 *AdjustPay User Guide*, Course No. 31202-25, updated February 9, 2017.
33 Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.
34 29 USC § 201-219.

Finding # 5: Property Conditions

What We Found

We found safety, security, and maintenance issues at the Eagan Branch.

Property Safety:

- The handicap automatic door button at the lobby entrance was inoperable, making the building inaccessible for some customers.

- Five exterior electrical outlet covers in the postal vehicle parking lot were damaged or missing (see Figure 5).

- Three internal Postal Inspection Service doors were blocked.

- There was an expired annual fire extinguisher inspection in the lobby and 15 expired monthly fire extinguisher inspections throughout the unit.

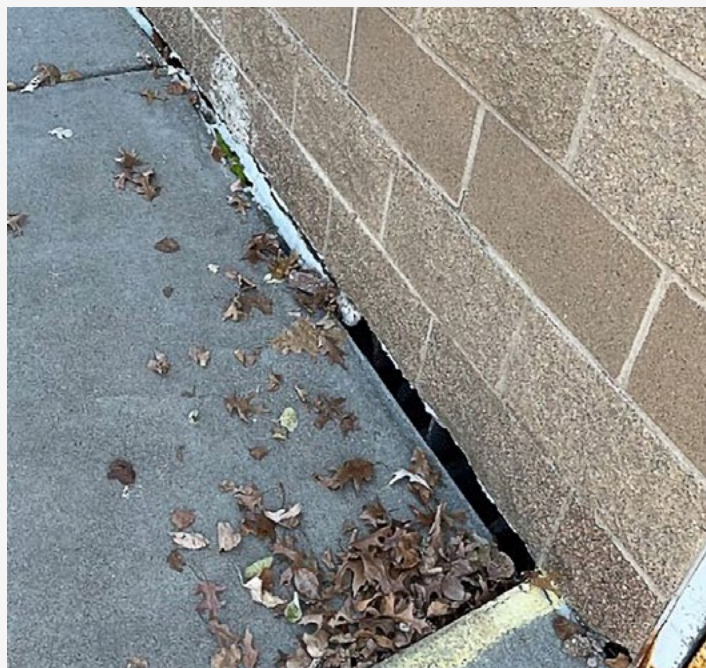- One fire extinguisher near the PO Box section was blocked.

Property Security:

There was no signage posted in the employee parking lot stating that vehicles are subject to search.

Property Maintenance:

- There was damage to the walls and window ledge in the lobby.

- A toilet in the men's restroom was inoperable.

- The women's restroom had damage to the wall tiles, peeling wall paint, and a broken stall door lock.

- The enclosed vehicle parking garage had a broken light fixture.

- Several of the building's exterior light fixtures and parking lot fixtures had burned out light bulbs.

- There were foundation concrete gaps on the building's exterior, near the collection boxes (see Figure 6).

- The exterior column base leading into the lobby was damaged (see Figure 7).

Figure 5. Example of a Damaged Electrical Outlet Cover

Source: OIG photo taken on November 15, 2023.

Figure 6. Foundation Gaps

Source: OIG photo taken on November 15, 2023.

Figure 7. Damaged Column Base

Source: OIG photo taken on November 15, 2023.

Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. Since the departure of the last branch manager, there have been several temporary managers. The new permanent manager, scheduled to start November 18, 2023, was unaware of these issues.

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 requires management to maintain a safe environment for employees and customers.[35]

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 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.

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35 Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

Appendix A: Additional Information

We conducted this audit from November 2023 through January 2024 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.

In planning and conducting the audit, we obtained an understanding of the delivery operations internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three components that were significant within the context of our objective.

We assessed the reliability of PTR, DCV, TACS, and electronic Facilities Management System[36] 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.

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36 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

UNITED STATES POSTAL SERVICE

January 9, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Eagan Branch, Eagan, MN: Delivery Operations
(Report Number 24-032-2-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Eagan Branch, Eagan, MN: Delivery Operations*.

Management generally agrees with the five findings in the report on delayed mail, package scanning, arrow keys, timekeeping, and property conditions. However, the report is misleading when reporting scanning data. The report highlights 91 scanning issues from July to September 2023, but fails to mention that the total number of packages scanned during this period was 566,548 for which scanning issues represent less than one percent.

Management has begun taking steps to address the five findings.

Delayed Mail: Management at the district level will conduct reviews to monitor for compliance. Management conducts job fairs and is piloting a Hiring Hub to assist with expediting the hiring process. Additionally, management will conduct a service talk on proper recording of delayed mail in DCV.

Package Scanning: Management will provide a service talk on proper scanning procedures and conduct reviews to monitor compliance.

Arrow Keys: Management will update the inventory log to reflect all arrow keys on hand and report the missing key to the U.S. Postal Inspection Service. Management will conduct a service talk on proper handling of arrow key including key security. Additionally, management will conduct reviews to monitor for compliance.

Timekeeping Management: Management will be retrained on proper record keeping for pay adjustments, and disallowed time. Management has created binders to store 1017-A forms. Reviews will be conducted to monitor for compliance.

Property Conditions: Management has fixed six of the twelve property conditions listed in the report. Work orders have been submitted to abate the remaining issues.

E-SIGNED by ANGELA L BYE
on 2024-01-10 08:50:50 EST

Angela Bye
Manager, Minnesota-North Dakota District

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

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

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