

# South Carolina District: Delivery Operations

## AUDIT REPORT

Report Number 24-117-R24 | September 26, 2024



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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September 26, 2024

**MEMORANDUM FOR:** COREY D. RICHARDS  
MANAGER, SOUTH CAROLINA DISTRICT

A handwritten signature in black ink, reading "Joseph E. Wolski", is positioned above the "FROM:" field.

**FROM:** Joseph E. Wolski  
Director, Field Operations, Atlantic & WestPac

**SUBJECT:** Audit Report – South Carolina District: Delivery Operations (Report  
Number 24-117-R24)

This report presents the results of our audit of delivery operations and property conditions in the South Carolina District in the Southern Area.

All recommendations require U.S. Postal Service Office of Inspector General (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.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Valeta Bradford, 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 Operations  
Vice President, Processing and Maintenance Operations  
Vice President, Southern Area Retail & Delivery Operations  
Director, Retail & Post Office Operations Maintenance  
Corporate Audit 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. To fulfill this role, the Postal Service is committed to ensuring its delivery platform and services are always a trusted, visible, and valued part of America’s social and economic infrastructure. This includes leveraging people, technology, and systems to provide world-class visibility of mail and packages as they move through the Postal Service’s integrated system. 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 report presents a summary of the results of our audits of delivery operations and property conditions at three delivery units in the South Carolina District in the Southern Area (Project Number 24-117). These delivery units included the East Bay Station, Mount Pleasant Post Office, and North Charleston Branch.

We previously issued interim reports<sup>1</sup> to district management for each of the three delivery units regarding the conditions we identified. In addition, we issued reports on the efficiency of operations at the Charleston Processing and Distribution Center (P&DC),<sup>2</sup> which service these delivery units.

We judgmentally selected the three delivery units in the South Carolina District based on comparing the number of Customer 360<sup>3</sup> (C360) inquiries related to delivery<sup>4</sup>, Informed Delivery<sup>5</sup> contacts associated with the unit, and stop-the-clock (STC)<sup>6</sup> scans performed away from the delivery point to the district average. The units were also chosen based on last mile failures<sup>7</sup> and undelivered routes.

The three delivery units had a total of 60 city routes and 80 rural routes that serve about 197,268 people in multiple ZIP Codes (see Table 1), which are predominantly urban communities.<sup>8</sup> Specifically, of the people living in these ZIP Codes, 195,718 (99.2 percent) live in urban communities and 1,550 (0.8 percent) live in rural communities.

Table 1. Service Area and Population

| Delivery Units             | Service Area ZIP Code   | Population | City Routes | Rural Routes |
|----------------------------|-------------------------|------------|-------------|--------------|
| East Bay Station           | 29401 and 29403         | 30,759     | 30          | 0            |
| Mount Pleasant Post Office | 29464 and 29466         | 93,922     | 16          | 50           |
| North Charleston Branch    | 29406, 29410, and 29492 | 72,587     | 14          | 30           |
| Total                      |                         | 197,268    | 60          | 80           |

Source: OIG analysis of Postal Service Address Management System and Census data.

1 East Bay Station, Charleston, SC: Delivery Operations (Report Number 24-117-1-R24, dated August 13, 2024); Mount Pleasant Post Office, Mount Pleasant, SC: Delivery Operations (Report Number 24-117-2-R24, dated August 13, 2024); and North Charleston Branch, North Charleston, SC: Delivery Operations (Report Number 24-117-3-R24, dated August 13, 2024).

2 Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC (Report Number 24-116-R24, dated August 13, 2024).

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.

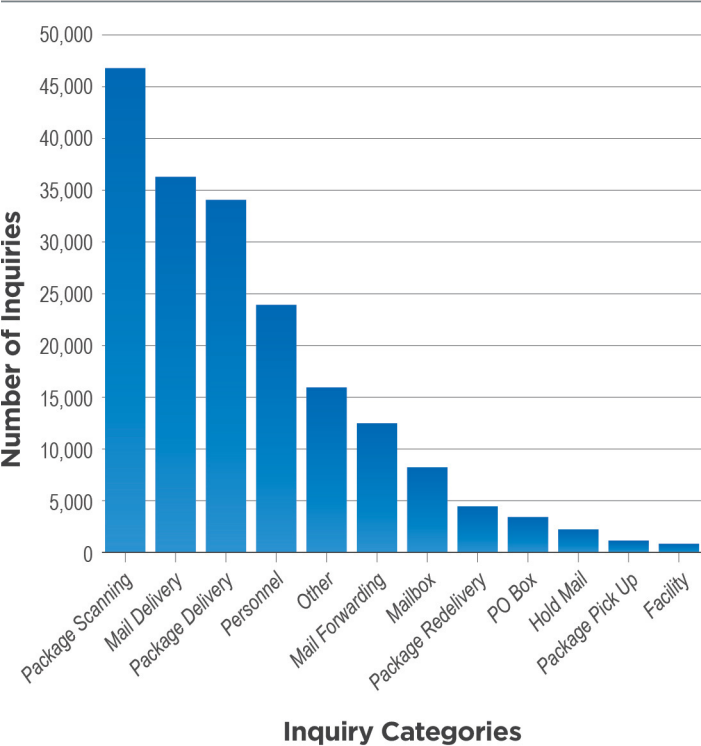
6 A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include “Delivered,” “Available for Pickup,” and “No Access.”

7 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 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.

We conducted text analysis of C360 inquiries for the entire South Carolina District between October 1, 2022 and June 30, 2024. In total, we reviewed and categorized the customer notes for 268,460 inquiries.<sup>9</sup> See Figure 1 for the results.

Figure 1. C360 Inquiry Analysis



Source: OIG analysis of C360 inquiries.

Package and mail delivery issues and package scanning issues made up the majority of the C360 comments. Examples of customer comments from these categories included:

- Receiving “delivered” scans for packages that had not been delivered.
- Not receiving mail delivery for several days in a row.
- Not receiving all intended mail each delivery day.

We also analyzed the Postal Service’s Triangulation Report<sup>10</sup> to determine how the South Carolina District performed for mail and package delivery in

relation to all 50 Postal Service districts. Each day, the Postal Service provides an opportunity ranking, wherein they rank all 50 districts from 1 through 50 – 1 indicates the poorest performing district and 50 is the top performing district. For the period from May 1 through July 31, 2024, the South Carolina District had a below average opportunity rank of 17 for mail delivery and an average opportunity rank of 23 for package delivery. See Table 2 for the results of our analysis.

Table 2. South Carolina District Average Rank Out of All 50 Districts

| Month   | Mail Delivery Opportunity Rank | Package Delivery Opportunity Rank |
|---------|--------------------------------|-----------------------------------|
| May     | 16                             | 25                                |
| June    | 18                             | 26                                |
| July    | 17                             | 17                                |
| Average | 17                             | 23                                |

Source: Postal Service Triangulation Report.  
Note: Values in table rounded to the nearest whole number.

In addition, we analyzed employee retention data obtained from Workforce<sup>11</sup> for the South Carolina District. From July 1, 2023, through June 30, 2024, the South Carolina District hired a total of 2,689 carriers and clerks. Of those hired, 1,039 (38.6 percent) were no longer employed in the district as of August 19, 2024. District management recognized the difficulty in retaining carriers and clerks and have held multiple hiring events. They have also used social media, banners in post offices, and mailing promotions.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions in the South Carolina District of the Southern Area.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow

<sup>9</sup> We removed 81,621 inquiries, including voice messages and inquiries in which the text description of the ticket was less than 40 characters.  
<sup>10</sup> The Triangulation Report is designed to provide the health of operations within a delivery unit regarding mail and package delivery. The report includes an analysis of several key performance indicators including C360 inquiries, first and last mile failures, route coverage, employee availability, and scanning integrity.  
<sup>11</sup> Workforce is a centralized hub that links to staff planning, insights, and analytics.



keys,<sup>12</sup> 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.<sup>13</sup> During our site visits we observed mail conditions; package scanning procedures; 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<sup>14</sup> and interviewed unit management and employees.

In addition to summarizing our findings at the three delivery units, we conducted an analysis of service performance scores for First-Class Mail, Marketing Mail, Priority Mail,<sup>15</sup> and Ground Advantage<sup>16</sup> products, and an analysis of carrier and clerk staffing levels within the South Carolina District. We discussed our observation and conclusions, as summarized in Table 3, with management on September 6, 2024, and included their comments, where appropriate. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues related to service performance across the South Carolina District and issues affecting delivery operations and property conditions at all three delivery units we visited. Specifically, we found delayed mail and deficiencies with

package scanning, carrier timekeeping, and property conditions at all three units. We also found deficiencies with the separation of packages for dispatch at the two applicable units. Finally, we found issues with arrow keys at one unit (see Table 3).

Table 3. Summary of Issues Identified

| Controls Reviewed                                 | Deficiencies Identified – Yes or No |                            |                         |
|---------------------------------------------------|-------------------------------------|----------------------------|-------------------------|
|                                                   | East Bay Station                    | Mount Pleasant Post Office | North Charleston Branch |
| Delayed Mail                                      | Yes                                 | Yes                        | Yes                     |
| Package Scanning                                  | Yes                                 | Yes                        | Yes                     |
| Arrow Keys                                        | No                                  | Yes                        | No                      |
| Carrier Complement and Timekeeping                | Yes                                 | Yes                        | Yes                     |
| Property Conditions                               | Yes                                 | Yes                        | Yes                     |
| Other Issues: Separation of Packages for Dispatch | N/A                                 | Yes                        | Yes                     |

Source: Interim reports for selected units.

Although we did not find any issues with the carrier complement, we did identify issues with timekeeping management at all three units.

12 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.

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

14 The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

15 An expedited service that may contain any mailable matter weighing no more than 70 pounds.

16 A service providing an affordable and reliable way to send packages inside the U.S. Packages under 70 pounds arrive in two to five business days.

# Finding #1: Service Performance in the South Carolina District

## What We Found

We visited three delivery units in the South Carolina District on the morning of June 4, 2024, and identified about 6,197 pieces of delayed mail.<sup>17</sup> See Table 4 for the number of pieces for each mail type and Figure 2 for examples of delayed mail found at the units. In addition, management at all three units did not report this mail as undelivered in the Delivery Condition Visualization (DCV)<sup>18</sup> system and carriers at all three units did not complete Postal Service (PS) Forms 1571, Undelivered Mail Report,<sup>19</sup> to document undelivered mailpieces.

We found similar results when looking at service performance district-wide. Specifically, we analyzed service performance scores for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the South Carolina District between January 1 and June 30, 2024. This analysis showed that the South Carolina District performance scores for First-Class Mail did not meet the target score in any area of the district. In addition, Priority Mail and Ground Advantage performance scores were below the target scores in much of the district. However, Marketing Mail generally met the target score in most of the district. See Figure 3 for heat maps showing the performance for each product in the South Carolina District.

Figure 2. Examples of Delayed Mail at the Units

Delayed Mail at East Bay Station



Delayed Mail at the North Charleston Branch



Source: OIG photos taken on June 4, 2024.

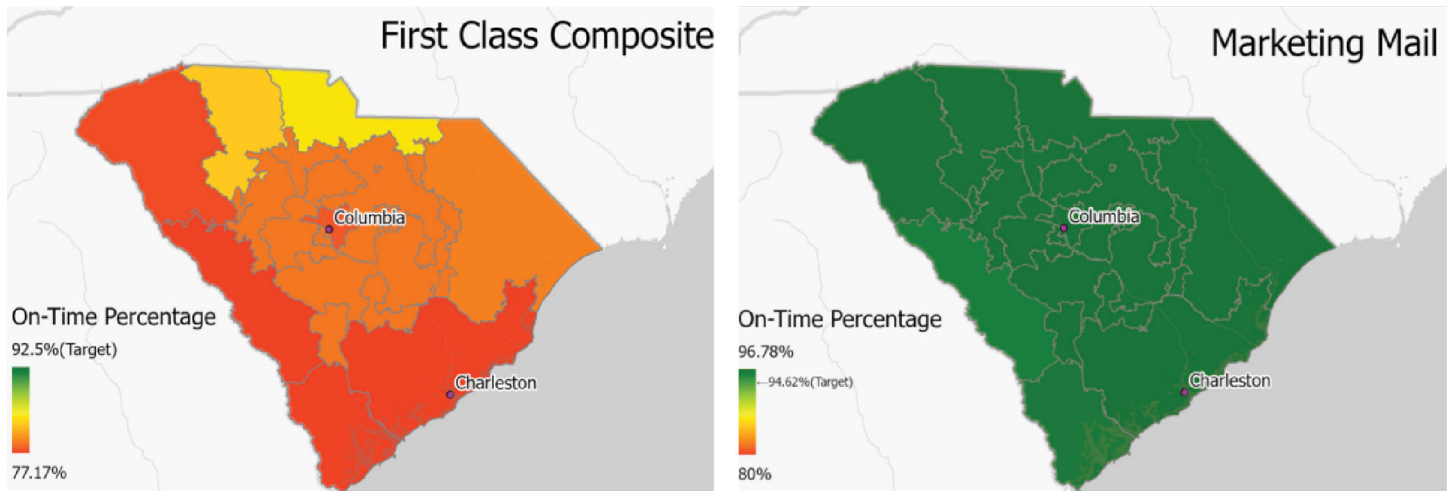
Table 4. Type of Delayed Mail

| Type of Mail | East Bay Station | Mount Pleasant Post Office | North Charleston Branch | Total |
|--------------|------------------|----------------------------|-------------------------|-------|
| Letters      | 748              | 1,600                      | 1,213                   | 3,561 |
| Flats        | 72               | 232                        | 2,226                   | 2,530 |
| Packages     | 8                | 78                         | 20                      | 106   |
| Totals       | 828              | 1,910                      | 3,459                   | 6,197 |

Source: OIG count of delayed mailpieces identified during our visit on June 4, 2024.

<sup>17</sup> Count of mail included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.  
<sup>18</sup> 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.  
<sup>19</sup> PS Form 1571, Undelivered Mail Report, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

**Figure 3. Service Performance Heat Maps By 3-Digit Zip Code in the South Carolina District From January 1 through June 30, 2024**



Source: OIG analysis of Postal Service Informed Visibility (IV) and Enterprise Data Warehouse (EDW) data. IV provides comprehensive and integrated capabilities for data-driven real-time service performance measurement and diagnostics of market-dominant products, mail inventory and predictive workloads of all mail to include packages, and end-to-end tracking and reporting for mail. EDW is a repository intended for all data and the central source for information on retail, financial, and operational performance.

We also analyzed service performance scores from January 1 through June 30, 2024, for mail being sent from the district to other locations in the nation and mail coming into the district from other locations in the nation. For this type of mail, service performance failures could have been at a plant or delivery unit outside of the district, but these failures may have had a negative impact on customer perceptions within the district. We completed this analysis for the same four products as above. Our analysis showed that only one of the four products, Marketing Mail, met the service performance target for mail coming into or out of the district during the scope period.

#### Why Did It Occur

The delayed mail identified at the three delivery units occurred because unit management did not provide adequate oversight and resources to verify that all mail was cleared from the units. Further, management at these delivery units did not verify supervisors and carriers were following the Redline Policy<sup>20</sup> which identifies the actions to take when returning with mail. Specifically:

- Management at the East Bay Station did not conduct an adequate walkthrough to ensure that all mail was cleared from the unit. Unit

<sup>20</sup> A standardized framework encompassing manager and carrier duties and responsibilities after carriers return to the delivery unit upon completion of delivery assignments. Carriers do not cross the red line with any mail in their possession.

management had been there since March 2024 and stated the AM and PM supervisors were relatively new and had not been fully trained. In addition, carriers had not been trained on how to complete PS Forms 1571.

- Management at the Mount Pleasant Post Office stated that rather than follow the Redline Policy, carriers took mail to their carrier cases when returning from delivery. The PM supervisor and most carriers stated they were unaware of the Redline Policy. In addition, management stated they used substitute carriers to deliver some of the routes the previous day and attributed the delayed mail to those carriers being unfamiliar with the routes. Unit management also acknowledged that they did not follow up with carriers to ensure they were completing PS Forms 1571 to document the reason why mail and packages could not be delivered.
- Management at the North Charleston Branch did not ensure that there were enough replacement resources to cover carrier callouts, attendance issues, staff on extended leave, and staff shortages. Unit management stated they have tried borrowing staff from other postal locations but have not been successful. Management also did not ensure that carriers completed PS Forms 1571 because other duties, such as getting the mail out for delivery each day, took priority.

The District Manager attributed the poor service performance to supervisors and postmasters going out to deliver mail, so they had less time to oversee delivery unit operations. In addition, there is a lot of competition for available employees in the Charleston area; hiring and retaining good employees is a challenge. This turnover means they are often training new employees.

### What Should Have Happened

Management should have conducted an adequate walkthrough of the workroom floor to verify that all mail was delivered, determined the reason the undelivered mail was brought back from the street, and oversaw that it was properly documented on PS Forms 1571.<sup>21</sup> Postal Service policy<sup>22</sup> 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 required<sup>23</sup> to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in the DCV system. Further, management must update the DCV system if volumes have changed prior to the end of the business day.

In addition, management should have addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy<sup>24</sup> states that managers must review all communications that may affect the day's workload, be sure that replacements are available for unscheduled absences, and develop contingency plans for situations that may interfere with normal delivery service. Postal Service policy<sup>25</sup> also states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt.

### 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. For example, in our analysis of the C360 inquiries detailed in the [Background](#), we found numerous instances of customers stating mail was not delivered for multiple days in a row.

### Management Actions

During our audit, district management provided documentation showing they provided training on proper delivery practices to management at the East Bay Station, Mount Pleasant Post Office, and North Charleston Branch.

<sup>21</sup> Standard Operating Procedures, Redline Policy.

<sup>22</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

<sup>23</sup> *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

<sup>24</sup> Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

<sup>25</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.



### **Recommendation #1**

We recommend the **District Manager, South Carolina District**, review staffing alignment within the district and provide adequate staff to the North Charleston Branch to deliver all committed mail daily.

### **Postal Service Response**

The Postal Service generally agreed with this finding and the associated recommendation. Regarding the recommendation, management stated it will continue to hire through job fairs, banners, and other advertising platforms. The target implementation date is October 31, 2024. See [Appendix B](#) for management's comments in their entirety.

### **OIG Evaluation**

The OIG considers management's comments responsive to the recommendation.

# Finding #2: Data Validity

## What We Found

We identified issues with the accuracy and reliability of reporting delayed mail along with package scanning and handling issues at each of the three delivery units visited.

### Delayed Mail Reporting:

During our reviews at the three delivery units, we determined management did not report any of the 6,197 delayed mailpieces in the DCV system. Reporting delayed mail in the DCV system is important so management can monitor operations and make adjustments as needed.

Furthermore, the district had low service performance scores and a lower-than-average mail delivery opportunity ranking in the Triangulation Report. Based on this information, we would expect to see a significant amount of reported delayed mail. However, we reviewed DCV data for the entire district for June 4, 2024, and found a low volume of reported delayed mail. Specifically, of the 246 units listed in the DCV system for the district, five units (2.0 percent) reported 6,238 total pieces of delayed mail on June 4, 2024. This could indicate that the issues with

delayed mail reporting we identified could be more widespread within the district.

### Package Scanning and Handling:

During our reviews, we found employees scanned packages improperly and handled them incorrectly at all three delivery units. In addition, employees scanned packages away from the intended delivery point at two of the three delivery units. In total, employees scanned 300 packages at the delivery units instead of at the recipients' delivery point between February and April 2024 for the three units we visited (see Table 5).

Further analysis of the STC scan data for these packages showed that 79 percent of them were scanned as "Delivery Attempted – No Access to Delivery Location," "Receptacle Full / Item Oversized," or "Delivered." This data does not include scans that could properly be made at a delivery unit, such as "Delivered – PO Box" and "Customer (Vacation) Hold," but rather, represents scans performed at the delivery unit that should routinely be made at the point of delivery.

Table 5. STC Scans at Delivery Unit

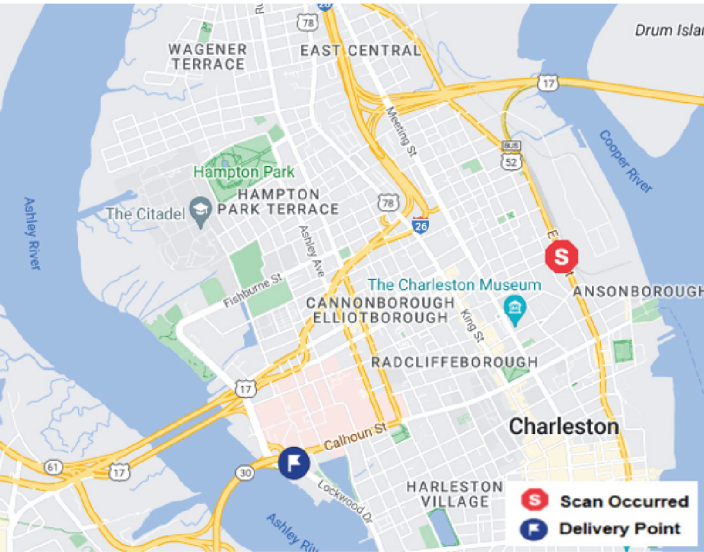
| STC Scan Type                                       | East Bay Station | Mount Pleasant Post Office | North Charleston Branch | Total | Percent |
|-----------------------------------------------------|------------------|----------------------------|-------------------------|-------|---------|
| Delivery Attempted – No Access to Delivery Location | 53               | 17                         | 34                      | 104   | 34.7%   |
| Receptacle Full / Item Oversized                    | 0                | 65                         | 8                       | 73    | 24.3%   |
| Delivered                                           | 18               | 13                         | 29                      | 60    | 20.0%   |
| No Secure Location Available                        | 2                | 39                         | 14                      | 55    | 18.3%   |
| No Authorized Recipient                             | 0                | 3                          | 0                       | 3     | 1.0%    |
| Delivery Exception – Animal Interference            | 1                | 1                          | 1                       | 3     | 1.0%    |
| Refused                                             | 0                | 0                          | 2                       | 2     | 0.7%    |
| Total                                               | 74               | 138                        | 88                      | 300   | 100%    |

Source: OIG analysis of Postal Service's Package Tracking and Reporting (PTR) System data between February and April 2024 for South Carolina facilities. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

We also reviewed 598 scans occurring away from the delivery unit and over 1,000 feet<sup>26</sup> from the intended delivery point between February and April 2024. We removed scans that could have been performed within policy, such as “Animal Interference” and “Unsafe Conditions.” Mount Pleasant Post Office accounted for 433 of the 598 total STC scans (72.4 percent) performed over 1,000 feet away from the intended delivery point (see Table 6). Further analysis of the STC scan data for these packages showed that 96.8 percent of them were scanned “Delivered.”

For example, the map below (see Figure 4) shows an instance where a carrier scanned a package as delivered 2.2 miles away from the delivery point.

Figure 4. Scan Away From the Delivery Point in Charleston, SC



Source: Postal Service Single Package Look Up.

Table 6. STC Scans Over 1,000 Feet Away From the Delivery Point

| STC Scan Type                                       | East Bay Station | Mount Pleasant Post Office | North Charleston Branch | Total | Percent |
|-----------------------------------------------------|------------------|----------------------------|-------------------------|-------|---------|
| Delivered                                           | 25               | 427                        | 127                     | 579   | 96.8%   |
| Delivery Attempted – No Access to Delivery Location | 5                | 1                          | 4                       | 10    | 1.7%    |
| Return to Sender                                    | 0                | 4                          | 0                       | 4     | 0.7%    |
| Delivered to Agent for Final Delivery               | 2                | 0                          | 0                       | 2     | 0.3%    |
| Unable to Forward / Forwarding Order Expired        | 0                | 1                          | 0                       | 1     | 0.2%    |
| Vacant                                              | 0                | 0                          | 1                       | 1     | 0.2%    |
| Held at Post Office at Customer Request             | 1                | 0                          | 0                       | 1     | 0.2%    |
| Total                                               | 33               | 433                        | 132                     | 598   | 100%*   |

Source: OIG analysis of the Postal Service’s PTR System data between February and April 2024 for South Carolina facilities.  
\*Total percentage does not equal 100 percent due to rounding.

26 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.

In addition, on the morning of June 4, 2024, before the carriers arrived for the day, we selected a total of 180 packages at the three delivery units to review and analyze for scanning and tracking history. We judgmentally selected 90 packages from the carrier cases and 90 packages from the “Notice Left” areas at these units. Of the 180 sampled packages, 85 (47.2 percent) had missing or improper scans or improper handling. Specifically:

Eighty-one packages had scanning issues, including:

- Forty-nine packages (35 from the carrier case and 14 from the “Notice Left” area) were scanned with a STC event such as “Delivery Attempted – No Access to Delivery Location,” and were scanned between 0.2 and 4.7 miles away from the delivery point.
- Twenty-nine packages (21 from the carrier case and eight from the “Notice Left” area) were scanned “Delivered,” which should only be performed when a package is successfully left at the customer’s delivery address.
- Two packages from the carrier case were scanned, “Held at Post Office at Customer Request,” but there was no record of the customers requesting the packages be held at the post office.
- One package from the “Notice Left” area was missing an “Arrival-at-Unit” scan, which is imperative for meeting customer expectations.

The remaining four packages had employee handling issues, and all should have been returned to the sender, including three from the carrier case and one from the “Notice Left” area that was scanned “Return to Sender.”

In total 36 packages (40 percent) in the “Notice Left” area at the three locations should have been returned to the sender. These packages ranged from 11 to 201 days past their scheduled return dates.<sup>27</sup>

We also found other scanning issues, including:

- Supervisors at the Mount Pleasant Post Office entered STC scans on some packages the evening of June 3, 2024. Specifically, we found 22 “Insufficient Address” scans made after 5:00 PM at the unit by the PM supervisor using a delivery unit scanner.
- At the North Charleston Branch, we found employee barcodes printed and openly displayed on the workroom floor. These barcodes could be used to log onto individual carrier scanners.

### Why Did It Occur

Management at the three units we visited did not provide adequate oversight to verify all delayed mail was reported accurately or package scanning and handling was completed according to policy.

Specifically, delayed mail was not always properly reported because:

- Management at the East Bay Station and North Charleston Branch stated that the supervisors were relatively new and needed training on how to use the DCV system.
- Management at the Mount Pleasant Post Office stated they did not conduct a proper sweep of the carrier cases to identify any delayed mail.

The scanning and handling issues occurred because:

- Management at the East Bay Station was not aware of these issues at the unit. Also, management did not provide adequate training to new city carrier assistants on proper package handling and scanning procedures.
- Management at the Mount Pleasant Post Office was not aware of the high number of improper scans made by unit employees. In addition, the packages in the “Notice Left” area were not returned since a clerk handling the area was unaware of the return policy and management did not provide sufficient oversight for this issue.

<sup>27</sup> 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.



- Management at the North Charleston Branch prioritized other duties, such as getting the mail out for delivery. In addition, packages in the “Notice Left” area were not reviewed because of limited staff availability due to leave, increased workloads, and the clerks assigned this task prioritizing their customer service window duties. Further, unit management stated that posting the list of employee barcodes on the workroom floor was an oversight and that they would relocate it to a secure place.

### What Should Have Happened

Management should have verified that all supervisors were trained and had system access to accurately enter delayed mail into the DCV system and enforced compliance. Postal Service policy<sup>28</sup> states that managers are required to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in the DCV system and must update the DCV system if volumes have changed prior to the end of the business day.

For package scanning and handling, management should have monitored scan performance daily and enforced compliance, including verifying all packages were scanned at the delivery point and not at the delivery unit. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service<sup>29</sup> to meet customer expectations,<sup>30</sup> which includes scanning packages at the time and location of delivery.<sup>31</sup> Packages in the “Notice Left” area should have been reviewed for second notices and returned to the sender if they remained after the prescribed number of days.<sup>32</sup>

### Effect on the Postal Service and Its Customers

The inaccurate delayed mail and scanning information provided by each of the units could have a negative impact on internal tracking of unit success and needs, as well as externally, regarding customer satisfaction. Inaccurate delayed mail reporting provides management at the local, district, area, and headquarters levels with an unreliable status of mail delays and can result in improper actions taken to address issues.

For package scanning and handling, 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. Our C360 text analysis, detailed in the Background, showed that package scanning was the most common C360 inquiry submitted by customers in the South Carolina District. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance both the customer experience and the Postal Service brand.

### Management Actions

During our audit, district management provided documentation showing:

- Management at all three delivery units were provided training on properly reporting delayed mail in the DCV system, including steps for requesting access to the system. Management was also provided training on standard operating procedures for package scanning and handling.
- The district is monitoring for proper reporting of delayed mail and scanning performance at all three delivery units.

<sup>28</sup> *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

<sup>29</sup> *Delivery Done Right the First Time* stand-up talk, March 2020.

<sup>30</sup> *Stand-Up Talk: Arrival-At-Unit (AAU) Scanning*, January 2022.

<sup>31</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

<sup>32</sup> *Notice Left and Return Guidelines*, April 2016.

### **Recommendation #2**

We recommend the **District Manager, South Carolina District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail.

### **Postal Service Response**

The Postal Service agreed with this finding and the associated recommendation. Management stated it will hold a virtual training session for all non-bargaining employees in the South Carolina District to review the requirements for properly recording delayed mail. The target implementation date is November 30, 2024.

### **OIG Evaluation**

The OIG considers management's comments responsive to the recommendation.

## Finding #3: Arrow Keys

### What We Found

Unit management at the Mount Pleasant Post Office did not properly manage and safeguard arrow keys at the Mount Pleasant Post Office.

Specifically, the Retail and Delivery Applications and Reports (RADAR)<sup>33</sup> inventory log showed 68 keys; however, we found 70 keys during our inventory that we took at the unit on June 5, 2024. One of the two was bent and not reported on the inventory log and the other was a Modified Arrow Lock (MAL)<sup>34</sup> key. Unit management had last updated the arrow key inventory log on May 3, 2024, prior to our onsite review.

In addition, arrow keys at the unit were not always kept secure. On June 5, 2024, we observed [REDACTED] containing arrow keys that were left unattended on the workroom floor prior to and during the carriers' return to the unit. Management was not present to accept the arrow keys when carriers returned or monitor the [REDACTED] containing the returned arrow keys. Further, the damaged arrow key was still on the carrier route key ring and was not reported to the U.S. Postal Inspection Service, as required.

### Why Did It Occur

Management at the Mount Pleasant Post Office did not provide sufficient oversight to properly manage and safeguard arrow keys. Both arrow keys were unreported and not added to the inventory list in RADAR because other duties took priority.

### What Should Have Happened

Management at the Mount Pleasant Post Office should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>35</sup> management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the Inspection Service. Further, broken keys must be updated on the RADAR inventory log.

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.

### Management Actions

During our audit, district management provide documentation showing:

- Management at the Mount Pleasant Post Office was provided training on proper arrow key management and security.
- The district is monitoring arrow key procedures, including updating their arrow key log, reporting missing keys to the Postal Inspection Service, and keeping keys secure at all three delivery units.

Due to management taking these corrective actions, we are not making a recommendation for arrow key issues.

### Postal Service Response

Management agreed with the finding.

<sup>33</sup> The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

<sup>34</sup> One of the unreported arrow keys was a Modified Arrow Locks (MAL). MAL keys are made to be more secure and used in collection boxes, mail receptacles, and mail delivery units. MAL keys are an accountable item.

<sup>35</sup> USPS Arrow Key Guidebook Standard Work Instructions, updated August 2023.

## Finding #4: Timekeeping Management

### What We Found

We identified timekeeping management issues at all three delivery units between February 10 through May 10, 2024. Specifically:

- Management at the Mount Pleasant Post Office and North Charleston Branch did not complete entries in the Time and Attendance Collection System (TACS),<sup>36</sup> or print and retain PS Form 1017-A, *Time Disallowance Record*,<sup>37</sup> for any of the disallowed time occurrences. The Mount Pleasant Post Office had nine unresolved disallowed time occurrences and the North Charleston Branch had 10 occurrences.
- Management at the East Bay Station did not complete or print entries in TACS for 22 unresolved disallowed time occurrences. However, the unit had a notebook binder that contained some, but not all, PS Forms 1017-A. Further, the binder was unsecured on the supervisor's desk on the workroom floor.
- Management at the Mount Pleasant Post Office and North Charleston Branch did not complete entries in TACS or print and retain PS Forms 1017-B, *Unauthorized Overtime Record*, in a notebook binder for any of the unauthorized overtime occurrences. The Mount Pleasant Post Office had seven unauthorized occurrences and the North Charleston Branch had eight occurrences.

### Why Did It Occur

Management did not provide adequate oversight for employee pay adjustments and overtime. Further, unit management were also generally not aware of all timekeeping policy. For example:

- The East Bay Station unit manager stated that he did not complete the disallowed time occurrence documentation in TACS or maintain the printed copies due to competing priorities, such as getting

the mail delivered. He also stated he was unaware of the requirement to secure the binder.

- The Mount Pleasant postmaster was unaware of the requirement to complete, print, or retain the PS Forms 1017-A and 1017-B records in TACS. She believed that when clock rings were adjusted by the lead sales service associate, the disallowed and unauthorized overtime instances would be resolved.
- The North Charleston AM supervisor stated that she was unaware of the requirement to complete, print, and retain PS Forms 1017-A and 1017-B in a secure location.

### What Should Have Happened

Postal Service policy<sup>38</sup> states unit personnel must complete PS Forms 1017-A and 1017-B entries and place them in a notebook binder that is secured from unauthorized access, documenting the reason for the disallowed time or unauthorized overtime. Postal Service guidance<sup>39</sup> also provides instructions on how to complete the entries in TACS.

### Effect on the Postal Service and Its Customers

When proper documentation of time disallowance and unauthorized overtime is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act<sup>40</sup> when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

### Management Actions

During our audit, district management provided documentation showing:

- Management at all three delivery units were provided training on timekeeping record requirements.

<sup>36</sup> The system used by Postal Service to automate the collection of employee time and attendance information.

<sup>37</sup> 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.

<sup>38</sup> Handbook F-21, *Time and Attendance*, Section 146 – Approving Entries, February 2016.

<sup>39</sup> TACS Training Page, Training Video 1017-A 1017-B Enhancement Demo.

<sup>40</sup> 29 USC § 201-219.

- The district is monitoring timekeeping records at all three delivery units.

Due to management taking these corrective actions, we are not making a recommendation for these timekeeping issues.

#### **Postal Service Response**

Management agreed with the finding.



## Finding #5: Property Conditions

### What We Found

We found safety, security, and maintenance issues at all three delivery units.

#### Property Safety:

- At the East Bay Station, we found a blocked Inspection Service door.
- At the Mount Pleasant Post Office, we found a blocked manual fire alarm in the workroom floor area (see Figure 5), four blocked Inspection Service gallery doors, vestibule doors blocked by three broken pallet jacks, two blocked doors in the dock area, and three blocked fire extinguishers.
- At the North Charleston Branch, we found nine fire extinguishers missing monthly inspections and one missing an annual inspection that was last inspected March 2019. We also observed a blocked fire extinguisher on the workroom floor, a loose handrail on the step at the loading dock area, and one cracked electrical cover in the breakroom.

**Figure 5. Blocked Manual Fire Alarm Pull at Mount Pleasant Post Office**



Source: OIG photo taken on June 5, 2024.

#### Property Security:

- At the East Bay Station and Mount Pleasant Post Office, there were no “All Vehicles Subject to Search” signs posted on the property.
- At the East Bay Station, there was a damaged fence at the rear of the facility.
- At the North Charleston Branch, we found barbed wire missing on some sections of the fence and lights not working in the employee parking lot.

#### Property Maintenance:

- At all three units, we found damaged walls throughout the facilities (retail and workroom areas) (see Figure 6) and multiple stained ceiling tiles.
- At the East Bay Station, we found multiple missing and misaligned ceiling tiles, the lobby entry and exit doors needed painting, and the letters “CA” were missing from the words South Carolina on the sign in front of the facility.
- At the Mount Pleasant Post Office, we found damaged countertops in the customer PO Box area; dirty, damaged, and blocked air vents in the workroom; light fixtures missing covers in the customer PO Box area; and rusted/damaged stalls in the men’s and women’s restrooms.
- At the North Charleston Branch, we also found stained carpet near the manager’s office and water in the mechanical rooms.

**Figure 6. Damaged Walls in PO Box and Window Clerk Areas at North Charleston Branch**



Source: OIG photos taken on June 5, 2024.

### **Why Did It Occur**

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. At all three units, property condition issues exist because management prioritized other duties, such as getting the mail out for delivery each day, over addressing property conditions.

### **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.<sup>41</sup>

### **Effect on the Postal Service and Its Customers**

Management's attention to safety, security, and maintenance 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 Actions**

During our audit, management addressed all property condition issues we identified at the East Bay Station, Mount Pleasant Post Office, and North Charleston Branch. Due to management taking these corrective actions, we are not making a recommendation for the property issues we identified.

### **Postal Service Response**

Management agreed with the finding.

<sup>41</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

## Finding #6: Separation of Packages for Dispatch

### What We Found

Employees at the Mount Pleasant Post Office and the North Charleston Branch did not properly separate packages destined for the Charleston P&DC. Specifically, on June 5, 2024, during the unit's evening operations, we observed that Ground Advantage packages and Priority Mail were commingled in the containers destined for the Charleston P&DC (see Figure 7).

**Figure 7. Example of Comingled Priority Mail And Ground Advantage Packages**



Source: OIG photo taken on June 5, 2024.

### Why Did It Occur

Management at the Mount Pleasant Post Office and the North Charleston Branch did not provide sufficient oversight to ensure that employees properly separated packages for dispatch to the P&DC. For example:

- At the Mount Pleasant Post Office, the PM supervisor acknowledged that the carriers do not always drop the Ground Advantage and Priority Mail packages into the appropriate containers

upon returning to the units and unit management did not enforce compliance.

- At the North Charleston Branch, carriers did not know the current policy requiring them to separate the Ground Advantage and Priority Mail packages and place them in either container without checking the container designation.

### What Should Have Happened

In fiscal year 2023, the Postal Service implemented changes<sup>42</sup> for the preparation and dispatch of packages to processing facilities by delivery units of a specified level.<sup>43</sup> The Postal Service requires these units to separate certain classes of packages when dispatching this mail to the processing facility and identify the placards to be used for the proper separation.

### Effect on the Postal Service and Its Customers

Proper mail preparation is required for visibility throughout the Postal Service network. When mail is not properly separated for dispatch to the processing facility, in accordance with procedures, there is an increased likelihood that mail will require additional processing steps. Furthermore, this can result in delays and service failures and an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

### Management Actions

During our audit, district management provided documentation showing that they are verifying management at the Mount Pleasant Post Office and North Charleston Branch are trained and properly separating packages for dispatching mail to the processing facility.

Due to management taking this corrective action, we are not making a recommendation for the package separation issue.

### Postal Service Response

Management agreed with the finding.

<sup>42</sup> Mail Preparation (MTEL) Changes Level 22 and Above Only, September 2023.

<sup>43</sup> All level-22 units and higher are required to follow these package separation requirements.



# Appendix A: Additional Information

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We conducted this audit from August through September 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 in all three components that were significant within the context of our objective. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of IV, EDW, and Workforce data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

# Appendix B: Management's Comments



September 6, 2024

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: South Carolina District: Delivery Operations  
(Report Number 24-117-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit capping report *South Carolina District: Delivery Operations*.

Management generally agrees with the findings in the capping report. Management acknowledges staffing challenges in some areas within the district and has always prioritized hiring through continuous execution of hiring initiatives designed to attract applicants.

**Following are our comments on each of the two recommendations.**

Recommendation 1: We recommend the **District Manager, South Carolina District**, review staffing alignment within the district and provide adequate staff to the North Charleston Branch to deliver all committed mail daily.

Management Response/Action Plan: Management agrees with this recommendation.

District leadership meets weekly with Human Resources to review staffing, discuss vacancies and brainstorm efforts to address hiring challenges. At the district level, management continues efforts to hire through job fairs, use of banners to solicit applications, as well as other advertising platforms. These efforts have been helpful in onboarding new hires at the North Charleston Branch.

Target Implementation Date: 10/31/2024

Responsible Official: **District Manager, South Carolina District**

Recommendation 2: We recommend the **District Manager, South Carolina District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail.

Management Response/Action Plan: Management agrees with this recommendation.



Management will hold a virtual training session all non-bargaining employees in the South Carolina district to review the requirements for properly recording delayed mail.

Target Implementation Date: 11/30/2024

Responsible Official: **District Manager, South Carolina District**

E-SIGNED by COREY D RICHARDS  
on 2024-09-09 21:26:11 EDT

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Corey D. Richards  
Manager, South Carolina District

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

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