Office of Inspector General | United States Postal Service

Audit Report

Delivery Delays - Atlanta District

Report Number DR-AR-18-007 | July 3, 2018

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Highlights

Objective

Strong consumer demand for goods purchased over the Internet has driven growth in the package market despite otherwise declining mail volume. This growing package segment provides the U.S. Postal Service an opportunity to expand services and increase revenue.

With this growth, city carriers and non-career city carrier assistants (CCA) are now delivering more packages and fewer letters to more addresses each year. To accommodate these changes, the Postal Service must adapt to this changing mail mix while maintaining service and efficiency.

"We estimated the Atlanta District incurred $11 million in questioned costs for unauthorized overtime and penalty overtime, and $154,468 in costs for the processing of re-opened customer complaints."

This audit responds to concerns raised about mail service in selected post offices in Atlanta, GA. Customers complained of mail delivery only four or five times a week and mail delivery being inconsistent, sporadic, and extremely late.

The Atlanta District has 111 delivery units and 1,814 delivery routes. Our analysis of key city delivery performance indicators including carriers returning after 7 p.m., mail volume, overtime hours, and customer complaint data identified 16 delivery units with poor performance.

Our objective was to evaluate mail delivery delays in selected delivery units in the Atlanta District.

What the OIG Found

Mail was not always delivered timely in the 16 selected delivery units. Our analysis of city delivery operations and customer service data in these 16 offices identified:

- None of the 16 units achieved their goal of distributing mail to carrier routes by 8:30 a.m., known as the Distribution-Up-Time (DUT), for the 30-day period we reviewed.

- Over 70 percent of letter carriers returned to these units by 7 p.m. and after, some returning as late as 10 p.m., in fiscal year (FY) 2017.

These conditions occurred because:

- Supervisors did not always use available tools to report operational and mail flow issues impacting city delivery morning office operations.
- Supervisors did not always use the Regional Intelligent Mail Server (RIMS) and the Delivery Management System (DMS) to monitor carrier route performance during street delivery.
- Management did not adjust 481 of 533 (90 percent) routes at 13 units. Package volume increased an average of 32 percent since July 2011. Specifically, one unit had package volume increases as high as 170 percent during FY 2017.

We also determined these 16 units did not adequately address customer complaints. We identified 1,460 re-opened Enterprise Customer Care (eCC) complaint cases, indicating customers were not satisfied with the resolution at these 16 units. Further, 4,502 cases were not resolved within the Postal Service's established timeframes of 1-3 days. This condition occurred because management did not follow the customer complaint resolution policy.

As a result, we estimated the Atlanta District incurred $11 million in questioned costs for unauthorized overtime and penalty overtime, and $154,468 in costs for the processing of re-opened customer complaints for FY 2017.

What the OIG Recommended

We recommended management:

- Direct supervisors to use operational and reporting tools to effectively monitor mail flow issues during morning office operations.
- Review route adjustment requirements and develop a plan to prioritize and update routes, as appropriate, to meet current delivery requirements through the Route Count and Inspection process.
- Re-emphasize to unit management the requirement to follow Postal Service policy to maintain a customer complaint log to manage and resolve customer complaints.

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 3, 2018

MEMORANDUM FOR: SAMUEL E. JAUDON, DISTRICT MANAGER, ATLANTA DISTRICT

E-Signed by Janet Sorensen
ERIFY authenticity with eSign Deskt

FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Retail, Delivery, & Marketing

SUBJECT: Audit Report – Delivery Delays – Atlanta District (Report Number DR-AR-18-007)

This report presents the results of our audit of the Delivery Delays – Atlanta District (Project Number 18RG004DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita F. Oliver, Director, Delivery and Retail Operations, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management
Kevin McAdams, Vice President, Delivery Operations
Linda Malone, Area Vice President, Capital Metro Area

Results

Introduction/Objective

This report presents the results of our self-initiated audit of delivery delays in the Atlanta District (Project Number 18RG004DR000). This audit responds to concerns raised about mail service in selected offices in Atlanta, GA. Customers complained of mail delivery only four or five times a week and mail delivery being inconsistent, sporadic, and extremely late. Our objective was to evaluate mail delivery delays at selected delivery units in the Atlanta District. See Appendix A for additional information about this audit.

Background

City carriers and city carrier assistants (CCA) play a vital role in the operation of the U.S. Postal Service and are among the most visible employees to the public. Their office duties include casing mail, preparing parcels for delivery, and loading their vehicles. While on the street, carriers deliver and collect mail along their route, and return to the delivery unit with collection mail. The Postal Service's goal is for 95 percent of city letter carriers to return from street operations before 5 p.m., and 100 percent by 6:00 p.m. By achieving this goal, the Postal Service can meet its 24-hour operational requirement to collect, distribute, and deliver mail on time.

The Atlanta District has 111 delivery units with 1,814 delivery routes. The 16 selected delivery unit's package volume increased an average of 32 percent since February 2013. In addition, the Postal Service monitors actual and planned workhours. These 16 units used 1,568,599 actual hours versus 1,529,918 planned workhours in Fiscal Year (FY) 2017. This volume growth is a direct result of eCommerce and Sunday package delivery.

The Postal Service has six categories of customer complaints. Two of these six categories are "Where is My Mail "and "Where is My Package". The Capital Metro Area incurred 12 percent of the National eCC complaints in these two categories and the Atlanta District incurred 23 percent of the Capital Metro Area's eCC complaints. The 16 select sites had a combined 18 percent of the Atlanta District's eCC complaints in these two categories. With this volume growth, units in Atlanta experienced late mail delivery and untimely delivery to customers, which resulted in 106,389 customers complaints recorded in the Enterprise Customer Care (eCC)[1] system regarding "Where is my Package" and "Where is my mail."[2] The Postal Service's goal is 90 percent customer satisfaction for service. Furthermore, social media platforms that include Twitter, Facebook, U.S. Postal Service Office of Inspector General (OIG) Blog, and U.S. Postal Service Blog, showed the Atlanta District received 125 complaints and comments relating to lost packages, processing center issues, and inconsistent mail deliveries from October 2016 through February 2018.

Figure 1. eCC Customer Complaints Word Cloud

Using eCC complaints, we generated a Word cloud from customer's remarks. *Package* was the most common word found in these complaints.

1 The eCC application is a case management system that is used to manage customer inquiries. Generally, customer complaints are routed to a designated Post Office within the customer's Zip Code.
2 These are two of five eCC inquiry categories listed in the customer Care Application User Guide, Release 2.2 Version, dated September 2016.

Finding #1: Untimely Mail Delivery

Mail was not always delivered timely in all 16 selected delivery units. Specifically, none of the 16 units achieved their goal of distributing mail to carrier routes by 8:30 a.m., known as Distribution-Up-Time (DUT), during the 30-day period we reviewed. Further, we noted that over 70 percent of the carriers returned to their units by 7 p.m. and as late as 10 p.m. Because of the late mail delivery, we estimated the Atlanta District incurred $11 million in questioned costs for unauthorized overtime (OT) and penalty overtime (POT) in (FY) 2017.

"DUT late scan times ranged from 30 minutes up to 2 hours."

Distribution-Up-Time

None of the 16 units reviewed achieved their goal of distributing mail to carrier routes by 8:30 a.m., known as DUT, during the 30-day period (February 17 through March 17, 2018) (see Table 1). Our analysis identified that the DUT late scan times ranged from 30 minutes up to 2 hours. In addition, our analysis showed that DUT at 15 of the 16 units was delayed due to late mail arrival from the processing center. During our observations, we noted that all six units we visited received mail from the processing center that was late and required additional preparation time by the delivery unit staff. We analyzed Customer Service Daily Reporting System (CSDRS)[3] data for the 16 units where we noted some delivery units reported several instances of trucks arriving late from the processing center as late as 11:45 a.m., thus impacting their ability to meet the DUT standards.

Table 1. Delivery Units Scheduled DUT[4]

Unit Name	Period Reviewed	On-Time or Early	Days Late	Missing Scan	Total Scans	Percentage Late/ Missing
North Atlanta	2/17/2018 – 3/17/2018	2	21	1	24	91.7%
Northside Carrier Annex	2/17/2018 – 3/17/2018	0	24	0	24	100%
Ralph McGill Carrier Annex	2/17/2018 – 3/17/2018	2	22	0	24	91.7%
Northridge	2/17/2018 – 3/17/2018	0	22	2	24	100%
Doraville	2/17/2018 – 3/17/2018	2	22	0	24	91.7%
Cascade Heights	2/17/2018 – 3/17/2018	1	21	2	24	95.8%
Ben Hill	2/17/2018 – 3/17/2018	1	21	2	24	95.8%
Broadview	2/17/2018 – 3/17/2018	1	21	2	24	95.8%
Decatur	2/17/2018 – 3/17/2018	2	22	0	24	91.7%

3 CSDRS is the formal delayed mail-reporting tool that provides timely information to management on mail and operational exception situations. CSDRS provides management with a snapshot of the daily condition of the mail and is the formal reporting process of delayed mail Customer Service Daily Reporting System Guidelines and Definitions, dated September 2016.

4 DUT reports retain office scan data for 30 days and are maintained in the Scan Point Management System.

Unit Name	Period Reviewed	On-Time or Early	Days Late	Missing Scan	Total Scans	Percentage Late/ Missing
Dunwoody	2/17/2018 – 3/17/2018	0	24	0	24	100%
Glenridge	2/17/2018 – 3/17/2018	0	24	0	24	100%
Howell Mill	2/17/2018 – 3/17/2018	6	18	0	24	75%
Martech	2/17/2018 – 3/17/2018	1	23	0	24	95.8%
Midtown	2/17/2018 – 3/17/2018	0	24	0	24	100%
Old National	2/17/2018 – 3/17/2018	3	19	2	24	87.5%
Smyrna	2/17/2018 – 3/17/2018	0	24	0	24	100%

Source: Analysis of Postal Service Distribution Up-Time reports.

These conditions occurred because unit supervisors did not always report operational and mail flow problems including late arriving mail, impacting city delivery morning office in the CSDRS and Delivery Operation Information System[5] (DOIS). Per Postal Service policy,[6] supervisors and managers are responsible for managing office operations, such as mail distribution, to meet daily operational performance and service standards, to ensure an even flow of mail is provided to the carriers.

Carriers Returning Late

City carriers and CCAs in the Atlanta District did not meet the goal of 100 percent of carriers returning to the office by 6 p.m. Our analysis identified that in FY 2017, 70 percent of the Atlanta District's city carriers and CCAs returned to the office by 7 p.m., with some carriers returning as late as 10 p.m.

Our analysis of the 16 units identified 38 percent of city carriers and CCAs in these units returned by 6 p.m. and 70 percent returned by 7 p.m. (see Table 2). At one location, we identified 3,369 instances of carriers still delivering mail on their routes at 7 p.m. and 158 instances of carriers also delivering mail at 10 p.m. (see Appendix C).

> *"We identified 3,369 instances of carriers still delivering mail on their routes at 7 p.m. and 158 instances of carriers also delivering mail at 10 p.m."*

5 DOIS was designed to provide actionable data to the delivery unit supervisors, assisting them in managing the office activities, planning of street activities and managing the route inspection and adjustment activities.
6 Handbook M-39, TL-13, 03-01-98 137 upated with Postal Bulletin revisions through March 18, 2004.

Table 2. City Carriers and CCAs Returning Between 6 p.m. and 10 p.m. at Selected Units

FY 2017	Carriers Returning by 6 p.m.	Carriers Returning by 7 p.m.	Carriers Returning by 8 p.m.	Carriers Returning by 9 p.m.	Carriers Returning by 10 p.m.
Percent	38.12%	70.42%	89.12%	97.31%	99.99%

Source: OIG analysis of Enterprise Data Warehouse (EDW)-Delivery Data Mart.

This occurred because:

- Unit supervisors did not always monitor carrier route performance during street delivery using the Regional Intelligent Mail Server (RIMS) and Delivery Management System (DMS). The Postal Service established DMS and RIMS to provide visibility on packages, vehicles, routes, and actual deliveries in real-time. This information also includes real-time data for the current day activities or historical data for a month for review. According to Postal Service policy,[7] Supervisors are required to use DMS, RIMS, and DOIS, to manage street delivery operations. Management informed the OIG how the lack of experienced CCA staff can impact street delivery. Newer CCAs typically take longer to deliver mail than more experienced CCAs or regular carriers. As such, monitoring carriers using tools such as RIMS and DMS are critical to ensuring the carriers perform on-time street delivery.
- The district's City Delivery Route Alternative Adjustment Process team had not completed route adjustments. Management did not adjust 481 of 533 (90 percent) routes, even with package volume increasing on these routes by an average of 32 percent (see Table 3). Thirteen of the 16 delivery units' routes have not been adjusted and one unit was not adjusted since July 2011 to reflect accurate route base data with updated mail volumes, especially packages. Postal Service policy[8] states regular route maintenance is critical and has a financial and operational burden on the Postal Service. Further, regular route adjustments have a direct impact on customer service by ensuring routes are optimized to provide efficient, timely mail delivery. Adjustments are necessary to ensure the correct volume is assigned to each route.

Delivery unit management at four of the six units visited informed the OIG that route adjustments were necessary to balance their units' routes to eight hours. We noted that many of the supervisors and managers at these delivery units were new in their supervisory role and were waiting for the route adjustments to be performed or the unit had recently been through a route adjustment before the OIG's site visit. Atlanta District management informed the OIG that they were aware of the need for route adjustments in delivery units and were in the process of performing the adjustments, but had not completed this task. Additionally, management indicated in subsequent discussions, that route adjustments are typically conducted every three years, and volume increases are not the sole reason for completing a route adjustment. Management also stated that route adjustments require a review of volume, staffing, and other resources.

7 Delivery Standard Operating Procedure (SOP), Tab 4 City Delivery Standard Operating Procedures Street Management Section, FY 2006.
8 Handbook M-39, TL-13, 03-01-98 137 Updated with Postal Bulletin revisions through March 18, 2004, section 242.11 Importance of Route Adjustments.

Table 3. Analysis of Route Adjustments and Package Volume

Delivery Unit	City Routes	Route Adjustments		Package Volume Comparison		
		Oldest Date[9]	Most Recent Date[10]	Daily Packages (from last adjustment)	FY 2017 eFlash Average Daily Packages[11]	Percent Difference
North Atlanta	43	June 2017	July 2017	1,651	2,296	39%
Northside Carrier Annex	36	February 2018	February 2018	1,459	1,675	15%
Cascade Heights	16	February 2018	February 2018	509	392	-23%
Northridge	50	April 2017	May 2017	2,142	1,797	-16%
Ralph McGill Carrier Annex	52	June 2015	July 2017	2,247	2,772	23%
Doraville	40	July 2017	July 2017	1,524	1,868	23%
Martech	35	July 2015	July 2017	1,172	1,365	16%
Howell Mill	24	November 2011	February 2017	420	1,017	142%
Dunwoody	29	July 2011	February 2013	539	1,456	170%
Decatur	61	September 2013	December 2017	2,219	3,473	57%
Broadview	20	April 2017	April 2017	1,103	952	-14%
Glenridge	27	November 2011	September 2016	457	1,112	143%
Midtown	27	June 2011	June 2017	1,259	1,588	26%
Old National	31	June 2017	June 2017	994	1,186	19%
Smyrna	42	May 2012	October 2017	1,018	1,752	72%
Ben Hill[12]						
Total	**533**			**18,713**	**24,701**	**32%**

Source: OIG analysis of eFlash and EDW.

9 Oldest Date is the furthest date back.
10 Most recent is the most current date.
11 Total package volume divided by 302 delivery days.
12 Ben Hill station had no route adjustment data in EDW, and is not listed as an Flats Sequencing System (FSS) site. Atlanta District personnel informed us that Ben Hill changed to a finance unit.

Recommendation #1

We recommend the District Manager; Atlanta District, direct supervisors to use operational and reporting tools to effectively monitor mail flow issues during morning office operations.

Recommendation #2

We recommend the District Manager, Atlanta District, review route adjustment requirements and develop a plan to prioritize and update routes, as appropriate, to meet current delivery requirements through the Route Count and Inspection process.

Finding #2 Customer Complaints Were Not Always Resolved Timely

Units did not adequately address customer complaints, as the 16 selected delivery units had 1,460 re-opened eCC cases related to two categories -- "*Where is My Package*" and "*Where is My Mail*". A re-opened case[13] occurs when a customer is not satisfied with the resolution for their case (see Table 4).

Table 4. FY 2017 Total eCC Delivery Complaints and Re-Opened Cases

Delivery Units	Where is My Package	Where is My Mail	Re-Opened Cases
Ben Hill	656	139	72
Broadview	942	275	95
Cascade	394	153	49
Decatur	1,237	522	108
Doraville	1,204	309	111
Dunwoody	609	166	51
Glenridge	431	115	52
Howell Mill	295	148	38
Martech	928	250	1
Midtown	874	212	63
North Atlanta	1,372	404	178
Northridge	1,709	651	188

13 A re-opened case also occurs when a case is routed to the Consumer & Industry Contact Office (C&IC) associated with the Local Post Office (LPO). The original case was resolved by a LPO user, the original case was not escalated to a C&IC office, the reopen date is within 90 days of the original resolution date, and when the case has never been reopened.

Delivery Units	Where is My Package	Where is My Mail	Re-Opened Cases
Northside Carrier Annex	670	189	96
Old National	1,410	352	165
Ralph McGill Carrier Annex	1,241	370	135
Smyrna	955	318	58
Total	**14,927**	**4,573**	**1,460**

Source: OIG Analysis Postal Service Application System Reporting (ASR (CCC/RPM) USPS database.

Further, 4,502 cases were not resolved within the Postal Service's established timeframe of 1-3 days (see Table 5). The Postal Service's goal is to have 90 percent of its cases resolved within these timeframes, known as the Service Level Agreement (SLA).

"4,502 cases were not resolved within the Postal Service's established timeframe of 1-3 days."

Table 5. Case Resolution within Service Level Agreement

Delivery Unit	Resolved	Within SLA	Outside SLA	Percentage of complaints resolved within SLA
Ben Hill	893	816	77	91%
Broadview	1,369	1,015	354	74%
Cascade Heights	660	547	113	83%
Decatur	2,025	1,755	270	87%
Doraville	1,734	1,158	576	67%
Dunwoody	861	590	271	69%
Glenridge	587	438	149	75%
Howell Mill	520	480	40	92%
Martech	6	4	2	67%
Midtown	1,207	781	426	65%
North Atlanta	1,989	1,915	74	96%

Delivery Unit	Resolved	Within SLA	Outside SLA	Percentage of complaints resolved within SLA
Northridge	2,613	1,741	872	67%
Northside Carrier	940	666	274	71%
Old National	1,953	1,432	521	73%
Ralph McGill Carrier	1,755	1,371	384	78%
Smyrna	1,451	1,352	99	93%
Total Number of Cases	**20,563**	**16,061**	**4,502**	**78%**

Source: OIG Analysis of eCC Care Resolution Data.

This occurred because management did not follow the Postal Service complaint resolution policy. We identified that none of the six units visited had personnel assigned to review, manage, or resolve customer complaints within the requirement of 24 hours first contact and resolution within 72 hours, as required. Additionally, none of the 6 units we visited maintained a customer complaint log enabling them to follow-up on customer complaints that were received at the retail window.

Postal Service policy[14] sets forth the appropriate method for handling customer complaints through the eCC process. The local post office is required to assign responsibility for checking eCC three times a day, contact customers within 24 hours to acknowledge the issue and proceed with resolution. In addition, for those customers who issue a complaint by phone or through a walk-in, the complaint is required to be logged in a Customer Complaint Control Log.

During the audit, the district management hired a district eCC coordinator to manage the delivery units' customer complaints and assigned eCC coordinators to the six delivery units visited.

Proper management and timely complaint resolution is vital to the eCC resolution and increase customer loyalty and retention. As result of the 1,460 re-opened complaints, the Atlanta District incurred $154,468 in additional cost to process customer complaints for FY 2017.

Recommendation #3

We recommend the District Manager; Atlanta District re-emphasize to unit management the requirement to follow Postal Service policy to maintain a customer complaint log to manage and resolve customer complaints.

14 Postal Service's Complaint Handling Guidelines for Residential and Small Business Customers, dated July 2015.

Management's Comments

Management agreed with our findings except for our conclusion regarding route adjustments, agreed with your recommendations, and disagreed with the monetary impact.

In response to recommendation 1, management stated they will implement service talks to the field reiterating compliance with the use of operational and reporting tools. Management's target implementation date is July 13, 2018.

In response to recommendation 2, management stated adjusting delivery routes is important to meet current delivery requirements; however, there is no requirement per a Memorandum of Understanding (MOU) with the National Association of Letter Carriers (NALC) to adjust routes currently. Headquarters currently reviews delivery data and provides instruction to the areas and districts regarding offices that may need to be adjusted. Management stated the Operations Programs Support will analyze all available data and conduct reviews accordingly. Management stated they will review the 15 offices identified in the report to determine if any of these sites should be considered for route adjustments in the near future and submit the analysis and results when complete. Management's target implementation date is September 30, 2018.

In response to recommendation 3, management will implement service talks to the field reiterating compliance with use of the eCC process. Management's target implementation date is July 13, 2018.

Regarding the route adjustments, management stated the MOU with the NALC expired at the end of the 2011-2015 contract, and most route adjustments cited in Table 3 were made in 2017 and 2018. Also, package volume comparison data in Table 3 includes Sunday delivery volumes which are not built into city routes, skewing the data presented by the OIG.

Management disagreed with the $11,021,435 in questioned costs, stating that OIG's methodology assumes that any OT is unreasonable and is therefore questionable. Management stated the OIG cited OT and POT as unauthorized; however, there was no review of PS Form 1017-A, Time Disallowance Record, to prove any OT was unauthorized. Management stated there are instances where time needs to be disallowed and recorded, and most of OT is approved by management.

Management also disagreed with the $154,468 questioned costs associated with the reopened cases, noting it should be considered a cost of doing business and it would be highly unlikely that all customers would have their complaints resolved after the first contact. Management disagreed that the cost associated with reopening cases should always be considered questioned.

See Appendix D for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

Regarding management's disagreement with the conclusions related to route adjustments, we acknowledge the MOU has expired. However, management still had a significant number of routes in these selected units that were not adjusted -- 481 of 533 (90 percent) routes during FY 2017. We maintain that other Postal Service policy as noted in our report states that regular route maintenance is critical and has a financial and operational impact on the Postal Service. The OIG determined route adjustments should be performed based on our analysis of the route data, and district management and station managers from the visited delivery units both acknowledged the need for route adjustments in our discussions. We acknowledged that route adjustments were being performed in locations, and volume increases are not the sole reason for completing a route adjustment. Lastly, we reported that route adjustments performed in 2017 and 2018 are a direct cause of the delivery units experiencing poor performance and if adjustments had been performed sooner it would have been more beneficial for the units. We adjusted the report accordingly by removing the reference to the outdated MOU.

Regarding management's position that OIG used package volume that included Sunday delivery volumes which are not built into city routes, we did not include

Sunday delivery volumes in the package volume analysis. The total package volume data cited in the report only includes data from regular city routes.

Regarding management's disagreement with the questioned costs of $11,021,435 related to OT, the OIG did not assume that OT is unreasonable for the determination of questioned costs. The OIG's analysis did not question all OT, but instead questioned POT and Unauthorized OT occurring on routes. These two categories of labor as reported by Postal Service compounded with our understanding of how this OT is incurred, provides a direct example of how improper management of these selected delivery units leads to excessive costs incurred by the Postal Service regardless if they are budgeted for. As such, we believe our calculations accurately reflect monetary impact as outlined in the report.

Regarding management's disagreement with the questioned costs of $154,468 related to cost of processing reopened eCC cases, the OIG did not cite the average reopened cases to be 7.48 percent. The OIG considered the total number of reopened cases to be 1,460, as cited in the report. We acknowledge there are certain costs associated with doing business; however, we maintain that Postal Service policy sets forth the appropriate method for handling customer complaints through the eCC process. Proper management and timely complaint resolution is vital to the eCC resolution and increase customer loyalty, retention and goodwill branding of the Postal Service. As such, our questioned cost calculation accurately reflects monetary impacts outlined in the report.

All recommendations require OIG concurrence before closure. 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.

Appendices

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Appendix A: Additional Information

Scope and Methodology

Our objective was to evaluate mail delivery delays in selected delivery units in the Atlanta District. To accomplish our objective, we:

- Reviewed FY 2017 city delivery performance and customer complaint data for 16 selected delivery units in the Atlanta District to assess mail delivery delays. We evaluated carriers returning by 6 p.m., carrier OT, eCC data frequency and volume of complaints inquiry types “Where’s my Mail” and “Where’s my package”, volume and possible deliveries.
- We judgmentally selected six[15] of the 16 delivery units for site visits. We calculated the average number for each performance indicator, and used it to determine the top five delivery units for site observations.
- The 16 delivery units used 357,647 city carriers OT workhours and 92,071 CCA OT workhours. In addition, they used 72,873 city carrier POT workhours and 17,736 CCA POT workhours. For detailed OT hours see Appendix B.
- Reviewed applicable laws, regulations, policies, and procedures related to city delivery operations and customer complaints.
- Reviewed customer complaints obtained from social media platforms Twitter, Facebook, OIG Blog, and Postal Service Blog.
- Interviewed Atlanta District management, postmaster, station managers, and delivery supervisors regarding city delivery operations, delayed mail and customer compliant handling processes in the Atlanta District.

We conducted this performance audit from January 2018 through July 2018 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on May 30, 2018 and included their comments where appropriate.

We relied on data obtained from Postal Service operational systems, including EDW, eFlash, SPMS, and Customer Remarks in eCC System. We assessed the reliability of data by confirming our results with management, interviewing agency officials knowledgeable about the data and conducting limited data testing and determined that the data were sufficiently reliable for this report.

15 Cascade Heights Post Office, Doraville Station, North Atlanta Station, Ralph McGill Carrier Annex, Northside Carrier Annex, and Northridge Station.

Prior Audit Coverage

There were two audits conducted in the last three years, which directly relate to this objective.

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
City Carriers Returning After 6 P.M.-Bay Valley District	To evaluate city carriers returning to the office after 6 p.m. in the Bay Valley District.	DR-AR-17-007	08/30/2017	$15.2
City Delivery and Customer Service Operations-Red Hook Station, NY	To evaluate whether mail was delivered accurately and timely, and if customers' needs were addressed at the Station.	DR-AR-15-005	04/21/2015	NONE

Appendix B: Penalty and Unauthorized Overtime Workhours Analysis

City Letter Carriers' Penalty and Unauthorized[16] Overtime Workhours

Unit Name	Penalty Overtime Hours	[17]Penalty Overtime Dollars	Unauthorized Overtime Hours	Unauthorized Overtime Dollars
Ben Hill	2,022	$193,627	146	$10,484
Broadview	2,976	$284,982	2,518	$181,318
Doraville	5,361	$513,369	309	$22,283
Dunwoody	3,948	$378,060	8,225	$592,201
Glenridge	3,315	$317,444	233	$16,795
Howell Mill	4,567	$437,336	90	$6,489
Martech Carrier	4,421	$423,355	1,138	$81,958
Midtown	3,833	$367,048	1,015	$73,085
North Atlanta	9,901	$948,120	413	$29,717
Northridge	10,003	$957,887	11,560	$832,296
Northside Carrier	4,670	$447,199	2,962	$213,286
Old National	3,116	$298,388	3,955	$284,788
Ralph McGill	7,742	$741,374	3,358	$241,790
Decatur	3,704	$354,695	1,914	$137,794
Smyrna	2,476	$237,102	4,251	$306,078
Cascade	818	$78,332	9,169	$660,159

Source: EDW Payroll Hour Summary Report for FY 2017.

16 Our analysis does not include a review of PS Form 1017A, *Time Allowance Record*, and PS Form 1017B, *Unauthorized Overtime Record*.
17 Calculations for POT and Unauthorized OT are based on the National Average Labor Rates-FY 2016-FY 2018 Projections and not the Payroll Summary Hours.

City Carrier Assistants' (CCA) Penalty and Unauthorized Overtime Workhours

Unit Name	Penalty Overtime Hours	[18]Penalty Overtime Dollars	Unauthorized Overtime Hours	Unauthorized Overtime Dollars
Ben Hill	493	$20,233	1,041	$32,264
Broadview	3	$123	1,688	$52,320
Doraville	1,136	$46,621	635	$19,681
Dunwoody	843	$34,597	4,558	$141,295
Glenridge	577	$23,680	1,135	$35,177
Howell McGill	1,188	$48,756	712	$22,073
Martech Carrier Annex	1,108	$45,472	1,402	$43,456
Midtown	1,750	$71,820	1,714	$53,132
North Atlanta	2,267	$93,038	1,030	$31,935
Northridge	1,395	$57,251	7,791	$241,509
Northside Carrier	812	$33,324	3,306	$102,474
Old National	755	$30,985	3,511	$108,826
Ralph McGill Carrier	3,116	$127,881	1,832	$56,799
Decatur	1,511	$62,011	5,047	$156,451
Smyrna	718	$29,467	5,124	$158,834
Cascade	64	$2,627	4,431	$137,352

Source: EDW Payroll Hour Summary Report for FY 2017.

18 Calculations for POT and Unauthorized OT are based on the National Average Labor Rates-FY 2016-FY 2018 Projections and not the Payroll Summary Hours.

Appendix C: City Carriers and CCAs Delivering on Routes Between 6 p.m. and 10 p.m. at Selected Delivery Units

City Carrier Assistants' (CCA) Penalty and Unauthorized Overtime Workhours

Delivery Unit	Carriers Clocked to LDC 22	6 p.m.	7 p.m.	8 p.m.	9 p.m.	10 p.m.
Ben Hill	7,419	4,447	1,519	432	72	15
Broadview	5,594	4,135	2,257	879	233	36
Cascade	4,709	2,232	699	206	38	4
Decatur	17,983	7,184	2,277	701	124	8
Doraville	11,886	7,632	3,538	1,276	363	70
Dunwoody Carrier	8,230	5,204	2,388	799	167	13
Glenridge	7,754	5,118	2,249	548	79	5
Howell Mill	6,585	5,064	2,815	1,133	294	52
Martech	10,425	6,330	2,926	901	188	24
Midtown	7,500	4,702	2,127	826	241	82
North Atlanta	12,585	9,723	5,865	2,370	521	48
Northridge	13,768	10,741	6,983	2,872	673	78
Northside Carrier	10,070	6,424	3,369	1,534	555	158
Old National	9,248	5,076	1,863	523	88	7
Ralph McGill Carrier	14,608	9,379	5,058	2,077	561	127
Smyrna	12,924	6,416	1,773	472	138	42
Totals	**161,288**	**99,807**	**47,706**	**17,549**	**4,335**	**769**
Percentages		**61.88%**	**29.58%**	**10.88%**	**2.69%**	**0.0048%**

Source: EDW FY 2017 Atlanta District Carriers After 5 p.m. Report.

Appendix D: Management's Comments

UNITED STATES POSTAL SERVICE

June 26, 2018

Lazerick Poland
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Draft Audit Report – Delivery Delays – Atlanta District
(Report Number DR-AR-18-DRAFT)

Thank you for the opportunity to respond to the Office of Inspector General (OIG) draft audit report, Atlanta Delivery Delays. Management does not agree with all of the findings noted in the audit report. The report indicates management did not meet a requirement to perform route adjustments per a MOU with the NALC however that memorandum expired at the end of the 2011-2015 contract. Route adjustments cited in Table 3 of the report indicate that in most cases changes were made in 2017 and 2018. Also package volume comparison data in Table 3 includes Sunday delivery volumes which are not built into city routes, therefore skewing the data as presented by the OIG.

Regarding the monetary impact identified as questioned costs in the amount of $11,021,435 related to overtime, we disagree with the entire amount and with the calculations made as each tends to assume that any overtime is unreasonable and is therefore questionable. In many cases offices are budgeted with a planned overtime percentage (table below with examples) to aid in properly adjusting and leveling staffing due to changing mail volumes. The OIG audit report cites overtime and penalty overtime as unauthorized but added a footnote to indicate there was no review of PS Form 1017-A, Time Disallowance Record, to prove any overtime was unauthorized. While there are always instances where time needs to be disallowed and recorded, the majority of overtime is approved by management. Other factors can also influence the necessity of using overtime including processing equipment issues, transportation delays, particularly in the city of Atlanta, and parcel drop-shipment volume.

Office	Office Name	L/C	Description	Plan YTD OT %
120045	ACW-CARRIER ANX	O2BR	FN2B OT RATIO	8.97
120055	ADAIRSVILLE PO	O2BR	FN2B OT RATIO	4.94
120187	ALPHARETTA PO	O2BR	FN2B OT RATIO	11.52
120418	ATHENS PO	O2BR	FN2B OT RATIO	14.79
120454	ATL-BRIARCLIFF PSTL STR	O2BR	FN2B OT RATIO	19.46
120455	ATL-BROADVIEW STA	O2BR	FN2B OT RATIO	20.76
120457	ATL-CASCADE STA	O2BR	FN2B OT RATIO	12.33
120458	ATL-CENTRAL CITY CARRIER ANX	O2BR	FN2B OT RATIO	16.86
120463	ATL-CUMBERLAND CARRIER ANX	O2BR	FN2B OT RATIO	17.88
120464	ATL-DORAVILLE BR	O2BR	FN2B OT RATIO	23.21
120465	ATL-DUNWOODY BR	O2BR	FN2B OT RATIO	19.51
120466	ATL-EAST ATLANTA STA	O2BR	FN2B OT RATIO	18.29
120467	ATL-EAST POINT STA	O2BR	FN2B OT RATIO	8.45
120468	ATL-EASTWOOD STA	O2BR	FN2B OT RATIO	17.81
120469	ATL-GLENRIDGE BR	O2BR	FN2B OT RATIO	19.17
120470	ATL-HAPEVILLE STA	O2BR	FN2B OT RATIO	20.29
120471	ATL-HOWELL MILL PSTL STR	O2BR	FN2B OT RATIO	24.2
120472	ATL-INDUSTRIAL BR	O2BR	FN2B OT RATIO	0.66
120474	ATL-LAKEWOOD STA	O2BR	FN2B OT RATIO	10.39
120475	ATL-MARTECH CARRIER ANX	O2BR	FN2B OT RATIO	16.39
120477	ATL-MIDTOWN STA	O2BR	FN2B OT RATIO	15.78
120478	ATL-MORRIS BROWN STA	O2BR	FN2B OT RATIO	12.35
120479	ATL-NORTH ATLANTA BR	O2BR	FN2B OT RATIO	23.65
120480	ATL-NORTHRIDGE BR	O2BR	FN2B OT RATIO	22.63
120481	ATL-NORTHSIDE CARRIER ANX	O2BR	FN2B OT RATIO	21.34
120482	ATL-OLD NATIONAL STA	O2BR	FN2B OT RATIO	14.43
120483	ATL-RALPH MCGILL CARRIER ANX	O2BR	FN2B OT RATIO	19.06
120486	ATL-WEST END STA	O2BR	FN2B OT RATIO	14.03

Regarding the monetary impact identified as questioned costs in the amount of $154,468 related to cost of processing reopened eCC cases, the offices cited in the audit averaged 7.48% regarding cases reopened. Nationally the average for reopened cases is 3.50% of all cases. When looking at Atlanta District as a whole the reopened case rate is 3.00%, below the national average. While it may entail additional cost to have reopened cases it should be considered a cost of doing business with the reality that it would be highly unlikely that all customers would have their complaints resolved after the first contact. We disagree that the cost associated with reopening cases should always be considered "questioned".

District	Total Resolved Cases	Total Re-Opened Cases	Re-Opened %
ALABAMA DISTRICT	30,673	795	2.60%
ALASKA DISTRICT	8,647	228	2.60%
ALBANY DISTRICT	21,309	567	2.70%
APPALACHIAN DISTRICT	17,009	537	3.20%
ARIZONA DISTRICT	89,898	3,061	3.40%
ARKANSAS DISTRICT	15,238	275	1.80%
ATLANTA DISTRICT	97,759	2,905	3.00%
BALTIMORE DISTRICT	39,288	1,308	3.30%
BAY VALLEY DISTRICT	58,561	2,625	4.50%
CAPITAL DISTRICT	62,376	2,364	3.80%
CARIBBEAN DISTRICT	17,697	764	4.30%
CENTRAL IL DISTRICT	37,048	1,076	2.90%
CENTRAL PA DISTRICT	35,857	1,251	3.50%
CENTRAL PLAINS DISTRICT	20,866	439	2.10%
CHICAGO DISTRICT	66,186	3,003	4.50%
CO/WYOMING DISTRICT MGR	68,316	2,512	3.70%
CONNECTICUT VALLEY DISTRICT	51,380	1,679	3.30%
DAKOTAS DISTRICT	16,834	265	1.60%
DALLAS DISTRICT	70,107	1,816	2.60%
DETROIT DISTRICT	77,585	2,146	2.80%
FORT WORTH DISTRICT	36,747	1,229	3.30%
GATEWAY DISTRICT	35,180	1,272	3.60%
GREATER BOSTON DISTRICT	47,866	1,546	3.20%
GREATER INDIANA DISTRICT	48,902	1,257	2.60%
GREATER MICHIGAN DISTRICT	27,177	480	1.80%
GREATER SC DISTRICT	35,616	1,215	3.40%
GREENSBORO DISTRICT	51,020	1,450	2.80%
GULF ATLANTIC DISTRICT	74,215	2,566	3.50%
HAWKEYE DISTRICT	16,609	573	3.40%
HONOLULU DISTRICT	16,793	565	3.50%
HOUSTON DISTRICT	102,315	3,876	3.80%
KENTUCKIANA DISTRICT	31,177	760	2.40%
LAKELAND DISTRICT	45,709	1,312	2.90%
LONG ISLAND DISTRICT	18,851	532	2.80%
LOS ANGELES DISTRICT	77,063	3,006	3.90%
LOUISIANA DISTRICT	38,392	1,466	3.80%
MID AMERICA DISTRICT	36,900	1,104	3.00%
MID CAROLINAS DISTRICT	46,669	1,388	3.00%
MISSISSIPPI DISTRICT	14,764	476	3.20%
NEVADA SIERRA DISTRICT	36,751	1,782	4.80%
NEW YORK DISTRICT	102,468	4,346	4.20%
NORTHERN NEW ENGLAND	22,286	493	2.20%
NORTHERN NEW JERSEY	66,536	3,634	5.50%
NORTHERN OHIO DISTRICT	40,999	1,468	3.60%
NORTHERN VIRGINIA DISTRICT	32,115	1,337	4.20%
NORTHLAND DISTRICT	38,658	1,082	2.80%
OHIO VALLEY DISTRICT	62,596	2,121	3.40%
OKLAHOMA DISTRICT	23,451	618	2.60%
PHILADELPHIA METRO DISTRICT	54,536	2,179	4.00%
PORTLAND DISTRICT	43,973	1,283	2.90%
PORTLAND DISTRICT NEW	43,973	1,283	2.90%
RICHMOND DISTRICT	45,640	1,632	3.60%
RIO GRANDE DISTRICT	85,160	3,433	4.00%
SACRAMENTO DISTRICT	57,820	2,051	3.50%
SALT LAKE CITY DISTRICT	31,852	1,196	3.80%
SAN DIEGO DISTRICT	62,041	1,737	2.80%
SAN FRANCISCO DISTRICT	40,978	2,085	5.10%
SANTA ANA DISTRICT	50,754	1,620	3.20%
SEATTLE DISTRICT	70,216	2,205	3.10%
SIERRA COASTAL DISTRICT	51,858	1,776	3.40%
SOUTH FLORIDA DISTRICT	135,744	5,392	4.00%
SOUTH JERSEY DISTRICT	44,500	1,678	3.80%
SUNCOAST DISTRICT	127,197	4,066	3.20%
TENNESSEE DISTRICT	55,377	1,614	2.90%
TRIBORO DISTRICT	133,287	6,799	5.10%
WESTCHESTER DISTRICT	24,957	925	3.70%
WESTERN NEW YORK DISTRICT	22,560	621	2.80%
WESTERN PENNSYLVANIA	28,197	784	2.80%
National	3,341,079	116948	3.50%

Management agrees with the recommendations as outlined below.

Recommendation #1
We recommend the District Manager, Atlanta District, direct supervisors to use operational and reporting tools to effectively monitor mail flow issues during morning office operations.

Management Response/Action Plan
We agree with the recommendation and will implement by issuing service talks to the field reiterating compliance with use of operational and reporting tools.

Target Implementation Date
July 13, 2018

Responsible Official
Manager, Operations Programs Support

Recommendation #2
We recommend the District Manager, Atlanta District, review route adjustment requirements and develop a plan to prioritize and update routes, as appropriate, to meet current delivery requirements through the Route Count and Inspection process.

Management Response/Action Plan
We agree that properly adjusting delivery routes is important to meet current delivery requirements however there is not requirement per a MOU with the NALC to adjust routes currently. Headquarters currently reviews delivery data and provides instruction to the areas and districts regarding offices that may need to be adjusted. To implement this recommendation Operations Programs Support will analyze all available data and conduct reviews accordingly. We will review the 15 offices identified in the report to determine if any of these sites should be considered for route adjustments in the near future and submit that analysis and results when complete. It is important to note that eleven of these sites were adjusted in 2017 and two were adjusted this year, indicating that most have been recently adjusted.

Target Implementation Date
September 30, 2018

Responsible Official
Manager, Operations Programs Support

Recommendation #3
We recommend the District Manager, Atlanta District re-emphasize to unit management the requirement to follow Postal Service policy to maintain a customer complaint log to manage and resolve customer complaints.

Management Response/Action Plan
We agree with the recommendation and will implement by issuing service talks to the field reiterating compliance with use of the eCC process.

Target Implementation Date
July 13, 2018

Responsible Official
District Marketing Manager

Samuel E. Jaudon
Atlanta District Manager

cc: Manager, Corporate Audit & Response Management

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