Minot Post Office, Minot, ND: Delivery Operations

AUDIT REPORT
Report Number 24-032-5-R24 | March 21, 2024

Office of
INSPECTOR
GENERAL
UNITED STATES POSTAL SERVICE

UNITED STATES POST OFFICE

MINOT, NORTH DAKOTA 58701

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

March 21, 2024

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

[signature: Sean Balduff]

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

SUBJECT: Audit Report – Minot Post Office, Minot, ND: Delivery Operations
(Report Number 24-032-5-R24)

This report presents the results of our audit of mail delivery operations and property conditions at the Minot Post Office in Minot, ND.

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, Central Area Retail & Delivery Operations
Director, Retail & Post Office Operations Maintenance
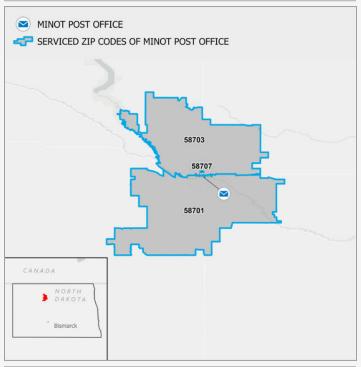Corporate Audit and Response Management

Results

Background

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

This interim report presents the results of our audit of delivery operations and property conditions at the Minot Post Office in Minot, ND (Project Number 24-032-5). It further responds to congressional requests from U.S. Senators Tina Smith (MN) and Amy Klobuchar (MN), and U.S. Representatives Angie Craig (MN), Pete Stauber (MN), Betty McCollum (MN), Brad Finstad (MN), Tom Emmer (MN), Michelle Fischbach (MN), Dean Phillips (MN), and Ilhan Omar (MN) to conduct a full audit of mail operations in the Minnesota-North Dakota District. We were also in contact with U.S. Senators Kevin Cramer (ND) and John Hoeven (ND), as well as U.S. Representative Kelly Armstrong (ND).

The Minot Post Office is in the Minnesota-North Dakota District of the Central Area and services ZIP Codes 58701, 58703, and 58707 (see Figure 1). These ZIP Codes serve 56,391 people in a predominantly urban area. Specifically, 49,660 (88 percent) people live in urban communities and 6,731 (12 percent) people live in rural communities.[1]

Figure 1. ZIP Codes Serviced by the Minot Post Office

Source: OIG

This delivery unit has 31 city routes and 17 rural routes. The Minot Post Office is one of three delivery units[2] the OIG reviewed during the week of January 22, 2024, that are serviced by the Bismarck Processing and Distribution Center (P&DC).

We assessed all units serviced by the Bismarck P&DC based on the number of Customer 360[3] (C360) delivery-related inquiries,[4] Informed Delivery[5] contacts, Stop-the-Clock[6] (STC) scans performed away from the delivery point, and undelivered route information between September 1 and November 30, 2023. We also reviewed first and last mile failures[7] between September 2 and December 1, 2023.

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1   We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
2   The other two units were the Bismarck Carrier Annex, Bismarck, ND (Project Number 24-032-4); and the Mandan Post Office, Mandan, ND (Project Number 24-032-6).
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 Pick-up," and "No Access."
7   First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.

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

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

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	7.2	3.5
Informed Delivery Contacts	51.5	19.3

Source: OIG analysis of Postal Service's C360 and Informed Delivery data extracted on December 18, 2023.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Minot Post Office in Minot, ND.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,[8] carrier complement and timekeeping, and property conditions. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, carrier complement and timekeeping, and distribution up-time.[9] During our site visit we observed mail conditions; 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[10] and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on March 11, 2024, and included their comments, where appropriate.

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

Results Summary

We identified issues affecting delivery operations and property conditions at the Minot Post Office. Specifically, we found issues with the five areas we reviewed (See Table 2).

Table 2. Summary of Results

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

Source: Results of our fieldwork during the week of January 22, 2024.

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

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8   A distinctively shaped key carriers use to open mail-receiving receptacles such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow keys are accountable property and are subject to strict controls.
9   Time of day that clerks have completed distributing mail to the carrier routes.
10   The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.
11   Project Number 24-032.

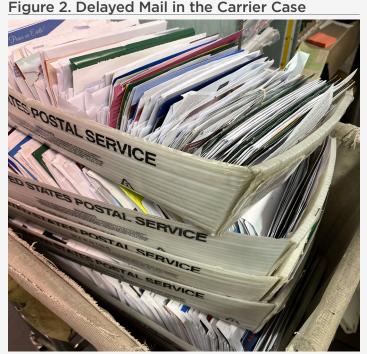# Finding #1: Delayed Mail

What We Found

On the morning of January 23, 2024, we identified about 23,784[12] delayed mailpieces at 28 carrier cases, on the workroom floor, and on the dock. Specifically, we identified 17,456 letters, 1,863 flats, and 4,465 packages. Most of the delayed mail we identified at the carrier cases was for rural routes, and the mail identified on the dock was delivery point sequence (DPS)[13] mail from undelivered routes. In addition, management did not accurately report this mail as undelivered in the Delivery Condition Visualization (DCV)[14] system. Management reported 4,653 delayed letters and flats from the previous day, representing about 20 percent of the delayed mail we identified at the unit. See Table 3 for the number of pieces for each mail type and Figures 2 and 3 for examples of delayed mail found at the unit.

Table 3. Types of Delayed Mail Identified

Type of Mail	Carrier Cases	Workroom Floor and Dock Area	Total Count of Delayed Mail
Letters	9,633	7,823	17,456
Flats	1,234	629	1,863
Packages	458	4,007	4,465
Totals	**11,325**	**12,459**	**23,784**

Source: OIG count of delayed mailpieces identified during our visit on January 23, 2024.

Figure 2. Delayed Mail in the Carrier Case

Source: OIG photo taken on January 23, 2024.

Figure 3. Examples of Delayed Mail on the Workroom Floor and Dock Area

Source: OIG photos taken on January 23, 2024.

Why Did It Occur

Management did not provide adequate resources and oversight to verify that all mail was cleared from the unit and that all delayed mail was accurately reported in the DCV system. Management stated the mail delays were attributed to insufficient staffing due to vacancies, retirements, employees taking

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

13   Mail sorted by carrier route into delivery order by an automated process.

14   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.

unscheduled leave, and staff not showing up to work without notice for long periods of time. Specifically, the unit is authorized 26 rural carriers; however, as of January 25, 2024, the unit only had 18 rural carriers assigned, and two of those reported to other post offices. Management also stated that because of limited staffing, they have part-time employees, custodians, and supervisors sorting and delivering mail. District management stated they have attended job fairs and posted advertisements in the lobby. However, they have had a difficult time hiring and retaining rural carriers.

Furthermore, the mail identified on the workroom floor was from a large eCommerce mailer. Management stated that they were following a process put in place by senior management during the peak holiday season to help manage high volumes of packages. Instead of using a first in, first out process, they sampled packages and distributed them based on the scheduled delivery day. Local management was unaware the process had ended after the holiday season. When district management was notified, they sent notification via text message to correct the issue. Unit management took immediate corrective action and had the delayed mail distributed and delivered.

The delayed mail we observed was not accurately reported in DCV because of limited staffing. Specifically, the supervisor stated he was often the only one on duty and didn't update delayed mail volumes in DCV because he became overwhelmed with other responsibilities. In addition, the unit did not report the mail from the workroom floor in DCV because they did not realize the mail was delayed.

What Should Have Happened

Management should have provided the unit with enough resources to ensure all mail was processed and delivered each day and that any mail returned from a route was properly reported. Postal Service policy[15] states that managers must plan for unscheduled absences and situations that may interfere with normal delivery service. Management must also develop contingency plans for situations that may interfere with normal delivery service. In

addition, Postal Service policy[16] states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. Policy[17] also states mail should be placed in the order it is received to ensure a first in, first out treatment of the mail. Further, managers are required[18] to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. Management must update DCV if volumes have changed prior to the end of the business day.

Effect on the Postal Service and Its Customers

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

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15 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.
16 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
17 Stand-up Talk, *The First In, First Out Treatment*, January 15, 2022.
18 *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

Finding #2: Package Scanning

What We Found

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

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.[19] In total, employees improperly scanned 457 packages at the delivery unit between October and December 2023 (see Table 4). Further analysis of the STC scan data for these packages showed that 60 percent of them were scanned "Delivered."

Table 4. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	273	59.7%
Delivery Attempted – No Access to Delivery Location	118	25.8%
Receptacle Full / Item Oversized	38	8.3%
No Secure Location Available	19	4.2%
No Authorized Recipient	9	2.0%
Total	**457**	**100%**

Source: OIG analysis of the Postal Service's Product Tracking and Reporting (PTR) System data. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.
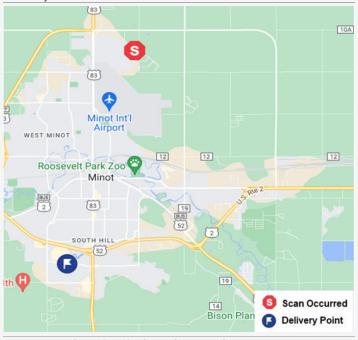
We also reviewed 97 scans occurring away from the delivery unit and over 1,000 feet[20] from the intended delivery point between October and December 2023 (see Table 5). We removed scans that could have been performed within policy, such as "Animal Interference" and "Unsafe Conditions." Further analysis of the STC scan data for these packages showed that 94 percent of them were scanned "Delivered."

Table 5. STC Scans Over 1000 Feet Away From the Delivery Point

STC Scan Type	Count	Percentage
Delivered	91	93.8%
Delivery Attempted – No Access to Delivery Location	2	2.1%
Return to Sender	2	2.1%
Receptacle Full / Item Oversized	2	2.1%
Total	**97**	**100%***

Source: OIG analysis of the Postal Service's PTR System data.
* Total percentage does not equal 100 percent due to rounding.

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

Figure 4. Scan Away From the Delivery Point in Minot, ND

Source: Postal Service Single Package Look Up.

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

20 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.

We also found issues with scanning and handling of packages in the unit. On the morning of January 23, 2024, before carriers arrived for the day, we selected 60 packages[21] to review and analyze scanning and tracking history. Of the 60 sampled packages, 27 (45 percent) had missing and improper scans or handling issues, including:

- Eighteen packages (15 from the carrier cases and three from the "Notice Left" area) were scanned "Available for Pickup" or "Delivery Exception – Local Weather Delay" by the supervisors using an in-office scanner.

- Four packages (three from the carrier cases and one from the "Notice Left" area) were missing STC scans to let customers know the reason for non-delivery.

- Three packages from the carrier cases were scanned "Delivery Attempted – No Access." One package was scanned away from the delivery point. The other two packages were scanned on January 10, 2024, and January 19, 2024, but were not taken out for a second delivery attempt.

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

- One package from the "Notice Left" area was scanned "Held at Post Office at Customer Request" half a mile from the delivery point.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Although management has a process in place for monitoring package scanning, they did not always perform daily monitoring duties because of competing responsibilities, such as delivering mail. In addition, two supervisors acknowledged responsibility for using the in-office scanners to enter STC scans on undelivered packages. The supervisors stated they were aware this is not policy, but they did not want the packages to fail their delivery commitment date.

Furthermore, management explained that the high number of delivered scans were primarily for customers that routinely pick up their packages at the delivery unit. Specifically, the packages were being routed to the carrier cases, and the carrier was scanning the packages "Delivered" and then placing them in the designated customer pickup area. These packages should have been scanned delivered by a clerk when the customer picked up their packages.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,[22] which includes scanning packages at the time and location of delivery.[23]

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance both the customer experience and the Postal Service brand.

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21   We judgmentally selected 30 packages from the carrier cases and 30 packages from the "Notice Left" area.
22   *Delivery Done Right the First Time* stand-up talk, March 2020.
23   *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of January 25, 2024, we reviewed the unit's arrow key monthly certification list in the Retail and Delivery Applications and Reports (RADAR)[24] system and conducted a physical inventory of keys at the unit. We determined 103 of the 183 keys located at the unit were not on the list and two of the 82 keys on the list could not be located. In addition, 43 of the 103 keys were found broken.

Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service. In addition, arrow keys were not always kept secure. Specifically, the arrow keys that were used each day were kept inside an accountability cart in an unlocked office that was periodically left unattended throughout our visit.

Why Did It Occur

Management did not provide sufficient oversight to properly manage arrow keys. Specifically, the unit maintains two manual arrow key inventory logs; one for the accountability cart and one for the new and broken keys safeguarded in the vault. Management stated that when they conducted the monthly certification in RADAR, they only used the manual inventory log from the accountability cart and were not aware of the other log.

In addition, management did not properly safeguard the arrow keys in the accountability cart because they believed the current procedure of locking the accountability cart only at night with a pad lock was sufficient. On January 25, 2024, management took corrective action by moving the accountability cart into the locked registry cage when not in use.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[25] management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the U.S. Postal 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. Upon return, arrow keys should be deposited in a secure location and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

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

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

Finding #4: Timekeeping Management

What We Found

We determined that management did not complete the PS Forms 1017-A, *Time Disallowance Record*,[26] entries in the Time and Attendance Collection System (TACS),[27] nor did they print and retain the forms, for 18 disallowed time occurrences made between September 30 and December 29, 2023.

Why Did It Occur

Management did not confirm the disallowed time was completed and retained because they were focused on competing operational duties. Management stated that due to staffing constraints, supervisors had to sort packages and deliver mail, which took priority over performing their daily, in-office supervisor duties.

What Should Have Happened

Postal Service policy[28] states unit personnel must complete PS Form 1017-A entries and place them in a notebook binder that is secured from unauthorized access documenting the reason for the disallowed time or unauthorized overtime.

Effect on the Postal Service and Its Customers

When proper documentation of time disallowance is not completed, management could incur additional managerial workhours. In addition, the Postal Service risks violation of the Fair Labor Standards Act[29] when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

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26 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.
27 The system used by Postal Service to automate the collection of employee time and attendance information.
28 Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.
29 29 USC § 201-219.

Finding #5: Property Conditions

What We Found

We found safety and security issues at the Minot Post Office:

Property Safety:

- Three fire extinguishers were missing an annual inspection, and two were missing a monthly inspection.

- Two fire extinguishers were not mounted on the wall.

Property Security:

- There was no sign posted in the employee parking area stating that vehicles may be subject to search.

Why Did It Occur

Management stated the inspections on five of the 23 fire extinguishers were not conducted due to an oversight because of their locations. Specifically, two of the fire extinguishers are in the detached garage, two are in the basement sitting on tables instead of being mounted on the wall, and one is on the dock but can be hidden behind equipment.

In addition, management stated they were not aware of the requirements for the sign. On January 25, 2024, management ordered two signs for the parking lot.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and security issues as they arose, and followed up to ensure resolution. The Postal Service requires management to maintain a safe environment for employees and customers.[30]

Effect on the Postal Service and Its Customers

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

Management's Comments

Management agreed with all findings in the report. See Appendix B for management's comments in their entirety.

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

Appendix A: Additional Information

We conducted this audit from January through March 2024 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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

- Control Activities

- Information and Communication

- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three components that were significant within the context of our objectives. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for the Mandan Post Office, Bismarck Carrier Annex, and the Minot Post Office. Those recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of PTR, DCV, TACS, and the electronic Facilities Management System[31] data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

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

Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

March 11, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Minot Post Office, Minot, ND: Delivery Operations
(Report Number 24-032-5-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Minot Post Office, Minot, ND: Delivery Operations*.

Management generally agrees with the five findings in the report on delayed mail, package scanning, arrow keys, timekeeping, and property conditions. However, the report is misleading when reporting scanning data. The report highlights 457 scanning issues from October to December 2023, but fails to mention that the total number of packages scanned during this period was 466,473 for which scanning issues represent less than one-tenth of a percent of the total parcel volume.

Management has begun taking steps to address the five findings.

Delayed Mail: Management at the district level will conduct reviews to monitor for compliance. Management will conduct a service talk on proper recording of delayed mail in DCV.

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

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

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

Property Conditions: Management has begun abating the property condition issues related to safety and security.

E-SIGNED by ANGELA.L BYE
on 2024-03-11 16:53:37 EDT

Angela Bye
Manager, Minnesota-North Dakota District

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

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

1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsoig.gov
or call (703) 248-2100