

# Texas 2 District: Delivery Operations



## AUDIT REPORT

Report Number 23-151-R24 | January 18, 2024



Conroe Post Office

Fairbanks Station

Oak Forest Station

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# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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January 18, 2024

**MEMORANDUM FOR:** DAVID CAMP  
MANAGER, TEXAS 2 DISTRICT

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

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

**SUBJECT:** Audit Report – Texas 2 District: Delivery Operations  
(Report Number 23-151-R24)

This report presents the results of our audit of mail delivery, customer service, and property conditions review at the Texas 2 District.

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

Attachment

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

# Results

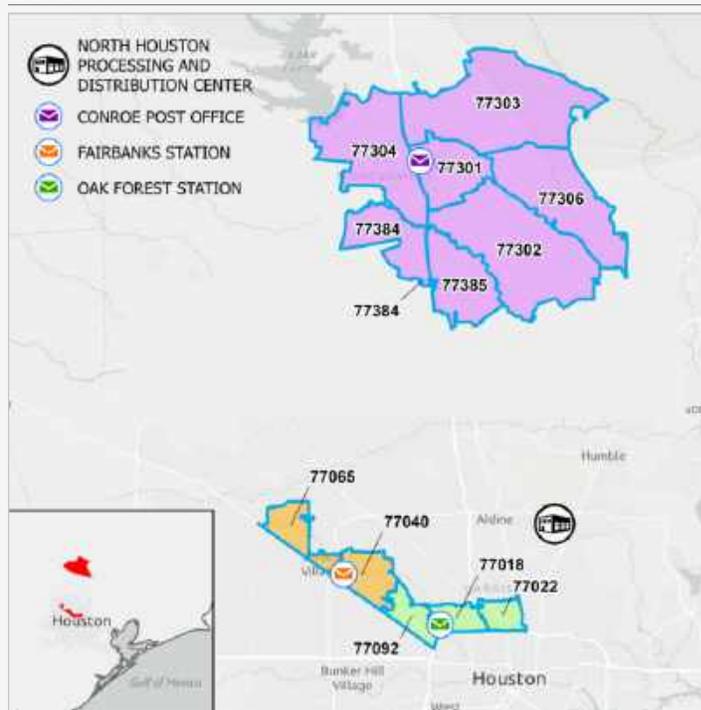
## Background

The 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 that 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 self-initiated audits of delivery operations and property conditions at three select delivery units in the Texas 2 District in the Southern Area (Project Number 23-151). These delivery units included the Fairbanks Station, Oak Forest Station, and the Conroe Post Office (see Figure 1).

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

Figure 1. Delivery Units Audited in the Texas 2 District



Source: U.S. Postal Service OIG.

We judgmentally selected these delivery units based on the number of Customer 360<sup>3</sup> (C360) inquiries, Informed Delivery<sup>4</sup> contacts associated with the unit, and stop-the-clock (STC)<sup>5</sup> scans performed at the unit (see Table 1). The units were also chosen based on first and last mile failures<sup>6</sup> and undelivered routes.

1 Fairbanks Station in Houston, TX: Delivery Operations (Report Number 23-151-1-R24, dated November 28, 2023); Oak Forest Station in Houston, TX: Delivery Operations (Report Number 23-151-2-R24, dated November 28, 2023); and Conroe Post Office in Conroe, TX: Delivery Operations (Report Number 23-151-3-R24, dated November 28, 2023).

2 Efficiency of Operations at the North Houston Processing and Distribution Center, Houston, TX (Report Number 23-150-R24, dated November 28, 2023).

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

4 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.

5 A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pick-Up," and "No Access."

6 A first mile failure occurs when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. A last mile failure occurs 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. First and last mile failures can occur due to processing, transportation, or delivery operations.

**Table 1. Site Selection Data (Per Route)**

Delivery Units	Delivery-Related C360s	Informed Delivery Contacts	STC Scans at the Unit
Fairbanks Station	1.8	13.0	3.8
Oak Forest Station	2.1	18.2	9.7
Conroe Post Office	5.1	41.2	10.5
District Average	1.6	11.2	8.7

Source: U.S. Postal Service OIG analysis of Postal Service’s C360, Informed Delivery, Facility Database, and Product Tracking and Reporting (PTR) System data extracted on August 25, 2023. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

The three delivery units have a total of 140 city routes and 115 rural routes that serve about 356,806 people in multiple ZIP Codes (see Table 2), which are considered predominantly urban communities.<sup>7</sup> Of the 356,806 people living in these Zip Codes, 312,443 (87.6 percent) are considered living in urban communities and 44,363 (12.4 percent) are considered living in rural communities.

**Table 2. Service Area and Population**

Delivery Units	Service Area ZIP Code	Population	City Routes	Rural Routes
Fairbanks Station	77040, 77065	86,792	52	4
Oak Forest Station	77018, 77022, 77092	91,339	68	0
Conroe Post Office	77301, 77302, 77303, 77304, 77306, 77384, 77385	178,675	20	111
<b>Total</b>		<b>356,806</b>	<b>140</b>	<b>115</b>

Source: OIG analysis of Postal Service National Labeling List and Census data.

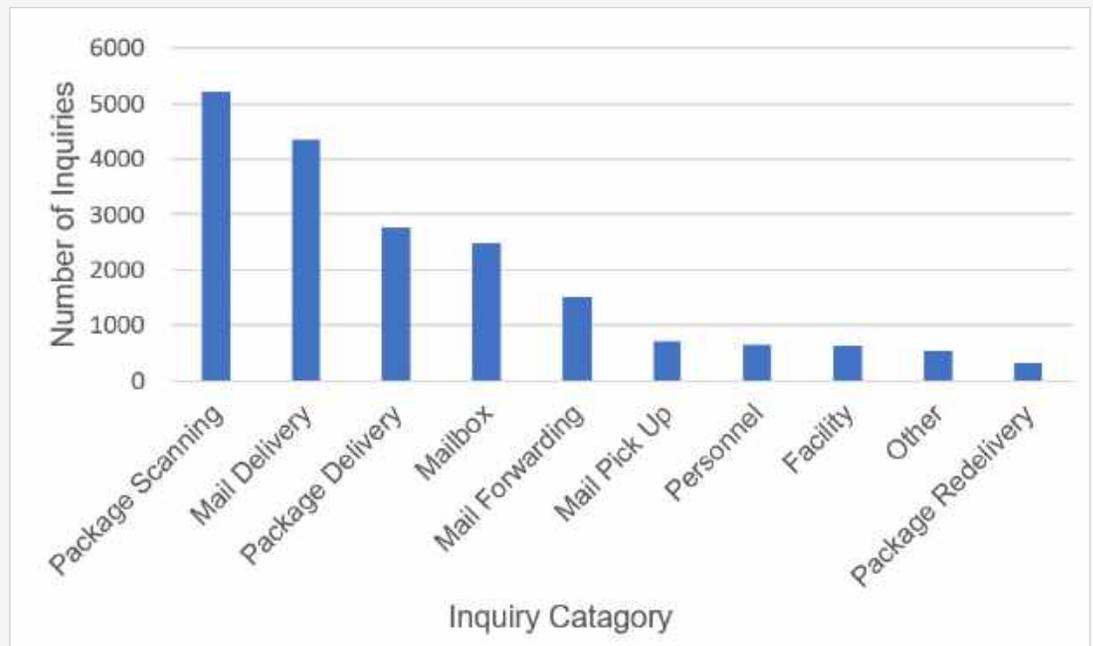
As part of our analysis of these units, we conducted text analysis on all C360 inquiries submitted to the units between October 1, 2021, and August 31, 2023. In total, we reviewed and categorized the customer’s description of the inquiry for 19,207 tickets.<sup>8</sup> See [Figure 2](#) for the results of our analysis.

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

<sup>8</sup> We removed 10,214 inquiries for which the text description of the ticket was less than 40 characters, and 219 inquiries that could not be sorted by our data analysis tool into a topic category.

## Figure 2. C360 Inquiry Analysis

Source: OIG analysis of C360 inquiries.



Package scanning and delivery issues for mail and packages made up the majority of the C360 comments. Comments about scanning included complaints that packages were scanned as delivered but were not, packages lacked scanning details, or there was an inaccurate scan describing the reason for non-delivery. For example, there were comments about scans showing packages were not delivered because of animal interference, but neither the recipients nor their neighbors owned a pet.

### Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Fairbanks Station, Oak Forest Station, and Conroe Post Office.

To accomplish our objective, we focused on five audit areas: delayed mail, package scanning, arrow keys,<sup>9</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, and distribution up-time.<sup>10</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>11</sup> and interviewed unit management and employees. We discussed our observations and conclusions, as summarized in [Table 3](#), with management on January 3, 2024, and included their comments, where appropriate. See [Appendix A](#) for additional information about our scope and methodology.

### Results Summary

We identified issues affecting delivery operations and property conditions at all three delivery units. Specifically, we found delayed mail and deficiencies with package scanning, arrow keys, carrier timekeeping, and property conditions (see [Table 3](#)).

<sup>9</sup> 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.

<sup>10</sup> Time of day that clerks have completed distributing mail to the carrier routes.

<sup>11</sup> The area of a delivery unit where letters or packages that the carriers were unable to deliver are stored for customer pickup.

**Table 3. Summary of Issues Identified**

Controls Reviewed	Issues Identified – Yes or No		
	Fairbanks Station	Oak Forest Station	Conroe Post Office
Delayed Mail	Yes	Yes	Yes
Package Scanning	Yes	Yes	Yes
Arrow Keys	No	Yes	Yes
Carrier Complement and Timekeeping	Yes	Yes	Yes
Property Conditions	Yes	Yes	Yes

Source: Interim reports from select units.

We did not identify any issues with carrier complement. We determined that all carriers assigned to the units reported to work between May 6 and July 28, 2023.

### Finding #1: Delayed Mail

#### What We Found

On the morning of September 12, 2023, we identified about 18,910 pieces<sup>12</sup> of delayed mail at the three delivery units. In addition, management at all three units did not report the mail as undelivered in the Delivery Condition Visualization (DCV)<sup>13</sup> system. See Table 4 for the number of pieces for each mail type and Figure 3 for examples of delayed mail found at the units.

**Table 4. Type of Delayed Mail**

Type of Mail	Fairbanks Station	Oak Forest Station	Conroe Post Office	Total
Letters	1,796	6,795	5,658	14,249
Flats	968	966	2,562	4,496
Packages	0	165	0	165
<b>Total</b>	<b>2,764</b>	<b>7,926</b>	<b>8,220</b>	<b>18,910</b>

Source: OIG count of delayed mailpieces identified during our visit on September 12, 2023.

<sup>12</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>13</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.

### Figure 3. Examples of Delayed Mail at the Units

#### Delayed Mail at Oak Forest Station



#### Delayed Mail at Conroe Post Office



Source: OIG photos taken September 12, 2023.

#### Why Did It Occur

Delayed mail primarily occurred because management did not effectively address issues impacting delivery operations. For example, there was insufficient staffing at the Fairbanks Station

and Conroe Post Office, as well as a lack of vehicle availability at the Oak Forest Station. Additionally, at Oak Forest Station, new carriers took longer to deliver the mail since they were not familiar with the routes.

Management also did not provide adequate oversight to verify the delayed mail was entered into DCV. At Fairbanks Station, the supervisor did not follow up to check if the delayed mail was reported. At Conroe Post Office, a lack of access to the DCV program and a lack of proper understanding of the reporting policy contributed to the unit not reporting delayed mail. Finally, at Oak Forest Station, the supervisor stated they did not report delayed mail because they were not authorized to do so without the station manager's approval.

#### What Should Have Happened

Management should have addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy<sup>14</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. Further, Postal Service policy<sup>15</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.

In addition, 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>16</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.

#### 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 our analysis of the C360 inquiries for these delivery units, we found numerous instances of customers stating mail was not delivered for multiple days in a row. In addition,

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

<sup>15</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

<sup>16</sup> *Informed Visibility Delivery Condition Visualization User Guide*, March 2023.

inaccurate reporting of delayed mail in the DCV system 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.

**Recommendation #1**

We recommend the **District Manager, Texas 2 District**, provide sufficient management oversight of staff at Fairbanks Station and Oak Forest Station to deliver all committed mail daily.

**Recommendation #2**

We recommend the **District Manager, Texas 2 District**, hire additional supervisory staff at Conroe Post Office to manage delivery operations.

**Recommendation #3**

We recommend the **District Manager, Texas 2 District**, provide enough vehicles so that Oak Forest Station can complete deliveries daily.

**Recommendation #4**

We recommend the **District Manager, Texas 2 District**, train management at the Fairbanks Station, Oak Forest Station, and Conroe Post Office to enter all delayed mail into the Delivery Condition Visualization system and subsequently confirm delayed mail is reported accurately at all three sites daily.

**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 all three delivery units.

In total, employees scanned 2,224 packages at the delivery units instead of at the recipients' delivery point between May and July 2023 (see Table 5). Further analysis of the STC scan data for these packages showed that 86.9 percent of them were scanned as "Delivered" and 7.9 percent of them were scanned as "Delivery Attempted – No Access to Delivery Location." 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, represent scans performed at the delivery unit that should routinely be made at the point of delivery.

In addition, employees at all three delivery units improperly scanned 4,370 packages greater than 1,000 feet away from the delivery point, with 97.6 percent scanned as "Delivered" (see Table 6). We removed scans that could have been performed within policy, such as animal interference and unsafe conditions.

**Table 5. STC Scans at Delivery Unit**

STC Scan Type	Delivery Units				
	Fairbanks Station	Oak Forest Station	Conroe Post Office	Total	Percent
Delivered	182	505	1,245	1,932	86.9%
Delivery Attempted - No Access	21	86	68	175	7.9%
Delivery Exception - Animal Interference	7	64	5	76	3.4%
Receptacle Full / Item Oversized	0	2	22	24	1.1%
No Secure Location Available	1	4	5	10	0.4%
No Authorized Recipient	0	0	5	5	0.2%
Refused	0	0	2	2	0.1%
<b>Total</b>	<b>211</b>	<b>661</b>	<b>1,352</b>	<b>2,224</b>	<b>100%</b>

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

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

STC Scan Type	Delivery Units				
	Fairbanks Station	Oak Forest Station	Conroe Post Office	Total	Percent
Delivered	106	12	4,150	4,268	97.7%
Delivery Attempted - No Access	4	1	28	33	0.8%
Business Closed	29	0	0	29	0.7%
Receptacle Full / Item Oversized	0	0	22	22	0.5%
No Authorized Recipient	0	0	12	12	0.3%
Held at Post Office at Customer Request	2	0	0	2	<0.1%
No Secure Location Available	0	0	2	2	<0.1%
No Such Number	1	0	0	1	<0.1%
Insufficient Address	1	0	0	1	<0.1%
<b>Total</b>	<b>143</b>	<b>13</b>	<b>4,214</b>	<b>4,370</b>	<b>100%*</b>

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 1.3 miles away from the delivery point.

In addition, on the morning of September 12, 2023, before carriers arrived for the day, we selected a total of 165 packages at the three delivery units to review and analyze for scanning and tracking history. We judgmentally selected 78 packages from the carrier cases and 87 packages from the “Notice Left” areas at these units.

- Of the 78 sampled packages at the carrier cases, 38 (48.7 percent) had missing or improper scans, or improper handling. For example, 18 of these packages were scanned “Delivered,” which should only be performed when a package is successfully left at the customer’s point of delivery, and 11 were scanned “Delivery Attempted – No Access” away from the delivery point.

**Figure 4. Scan Away From the Delivery Point in Houston, TX**



Source: Postal Service Single Package Look Up.

- Of the 87 packages sampled from the “Notice Left” area, nine (10.3 percent) had missing or improper scans, or were improperly handled. These included three missing “Arrival at Unit” scans; two scanned “Delivery Attempted – No Access” and two scanned “No Authorized Recipient” away from the delivery point; one scanned as “Delivered;” and one scanned “Return to Post Office for Address Verification” but had been in the unit for 44 days.

Further, 22 packages (25.3 percent) in the “Notice Left” area at the three locations should have been returned to sender. These packages ranged from one to 93 days past their return dates.<sup>17</sup>

### Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Specifically:

- Management at the Fairbanks Station instructed carriers to scan customer holds as delivered to prevent a scan failure. The packages in the “Notice Left” section were not returned timely because management occasionally gives the customer additional time to pick up their packages, especially for international items.
- Management at the Oak Forest Station stated they do not use scanning exception reports, but instead use package failures and district-issued integrity reports. In addition, management did not assign a clerk to monitor the “Notice Left” section daily for packages that should be returned due to insufficient staffing.
- Management at the Conroe Post Office stated they did not verify that supervisors were properly overseeing package scanning because they prioritized staffing over monitoring scan performance. Furthermore, management stated that in June 2023 several rural carriers resigned after route evaluations. This caused a lot of pivoted and split routes, resulting in an increase of improper scans on undelivered packages due

to staffing constraints. The “Notice Left” packages were not returned timely due to an oversight.

Additionally, there were sporadic issues with scanners at Fairbanks Station and Oak Forest Station, leading to some scanning oddities.

### What Should Have Happened

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>18</sup> which includes scanning packages at the time and location of delivery.<sup>19</sup> Packages in the “Notice Left” area should have been reviewed for second notices and returned to sender if they remained after the prescribed number of days.<sup>20</sup>

### 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. Our C360 text analysis, detailed in the [background](#), demonstrated that package scanning was the most common C360 inquiry submitted by customers at the delivery units we visited. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

#### Recommendation #5

We recommend the **District Manager, Texas 2 District**, train all employees on standard operating procedures for package scanning and handling at the Fairbanks Station, Oak Forest Station, and Conroe Post Office.

#### Recommendation #6

We recommend the **District Manager, Texas 2 District**, develop and execute a plan to verify unit management systematically reviews and enforces package scanning performance daily at the Fairbanks Station, Oak Forest Station, and the Conroe Post Office.

<sup>17</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.

<sup>18</sup> *Delivery Done Right the First Time* stand-up talk, March 2020.

<sup>19</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

<sup>20</sup> *Notice Left and Return Guidelines*, April 2016.

### Finding #3: Arrow Keys

#### What We Found

Unit management properly managed and safeguarded arrow keys at the Fairbanks Station. However, management did not properly manage or safeguard arrow keys at the Oak Forest Station and Conroe Post Office (see Table 7). Specifically:

- At the Oak Forest Station, 18 of the 61 keys located at the unit were not listed on the inventory log, and 12 of the 55 keys listed on the inventory log could not be located. Unit management had not reported the missing keys to the U.S. Postal Inspection Service. In addition, arrow keys were not always kept secure; we found six arrow keys in a supervisor's [REDACTED]. Further, unit management did not always verify that all arrow keys were returned and accounted for each evening.
- At the Conroe Post Office, 40 of the 170 keys located at the unit were not listed on the inventory log, and 19 of the 149 keys listed on the inventory log could not be located. Unit management had not reported any of the missing keys to the U.S. Postal Inspection Service and did not accurately update the arrow key inventory log. In addition, we found that there was no designated clerk to accept keys from carriers upon their return from their route.

#### Why Did It Occur

These issues occurred because management did not provide sufficient oversight to properly manage and safeguard arrow keys. Specifically:

- At the Oak Forest Station, PM supervisors were aware of their responsibility to collect keys in the evening; however, other duties, such as scheduling mail delivery and requesting vehicle maintenance, took priority. Management did not know spare collection keys had to be listed on the log. The manager, who was on a temporary assignment in the district, was not aware of the missing keys.
- At the Conroe Post Office, management did not designate a clerk in the evening to confirm carriers were returning the keys. In addition, management stated they were aware of the policy to report missing keys to the U.S. Postal Inspection Service but did not due to an oversight.

#### What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>21</sup> management must keep an accurate inventory of all keys. Missing keys must be immediately reported to the Postal Inspection Service. In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location, and a supervisor or clerk must verify all keys have been returned and accounted for daily.

**Table 7. Arrow Key Inventory**

Delivery Units	Keys on Inventory Log	Missing Keys	Keys Found at the Unit	
			Listed on Log	Not Listed on Log
Oak Forest Station	55	12	43	18
Conroe Post Office	149	19	130	40
<b>Total</b>	<b>204</b>	<b>31</b>	<b>173</b>	<b>58</b>

Source: OIG analysis of arrow key inventory during our visit the week of September 11, 2023.

<sup>21</sup> USPS Arrow Key Guidebook Standard Work Instructions, August 2023.

## 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 provided documentation that management at the Oak Forest Station was provided training on proper arrow key management and security.

#### Recommendation #7

We recommend the **District Manager, Texas 2 District**, provide training to managers and clerks responsible for arrow key security at the Conroe Post Office

#### Recommendation #8

We recommend the **District Manager, Texas 2 District**, develop and execute a plan to verify arrow keys are properly accounted for and managed, and confirm missing keys are reported to the U.S. Postal Inspection Service at the Oak Forest Station and the Conroe Post Office.

## Finding #4: Timekeeping Management

### What We Found

We identified timekeeping management issues at the Fairbanks Station, Oak Forest Station, and the Conroe Post Office between May 6 and July 28, 2023.

- At the Fairbanks Station, management did not complete, print, and retain Postal Service (PS) Forms 1017-A, *Time Disallowance Record*,<sup>22</sup> for 80 occurrences of disallowed time. In addition, management did not accurately complete a PS Form 1017-B *Unauthorized Overtime Record*<sup>23</sup> for 101 of 105 instances of unauthorized overtime. Management only recorded "unauthorized overtime" in the remarks section as opposed to providing a complete explanation. Management also did not print and retain any PS Forms 1017-B for the same period.

- At the Oak Forest Station, management did not complete and retain PS Forms 2240, *Pay, Leave, or Other Hours Adjustment Request*<sup>24</sup> for eight of 24 pay adjustments. In addition, the station had 114 unresolved disallowed time occurrences for the same period, but management did not complete PS Forms 1017-A for these occurrences in the Time and Attendance Collection System<sup>25</sup> (TACS) and did not print and retain copies at the unit as required.
- At the Conroe Post Office, management did not complete and retain PS Forms 2240 for two of three pay adjustments. Specifically, one pay adjustment form was missing, and the other form did not have the employee's signature. In addition, management did not complete PS Forms 1017-A for 16 of 19 disallowed time occurrences and did not retain copies of the 19 forms at the unit, as required.

### Why Did It Occur

Management at all three stations were not aware they had to keep hard copies of their timekeeping records. Other factors also contributed to their poor timekeeping management, including:

- Management at the Fairbanks Station stated that they maintain both PS Form 1017-A and PS Form 1017-B electronically in TACS, and they thought that adding "unauthorized overtime" was sufficient for documenting the reason for the unauthorized overtime.
- Management at the Oak Forest Station stated that supervisors were instructed to place payroll adjustment forms in each employee's file but did not follow up for compliance. Additionally, unit management forgot to complete some entries in TACS.
- Management at the Conroe Post Office stated the missing forms and signature occurred due to an oversight. Specifically, management was not aware the supervisor who joined the Conroe Post Office in July 2023 had forgotten the process of

22 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.

23 Managers and supervisors are required to complete a PS Form 1017-B the first time a non-exempt employee incurs unauthorized overtime. These forms serve as a cumulative record of unauthorized overtime.

24 Form used to adjust either an employee's pay or to adjust timecard data that has been incorrectly reported to the postal data center.

25 The system used by the Postal Service to automate the collection of employee time and attendance information.

retaining signatures or documenting the date the employee was notified on the forms because she had not done it in a while.

### What Should Have Happened

Postal Service policy<sup>26</sup> states that pay adjustments are to be kept on file and attached to supporting documentation for the current calendar year plus the three previous years. Policy also states unit personnel must complete PS Form 1017-A and PS Form 1017-B 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 pay adjustments, time disallowance, and unauthorized overtime is not completed, management could incur excess administrative time. In addition, the Postal Service risks violation of the Fair Labor Standards Act<sup>27</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 that management staff at the Oak Forest Station were provided training on proper reporting of PS Form 1017-A and PS Form 1017-B.

#### Recommendation #9

We recommend the **District Manager, Texas 2 District**, train management at the Fairbanks Station and Conroe Post Office on timekeeping records requirements.

#### Recommendation #10

We recommend the **District Manager, Texas 2 District**, develop a plan to monitor and enforce compliance with timekeeping record requirements at the Fairbanks Station, Oak Forest Station, and Conroe Post Office.

## Finding # 5: Property Conditions

### What We Found

We found property safety, security, and maintenance issues across the three delivery units.

#### Property Safety:

- At the Fairbanks Station, we found a blocked Postal Inspection Service door; [REDACTED]

[REDACTED]; the lobby liftgate automated open/close mechanism was broken, making the retail unit inaccessible for some handicapped patrons; and all 15 fire extinguishers were missing the monthly inspections, with one missing the annual inspection.

- At the Oak Forest Station, we found all fire extinguishers were missing monthly and annual inspections.
- At the Conroe Post Office, we found the staircase handrail on the workroom floor was loose (see Figure 5), all fire extinguishers were missing their monthly inspections, and one fire extinguisher was blocked.

Figure 5. Loose Handrail on Staircase



Source: OIG photo taken September 13, 2023.

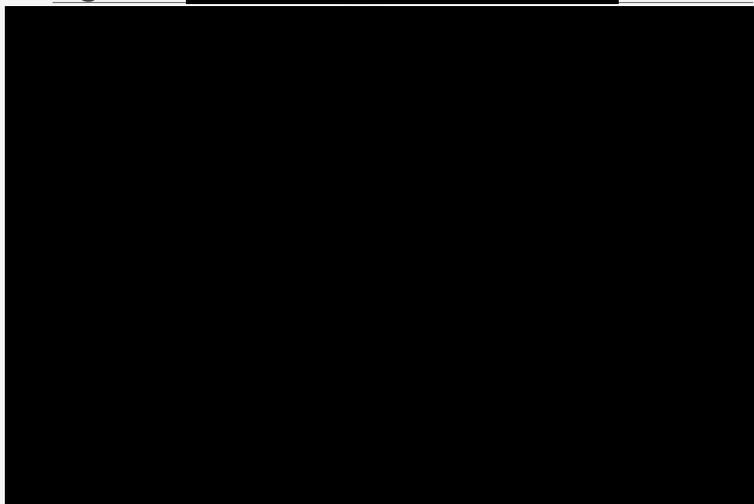
#### Property Security:

- At the Fairbanks Station, there were no signs posted in the employee parking lot stating that vehicles may be subject to search.
- At the Conroe Post Office, we found a [REDACTED] (see Figure 6) and a [REDACTED].

<sup>26</sup> Handbook F-21, *Time and Attendance*, Section 146 - Approving Entries, February 2016.

<sup>27</sup> 29 United States Code § 201-219.

Figure 6. [REDACTED]



Source: OIG photo taken September 13, 2023.

#### Property Maintenance:

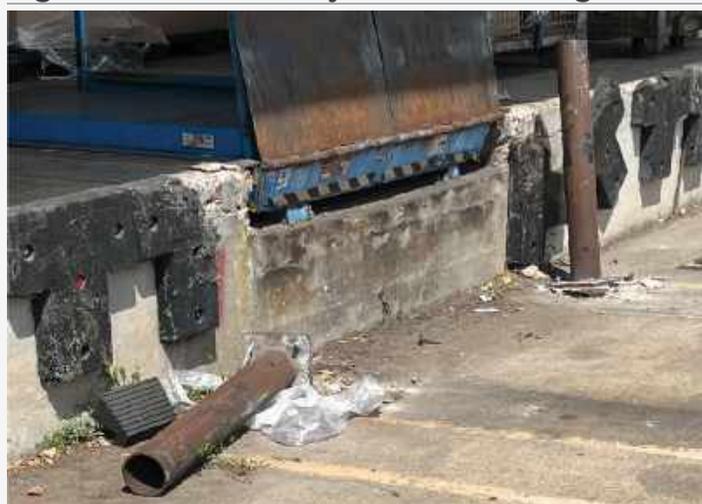
- At the Fairbanks Station, we found a cracked wall in the lobby, peeling paint in the break room, missing ceiling tiles in the dock vestibules and storage room, a broken urinal in the men's restroom, a damaged bike rack outside the building, a hole at the base of the wall in front of the building, inoperable hanging dock lights for trailer illumination, and broken lights in front of the building.
- At the Oak Forest Station, we found missing letters in the signage on the front of the building (see Figure 7), burned out light bulbs and damaged countertops in the PO Box area and retail lobby, and broken curbs in the customer parking lot. We also identified broken curbs, a damaged driveway, and overgrown vegetation in the employee parking lot; broken safety poles (see Figure 8) and a non-functional door buzzer at the loading dock; dirty floors and broken and missing tiles on the walls in the men's restroom; damaged floor tiles in the women's locker room; and missing and damaged ceiling tiles in the workroom area.
- At the Conroe Post Office, we found a hole in the wall in the PO Box lobby area, a faucet not secured to a sink in the men's restroom, and overgrown landscaping and trash in the employee parking lot.

Figure 7. Missing Letters in Signage



Source: OIG photo taken September 13, 2023.

Figure 8. Broken Safety Poles at Loading Dock



Source: OIG photo taken September 13, 2023.

#### Why Did It Occur

Management at all three units did not provide proper oversight and take the necessary actions to verify that property condition issues were identified, reported, and corrected. Specifically,

- The manager at the Fairbanks Station indicated that she was aware of many of the issues and that the non-working dock lights and the broken lights in front of the building were submitted into the electronic Facilities Management System (eFMS)<sup>28</sup> during February and March of 2023. However, she was not sure why these issues are not getting resolved on a timely basis. In addition,

<sup>28</sup> 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.

unit management was not aware that all 15 fire extinguishers identified were missing inspections.

- Management at the Oak Forest Station was not aware requests should be submitted in eFMS.
- The manager at the Conroe Post Office stated she was not aware of the items we identified except for the hole in the wall. Additionally, she stated that they have not had a designated safety captain since May 2021, and the employee filling in for the position stopped conducting observations because they were not given the time to do the job.

### 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>29</sup>

### Effect on the Postal Service and Its Customers

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

### Management Actions

During our audit, management at the Fairbanks Station unblocked the Postal Inspection Service door, fixed the broken door handle and lock, and fixed the broken urinal. Additionally, management at the Conroe Post Office conducted the monthly fire extinguisher inspections for September 2023 and unblocked the fire extinguisher. The Conroe Post Office also fixed the loose handrail and deadbolt lock, secured the loose faucet, and cleared the overgrown landscaping from the security fence.

#### Recommendation #11

We recommend the **District Manager, Texas 2 District**, address all remaining building safety, security, and maintenance issues identified at the Fairbanks Station, Oak Forest Station, and Conroe Post Office.

## Management's Comments

Management agreed with all findings and recommendations in the report. See [Appendix B](#) for management's comments in their entirety.

Regarding recommendations 1, 3, 4, 5, 6, 7, 8, 9, and 10, the target implementation date for corrective action is February 29, 2024. The target implementation date for corrective action for recommendation 2 is January 31, 2024, and April 30, 2024 for recommendation 11.

## Evaluation of Management's Comments

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

Regarding recommendation 2, we reviewed supervisor staffing and complement data for the Conroe Post Office on January 10, 2024, and found that the unit was fully staffed for supervisory positions. Therefore, we consider recommendation 2 closed with the issuance of this report.

Recommendations 1 and 3 through 11 require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. These 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.

<sup>29</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July, 2020.

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# Appendix A: Additional Information

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We conducted this audit from September 2023 through January 2024 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies 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 data from the PTR system, the DCV system, the TACS database, and the eFMS 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



January 9, 2024

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

**SUBJECT:** Management Response: Capping Report - Texas 2 District: Delivery Unit Operations (Report Number 23-151-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Texas 2 District: Delivery Unit Operations*.

Management generally agrees with the findings in the report on delayed mail, package scanning, arrow keys, timekeeping, and property conditions.

Following are our comments on each of the eleven recommendations.

Recommendation 1:

We recommend the **District Manager, Texas 2 District**, provide sufficient management oversight of staff at Fairbanks Station and Oak Forest Station to deliver all committed mail daily.

Management Response/Action Plan:

Management agrees with this recommendation as written.

Management follows established procedures to fill vacancies and makes every attempt to work to earned complement. Additionally, management will conduct reviews to monitor.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #2:

We recommend the **District Manager, Texas 2 District**, hire additional supervisory staff at Conroe Post Office to manage delivery operations.

Management Response/Action Plan:

Management agrees with this recommendation.

Conroe Post Office has filled the vacant supervisor position and currently all EAS positions at Conroe are filled. Management requests this recommendation be closed with issuance of the final report.

Target Implementation Date: 1/31/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #3:

We recommend the **District Manager, Texas 2 District**, provide enough vehicles so that Oak Forest Station can complete deliveries daily.

Management Response/Action Plan:

Management agrees with this recommendation.

Management makes every attempt to ensure adequate vehicles are on hand to make deliveries daily. When vehicles are away for repairs, attempts are made to gain loaners from the VMF or other sites. When conducting site reviews, management at the district level will check to see if enough vehicles are available at the delivery units.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #4:

We recommend the **District Manager, Texas 2 District**, train management at the Fairbanks Station, Oak Forest Station, and Conroe Post Office to enter all delayed mail into the Delivery Condition Visualization system and subsequently confirm delayed mail is reported accurately at all three sites daily.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will give a service talk to the appropriate personnel at each station on proper recording of delayed mail into the system of record. Additionally, management will conduct reviews to monitor compliance.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #5:

We recommend the **District Manager, Texas 2 District**, train all employees on standard operating procedures for package scanning and handling at the Fairbanks Station, Oak Forest Station, and Conroe Post Office.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will reinforce proper handling and scanning procedures through a documented service talk and conduct reviews to monitor compliance at each of the stations.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #6:

We recommend the **District Manager, Texas 2 District**, develop and execute a plan to verify unit management systematically reviews and enforces package scanning performance daily at the Fairbanks Station, Oak Forest Station, and the Conroe Post Office.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will conduct site reviews to monitor scanning compliance.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #7: We recommend the **District Manager, Texas 2 District**, provide training to managers and clerks responsible for arrow key security at the Conroe Post Office.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will conduct a service talk on proper management of arrow keys. Additionally, management at the district level will conduct site visits to monitor compliance.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #8:

We recommend the **District Manager, Texas 2 District**, develop and execute a plan to verify arrow keys are properly accounted for and managed, and confirm missing keys are reported to the U.S. Postal Inspection Service at the Oak Forest Station and the Conroe Post Office.

Management Response/Action Plan:

Management agrees with this recommendation.

Management at the district level will conduct site reviews and provide evidence that all missing keys have been reported to the U.S. Postal Inspection Service.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #9: We recommend the **District Manager, Texas 2 District**, train management at the Fairbanks Station and Conroe Post Office on timekeeping records requirements.

Management Response/Action Plan:

Management agrees with this recommendation.

Management created binders for timekeeping records and will conduct a service talk on proper record keeping when processing disallowed time and recording unauthorized overtime.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #10:

We recommend the **District Manager, Texas 2 District**, develop a plan to monitor and enforce compliance of timekeeping record requirements at the Fairbanks Station, Oak Forest Station, and Conroe Post Office.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will conduct reviews to monitor for record keeping compliance and validate documentation is complete.

Target Implementation Date: 02/29/2024

Responsible Official: District Manager, Texas 2 District

Recommendation #11:

We recommend the **District Manager, Texas 2 District**, address all remaining building safety, security, and maintenance issues identified at the Fairbanks Station, Oak Forest Station, and Conroe Post Office.

Management Response/Action Plan:

Management agrees with this recommendation.

Management has begun abating the property conditions within their control. Work orders will be submitted for issues that must be addressed by other resources.

Target Implementation Date: 04/30/2024

Responsible Official: District Manager, Texas 2 District

E-SIGNED by DAVID CAMP  
on 2024-01-10 11:29:26 EST

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David W. Camp  
District Manager, Texas 2 District

Cc: Corporate Audit & Response  
Area Vice President, Retail & Delivery (Southern)

OFFICE OF  
INSPECTOR  
GENERAL

UNITED STATES



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