



Office of Inspector General | United States Postal Service

Audit Report

Delayed Mail at the Lehigh Valley, PA Processing and Distribution Center

Report Number 20-272-R21 | April 12, 2021



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Highlights

Objective

Our objective was to determine the cause of delayed mail at the Lehigh Valley, PA, Processing and Distribution Center (P&DC).

The U.S. Postal Service considers mail to be delayed when it is not processed in time to meet the established delivery day.

In January 2019, the Postal Service launched the Mail Condition Visualization (MCV) application within Informed Visibility to provide near real-time visibility of a facility's on-hand, advanced, and delayed volumes. MCV uses sorting machine scans of mailpiece barcodes and calculates delayed mail based on the number of mailpieces that did not receive the next expected processing operation scan on-time.

We selected the Lehigh Valley P&DC for audit because from January 1, 2019, to August 31, 2020, MCV reported about 605 million delayed mailpieces, or 32.2 percent of the total pieces handled at this facility. We reviewed operations with the most delayed mail — Delivery Point Sequence totaling about 476 million (or 78.7 percent) and Managed Mail Program (hereafter refer to as managed mail) incoming letters totaling 67.7 million (or 11.2 percent). Delivery Point Sequence is an automated process of sorting mail by carrier routes into delivery order and managed mail originating from other processing locations that requires additional processing at a destinating facility before delivery.

A portion of the audit scope and our site observations occurred during the COVID-19 pandemic. The Postal Service experienced decreased employee availability and increased package volume during this time, which impacted operations nationwide.

Findings

We were unable to determine all of the causes for the delayed mail reported in MCV at the Lehigh Valley P&DC as detailed scan information such as the operation where the delay occurred only has the ability to be downloaded for one day. However, the delayed mail numbers as reported for this facility were

inaccurate because mail flows were not followed and as a result, critical scans were missed. During our site observations on October 5-8, 2020, MCV reported 151,671 pieces of managed mail as delayed for the facility; however, we did not find any delayed mail remaining at the facility after processing clearance times. We were unable to account for the difference between the delays reported by MCV and our physical observations.

Lehigh Valley P&DC management was not processing the managed mail according to its designed flow, which caused MCV to improperly report that volume as delayed mail. In addition, while we were not able to determine how much of the managed mail was reported as delayed in MCV, we found some of this mail was arriving late from other facilities, putting it at risk of not being delivered on time. Further, while it did not directly contribute to delayed mail at the facility, the Lehigh Valley P&DC did not have an updated operating plan.

Lehigh Valley P&DC management was not following Postal Service Headquarters guidance for the designed flow of managed mail. Instead, the facility was processing this mail on a sort plan which resulted in it being sent to delivery units without all processing operations at the facility being completed. This resulted in the MCV application not accurately reporting delayed mail for processing operations including Delivery Point Sequence and incoming managed mail letters at the facility. When a mail piece does not receive an expected operational scan, MCV will report it as delayed. As a result, management was unable to accurately determine the actual amount of delayed mail at the Lehigh Valley P&DC.

Further, the Lehigh Valley P&DC received managed mail from other facilities after the critical entry time, which is the last time mail can be received and processed on-time to meet service standards. Plant management was aware of the late arriving mail and communicated with the respective facilities from which this mail originated but did not identify the root causes or take action to resolve the issue. This mail was at risk of not being delivered on-time, which can adversely affect Postal Service customers, harm the brand, send mailers to competitors, or cause the Postal Service to lose revenue.

Lastly, Lehigh Valley P&DC management has not updated their operating plan since September 26, 2016. Postal Service policy requires operating plans to be reviewed and approved yearly. An operating plan is the blueprint that details operations in a facility, such as volume, start times, and scheduled end times for all major operations, to ensure that the critical entry times and clearance times of each operation can be met. While an updated operating plan is critical for operations, we did not observe the outdated operating plan contributing to delayed mail at the Lehigh Valley P&DC.

Recommendations

We recommended management:

- Distribute training to all mail processing managers and process late arriving Managed Mail Program mail in accordance with guidance, so it is accurately reported in the Mail Condition Visualization application.
- Identify and address the root causes of the late arriving Managed Mail Program to the Lehigh Valley P&DC.
- Update and submit the Lehigh Valley P&DC operating plan to the Area for approval and communicate the revised, approved operating plan to facility personnel.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 12, 2021

MEMORANDUM FOR: DANE A. COLEMAN
VICE PRESIDENT EASTERN REGION
PROCESSING OPERATIONS

DAVID WEBSTER
DIVISION DIRECTOR, CHESAPEAKE DIVISION

A handwritten signature in cursive script, reading "Melinda M. Perez", is positioned below the recipient information.

FROM: Melinda Perez
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Audit Report – Delayed Mail at the Lehigh Valley, PA
Processing & Distribution Center
(Report Number 20-272-R21)

This report presents the results of our audit of Delayed Mail at the Lehigh Valley, PA Processing & Distribution Center.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Todd J. Watson, Director, Network Processing, or me at 703-248-2100.

Attachment

cc: Postmaster General
Chief Logistics and Processing Operations Officer and Executive Vice President
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of Delayed Mail at the Lehigh Valley, PA, Processing & Distribution Center (P&DC) (Project Number 20-272). Our objective was to determine the cause of delayed mail at the Lehigh Valley, PA, P&DC. See [Appendix A](#) for additional information about this audit.

Background

The U.S. Postal Service considers mail to be delayed when it is not processed in time to meet the established delivery day. Delayed mail can adversely affect Postal customers and harm the organization's brand.

The Postal Service launched the Mail Condition Visualization (MCV) application in January 2019. The application provides near real-time visibility of a facility's on-hand volume, delayed processing volume,¹ delayed dispatch volume,² and oldest mail date by mail category and processing operation. MCV also stores historical trailer information. MCV receives data from mail processing equipment, handheld devices used in operations, Surface Visibility³ scans, and mailer documentation.

MCV uses predictive logic to anticipate the next processing operation from site acceptance to final processing at a facility. The MCV application calculates delayed mail daily by determining mailpieces that have not received their next expected processing operation by 6:59 a.m. for destinating final processing operations and by 6:00 a.m. for all other operations.

We analyzed delayed mail volumes from processing facilities nationwide by comparing the type of delayed mailpieces to the total mail volume processed in order to obtain a percentage of delayed mail inventory for facilities nationwide. From this data, we judgmentally selected the Lehigh Valley P&DC for this audit. From January 1, 2019, to August 31, 2020, the facility reported about 605 million delayed mailpieces in MCV. See Table 1. We reviewed operations with the most delayed mail — Delivery Point Sequence⁴ totaling about 476 million (or 78.7 percent) and Managed Mail Program (hereafter refer to as managed mail)⁵ incoming letters totaling 67.7 million (or 11.2 percent). We observed operations and conducted interviews at the Lehigh Valley P&DC from October 5-8, 2020, regarding delayed mail at the facility.

1 Occurs when committed mail is not processed and finalized in time to be dispatched on the designated dispatch of value to meet programmed delivery day. Also known as Delayed Inventory.

2 Provides a count of containers (of mail) not departed more than 15 minutes after Dispatch of Value.

3 A concept using barcode technology that allows the tracing of barcoded mail as it passes through the postal system in real time by the piece, container, and trailer.

4 An automated process of sorting mail by carrier routes into delivery order, eliminating the need for carriers to sort mail manually at the delivery unit. The process requires sorting the mail twice by first scanning the addresses on the first pass then sorting it on the second pass to the sector, segment, or carrier walk sequence.

5 A distribution system that masses mail within a Postal Area Distribution Center Area. The system identifies First-Class Mail pieces that cannot make next-day delivery and also eliminates a secondary sort for mail designated to air transportation.

Table 1. Delayed Mail by Operation at the Lehigh Valley P&DC

Type of Operation	Processing Operation	Delayed Mailed	Percentage of Total Delayed Mail
Delivery Point Sequence	First-Class Letter (2nd pass)	197,248,868	32.63%
Delivery Point Sequence	First-Class Letter (1st pass)	124,310,947	20.56%
Delivery Point Sequence	Marketing Letter (2nd pass)	120,215,339	19.88%
Managed Mail Program	First-Class Incoming Primary Letter	60,903,688	10.07%
Managed Mail Program	First-Class Outgoing Primary Letter	36,802,335	6.09%
Delivery Point Sequence	Marketing Letter (1st pass)	34,074,215	5.64%
Managed Mail Program	Marketing Incoming Primary Letter	6,804,153	1.13%
Managed Mail Program	First-Class Incoming Secondary Flat	5,606,404	0.93%
Managed Mail Program	Marketing Incoming Secondary Flat	3,703,200	0.61%
Managed Mail Program	Periodicals Incoming Secondary Flat	2,608,799	0.43%
Other Operations		12,308,955	2.04%
Total		604,586,903	100.00%

Source: Mail Condition Visualization

A portion of the audit scope and our site observations occurred during the COVID-19 pandemic. The Postal Service experienced decreased employee availability and increased package volume during this time, which impacted operations nationwide.

Findings Summary

We were unable to determine all causes of the delayed mail reported in MCV at the Lehigh Valley P&DC as detailed scan information such as the operation where the delay occurred only has the ability to be downloaded for one day. Further, during our site observations on October 5-8, 2020, MCV reported 151,671 pieces of managed mail as delayed for the facility; however, we did not find any delayed mail remaining at the facility after processing clearance times. We were unable to account for the difference between the delays reported by MCV and our physical observations.

“MCV reported 151,671 pieces of managed mail as delayed for the facility; however, we did not find any delayed mail remaining at the facility after processing clearance times.”

Lehigh Valley P&DC management was not processing the managed mail according to its designed flow, which caused MCV to improperly report that volume as delayed mail. In addition, while we were not able to determine how much of the managed mail was reported as delayed in MCV, we found some of this mail was arriving late from other facilities, putting this mail at risk of not being delivered on time. Further, while it did not directly contribute to delayed mail at the facility, the Lehigh Valley P&DC did not have an updated operating plan.

Finding #1: The Designed Mail Flow was not Followed at the Lehigh Valley Processing and Distribution Center

Lehigh Valley P&DC management was not following Postal Service Headquarters guidance for designed mail flow of managed mail. Instead, the facility was processing this mail on a sort plan which resulted in it being sent to delivery units without all processing operations being completed. The MCV application

expected subsequent operational scans for these pieces and, when the expected scans did not occur, MCV reported the pieces as delayed (see Figure 1).

Figure 1. Mail Flows at the Lehigh Valley P&DC



Source: Handbook F-95. Statistical Programs Management Guide, dated September 2020 and Mail Flow observed during OIG observations at the Lehigh Valley, P&DC October 5-8, 2020.

The MCV application records this mail as delayed for up to five days, inflating daily delayed volumes for processing operations including Delivery Point Sequence and incoming managed mail letters at the facility. Postal Service Headquarters management stated they did not review MCV data for delayed mail day-to-day operations at individual facilities, but rather expected it to be reviewed at the division levels. However, management at the Lehigh Valley P&DC stated MCV data is not solely relied upon; rather, reviews of actual floor conditions are completed prior to making operational decisions due to the known inaccuracies of the data. As a result, management was unable to accurately determine the actual amount of delayed mail at the Lehigh Valley P&DC or rely on MCV data to make operational decisions. The Office of Inspector General (OIG) is considering future audit work to review the validity of the data in the MCV system and its usefulness to decision-makers.

“The MCV application records this mail as delayed for up to five days, inflating daily delayed volumes...”

Recommendation #1:

We recommend the **Vice President, Eastern Region Processing Operations**, distribute training to all mail processing managers and process late arriving Managed Mail Program mail in accordance with guidance, so it is accurately reported in the Mail Condition Visualization application.

Finding #2: The Lehigh Valley P&DC Received Late Arriving Managed Mail Program Mail After Critical Entry Time

The Lehigh Valley P&DC received managed mail from other facilities after the critical entry time of 12:00 p.m. The critical entry time is the latest time mail can be received into the postal network to be processed and dispatched on time to meet service standards.⁶ The transportation schedule in the Surface Visibility listed 30 daily incoming trips arriving at Lehigh Valley P&DC after the managed

mail critical entry time. Of those 30 regular scheduled trips, the audit team judgmentally selected six and observed that each contained late arriving managed mail. These six observed trips arrived between five hours and 30 minutes and 10 hours and 15 minutes after the managed mail critical entry time (see Table 2). Lehigh Valley P&DC management was aware of this mail arriving regularly after the critical entry time and communicated with the respective facilities from which this mail originated; however, a root cause was not identified. While this late arriving mail may or may not have been reported in MCV depending on if the facility processed it according to the correct mail flow, it was at risk of not being delivered on-time. This can adversely affect Postal Service customers, harm the brand, send mailers to competitors, or cause the Postal Service to lose revenue.

“These six observed trips arrived between five hours and 30 minutes and 10 hours and 15 minutes after the managed mail critical entry time.”

Table 2. Observed trips arriving at the Lehigh Valley P&DC After Managed Mail Program Critical Entry Time

Observed Trip	Observed Arrival Time	Arrival Time after Managed Mail Program Critical Entry Time
Trip 1	5:30 p.m.	5 hours, 30 minutes
Trip 2	5:47 p.m.	5 hours, 47 minutes
Trip 3	5:53 p.m.	5 hours, 53 minutes
Trip 4	7:58 p.m.	7 hours, 58 minutes
Trip 5	8:30 p.m.	8 hours, 30 minutes
Trip 6	10:15 p.m.	10 hours, 15 minutes

Source: Trips observed during OIG observations at the Lehigh Valley, P&DC October 5-8, 2020.

⁶ Publication 32, *Glossary of Postal Terms*, dated July 2013.

Recommendation #2:

We recommend the **Acting Division Director, Chesapeake Division**, require **Lehigh Valley Processing & Distribution Center management**, in conjunction with their respective facilities, identify and address the root causes of late arriving Managed Mail Program mail to the Lehigh Valley Processing & Distribution Center.

Finding #3: The Lehigh Valley P&DC is Operating with an Outdated Operating Plan

The Lehigh Valley P&DC did not have an updated operating plan, even though Postal Service policy requires these plans to be reviewed and approved yearly.⁷ While onsite, Lehigh Valley P&DC management informed OIG that the managed mail critical entry time is 12:00 p.m. However, according to the approved operating plan dated September 26, 2016, the critical entry time for managed mail is 8:15 a.m. Lehigh Valley P&DC management said the outdated operating plan was an oversight and they are currently working to update the plan for approval. An operating plan is the blueprint that details operations in a facility such as volume, start times, and scheduled end times for all major operations to ensure that the critical entry times and clearance times of each operation can be met. While an updated operating plan is critical for operations, we did not observe the outdated operating plan contributing to delayed mail at the Lehigh Valley P&DC.

“An operating plan is the blueprint that details operations in a facility such as volume, start times, and scheduled end times for all major operations to ensure that the critical entry times and clearance times of each operation can be met.”

⁷ Mail Processing Operating Plan System User Guide, dated May 19, 2009.

Recommendation #3:

We recommend the **Acting Division Director, Chesapeake Division**, direct the **Lehigh Valley Processing & Distribution Center management** update and submit the Lehigh Valley Processing & Distribution Center operating plan to the Area for approval and communicate the revised, approved operating plan to facility personnel.

Other Matter – Nonmachinable Outside Priority Mail Packages

While onsite at the Lehigh Valley P&DC from October 5-8, 2020, we observed a large quantity of nonmachinable outside priority mail packages on the inbound dock. Management stated they were sending these packages to the Scranton P&DC for processing due to employee availability issues at the Lehigh Valley P&DC. However, on October 6, 2020, a press release from the office of U.S. Senator Bob Casey reported that about 30 to 35 large mail containers loaded with priority mail dating as far back as September 17, 2020, had been rerouted from the Lehigh Valley P&DC and were sitting at the Scranton P&DC. As a result of this messaging, Lehigh Valley P&DC management decided to stop sending nonmachinable outside priority mail packages to the Scranton P&DC and instead committed to staffing additional employees and allocating overtime to process them at the Lehigh Valley P&DC.

Management's Comments

Management agreed with the findings and recommendations 2 and 3, and partially agreed with recommendation 1. See [Appendix B](#) for management's comments in their entirety.

Regarding recommendation 1, management stated that the Mail Condition Visualization application is designed to provide accurate tracking of managed mail based on expected mail flow for volumes received in the normal operating window. However, when managed mail arrives late and there is insufficient time to sort into Delivery Point Sequence, local management may need to use alternative processing operations to ensure the mail is received timely at the delivery unit. Management stated they will provide training to Lehigh Valley management,

regarding late arriving managed mail, that address processing and reporting. The target implementation date is April 30, 2021.

Regarding recommendation 2, management stated that they started holding daily meetings with the responsible managers to ensure they are following the standard work instructions for late arriving managed mail and help them identify its root cause. The target implementation date is April 30, 2021.

Regarding recommendation 3, management stated they are requiring the operating plan for Lehigh Valley to be updated, reviewed, and shared with facility personnel. The target implementation date is April 30, 2021.

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.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Scope and Methodology

The scope of this audit was delayed mail at the Lehigh Valley P&DC from January 1, 2019, to August 31, 2020, which had 604,586,903 delayed mailpieces during this time period. We conducted our site observations at the Lehigh Valley P&DC from October 5-8, 2020.

To accomplish our objective, we:

- Obtained and analyzed delayed mail data from the MCV system.
- Coordinated with the Operations Research analyst to select a site with the highest volume of delayed incoming primary letters to total pieces handled.
- Assessed machine reports and evaluated the information to determine if there was sufficient machine capacity for daily projected/actual volume at the facility.
- Performed a site visit to determine which operations were contributing to the recorded delayed mail and interview local management to determine the causes of the delayed mail at the facility.

- Interviewed Postal Service Headquarters management to determine if there were known issues with the amount of delayed mail being recorded in MCV.

We conducted this performance audit from September 2020 through April 2021, 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 assessed the reliability of Enterprise Data Warehouse, Informed Visibility, Web End of Run, and Function-1 Scheduler data by interviewing agency officials knowledgeable about the data and reviewing related documentation. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Delayed Mail Validation</i>	Determine the accuracy of the Postal Service's delayed mail reporting	NO-AR-17-011	8/10/2017	None
<i>Delayed Mail Reporting in the Great Lakes Area</i>	Determine the accuracy of delayed mail reporting at three selected facilities in the Great Lakes Area	NO-AR-18-005	4/24/2018	None
<i>Data Analysis Memorandum - Fiscal Year 2018 Delayed Mail Processing Increase</i>	Assess data related to the increase in mail processing delays reported in fiscal year 2018	NO-PM-18-002	9/12/2018	None
<i>Delayed Mail at the Denver, CO, Processing and Distribution Center</i>	Determine the cause of mail processing delays reported at the Denver, CO, P&DC.	NO-AR-19-002	10/11/2018	\$231,575

Appendix B: Management's Comments



April 1, 2021

JOSEPH E. WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Draft Audit Report – Delayed Mail at the Lehigh Valley, PA Processing & Distribution Center (Project Number 20-272-DRAFT)

Thank you for the opportunity to respond to the Office of Inspector General (OIG) draft audit report, "Delayed Mail at the Lehigh Valley, PA Processing & Distribution Center".

Management agrees with the findings noted in the audit report.

Management does agree with the recommendations as outlined in the audit per the responses below.

Recommendation #1

We recommend the Vice President, Eastern Region Processing Operations, distribute training to all mail processing managers and process late arriving Managed Mail Program mail in accordance with guidance, so it is accurately reported in the Mail Condition Visualization application.

Management Response/Action Plan

Management partially agrees with this recommendation. MCV is designed to provide accurate tracking of MMP based on expected mail flow for volumes received in the normal operating window. In cases where MMP Mail arrives late and there is insufficient time to sequence for DPS purposes, management may need to use an alternative processing operation to ensure the mail is received timely at the delivery unit. Training is being provided to management regarding late arriving Managed Mail that will address processing and reporting. To request closure, we will provide documentation of training received by the responsible managers at the Lehigh Valley P&DC.

Target Implementation Date

April 30, 2021

Responsible Official

Plant Manager, Lehigh Valley P&DC

Recommendation #2

We recommend the Acting Division Director, Chesapeake Division, require Lehigh Valley Processing & Distribution Center management, in conjunction with their respective facilities, identify and address the root causes of late arriving Managed Mail Program mail to the Lehigh Valley Processing & Distribution Center.

Management Response/Action Plan

Management agrees with this recommendation and has implemented by holding a daily cadence with responsible managers to address late arriving mail to ensure they are following the standard work instructions for late arriving MMP mail and how to identify the root cause. To request closure, we will provide standard work instructions for late arriving MMP mail that has been provided to management at Lehigh Valley P&DC.

Target Implementation Date

April 30, 2021

Responsible Official

Senior Division Director, Chesapeake

Recommendation #3

We recommend the Acting Division Director, Chesapeake Division, direct the Lehigh Valley Processing & Distribution Center management update and submit the Lehigh Valley Processing & Distribution Center operating plan to the Area for approval and communicate the revised, approved operating plan to facility personnel.

Management Response/Action Plan

Management agrees with this recommendation and has implemented by requiring the operating plan for Lehigh Valley to be updated by the end of April. Once received the plan will be reviewed and shared with facility personnel. To request closure a copy of the operating plan and communication to management at the Lehigh Valley P&DC will be provided.

Target Implementation Date

April 30, 2021

Responsible Official

Division Director, Chesapeake Division

Dane A. Coleman

Digitally signed by Dane A. Coleman
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Dane A Coleman

Vice President Eastern Region Processing Operations

- 3 -

E-SIGNED by VERNAL D WEBSTER JR
on 2021-04-01 14:45:16 CDT

David Webster
Director, Chesapeake Division

cc: Manager, Corporate Audit & Response Management

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