Audit Report

Fiscal Year 2019 Delivery and Retail Response Team Follow-Up Analysis

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Highlights

Objective

Our objective was to evaluate recent delivery and scanning performance for selected U.S. Postal Service delivery units we audited in fiscal year (FY) 2019. We audited seven of these units based on carriers returning late to the office and 11 units based on the number of package scans performed at the unit instead of the delivery address. These units are in 17 districts throughout the seven Postal Service areas.

We issued reports for each unit and made recommendations to address and correct issues we identified. Management had implemented all of our recommendations as of February 29, 2020. In February 2020, we issued a management alert on improper scanning practices identified during these audits. In the alert, we made one recommendation for management to enhance ongoing strategies to improve scanning accuracy and enforce compliance. Management plans to fully implement our recommendation by October 31, 2020.

We issued our reports in FY 2019 before the President of the United States issued the national emergency declaration concerning the novel coronavirus disease (COVID-19) outbreak on March 13, 2020. Our analysis was nearly complete before the outbreak and does not reflect operational changes and/or service impacts that may have occurred as a result of the pandemic.

Finding

Our data analysis showed notable improvements during FY 2020, Quarter 2, in the number of carriers returning to their units by 6 p.m. at the units we audited. We also noted reductions in the number of improper package scans, which indicate overall improved performance and compliance with Postal Service policies. Specifically, we noted:

Carriers Returning Late: We found that all seven sites we reviewed increased the number of carriers returning by 6 p.m. during FY 2020, Quarter 2. These improvements ranged from a 6 percent increase for College Station in NY to a 21 percent increase for West Park Station in PA.

Package Scans: We found that seven of the 11 sites (64 percent) we reviewed reduced the number of packages scanned at the unit during FY 2020, Quarter 2. These improvements ranged from a 68 percent reduction for Carmel Valley Carrier Annex in CA to a 99 percent reduction for Surprise Station in AZ.

Management recently released a new scan report that districts can use to monitor scanning integrity and ensure unit instructions given to carriers are consistent with Postal Service policies.

Recommendations

We made no recommendations in this report; however, we will continue to analyze this activity and may perform additional work in the future.

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 20, 2020

MEMORANDUM FOR:	KEVIN L. MCADAMS VICE PRESIDENT, DELIVERY OPERATIONS

Janet Sorensen

FROM:	Janet M. Sorensen Deputy Assistant Inspector General for Retail, Delivery, and Marketing
SUBJECT:	Audit Report — Fiscal Year 2019 Delivery and Retail Response Team Follow-up Analysis (Report Number 20-112-R20)

This report presents the results of our Fiscal Year 2019 Delivery and Retail Response Team Follow-Up Analysis.

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

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report represents the results of our fiscal year (FY) 2019 Delivery and Retail Response team follow-up analysis (Project Number 20-112). Our objective was to evaluate recent delivery and scanning performance for selected U.S. Postal Service delivery units we audited in FY 2019. We audited seven of these units based on carriers returning late to the office and 11 units based on the number of package scans performed at the unit instead of the delivery address. These units are in 17 districts throughout the seven Postal Service areas.

We issued reports for each unit and made recommendations to address and correct issues we identified. Management had implemented all of our recommendations as of February 29, 2020. In February 2020, we issued a management alert on improper scanning practices identified during these audits. In the alert, we made one recommendation for management to enhance ongoing strategies to improve scanning accuracy and enforce compliance. Management plans to fully implement our recommendation by October 31, 2020.

We issued our reports in FY 2019 before the President of the United States issued the national emergency declaration concerning the novel coronavirus disease (COVID-19) outbreak on March 13, 2020. Our analysis was nearly complete before the outbreak and does not reflect operational changes and/or service impacts that may have occurred as a result of the pandemic.

See Appendix A for additional information about this audit.

Background

The Postal Service has about 33,000 retail and delivery facilities nationwide to assist in its universal service obligation to bind the nation together and provide prompt, reliable, and efficient postal services to all communities. About 337,000 city and rural carriers deliver to about 160 million possible delivery points at least six days per week. The Postal Service has a goal to have 100 percent of the carriers returning to the office by 6:00 p.m.[1] Another goal is to ensure mail is delivered to the correct address with proper service, which includes scanning every mailpiece ensuring 100 percent visibility throughout the process.[2]

Finding #1:

Our data analysis showed notable improvements during FY 2020, Quarter (Q) 2 in the number of carriers returning to their units by 6 p.m. at the units we audited. We also noted reductions in the number of improper package scans, which indicates overall improved performance and compliance with Postal Service policies.

City Carriers Returning Late

We found that all seven sites we reviewed increased the number of carriers returning by 6 p.m. during FY 2020, Q2. These improvements ranged from a 6 percent increase for College Station in NY to a 21 percent increase for West Park Station in PA (see Table 1).

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1   *Staffing and Scheduling Tool, Function 4 Applications User Guide,* 2016.
2   *Scanning at a Glance – Delivering 100 Percent Visibility*, and Delivery Done Right initiative.

Table 1. Percentage of City Carriers Returning by 6 p.m. by Delivery Unit- FY 2019 to FY 2020, Q2

Audit Site	Time Period Reviewed (FY 2019)	Percentage Returning by 6 p.m.	FY 2020, Q2	Percentage Change
West Park Station, Philadelphia, PA	Q1 & Q2	24%	45%	21%
████ Branch, █████, MD	Q2 & Q3	33%	53%	20%
Broadview Station, Atlanta, GA	Q1 & Q2	28%	45%	17%
Bear Valley Station Denver, CO	Q1 & Q2	28%	43%	15%
Pleasant Hill Station, Des Moines, IA	Q1 & Q2	45%	64%	19%
Minuet Carrier Annex, Charlotte, NC	Q2 & Q3	29%	40%	11%
College Station, New York, NY	Q1 & Q2	19%	25%	6%

Source: U.S. Postal Service Office of Inspector General (OIG) data analysis of data obtained from the Enterprise Data Warehouse (EDW).[3]

When carriers deliver their routes and return to the office by 6:00 p.m. the Postal Service can reduce excess overtime, increase customer satisfaction, and enhance the customer experience.

Package Scans

We found that seven of the 11 sites (64 percent) we reviewed reduced the number of packages scanned at the unit during Quarter 2, FY 2020. These improvements ranged from a 68 percent reduction for Carmel Valley Carrier Annex in CA to a 99 percent reduction for Surprise Station in AZ (see Table 2).

7 of the 11 sites we reviewed reduced the number of packages scanned at the unit during Quarter 2, FY 2020.

64%

These improvements ranged from a

68% Reduction for Carmel Valley Carrier Annex in CA to

99% Reduction for Surprise Station in AZ

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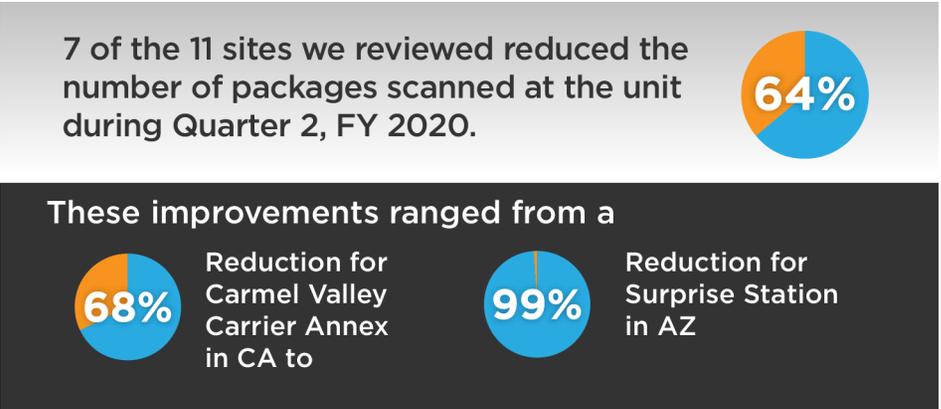
3   EDW provides a single repository for managing the Postal service's corporate data assets. EDW provides a common source of accurate corporate data across organizations to a wide variety of users.

Table 2. Packages Scanned at the Unit – FY 2019 to Q2 FY 2020

Audit Site	Time Period Reviewed (FY 2019)	FY 2019	FY 2020, Q2	Percentage Change
Surprise Station, Surprise, AZ	Q2 & Q3[4]	8,524	106	-99%
Franklin Park Post Office, Franklin Park, IL	Q2 & Q3[5]	11,785	422	-96%
Hayward Main Post Office, Hayward, CA	Q2	18,347	1,481	-92%
East Vancouver Carrier Unit, Vancouver, WA	Q3 & Q4[6]	10,571	960	-91%
Gardena Post Office, Gardena, CA	Q3	29,602	6,647	-78%
Stafford Post Office, Stafford, TX	Q3 & Q4[7]	13,169	3,944	-70%
Carmel Valley Carrier Annex, San Diego, CA	Q2	17,152	5,494	-68%
South Station, Newark, NJ	Q2	12,435	15,185	22%
Lakeview Station, Chicago, IL	Q3	3,991	5,285	32%
Townsend Carrier Annex, San Francisco, CA	Q2	8,506	12,053	42%
Gracie Station, New York, NY	Q3	10,421	14,979	44%

Source: OIG analysis of Product Tracking & Reporting (PTR) system[8] data.

Customers rely on accurate scan data to track their packages in real time. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand.

Management recently released a new scan data report that districts can use to monitor scanning integrity and ensure unit instructions given to carriers are consistent with Postal Service policies. Based on these enhancements and the overall improved performance and compliance with Postal Service policies, we are not making a recommendation at this time. We will continue analyzing this activity and may perform additional work in the future.

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4   Time period reviewed was February to April 2019.
5   Time period reviewed was February to April 2019.
6   Time period reviewed was May to July 2019.
7   Time period reviewed was May to July 2019.
8   A system of record for all delivery status information for mail and parcels with trackable services and barcodes.

Management's Comments

Management reviewed the report and in subsequent communications stated they are in agreement with the finding. Management stated their on-going attention has resulted in a scanning culture change and they will continue to focus on improving technology, training employees, and reinforcing work standards consistent with policy. See Appendix B for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the finding in the report.

Appendices

Click on the appendix title below to navigate to the section content.

Appendix A: Additional Information

Scope and Methodology

We selected our FY 2019 audit sites based on our analysis of risk factors such as:

- The number of stop-the-clock (STC)[9] scans occurring at the delivery unit. STC scans for packages routinely occur at the point of delivery. We used geolocation data to identify units with STC scans that occurred at the delivery unit instead of the intended delivery address.

- The number of city carriers returning after 6:00 p.m.

- The number of customer inquiries in the Enterprise Customer Care application for a delivery unit.

We extracted and analyzed data from January through Mach 2020 to determine recent delivery and scanning performance for the selected delivery units we audited in FY 2019. We extracted data from the EDW system for carriers returning after 6:00 p.m. for the seven sites we reviewed and compared it to the data reviewed during the audits. We also extracted and analyzed data from the

PTR system for the number of package scans performed at the unit instead of the delivery address for the 11 sites we reviewed.

We conducted this performance audit from January through July 2020 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 finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective. We discussed our observations and conclusions with management on June 4, 2020 and included their comments where appropriate.

We relied on computer-generated data from the EDW and the PTR system. We did not test the validity of controls over these systems; however, we verified the accuracy of the data by testing the completeness and reasonableness of the data, observing operations at the units, and interviewing Postal Service officials knowledgeable about the data. 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
Management Alert - Nationwide Delivery Scanning Issues	Provide Postal Service officials with immediate notification of the issues identified.	20-102-R20	2/19/2020	None
Delivery Scanning Issues – East Vancouver Carrier Unit, Vancouver, WA	Evaluate the package delivery scanning process on select routes.	DRT-AR-19-023	9/27/2019	None
Delivery Scanning Issues – Stafford Post Office Stafford, TX	Evaluate the package delivery scanning process on select routes	DRT-AR-19-022	9/20/2019	None

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9   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", "No Access", and "Business Closed".

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
Mail Delivery Issues – Minuet Carrier Annex, Charlotte, NC	Assess mail delivery service.	DRT-AR-19-021	9/19/2019	None
Mail Delivery and Retail Services – ███ Branch, ██████, MD	Assess mail delivery and retail services.	DRT-AR-19-019	9/10/2019	None
Delivery Scanning Issues – Gardena Post Office, Gardena, CA	Evaluate the package delivery scanning process on select routes.	DRT-AR-19-017	9/5/2019	None
Delivery Scanning Issues – Gracie Station, New York, NY	Evaluate the package delivery scanning process on select routes.	DRT-AR-19-018	9/5/2019	None
Delivery Scanning Issues – Lakeview Station, Chicago, IL	Evaluate the deliver scanning process on select routes.	DRT-AR-19-016	9/4/2019	None
Mail Delivery Issues – West Park Station, Philadelphia, PA	Assess mail delivery service on selected routes.	DRT-AR-19-015	8/12/2019	None
Mail Delivery Issues – Broadview Station, Atlanta, GA	Assess mail delivery service on selected routes.	DRT-AR-19-014	8/6/2019	None
Mail Delivery Issues – Pleasant Hill Station, Des Moines, IA	Assess mail delivery service.	DRT-AR-19-013	7/31/2019	None
Delivery Scanning Issues – Surprise Branch, Surprise, AZ	Evaluate the delivery scanning process.	DRT-AR-19-012	7/25/2019	None
Mail Delivery Issues – Bear Valley Station, Denver, CO	Assess mail delivery service on selected routes.	DRT-AR-19-009	7/12/2019	None
Delivery Scanning Issues – Franklin Park Post Office, Franklin Park, IL	Evaluate the package delivery scanning process on select routes.	DRT-AR-19-008	7/9/2019	None
Delivery and Customer Service Issues – College Station, New York, NY	Assess retail and mail delivery service.	DRT-AR-19-007	7/3/2019	None
Delivery Scanning Issues – Carmel Valley Carrier Annex, San Diego, CA	Evaluate the delivery scanning process on select routes.	DRT-AR-19-006	6/21/2019	None

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
Delivery Scanning Issues – Townsend Carrier Annex, San Francisco, CA	Evaluate the package delivery scanning process on select routes.	DRT-AR-19-005	6/19/2019	None
Delivery Scanning Issues – Hayward Main Post Office, Hayward, CA	Evaluate the package delivery scanning process on select routes.	DRT-AR-19-004	6/19/2019	$1,320
Delivery Scanning Issues – South Station, Newark, NJ	Evaluate the package delivery scanning process on select routes.	DRT-AR-19-003	6/11/2019	$688

Source: Reports obtained from OIG website.

Appendix B: Management's Comments

KEVIN L. MCADAMS
VICE PRESIDENT, DELIVERY & RETAIL OPERATIONS

UNITED STATES POSTAL SERVICE

July 8, 2020

LAZERICK C. POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Fiscal Year 2019 Delivery and Retail Response Team
Follow-Up Analysis (Project Number 20-112-DRAFT)

This letter is in response to Office of Inspector General Audit: Fiscal Year 2019 Delivery and Retail Response Team Follow-up Analysis. Although there were no recommendations associated with this report, management appreciates the opportunity to address the contents.

The report highlights the scanning improvements and acknowledges our efforts in providing consistent delivery to our customers. On-going attention by postal management have resulted in advancements in changing the scanning culture through its engagement with employees.

The United States Postal Service is committed to providing reliable service for all customers at every level of the organization. Management will continue to focus on improving technology, training employees and reinforcing current delivery work standards that is consistent with postal policy.

Kevin L. McAdams

cc: CARM

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