Delivery Scanning Issues – Gardena Post Office, Gardena, CA

September 5, 2019

Report Number DRT-AR-19-017

September 5, 2019

MEMORANDUM FOR: ROBERT A. REYNOSA
MANAGER (A), LOS ANGELES DISTRICT

E-Signed by Hilderbrand, Sherry
VERIFY authenticity with eSign Desktop

FROM: Sherry A. Hilderbrand
Director, Delivery and Retail Response Team

SUBJECT: Audit Report – Delivery Scanning Issues – Gardena Post Office, Gardena, CA (Report Number DRT-AR-19-017)

This report presents the results of our audit of Delivery Scanning Issues at the Gardena Post Office, Gardena, CA (Project Number 19RG036DRT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact please contact Byron Bustos, Operations Manager, at bbustos@uspsoig.gov or me at 703-248-2100.

Attachment

cc: Postmaster General
Vice President, Delivery and Retail
Vice President, Area Operations
Corporate Audit and Response Management

Background

This report presents the results of our self-initiated audit of package delivery scanning issues at Gardena Post Office, Gardena, CA (Project Number 19RG036DRT000). The Gardena Post Office is in the Los Angeles District of the Pacific Area. This audit was designed to provide U.S. Postal Service management with timely information on potential delivery scanning risks at the Gardena Post Office.

The Gardena Post Office has 56 city delivery routes and one combination route delivered by 91 city carriers. We used geolocation data to identify units with stop-the-clock (STC) scans[1] that occurred at the delivery unit property instead of the intended delivery address. The unit had 29,602 STC scans at the delivery unit between April and June 2019 (see Table 1). These scans occurred on multiple routes and were intended for multiple delivery addresses throughout the timeframe.

Table 1. Stop-The-Clock Scans at Delivery Unit

April	May	June	Total
10,795	9,920	8,887	29,602

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Product Tracking and Reporting system data.

Objective, Scope, and Methodology

Our objective was to evaluate the package delivery scanning process on select routes at Gardena Post Office, Gardena, CA.

To accomplish our objective, we analyzed scan data with STC scans that occurred at the delivery unit and applicable policies and procedures. Additionally, we reviewed delivery metrics that included mail arrival times, distribution-up time, delayed mail, and carriers return to office time. We also conducted observations at the unit on July 23-24, 2019, and analyzed the scan status of mail pieces found at the delivery unit and conducted a review of the ▮▮▮▮▮▮▮ inventory and controls process. Additionally, we interviewed delivery unit personnel and unit management to verify data and identify causes for improper STC scans at the delivery unit.

We relied on computer-generated data from the Product Tracking and Reporting (PTR) system. We did not test the validity of controls over this system; however, we verified the accuracy of the data by performing various tests and using reasonableness assertions. We determined the data were sufficiently reliable for the purposes of this report.

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[1] STC scans indicate the Postal Service completed its commitment to deliver or attempt to deliver the package. The scans are improper if performed at any location other than the designated delivery address.

We conducted this audit from July through September 2019, in accordance with generally accepted government auditing standards. 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 discussed our observations and conclusions with management on August 15, 2019 and included their comments where appropriate.

Finding #1: Package Delivery Scanning

We determined employees were improperly scanning packages at the unit and were not following package scanning and handling policies.

We analyzed the Global Positioning System (GPS) data in the PTR system which showed employees scanned 29,602 packages[2] with STC scans at the Gardena Post Office rather than at the appropriate delivery point between April and June 2019. Per Postal Service policy,[3] carriers must perform accurate STC scans for packages at the point of delivery.

Carriers stated they performed STC scans at the unit for ease of delivery due to the volume of packages delivered to businesses. The carriers stated a business could have hundreds of packages each day and that some businesses have so much volume that the packages are delivered by a combination route instead of their assigned route. Delivery unit personnel informed us that firm sheets[4] are used on Saturdays for high-volume businesses since they are closed, but not during the weekdays. According to the Postmaster, firm sheets were used on weekdays in the past; however, that practice has stopped.

Carriers also stated that they performed STC scans at the unit for other reasons. Specifically:

- To avoid scanning during inclement weather.
- Unavailability of a scanner during delivery, such as when the battery dies or when a carrier takes two scanners out leaving other carriers without a scanner.

In addition to our analysis of PTR scans, we conducted observations on July 23 and 24, 2019, and judgmentally selected 28 packages that were in the unit before the carriers arrived for the day to review their scanning and tracking data. Of the 28 packages, we found 10 with improper scan status. Eight of the 10 were missing an STC scan (one had

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[2] The Gardena Post Office had 233,317 total scans between April and June for scan types 01-Delivered, 02-Attempted, 04-Refused, 53-Receptacle Blocked, 54-Receptacle Full, 55-No Secure Location, 56-No Authorized Location and 57-Unsafe.

[3] *No Delivery/ No Attempt and Scanning Document*, November 2015 and *Scanning at a Glance, Delivering 100% Visibility*, August 2011.

[4] A firm sheet is used for a list of packages for delivery to one address documented with a single barcode. Firm sheets are used to link packages sent to one address on a single form.

an Arrival at Unit scan 18 days prior to our arrival) and two had "Delivered" scans while still at the delivery unit.

The Postal Service's goal is to ensure mail is delivered to the correct address with proper service, which includes scanning every mail piece at the point of delivery, obtaining a customer signature, when required, and ensuring 100 percent visibility throughout the process.[5]

Package scanning issues occurred because unit management did not direct personnel to follow scanning procedures. Customers rely on accurate scan data to track their packages in real time. When employees do not scan correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, enhance the customer experience and the Postal Service brand.

> **Recommendation #1:** We recommend **the Manager, Los Angeles District**, instruct the Gardena Postmaster to follow delivery standard operating procedures for scanning packages and to include the use of firm sheets.

Finding #2: ███████████████ Management

During our visit, we found ██████████████ were not properly managed and secured. Specifically, ██████████████████████ were kept unlocked at the carrier cases (see Figures 1 & 2). The Gardena Post Office is responsible for over 58 delivery vehicles used on 56 city routes. █████ to these vehicles along with an ████████ are given to the carrier on each route.

Figures 1 and 2. ██████████ **Unsecured at Carrier Cases**
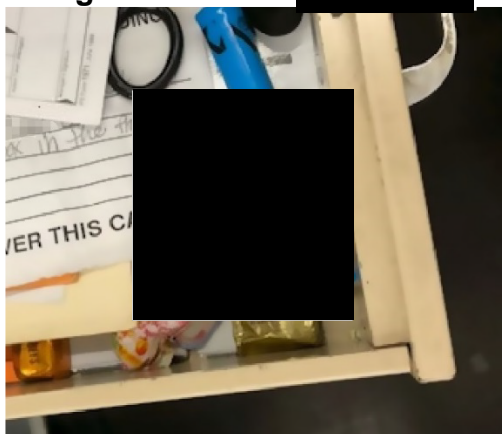
Source: OIG photographs taken on July 23 and 24, 2019 at the Gardena Post Office.

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[5] *Scanning at a Glance – Delivering 100 percent Visibility*, August 2011 and Delivery Done Right initiative.
[6] ████████ are accountable items that are used to secure and service mail receptacles.

Unit management did not maintain a log or master inventory list needed to manage and account for al███████. Although they had a ████ inventory for vehicle ██████ assigned, the list was incomplete, and they did not have an inventory list for the ██████████

According to unit management, this condition occurred because accountable clerks are no longer available to perform the task. The Postal Inspection Service provides security guidelines to protect the mail from theft during collection and delivery. Specifically, the guidelines state the closing employee is accountable for ensuring there is an accurate inventory ██.[7] In addition, Postal Service policy states a delivery service manager must assure that accountable items are properly handled, daily.[8] Policy also states that when carriers return from their routes, clerks should be available to check in accountable items as efficiently and promptly as possible.[9]

When there is insufficient oversight and supervision of accountable items such as ████ ████████ there is an increased risk of mail theft.

> **Recommendation #2:** We recommend **the Manager, Los Angeles District**, instruct the Gardena Postmaster to follow the applicable Postal Service and Inspection Service policies and procedures to ensure proper security and accountability of ████████████.

Management's Comments

Management agreed with the findings and recommendations. See Appendix A for management's comments in their entirety.

Regarding recommendation 1, management will follow scanning standard operating procedures including the use of firm sheets. Management will also conduct an employee scan integrity standup talk and implement a monthly observation for the next three months to ensure compliance with proper scanning procedures. The target implementaion date is November 30, 2019.

Regarding recommendation 2, management will follow the proper security and accountability of ████████████ policies and procedures and will implement a monthly observation for the next three months to ensure the unit complies and properly follows outlined procedures. The target implemention is November 30, 2019.

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[7] ████████ ████████ *Guide*, August 2017.
[8] *Postal Operations Manual*, Issue 9, 633.42, ████████████, July 2002 (updated with revisions through April 30, 2019).
[9] *Handbook M-39*, *Management of Delivery Services*, Section 127, Office Work When Carriers Return, March 2004.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations 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.

APPENDIX A. MANAGEMENT'S COMMENTS

DISTRICT MANAGER
LOS ANGELES DISTRICT

UNITED STATES
POSTAL SERVICE

August 30, 2019

Lazerick Poland
Acting Director, Audit Operations

SUBJECT: Delivery Scanning Issues – Gardena Post Office, Gardena, CA
            (Report Number DR-AR-19-DRAFT)

Management has reviewed the results of the Delivery Scanning Issues Audit at the Gardena Post Office and realize that there is an opportunity for improvement of the package delivery scanning process on select routes at Gardena Post Office.

Recommendation #1:
The Manager, Los Angeles District instruct the Gardena Postmaster to follow standard delivery operating procedures for scanning packages to include the use of firm sheets.

Management Response/Action Plan:
Management Agrees

To improve the delivery scanning process at the Gardena Post Office, the Postmaster has begun following the standard operating procedures for scanning packages. This process includes the use of firm sheets to scan multiple packages for one address at the delivery point. Other actions will include, a Scan Integrity Stand-Up Talk given by the Postmaster and the Area A, MPOO.

Over the next three months, the Manager of Operation Programs will provide resources to conduct monthly observations/audits. This will ensure the unit is in compliance and properly following outlined procedures. The first audit will be held in September 2019.

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DISTRICT MANAGER
LOS ANGELES DISTRICT

Target Implementation Date:
November 2019

Responsible Official:
Postmaster – Gardena Post Office
Manager Post Office Operations – MPOO A
Manager Operations Programs

Recommendation #2:
The Manager, Los Angeles District, instruct the Gardena Postmaster to follow the applicable Postal Service and Inspection Service policies and procedures to ensure proper security and accountability of ███████████

Management Response/Action Plan:
Management Agrees

The Gardena Postmaster has begun following Postal and Inspection service policies and procedures as they relate to the proper security and accountability of ███████████ All ███████ are ████████████████████████████ until distribution each morning. A daily ██████ is used by the supervisor or assigned clerk to distribute ██████ to each carrier.
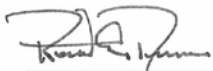
Over the next three months, the Manager of Operation Programs will provide resources to conduct monthly observations/audits. This will ensure the unit is in compliance and properly following outlined procedures. The first audit will be held in September 2019.

Target Implementation Date:
November 2019

Responsible Official:
Postmaster – Gardena Post Office
Manager Operations Programs

Robert A. Reynosa
District Manager
Los Angeles District

cc: Kevin L. McAdams, VP Delivery Operations
        Larry P. Munoz, Pacific Area Vice President
        Sally K. Haring, Manager Corporate Audit and Response Management
        Ken Lucas, Manager Accounting Pacific Area
        Michael Coleman, Manager Post Office Operations, Area A

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