Delivery Scanning Issues – Lakeview Station, Chicago, IL

September 4, 2019

Report Number DRT-AR-19-016

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 4, 2019

MEMORANDUM FOR: RANDY S. STINES
MANAGER, CHICAGO DISTRICT

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

Sherry A. Hilderbrand

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

SUBJECT: Audit Report – Delivery Scanning Issues – Lakeview Station,
Chicago, IL (Report Number DRT-AR-19-016)

This report presents the results of Delivery Scanning Issues at the Lakeview Station,
Chicago, IL (Project Number 19RG032DRT000).

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

Attachment

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

Background

This report presents the results of our self-initiated audit of Delivery Scanning Issues – Lakeview Station, Chicago, IL (Project Number 19RG032DRT000). The Lakeview Station is in the Chicago District of the Great Lakes Area. This audit was designed to provide U.S. Postal Service management with timely information on potential delivery scanning risks at the Lakeview Station.

The Lakeview Station has 40 city delivery routes delivered by 58 city carriers. We used geolocation data to identify units with stop-the-clock (STC) scans that occurred at the delivery unit property instead of the intended delivery address. The unit had 7,720 STC scans at the delivery unit between March and June 2019 (see Table 1). The scans occurred on multiple routes and were intended for multiple delivery addresses throughout the timeframe.

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

March	April	May	June	Total
3,729	1,612	842	1,537	7,720

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

Objective, Scope, and Methodology

Our objective was to evaluate the delivery scanning process on select routes at Lakeview Station, Chicago IL.

We analyzed delivery metrics that included scan data with STC scans that occurred at the delivery unit, mail arrival times, distribution up time, delayed mail, and carriers return to office time. We also conducted observations at the unit on July 16 and 17, 2019, and analyzed the scan status of mailpieces at the carrier cases and in the "notice left" package area. We also interviewed delivery unit personnel and unit management to verify data and identify causes for STC scans at the delivery unit and reviewed ▮▮▮▮▮ ▮▮▮▮▮ security procedures.

We relied on computer-generated data from the 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.

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 12, 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 Global Positioning System data in the PTR system which showed that employees scanned 7,720 packages, or about three percent,[1] with an STC scan at the Lakeview Station rather than at the appropriate delivery point between March and June 2019. Per Postal Service policy,[2] carriers must perform accurate STC scans for packages at the point of delivery.

Carriers stated that they performed STC scans at the unit for ease of delivery due to the volume of packages delivered to apartment buildings or condos with many residents. The carriers stated that one building could have hundreds of package deliveries each day.

In addition to our analysis of PTR scans, we conducted observations on July 16 and 17, 2019, and judgmentally selected 46 packages that were in the unit before the carriers arrived for the day to review their scanning and tracking data. Of the 46 packages we identified, 31 were in the delivery area and 15 were in the "notice left" area. Specifically:

- One of the 31 packages located in the delivery area had a "Delivered" scan.
- Six of the 15 packages in the "notice left" area had a "Delivered" scan.

The Postal Service's goal is to ensure mail is delivered to the correct address with proper service, which includes scanning every mailpiece at the point of delivery, obtaining a customer signature, when required, and ensuring 100 percent visibility throughout the process.[3]

Package scanning issues occurred because city delivery carriers did not follow scanning procedures. 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.

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[1] Lakeview Station had 259,780 total scans between March 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.

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

[3] *Scanning at a Glance – Delivering 100% Visibility*, and Delivery Done Right initiative.

By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

> **Recommendation #1:** We recommend the **Manager, Chicago District**, instruct the Chicago Postmaster and Lakeview Station management to follow delivery standard operating procedures for scanning packages.

Finding #2: ███████████ Management

Lakeview Station management did not properly manage ████████████.[4] Specifically, management did not update the ████████ log. We compared the actual number on the █████████ at the unit to the daily log and found that 15 of the 40 █████ were not listed on the log. Management stated that many ████████████ broke during the winter months and they had not updated the ██████ in about a year. In addition, two of the five carriers we spoke to said that sometimes when the unit is short-staffed and there is no one available to distribute ███████, █████████████████████████████████ ████████████. According to policy,[5] █████ must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out or using a █████████ system to ████████████ to ensure accuracy between ████████ and ████████████ log.

Further, Postal Service policy[6] states that ████████████ should be completed semiannually and management must ensure accountable items are properly handled. This condition occurred due to insufficient management oversight. Insufficient oversight and supervision of accountable items such as the ████████████ could put mail and packages — which could contain cash and checks — at risk of being stolen, along with personal information, which could be used to commit identity theft.

During our audit, management took corrective action by updating the ████████████ log to ensure all ████████████ were properly documented and assigned to the correct carrier routes. In addition, management reiterated the policy that the ████████████ will remain locked and carriers will not be allowed to enter ████████. Due to the corrective actions taken, we are not making a recommendation related to this issue.

Management's Comments

Management agreed with the findings and partially agreed with our recommendation.

Regarding the recommendation, management did not agree that the district manager needs to instruct the Chicago Postmaster and the Lakeview Station management to follow delivery standard operating procedures for scanning packages, stating that the error rate is no indication that the city is not following standard operating procedures.

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[4] ██
[5] ████████ ████████ *Guide*, August 2017.
[6] Handbook M-39, *Management of Delivery Services*, Section 111.2, Daily Operations, March 2004.

However, management did agree that Lakeview Station management needs to revisit the topic with stand-up service talks to ensure all employees know the importance of scanning packages at the point of delivery. Based on supplemental documentation, management conducted stand-up service talks and provided additional instructions to clerks on July 16, 2019. In addition, management conducted one-on-one interviews with carriers not following package scanning procedures during August 2019.

Regarding our finding on ███████████ management, although we did not make a recommendation, management stated they provided direct instructions and a stand-up talk to supervisors and employees regarding ██████ on July 16, 2019.

See Appendix A for management's comments in their entirety.

Evaluation of Management's Comments
We reviewed management's alternate corrective action for our recommendation and found it to be adequate to resolve the issue identified in this report. The OIG considers management's comments responsive to the findings and recommendation in the report. We consider the recommendation closed with the issuance of this report.

APPENDIX A. MANAGEMENT'S COMMENTS

Chicago District
UNITED STATES
POSTAL SERVICE

August 27, 2019

Lazerick C. Poland
Director, Audit Operations

SUBJECT: **Mail delivery Issues – Lakeview Station, Chicago District**
         (Report Number DR-AR-19-DRAFT])

Chicago District management conditionally agrees with the Lakeview report.

Finding 1: Package Delivery Scanning

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

Recommendation 1:

Manager, Chicago District, instruct the Chicago Postmaster and Lakeview Station management to follow delivery standard operating procedures for scanning packages.

Management Response/Action Plan:

Manager, Chicago District does not agree that the District Manager needs to instruct the Chicago Postmaster and Lakeview Station Management to follow delivery standard operating procedures for scanning packages. Although the 2% failure rate is not perfect, it is not an indication that the city or the station is not following the SOP. The District does agree that the Lakeview Station Manager needs to revisit the topic with stand up service talks with all employees to ensure they all know the importance of scanning packages at the point of delivery.

Lakeview management conducted Stand-Up Service Talks on July 16, 2019 (certification attached) with all employees on the importance of scanning packages at the point of delivery. Management conducted One-On-One interviews with the Top 10 Opportunity carriers on various dates between August 6-26, 2019 for not following procedures on package scanning (training records attached).

The clerks were notified on July 16, 2019 (attached) to scan all PO Box packages with a Notice Left scan instead of Delivered (once the mail was distributed in the box section). Random checks by Management including utilization of Track & Confirm for retention dates were implemented on July 17th and are ongoing on a weekly basis.

<u>**Finding 2:**</u> ██████████ <u>**Management**</u>

Lakeview Station management did not properly manage ████████████ **Specifically management did not update the** ██████████ **log.**

<u>**Recommendation 2:**</u>

No recommendation. Management took corrective action by updating the ██████████ log to ensure all ██████████ were properly documented and assigned to the correct carrier route.

<u>**Management Response/Action Plan:**</u>

Direct Instructions and a documented Stand Up Talk on ██████████ procedures was given on July 16, 2019 (attached) to supervisors and employees to ensure full compliance with ██████████ not being exchanged on different routes. Management updated the ██████████ with the correct ██████████ identified by the route numbers on July 17, 2019.

Randy Stines
District Manager
Chicago District