



# AUDIT REPORT

## **Delivery Scanning Issues – East Vancouver Carrier Unit, Vancouver, WA**

September 27, 2019



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Report Number DRT-AR-19-023



September 27, 2019

**MEMORANDUM FOR:** WILLIAM SCHWARTZ  
MANAGER, PORTLAND 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 – East Vancouver  
Carrier Unit, Vancouver, WA  
(Report Number DRT-AR-19-023)

This report presents the results of our audit of Delivery Scanning Issues at the East Vancouver Carrier Unit, Vancouver, WA (Project Number 19-021).

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: 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 at the East Vancouver Carrier Unit, Vancouver, WA (Project Number 19-021) in the Portland District of the Western Area. We conducted the audit to provide U.S. Postal Service management with timely information on potential operational risks at the East Vancouver Carrier Unit.

The East Vancouver Carrier Unit has 87 delivery routes (62 city and 25 rural) delivered by 131 carriers (89 city and 42 rural). We used geolocation data to identify units with stop-the-clock (STC) scans that occurred at the delivery unit property instead of at the intended delivery address. The East Vancouver Carrier Unit had 10,571 STC scans at the delivery unit between May and July 2019 (see Table 1).

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

May	June	July	Total
2,893	3,592	4,086	10,571

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

## Objective, Scope, and Methodology

Our objective was to evaluate the package delivery scanning process on select routes at the East Vancouver Carrier Unit in Vancouver, WA.

To accomplish our objective, 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 September 11, 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 arrow lock key 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 performance audit in 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 September 25, 2019 and included their comments where appropriate.

## **Finding # 1: Package Delivery Scanning**

We determined that employees were improperly scanning packages at the unit and not following package scanning and handling policies. Our data analysis between May and July 2019 showed that employees scanned 10,571 packages at the unit rather than at the appropriate delivery point. We noted that 9,686 (92 percent) of the scans were addressed to one business. Per Postal Service policy,<sup>1</sup> carriers must perform accurate STC scans for packages at the point of delivery.

We interviewed the carrier who performed the scans for the business that represented 92 percent of the scans done at the unit. He stated that the “Delivered” scans were being performed at the unit at the request of the customer who picks up the mail from the delivery unit. During our audit, management took corrective action by creating a firm sheet<sup>2</sup> for the business. Due to the corrective action taken, we are not making a recommendation related to this issue.

For the remaining 8 percent of the scans, carriers stated that they performed STC scans at the unit for various reasons, including an apartment complex’s refusal to accept residents’ packages or the carriers mistakenly scanning packages as “Delivered” for customers whose mail was on a temporary vacation hold.

In addition, we conducted observations on September 11, 2019, and judgmentally selected 67 packages that were at the unit before the carriers arrived for the day to review their scanning and tracking data. Of the 67 packages we identified, 34 were in the carrier cases and 33 were in the Notice Left area. We found that 30 of the 34 packages in the carrier cases and 22 of the 33 packages in the Notice Left area were missing a scan or had improper scans or handling. Specifically:

- Twenty-five packages had a “Delivered” scan.
- Twenty-one<sup>3</sup> packages should have been returned based on date:
  - Fourteen domestic mailpieces were older than 15 days.
  - Seven international mailpieces were older than 30 days.
- Eleven packages did not have an STC scan.
- Three packages had a “Forward”<sup>4</sup> or “Return to Sender”<sup>5</sup> scan.
- One package was scanned “Refused”.

The package scanning issues occurred because local management did not adequately enforce scanning procedures. The Postal Service’s goal is to ensure mail is delivered to

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<sup>1</sup> *No Delivery/No Attempt and Scanning Document*, November 2015, and *Scanning at a Glance, Delivering 100% Visibility*, August 2011.

<sup>2</sup> A list of packages for delivery to one address documented with a single barcode

<sup>3</sup> This includes nine pieces that were scanned “Delivered” in the previous bullet.

<sup>4</sup> Redirecting mail to the intended recipient’s new delivery address.

<sup>5</sup> Mail is returned to sender because it is undeliverable.

the correct address with proper service, which includes scanning every mailpiece ensuring 100 percent visibility throughout the process.<sup>6</sup>

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

During our audit, management took corrective action by providing stand-up talks with all carriers and clerks at the unit. These actions were completed by September 20, 2019. Due to the corrective action taken, we are not making a recommendation related to this issue.

## **Finding # 2: Improper Handling of Mail with Insufficient Postage**

Employees did not follow procedures for returning mail with insufficient postage.<sup>7</sup> Specifically, we identified 29 mailpieces with insufficient postage that carriers were unable to deliver, customers did not claim, or that were not returned to sender after 15 days, as required.<sup>8</sup> This occurred because management did not provide effective oversight to ensure that employees followed procedures for returning mail with insufficient postage. When employees do not follow procedures for returning mail with insufficient postage there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

During our audit, management took corrective action by instructing clerks to return all items in the required time period and returning all items held past their retention period. These actions were completed by September 20, 2019. Due to the corrective action taken, we are not making a recommendation related to this issue.

## **Finding # 3 Arrow Key Records**

East Vancouver Carrier Unit management did not properly manage arrow lock keys.<sup>9</sup> Specifically, management did not have a key inventory log. Management used a daily log to assign arrow keys to carriers. We compared the actual number on the arrow lock keys at the unit to the daily log and found that three of the 92 keys were assigned to the incorrect carrier or were missing.

Postal Service policy<sup>10</sup> states that key inventories should be completed semiannually and management must ensure employees properly handle accountable items. This

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<sup>6</sup> Standup Talk-Delivering a Positive Customer Service Experience-Delivery Done right, Scanning at a Glance, Delivering 100% Visibility, August 2011, and U.S. Postal Service Standard Operating Procedure-Scanning.

<sup>7</sup> Mail of any class that is received at either the office of mailing or office of address without enough postage.

<sup>8</sup> *Notice-Left-Return-Guidelines* and *Domestic Mail Manual*, Section 604.8.1, Postage Payment Methods and Refunds - Insufficient Postage.

<sup>9</sup> Arrow lock keys are accountable items used to secure and service mail receptacles.

<sup>10</sup> *Administrative Support Manual, Audits and Investigations*, Section 273, Facility Security and Handbook M-39, *Management of Delivery Services*, Section 111.2, Daily Operations, March 2004.

condition occurred due to insufficient management oversight. Insufficient oversight and supervision of accountable items such as the arrow lock key could put mail and packages at risk.

During our audit, management took corrective action by creating a key inventory log to ensure all arrow lock keys were properly documented and assigned to the correct carrier routes. Due to the corrective action taken, we are not making a recommendation related to this issue.

## **Management's Comments**

Management agreed with the findings. See [Appendix A](#) for management's comments in their entirety.

Regarding finding 1, management took corrective action by creating a firm sheet for the business with the highest percentage of the scans at the unit. The firm sheet process was functioning properly as of September 23, 2019. In addition, management conducted stand-up talks with employees on package delivery scans for proper handling and stated follow up will continue.

Regarding finding 2, management took corrective action by returning the mailpieces that were held over the required time period. In addition, management conducted stand-up talks on Notice Left and Return guidelines and stated follow up will continue.

Regarding finding 3, management took corrective action by creating a daily log to assign arrow keys to carriers.

## **Evaluation of Management's Comments**

The OIG considers management's comments responsive to the findings in the report, and the actions taken should correct the issues identified in the report.

## APPENDIX A. MANAGEMENT'S COMMENTS

PORTLAND DISTRICT



September 26, 2019

MEMORANDUM FOR:

Lazerick C. Poland  
Director, Audit Operations

**SUBJECT: *Audit Report – Delivery Scanning Issues – East Vancouver Carrier Unit  
Vancouver, WA***

This report is in response to the results of your audit of Delivery Scanning Issues at the East Vancouver Carrier Unit, Vancouver WA (Project Number 19-021).

We agree with the OIG's findings that scanning was not always accurately completed. Management has taken the following corrective actions to address the issues identified by the OIG's audit:

Finding # 1 Package Delivery Scanning - Molecular Testing Lab:

East Vancouver immediately corrected the issue with scanning packages for Molecular Testing Lab located at 14401 SE 1<sup>st</sup> Street.

On September 11, 2019, [REDACTED] created a firm sheet for the business with the DSS. There were complications with the firm sheet not working on September 12, 2019, so [REDACTED] called the USPS Help Desk generating ticket number INC000004432494.

On Wednesday September 18, 2019, [REDACTED] contact [REDACTED] and informed her why the firm sheet was not working. He stated that the firm sheet function did not work because this address had a holdout set in Address Management Systems (AMS). The holdout was removed by AMS on Wednesday September 18, 2019.

AMS updated East Vancouver's data base and the DSS was updated the weekend of September 21<sup>st</sup> and 22<sup>nd</sup>.

The firm sheet function is working as of Monday September 23, 2019. EVDCU prints the firm sheets each morning after distribution is completed and the parcels and firm sheet are given to the window clerk. The window clerk scans the firm sheet when Molecular Testing Lab picks up their parcels with the correct delivery scan of "delivered to agent".

MEMORANDUM FOR LAZERICK C. POLAND, DIRECTOR, AUDIT OPERATIONS  
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Finding # 1 Package Delivery Scanning:

On September 11, 2019, observations were conducted by the OIG and numerous parcels were identified either as missing scans or having improper scans.

East Vancouver has conducted standups with available clerks and carriers on the proper event codes and sub event codes that are to be used when handling package delivery scans to abate the improper scans finding. Each employee was given a handout of MDD Event Descriptions so the employees are aware of each main screen event code and sub event code for proper handling.

As of September 20, 2019, 62% of the employees have received the standup and MDD Event Descriptions handout. Each employee was also given a handout of Mobile Delivery Devices (MDD) event descriptions to make employees aware of each main screen event code and sub event code for proper handling. Follow up will continue until all employees at East Vancouver receive the scanning instructions. Employee rosters for the standups were provided to the auditors.

Finding # 2 Improper Handling of Mail with Insufficient Postage:

Employees did not follow procedures for returning mail with insufficient postage. East Vancouver completed a sweep of the left-notice items and have returned pieces aged over 15 days as appropriate. Local management conducted standups with available clerks on Notice Left and Return guidelines, which lists all products and the return time frame for each product. Follow up will continue until all clerks have received Notice Left and Return guidelines. Employee rosters were provided to the auditors.

Finding # 3 Arrow Key Records:

East Vancouver management did not have an arrow key inventory log, a daily log was used to assign arrow keys to carriers. [REDACTED] completed an arrow key inventory log and this was submitted to the OIG Auditors on September 12, 2019. This was also notated in the discussion draft from the OIG.

If you have any questions or need additional information, please contact either myself or [REDACTED] or [REDACTED]



William Schwartz  
District Manager