Audit Report

Mail Delivery, Customer Service, and Property Conditions – Piedmont Station, Portland, OR

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

February 2, 2022

MEMORANDUM FOR: WILLIAM SCHWARTZ
MANAGER, IDAHO-MONTANA-OREGON DISTRICT

Lazerick C. Poland

FROM: Lazerick Poland
Director, Field Operations

SUBJECT: Audit Report – Mail Delivery, Customer Service,
and Property Conditions Review – Piedmont Station, Portland,
OR (Report Number 22-030-R22)

This report presents the results of our audit of Mail Delivery, Customer Service, and
Property Conditions – Piedmont Station, Portland, OR.

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

Attachment

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

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Piedmont Station in Portland, OR (Project Number 22-030). The Piedmont Station is in the Idaho-Montana-Oregon District of the WestPac Area and services ZIP Code 97211, which services about 31,531 people and is considered to be an urban community.[1] We chose the Piedmont Station based on the number of stop-the-clock[2] (STC) scans occurring at the delivery unit, rather than at the customer's delivery address.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Piedmont Station in Portland, OR.

To accomplish our objective, we focused on these four audit areas: delayed mail, package scanning, truck arrival scans, and property conditions. Specifically, we reviewed delivery metrics including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and distribution up-time.[3] During our site visit from November 30 through December 2, 2021, we reviewed mail conditions; package and truck arrival scanning procedures; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the "Notice Left" area[4] and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 1 with management on January 20, 2022, and included their comments where appropriate.

The Piedmont Station is one of four delivery units[5] the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of November 29, 2021, that are serviced by the Portland Processing and Distribution Center (P&DC). We issued this interim report to provide Postal Service management with timely information regarding the conditions we identified at the Piedmont Station. We will issue a separate report[6] that provides Postal Service management with the overall findings and recommendations for all four delivery units. See Appendix A for additional information about our scope and methodology.

Results Summary

We identified issues affecting mail delivery, customer service, and property conditions at the Piedmont Station. Specifically, we found deficiencies with three of the four areas we reviewed (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	**No**
Delayed Mail		X
Package Scanning	X	
Truck Arrival Scanning	X	
Property Conditions	X	

Source: Results of our fieldwork during week of November 29, 2021.

Finding #1: Package Scanning

What We Found

Employees improperly scanned 12,355 packages at the delivery unit rather than at the customer's address between August and October 2021 (see Table 2). Further analysis of the scan data for these packages showed about 99 percent

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[1] We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information.

[2] A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include "Delivered," "Available for Pick-up," "No Access," and "Business Closed."

[3] Time of day that clerks have completed distributing mail to the carrier routes.

[4] The area of a postal facility where letters or packages that the carriers were unable to deliver are stored for customer pickup.

[5] The other three units were the Parkrose Station, Portland, OR (Project Number 22-029); the Beaverton Post Office, Beaverton, OR (Project Number 22-031); and the Vancouver Main Post Office, Vancouver, WA (Project Number 22-032).

[6] The project number for the separate report is 22-001.

were scanned "Delivered." We found that 10,352 (about 84 percent) of these STC scans were for one business.

Table 2. STC Scans at Delivery Unit

STC Scan Type	August	September	October	Total	Percentage
Delivered	4,123	4,697	3,451	12,271	99.32%
No Secure Location	21	22	16	59	0.48%
Receptacle Full/ Item Oversized	4	8	8	20	0.16%
No Authorized Recipient	0	2	2	4	0.03%
Refused	0	1	0	1	0.01%
Total	**4,148**	**4,730**	**3,477**	**12,355**	**100%**

Source: OIG analysis of the Postal Service's Product Tracking and Reporting (PTR)[7] System data.

In addition, on the morning of November 30, 2021, before carriers arrived for the day, we selected 60[8] packages to review and analyze scanning and tracking data. Of the 60 sampled packages, 12 had improper scans. All 12 had a "Delivered" scan, which should only be performed when the package is successfully left at the delivery address.

Further, we found eight packages in the "Notice Left" area that were not returned to the sender, as required.[9] These packages ranged from 17 to 32 days past their return dates.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. For the 10,352 packages addressed to one business, management explained that a transportation employee delivers the packages due to the volume; therefore, management allowed a clerk to perform a "Delivered" scan for these packages at the delivery unit.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The transportation employee that delivered the packages should have scanned the packages at the delivery address when the packages were delivered instead of a clerk scanning them at the delivery unit. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,[10] which includes scanning packages at the time and location of delivery.[11] Packages in the "Notice Left" area should have been reviewed for second notices and returned to the sender if they remained after the prescribed number of days.

Effect on the Postal Service and Its Customers

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

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7   A system of record for all delivery status information for mail and packages with trackable services and barcodes.
8   We judgmentally selected 30 packages from the carrier cases and 30 packages from the "Notice Left" area.
9   *Notice Left and Return Guidelines*, dated July 2007, states that domestic packages should be returned to the sender on the 15th calendar day after a notice is left and international packages should be returned to the sender on the 30th calendar day after a notice is left.
10 *Delivery Done Right the First Time* stand-up talk, March 2020.
11 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #2: Truck Arrival Scanning

What We Found

Employees at the Piedmont Station did not scan incoming trailer/truck barcodes (99T)[12] as required. We reviewed data related to morning truck arrival scans from September 1 through November 18, 2021, and found that employees did not perform a scan for any of the 208 scheduled trucks arriving from the Portland P&DC.

Why Did It Occur

The truck drivers must use a lift to lower containers of mail to the ground because the unit does not have a loading dock. Clerks responsible for making the scans were not allowed to operate the lift and could not reach the barcodes inside the trailers. Unit management knew about the situation but did not make any modifications to alleviate this issue.

What Should Have Happened

Management should have reviewed the Arrive/Depart Tracking Report to ensure that all expected truck scans were being performed. In addition, unit management could have reached out to Idaho-Montana-Oregon District management to let them know the clerks could not scan the barcodes so they could have discussed modifications to the 99T scan process. According to Postal Service policy,[13] employees must scan the trailer barcode on Postal Service trailer/trucks and Highway Contract Route trucks arriving at the delivery unit during local operating hours.

Effect on the Postal Service and its Customers

When employees do not scan the 99T barcode, the Postal Service does not receive timely transportation information and is unable to address issues that may be causing mail delays, which could affect customer service.

Finding # 3: Property Conditions

What We Found

We found safety and maintenance issues at the Piedmont Station including fire extinguishers that had not been inspected[14] and which were not easily accessible. We also identified blocked exit route doors (see Figure 1 and Figure 2) and pieces of the ceiling missing in the loading dock area (see Figure 3).

Figure 1. Blocked Emergency Exit and Door Extinguisher

Source: OIG photo taken December 1, 2021.

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12 The 15-digit trailer barcode on the back door and inside right and left walls of the trailer.
13 *United States Postal Service* Standard Operating Procedure – Subject: Trailer Scans at the Delivery Units.
14 Occupational Safety and Health Administration (OSHA) 29 CFR 1910.157 (e)(2) and 29 CFR 1910.157 (e)(3) requires that fire extinguishers be inspected monthly and annually.

Figure 2. Blocked Exit Route

Source: OIG photo taken December 1, 2021.

Figure 3. Missing Ceiling on Loading Dock

Source: OIG photo taken December 1, 2021.

Why Did It Occur

Unit management did not take the necessary actions to ensure that property conditions issues were corrected because other duties took priority, such as addressing customer inquiries and ensuring carriers returned on time.

What Should Have Happened

Management should have provided sufficient oversight to personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up for completion. The Postal Service is required to maintain a safe environment for employees and customers. In addition, OSHA requires employers to provide a safe and healthy workplace free of recognized hazards.[15]

Effect on the Postal Service and Its Customers

Management's attention to safety and maintenance deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims, lawsuits, and OSHA penalties; and enhance the customer experience and Postal Service brand.

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15 OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook.*

Appendices

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

Appendix A: Additional Information

We conducted this audit from November 2021 through February 2022 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 relied on computer-generated data from the PTR, the Surface Visibility[16] database, and the electronic Facilities Management System.[17] Although we did not test the validity of the controls over these systems, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

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16 Surface Visibility collects end-to-end data by linking multiple scans of a single asset to create visibility data to support planning, management, and optimization of the surface network.
17 A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs, and alteration contracts, along with real estate contracts.

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Report Number 22-030-R22

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Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

January 28, 2022

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Mail Delivery, Customer Service, and Property Conditions Review –
Piedmont Station, Portland, OR   Project Number 22-030-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment
on the findings and recommendations contained in the draft audit report, Mail Delivery,
Customer Service, and Property Conditions Review – Piedmont Station, Portland, OR

Following are our comments on each of the three findings:

Findings #1:

Employees improperly scanned 12,355 packages at the delivery unit rather than at the
customer's address between, August and October 2021. Further analysis of the scan
data for these packages showed about 93 percent were scanned "Delivered."

Management Response:
Management agrees with this finding.

Management agrees that these 12,355 packages from our firms/re-shippers that are
picked up and delivered by MVS were scanned delivered from the Post Office. We will
be asking MVS if they can scan the firm sheets delivered onsite. We reserve the right
for Logistics to answer if they will be making the scan.

Findings #2:

Employees at the Piedmont Station did not scan incoming trailer/truck barcodes (99T) as
required.

Management Response:
Management agrees with this finding.

Piedmont does not have a loading dock, so it is very time consuming to leave the
Distribution area twice per truck to complete this task. In addition to that it is
extremely difficult and borderline unsafe for our clerks to climb up into the trucks. We
will ask the driver while they are in their trailer to make the scan as to avoid climbing
up in the trailer.

Findings #3:

We found safety and maintenance issues at the Piedmont Station including fire extinguishers that had not been inspected and which were not easily accessible. We also identified blocked exit route doors and pieces of the ceiling missing in the loading dock area.

Management Response:
Management agrees with this finding.

Management has had all 6 fire extinguishers professionally serviced at a cost of $146 and has begun monthly inspections. All items blocking the locations have also been removed. The piece of the missing ceiling is scheduled to be covered as one of the next projects by the owner as his next is repairing the entrance gate.

As the District Manager, Portland District, I will ensure that we begin to address the findings identified in the report.

William Schwartz

cc: Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, WestPac Area
Corporate Audit Response Management

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1735 North Lynn Street
Arlington, VA 22209-2020
(703) 248-2100

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press@uspsoig.gov or call 703-248-2100.