



# AUDIT REPORT

## **Delivery Scanning Issues – Townsend Carrier Annex, San Francisco, CA**

June 19, 2019



Report Number DRT-AR-19-005



June 19, 2019

**MEMORANDUM FOR:** NOEMI I. LUNA  
MANAGER, SAN FRANCISCO DISTRICT

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

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

**SUBJECT:** Audit Report – Delivery Scanning Issues –Townsend Carrier  
Annex, San Francisco, CA  
(Report Number DRT-AR-19-005)

This report presents the results of our review of delivery scanning issues at the Townsend Carrier Annex, San Francisco, CA (Project Number 19RG017DRT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact please contact Chad Stroup, Operational Manager, at [cstroup@uspsig.gov](mailto:cstroup@uspsig.gov) or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management  
Kevin L. McAdams  
Larry Munoz

## Background

This report presents the results of our self-initiated audit of Delivery Scanning Issues - Townsend Carrier Annex, San Francisco, CA (Project Number 19RG017DRT000). The Townsend Carrier Annex is in the San Francisco 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 Townsend Carrier Annex.

The Townsend Carrier Annex has 66 routes (61 city and 5 package delivery routes) delivered by 102 city carriers. We selected the Townsend Carrier Annex based on our analysis of stop-the-clock (STC)<sup>1</sup> scan data from the Product Tracking and Reporting (PTR) system. Specifically, we used the geolocation data to identify packages with STC scans of “Delivered” that occurred at the delivery unit’s property instead of the intended delivery address. The unit had 8,506 scans of “Delivered” at their delivery unit location between January and March 2019 (see [Table 1](#)). The scans occurred on multiple routes and were intended for multiple delivery addresses throughout the timeframe.

**Table 1. STC Scans of “Delivered” at Delivery Unit**

January	February	March	Total
2,987	2,379	3,140	8,506

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

During our April 23 to 24, 2019 site visit, we learned Pacific Area management had completed a review of the unit on April 1, 2019. They also conducted a separate review with a focus on improving the number of packages successfully delivered on the first attempt to the recipient.<sup>2</sup> While management’s review addressed many areas needing improvement, the OIG’s review of package delivery scanning did not duplicate their efforts.

## Objective, Scope, and Methodology

The objective of this audit was to evaluate the package delivery scanning process on select routes at the Townsend Carrier Annex, San Francisco, CA.

We reviewed STC “delivered” scans that occurred at the delivery unit and delivery metrics such as mail arrival, distribution up time, delayed mail, and carriers return to the office time. Additionally, we conducted observations at the delivery unit from April 23 through April 24, 2019. We also analyzed the scan status of mailpieces at the carrier cases and in the notice left area. We also interviewed unit management and employees.

---

<sup>1</sup> 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.

<sup>2</sup> The Postal Service’s goal is to deliver packages on the first attempt to serve its customers efficiently. Pacific Area management are exploring solutions to help reduce the number of failed first delivery attempts in the area.

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 that the data were sufficiently reliable for the purposes of this report.

We conducted this audit from April through June 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 May 31, 2019 and included their comments where appropriate.

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

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

We analyzed the Global Positioning System in the PRT system which showed employees scanned 8,506 packages as “Delivered” at the Townsend Carrier Annex rather than at the appropriate delivery point between January and March 2019. Per Postal Service policy,<sup>3</sup> city carriers must perform accurate STC scans for packages at the point of delivery.

About 62 percent of the 8,506 improper scans occurred on three routes.<sup>4</sup> While we were not able to obtain carrier feedback about the improper scans,<sup>5</sup> the supervisor stated she continually instructs carriers to perform the STC scan of “Delivered” at the delivery address. She added that if it is a split-route (additional delivery assignment), she allows the carrier to perform a scan of “Business Closed” at the office, if the travel time to the location is too far to get to before the business closes for the day.

In addition to our analysis of PTR scans, we also conducted an observation on April 23, 2019, in which we judgmentally selected 76 packages that were in the unit before the carriers arrived for the day, to review their scanning and tracking data. Of the 76 packages we identified, 36 were staged on the dock,<sup>6</sup> 12 were at the carrier cases, four were in the parking lot, and 24 were in the notice left area. We found 29 of the 76 (38 percent) had missing or improper scans. Specifically:

- Five packages did not have an STC scan, indicating why they had not been delivered.

---

<sup>3</sup> Delivery and Retail Standardization, Tab 3, Section 5, Scanning Performance.

<sup>4</sup> One business address represented 3,256 (or 38 percent) of the 8,506 improper scans. We were told the address can receive up to 150 packages per day.

<sup>5</sup> One route was vacant during our scope period; one route was vacant for over a year; and the carrier for the other route was off work during our site visit days.

<sup>6</sup> The 36 packages were in 27 hampers we observed staged on the dock with undelivered packages from the prior day.

- Five showed a “Delivered to Agent for Final Delivery” scan on the day prior to our site visit day, and on the day of our site visit it scanned again as “Delivered to Agent.”
- Four had scans that initially showed as "Delivered" and then subsequently were scanned as “No Secure Location Available."
- Four had “Delivered to Agent” scans on the day prior to our site visit.
- Four had multiple "Arrival-at-Unit" (AAU) scans.
- Three had different addresses but were scanned as “No Access” at the same time with the same scanner.
- One showed a “Delivered” scan, but it was staged on the dock.
- One did not have an AAU scan.
- One had a “Delivery Status Not Updated” scan.
- One had a scan that initially showed as "Receptacle Full/Item Oversized" and then on the same day it was scanned as "No Access."

We also noted the unit had the new Automated Delivery Unit Sorter (ADUS) machine, which automatically generates a pre-filled Postal Service Form 3883-A, *Firm Delivery Receipt* (also referred to as “firm sheet”)<sup>7</sup> when there are six or more deliveries for a single address. However, the clerks did not print the ADUS generated firm sheet for carriers to use. The supervisor instructed the carriers not use the firm sheets because if a package is missorted,<sup>8</sup> it could result in an inaccurate count of items shown as “Delivered” on the firm sheet.

The supervisor stated some of the improper “Delivered” scans occurred because carriers did not always follow the proper scanning procedures. For example, carriers make multiple trips to the unit to pick-up additional packages to deliver (because of small delivery vehicles or additional delivery route assignments). This usually occurs after 1:30 p.m., causing carriers to not make it to a business delivery address before they close. However, the supervisor stated instead of a “Business Closed” scan at the delivery address, the carrier may have already scanned the packages as “Delivered” at the unit.

The Postal Service’s goal is to make sure mail is delivered to the correct address with proper service, which includes scanning every mail piece ensuring 100 percent visibility throughout the process.<sup>9</sup> Additionally, Postal Service guidance states that leveraging the functionality for automated firm sheets for delivery points that receive 25 or more trackable pieces per day would result in highly increased efficiency.<sup>10</sup>

The package scanning issues occurred because local management did not adequately enforce scanning procedures. Customers rely on accurate scan data to track their

---

<sup>7</sup> A firm sheet is 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.

<sup>8</sup> Packages are sorted into hampers by route by Postal Service employees. A missort occurs if a package is placed in a hamper for the wrong route during the sorting process.

<sup>9</sup> Postal Service Fact Sheet, *World Class Visibility – Scanning*, and Postal Service *Delivery Done Right* initiative.

<sup>10</sup> Postal Service Headquarters memo, *Passive Adaptive Scanning System\_Delivery Scheme-less Sortation Firm Sheet Enhancements*, dated November 9, 2016.

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, enhance the customer experience and Postal Service brand.

**Recommendation #1:** We recommend the Manager, San Francisco District, instruct the Postmaster, San Francisco and Townsend Carrier Annex management to follow delivery standard operating procedures for scanning packages, to include the use of firm sheets.

## Other Matters

During our site visit we also observed a physical safety and security issue related to the entry gate to the unit being consistently open. We observed an unattended hamper with packages near a postal vehicle which was at risk of loss due to the open gates. The supervisor stated the intercom and remote gate open and close functions had not worked since 2017. Therefore, they leave the entry gates open because they are unable to use the intercom to know who is attempting to access the unit. The supervisor stated she submitted a maintenance work order request in October 2017. Management took corrective action during our site visit by submitting a second maintenance work order request on April 24, 2019. Therefore, we are not making a recommendation regarding this issue.

## Management's Comments

Management agreed with the finding and recommendation. In their response, management also provided additional context regarding their package volumes, delivery points, and staffing challenges. See [Appendix A](#) for management's comments in their entirety.

Regarding recommendation 1, management agreed with the need to follow the standard operating procedures for properly scanning packages. Management stated they will provide refresher training to all personnel at the Townsend Carrier Annex as it pertains to proper scanning of parcels. Management's target implementation date is June 30, 2019.

## Evaluation of Management's Comments

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

The recommendation requires OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. Recommendation 1 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

## Appendix A: Management's Comments

SAN FRANCISCO DISTRICT MANAGER



June 11, 2019

LAZERICK POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Delivery Scanning Issues –Townsend Carrier  
Annex, San Francisco, CA  
(Report Number DRT-AR-19-DRAFT)

We have given your report a thorough review. Below you will find a summary of our responses to the report's assessment and recommendations.

The San Francisco District does not dispute the potential for delivery scanning risks at the Townsend Carrier Annex.

We agree with the Postal Service policy that city carriers must perform accurate Stop the Clock (STC) scans for packages at the point of delivery but want to emphasize that we have specific exceptions that pertain to the Townsend Carrier Annex. This facility is made up of a high percentage of business delivery type routes. Typically STC scan volumes are high on the weekends especially when the weekend is followed by a holiday. An example of this is when a Holiday falls on a Monday; businesses in this area typically start closing early on Thursday's. This is when the high volume of STC Business Closed scans occur and the packages are held at the facility until delivery can be made after the Holiday. Another exception to in office STC scans made at the facility include [REDACTED] which can receive up to [REDACTED] packages per day. This delivery location had a Firm Sheet that was suspended due to scans that affected the manifest of the Firm Sheet. When scanned Delivered, all pieces connected with Firm Sheet were given the Delivered scan. What we realize is that the second and third trips to [REDACTED] (over their extended holiday weekend) the business was closed, causing confusion of using a No Access / Business Closed Scan versus a Delivered Scan on the same day.

Townsend Carrier Annex has significant staffing challenges which is causing Business Routes to be split daily. Complicating staffing matters further is a Local Agreement, which is under review, which impacts the unit's ability to use auxiliary help to mitigate these staffing challenges.

**Recommendation #1:** We recommend the Manager, San Francisco District, instruct the Postmaster, San Francisco and Townsend Carrier Annex management to follow delivery standard operating procedures for scanning packages, to include the use of firm sheets.

PO Box 889000  
SAN FRANCISCO CA. 94188-9000  
PHONE: 415-550-5591  
FAX: 415-550-5283

**Management Response/Action Plan:**

The San Francisco District agrees with the recommendation to follow the SOP on proper scanning. The San Francisco Postmaster will provide refresher training to all personnel at the Townsend Carrier Annex as it pertains to proper scanning of parcels.

**Target Implementation Date:**

June 2019

**Responsible Official:**

Abraham Cooper, Host Postmaster, San Francisco



Noemi Luna  
District Manager, San Francisco District

cc: Corporate Audit and Response Management  
Kevin L. McAdams  
Larry Munoz