



AUDIT REPORT

Delivery Scanning Issues – Surprise Branch, Surprise, AZ

July 25, 2019



Report Number DRT-AR-19-012



July 25, 2019

MEMORANDUM FOR: RICHARD M. CHAVEZ
MANAGER, ARIZONA 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 – Surprise Branch,
Surprise, AZ (Report Number DRT-AR-19-012)

This report presents the results of our review of Delivery Scanning Issues at the Surprise Branch, Surprise, AZ (Project Number 19RG028DRT000).

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, at cstroup@uspsig.gov, or me at 703-248-2100.

Attachment

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

Background

This report presents the results of our self-initiated audit of Delivery Scanning Issues – Surprise Branch, Surprise, AZ (Project Number 19RG028DRT000). The Surprise Branch is in the Arizona District of the Western Area. This audit was designed to provide U.S. Postal Service management with timely information on potential delivery scanning risks at the Surprise Branch.

The Surprise Branch has 13 city routes and 51 rural routes delivered by 97 carriers (22 city and 75 rural). We used geolocation data to identify units with stop-the-clock (STC) scans that occurred at the delivery unit instead of the intended delivery address. The unit had 8,524 STC scans at the delivery unit between February and April 2019 (see Table 1). The scans occurred on multiple routes and were intended for multiple delivery addresses throughout the timeframe.

Table 1. STC Scans at Delivery Units

| February | March | April | Total |
|----------|-------|-------|-------|
| 3,206 | 3,131 | 2,187 | 8,524 |

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 delivery scanning process on select routes at the Surprise Branch in Surprise AZ.

We analyzed delivery metrics that included 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 June 12 and 13, 2019, and analyzed the scan status of mailpieces in 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.

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 June through July 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 July 3, 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. We analyzed Global Positioning System data in the PTR system which showed that employees scanned 8,524 packages with an STC scan at the Surprise Branch rather than at the appropriate delivery point between February and April 2019. We noted that 7,924 (93 percent) of the scans were addressed to one seasonal community. Per Postal Service policy,¹ carriers must perform accurate STC scans for packages at the point of delivery.

We interviewed the carrier who performed the scans for the community (which represented 93 percent of the scans we reviewed). He stated that the “Delivered to Mailroom” scans were being performed at the unit for ease of delivery due to the volume of packages received. Further, he said that staff at the community office scan the packages as “Delivered” when they are distributed to the addressee using a Postal Service scanner because the community office operates as a Contract Postal Unit (CPU).²

For the remaining 7 percent of the scans, carriers stated they performed STC scans at the unit for a variety of reasons, including to save time, not wanting to forget the scan at the address, resorting to an old “habit”, or assuming it was fine since the address was close to the station. In other cases, it was common practice for some carriers to scan packages as “Delivered” for customers whose mail was on a temporary vacation hold.

In addition to our analysis of PTR scans, we conducted observations on June 12 and 13, 2019, and judgmentally selected 70 packages that were in the unit before the carriers arrived for the day to review their scanning and tracking data. Of the 70 packages we identified, 27 were in the carrier cases and 43 were in the “notice left” areas. We found all 27 packages in the carrier cases and 16 of the 43 packages in the “notice left” area were missing a scan or had improper scans or handling. Specifically:

- Eighteen did not have an STC scan.
- Sixteen had a “Delivered” scan.
- Three had a “no authorized recipient available” scan and were more than 30 days old.
- Six had a “Forward”³ scan.

The Postal Service’s goal is to ensure delivery of mail to the correct address with proper service, which includes scanning every mailpiece at the point of delivery, obtaining a

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

² A post office that is inside a retail establishment and operated by the retailer's employees.

³ Redirecting mail to the intended recipient’s new delivery address.

customer signature, when required, and ensuring 100 percent visibility throughout the process.⁴

Package scanning issues occurred because local management did not adequately enforce scanning procedures. 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 the Postal Service brand.

Recommendation #1: We recommend the **Manager, Arizona District**, instruct the Sun City Postmaster and Surprise Branch management to follow delivery standard operating procedures for scanning packages.

Finding # 2: Improper Handling of Mail with Insufficient Postage

Employees did not follow return procedures for mail with insufficient postage.⁵ Specifically, we identified 18 mailpieces with insufficient postage that carriers were unable to deliver (and customers had not claimed) had not been returned to sender after 15 days, as required.⁶ The dates on the pieces ranged from one to eight months old. This occurred because management did not provide effective oversight to ensure that employees followed procedures for returning mail with insufficient postage. When procedures for returning mail with insufficient postage are not followed there is an increased risk of customer dissatisfaction which may adversely affect the Postal Service brand.

Recommendation #2: We recommend the **Manager, Arizona District**, instruct the Sun City Postmaster and Surprise Branch management to follow standard operating procedures for handling mail with insufficient postage.

⁴ *Scanning at a Glance – Delivering 100 percent Visibility*, August 2011; and Delivery Done Right initiative.

⁵ Mail of any class that is received at either the office of mailing or office of address without enough postage.

⁶ *Notice-left-return-guidelines and Domestic Mail Manual*, Section 604.8.1, Postage Payment methods and Refunds - Insufficient Postage.

Management's Comments

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

Regarding recommendation 1, management stated that they ceased scanning packages at the unit for the seasonal community and on June 13, 2019, and implemented the use of a firm sheet. Management also conducted stand-up talks for employees and daily reviews to ensure scanning integrity for the unit. Management is in the process of documenting scanning training for all employees and the target implementation date is July 31, 2019.

Regarding recommendation 2, management stated that they will ensure all return to sender items are processed in accordance with the guidelines and all items identified during the audit were processed and returned on June 14, 2019. Management also stated that unit management and employees have been trained on the correct procedures for this issue and have documented the training. Management also posted handling instructions in the notice left and box sections to ensure compliance. We subsequently spoke to unit management and they informed us that training has not yet been completed for all employees and the target implementation date is July 31, 2019.

Evaluation of Management's Comments

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

These recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. The 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
ARIZONA/NEW MEXICO DISTRICT



July 22, 2019

Lazerick Poland
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – DRT-FM-19-DRAFT
(Project Number 19RG028DRT000)

Recommendation 1: We recommend the Manager, Arizona District, instruct the Sun City Postmaster and Surprise Branch management to follow delivery standard operating procedures for scanning packages.

Management agrees with findings and recommendations.

Management Response/Action Plan:

1. Regarding recommendation 1, Surprise ceased the collector's practice of scanning packages for 17200 W Bell Rd, the Happy Trails Community, at the dock area as he was loading the vehicle. Happy Trails Community is a one drop delivery which has only the one address on this phantom route, C088, for mail sortation purposes only. The collector is the person assigned to drop the mail at this location. The community is responsible for the delivery of the mail to approximately 2100 residents. The instruction was provided to implement a firm sheet to be used and scanned at the point of delivery by the collector. This was corrected and implemented on 06/13/2019. Carriers were also instructed by stand up talks to scan all items at the delivery location with the appropriate scan. Management has implemented daily reviews of the DMS scanning exception report to identify any scanning integrity issues. This is being utilized to correct any practices that are in place that are not in line with the scanning SOP. Management is in the process of documenting scanning training record on PS Form 2548 for all employees. This will provide documentation for further administrative action if employees fail to follow the instruction.

Target Implementation Date: June 13, 2019 (Full completion of PS Form 2548 training records on all employees will be documented on file by July 31st, 2019).

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Responsible Official: Manager Customer Service Surprise Post Office ,
Postmaster Sun City

Recommendation # 2: We recommend the Manager, Arizona District, instruct the Sun City Postmaster and Surprise Branch management to follow standard operating procedures for handling mail with insufficient postage.

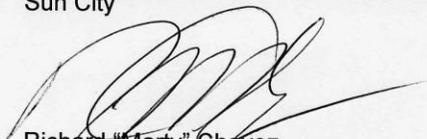
Management agrees with the findings and recommendations.

Management Response/Action Plan:

1. Regarding recommendation 2, management will ensure all return to sender items are processed in accordance with the Notice and Return Guidelines. On June 14, 2019, management and the lead clerk ensured all items identified in the audit were properly processed and returned. All clerks and management have been addressed with the correction of this issue, documented by training records, PS Form 2548. Management has since posted the F4 Notice Left Work Instruction at the notice left area, box section notice left area, and certified staging area to ensure compliance. Spot audits will be conducted and reviewed with the Postmaster to ensure compliance.

Target Implementation Date: June 14th, 2019

Responsible Official: Manager Customer Service Surprise Post Office, Postmaster
Sun City



Richard "Marty" Chavez
District Manager (A)

cc: Corporate Audit and Response Management
Kevin L. McAdams, Vice President, Delivery & Retail Operations
Gregory G. Graves, Vice President, Operations – Western Area
John Diperi, Manager/A, Operations Support – Western Area
Tryone Williams, Manager, Delivery Programs Support – Western Area
Kangcong Zhang, Controller/A – Western Area