

Scanning Compliance and Oversight of Dock Operations

AUDIT REPORT

Report Number 23-164-R24 | April 12, 2024



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Highlights

Background

The U.S. Postal Service is working to leverage technology to improve visibility and tracking of mail and packages in near real time for the Postal Service, its customers, and mailers. As it moves through the surface transportation network, mail and packages are assigned to a container equipped with barcodes. Surface Visibility provides real-time scanning of barcodes and reports mail movement from origin to final destination allowing the Postal Service to measure its performance. Oversight of scanning processes performed by logistics and processing employees helps ensure all scans are performed accurately. Scanning accuracy is critical to achieving real-time visibility and providing the Postal Service with a competitive market advantage and long-term stability within the mailing industry.

What We Did

Our objective was to evaluate Surface Visibility scanning compliance and oversight of dock operations. We analyzed scan data for six required Surface Visibility scans for fiscal year (FY) 2021 through FY 2023 and observed scanning operations and interviewed Postal Service personnel at nine processing facilities.

What We Found

While the Postal Service has improved scanning compliance since FY 2021, we found the Postal Service has an opportunity to further improve scanning compliance and oversight of scanning operations. Specifically, we found some scans were not consistently performed. This occurred because employees did not always follow scanning policies and procedures, or record completed scans on placards. Additionally, management did not always review scan data or spot check placards to ensure required scans were performed.

We also found the evaluation of scanning performance was not aligned to the responsible logistics and processing groups. This occurred because the Postal Service data used to determine scan compliance could not be separated by service type and the processing group was not evaluated on all scans under their area of responsibility.

Recommendations and Management Comments

We recommended management reissue scanning policy, identify and correct scanning deficiencies, and evaluate the current scanning visibility performance metrics. Management agreed with all three recommendations and the Office of Inspector General (OIG) considers management's comments responsive, as corrective actions should resolve the issues identified in the report. The Postal Service's comments and our evaluation are at the end of each finding and recommendation. See [Appendix B](#) for management's comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 12, 2024

MEMORANDUM FOR: ROBERT CINTRON, VICE PRESIDENT, LOGISTICS
DANE COLEMAN, VICE PRESIDENT, PROCESSING AND
MAINTENANCE OPERATIONS
STEVEN DARRAGH, EXECUTIVE DIRECTOR,
COMPENSATION AND BENEFITS

Mary K. Lloyd

FROM: Mary Lloyd
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Audit Report – Scanning Compliance and Oversight of Dock Operations
(Report Number 23-164-R24)

This report presents the results of our audit of Scanning Compliance and Oversight of Dock Operations.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1 and 3 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. We consider recommendation 2 closed with issuance of this report.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Laura Roberts, Director, Transportation, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of Scanning Compliance and Oversight of Dock Operations (Project Number 23-164). Our objective was to evaluate Surface Visibility (SV) scanning compliance and oversight of dock operations. See [Appendix A](#) for additional information about this audit.

Background

The U.S. Postal Service's *Delivering for America* Ten-Year Plan highlights enhancing product tracking as one of their key strategies to achieve financial sustainability and service excellence. They are working to leverage technology to improve visibility and tracking of mail and packages in near real time to the Postal Service, its customers, and mailers.¹ SV provides the Postal Service with real-time scan data and reporting on mail movement in the surface transportation network, which allows the Postal Service to measure its performance. In its effort to provide real-time visibility, the Postal Service has set scanning goals that require accurate scanning. This end-to-end visibility enables management to better plan, oversee, and optimize the Postal Service's transportation network, providing the Postal Service a competitive market advantage and long-term stability within the mailing industry.

Surface Visibility Scanning Process

The SV program aims to achieve greater efficiency in the transportation network by increasing the amount of mail transported on each trip (trailer utilization), eliminating unnecessary trips, and by reducing manual data entry. SV data provides end-to-end visibility by linking multiple scans of the same mail container as it moves through the Postal Service's network.

Postal Service facilities use the Mail Transport Equipment Labelers (MTEL) application to print barcoded placards and affix them to containers that are used to transport mail and packages. MTEL

“The U.S. Postal Service's *Delivering for America* Ten-Year Plan highlights enhancing product tracking as one of their key strategies to achieve financial sustainability and service excellence.”

placards display checkboxes intended to be marked by employees to record when scans are performed² as mail moves from the origin to final destination (see Figure 1). These checkboxes can be used as a tool to help employees ensure required scans are performed and to help supervisors monitor scanning compliance. Employees use handheld scanners connected to the Container Tracking System to scan the MTEL placards and to scan trailer barcodes affixed to trailers.

Figure 1. MTEL Placard

Origin: EL PASO-798
Via: MIDLAND-797

TO: LUBBOCK-793

Route	Trip	Freq.	Departure
75398	806	X1	FEB-19 02:30

793, 794, 881
882

Priority - Pouches

Assign <input type="checkbox"/>	Load <input type="checkbox"/>
Close <input type="checkbox"/>	Unload <input type="checkbox"/>
Stage <input type="checkbox"/>	<input type="checkbox"/>

Op Area: APBS - OUTGOING Printed: 02/18/2022 16:08:32 CT

Source: MTEL system.

¹ *Delivering for America* Ten-Year Plan, March 23, 2021.

² The “arrive” and “depart” scans are performed by scanning the trailer barcode; therefore, there is no checkbox for them on the MTEL placard.

There are six required SV scans to achieve end-to-end visibility (see Figure 2), including:

Operations Scans

- SV Assign (assign): The “assign” scan associates an MTEL placard to a container.
- SV Close (close): The “close” scan signals a container is ready to be sent to its destination.

Dock Scanning

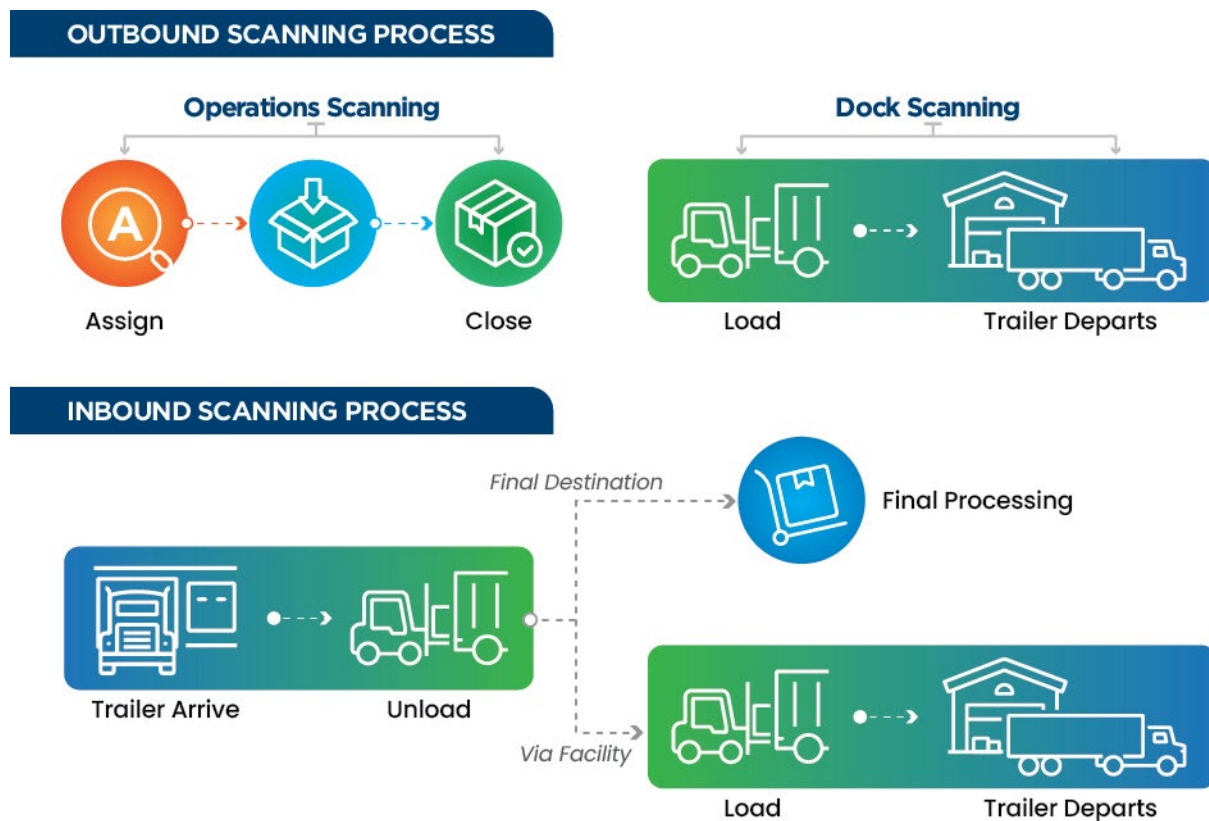
- SV Load (load): The “load” scan records the loading of a container onto a trailer and helps calculate the trailer utilization.
- SV Trailer Depart (depart): The “depart” scan is performed when the trailer is ready to leave for its destination.
- SV Trailer Arrive (arrive): The “arrive” scan is performed when the trailer arrives at a facility.

- SV Unload (unload): The “unload” scan records the unloading of a container from a trailer.

Any containers unloaded at their final destination undergo final processing, while containers at a via facility³ must be loaded onto an outbound trip. When mail moves through a via facility, it requires an “arrive” and “unload” scan and then a subsequent “load” and “depart” scan when moving to the next facility. When the mail arrives at the next facility, another “arrive” and “unload” scan are required until the container reaches its final destination.

Postal Service employees can terminate an MTEL placard if it needs to be deactivated, which eliminates the expectation of additional scans. A “terminate” scan should be performed if an MTEL placard receives an “assign” and/or “close” scan but will not be affixed to a container for further processing, or to indicate a container will be processed at the via facility and not at the final destination listed on the MTEL placard.

Figure 2. Scanning Process



Source: U.S. Postal Service Office of Inspector General (OIG) review of the scanning process - SV User Booklet updated July 20, 2023.

³ A facility mail moves through enroute to its destination. Via points are required when no direct transportation is available.

Dock Operations Roles and Responsibilities

While logistics and processing employees perform some of the same scans, the responsibility is separated by whether the mail is moving on postal vehicle service (PVS)⁴ or highway contract route (HCR)⁵ transportation. Oversight of scanning processes performed by logistics and processing employees helps ensure all scans are performed accurately. Specifically:

- Supervisors of Logistics Operations are responsible for the oversight of employees performing logistics activities for the Postal Service, including Postal Service vehicle drivers. Logistics employees are responsible for performing the “arrive,” “depart,” “load,” and “unload” scans for trips moving on PVS transportation.
- Supervisors of Distribution Operations have oversight of employees performing processing and distribution activities at a Postal facility. Processing employees are responsible for performing all six SV scans for trips moving on HCR transportation. They are also responsible for the “assign” and “close” scans for all mail as these scans are performed on the processing floor.

General expeditors are dock employees who coordinate dock activities, including timely loading, unloading, and scanning of mail and trailers upon arrival or departure. Expeditors reported to the Postal Service’s processing office management until January 16, 2021, when they started reporting to logistics management to “streamline dock operations and help to move mail efficiently to delivery units.” The reporting structure changed again on October 22, 2022, when expeditors reverted to reporting to processing management.

Measuring Scan Compliance and Employee Performance

The Postal Service uses the National Performance Assessment⁶ (NPA) to evaluate scanning performance. The Postal Service reports scanning visibility performance across four composite scan indicators consisting of Processing and Maintenance,

Logistics, Retail and Delivery, and National. The fiscal year (FY) 2022 and FY 2023 composite NPA Scanning Visibility goals were 92 percent for logistics and 93.25 percent for processing. The logistics composite scan indicator measures the scan compliance of five scanning events, while the processing composite scan indicator measures the scan compliance of eight scanning events (see Table 1).

Table 1. NPA Composite Scan Indicator Metrics

Scan Composite Indicator	Scanning Events
Logistics	Load, Unload, Arrive, Depart, and Bundle Visibility Nested (BVN) ⁷
Processing	Load, Unload, Assign, Close, Origin Enroute, Destination Enroute, Receipt Verification System Scan (RVS), ⁸ and BVN

Source: NPA Scanning Visibility Scorecard.

This audit focused on scanning performance for the six required SV scans for logistics and processing composite scan indicators (see Table 2).

Table 2. Required SV Scans

Scan Composite Indicator	Scanning Events
Logistics	Load, Unload, Arrive, and Depart
Processing	Load, Unload, Assign, and Close

Source: OIG review of NPA Scanning Visibility Scorecard indicators.

Findings Summary

The Postal Service has improved its national scanning compliance scores each year since FY 2021 and exceeded its scanning compliance goals in FY 2022 and FY 2023. However, we found the Postal Service has an opportunity to further improve scanning compliance and oversight of scanning operations. Specifically, we found “load” and “terminate” scans were not consistently performed to provide accurate

4 PVS trips are internally operated by the Postal Service and are generally within a 50-mile radius of Postal Service facilities.

5 HCRs are contracted surface transportation that provide service between postal facilities, mailer plants, and similar facilities.

6 A web-based system that collects performance-related metrics from source systems across the organization. These metrics are translated into balanced scorecards that can be used to monitor the performance of both the entire enterprise and of individual units across the nation.

7 Mail nested (built) into containers off any kind of bundle sorter.

8 The “RVS” scan verifies inbound international mailing receptacles.

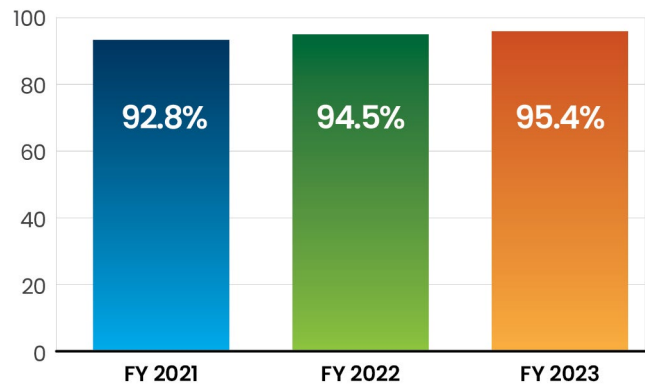
visibility of containers in the mailstream. The Postal Service can gain increased mail visibility by reissuing guidance to ensure employees understand their scanning roles and responsibilities, better utilizing tools in place to ensure required scans are completed, and enhancing oversight of scanning procedures.

Additionally, the evaluation of scanning performance was not aligned to the responsible logistics and processing groups. Specifically, the logistics and processing groups were evaluated on both PVS and HCR scans during FY 2022 and FY 2023 instead of being evaluated only on scans they were responsible for performing. Additionally, the processing group was not evaluated on their scanning performance of “arrive” or “depart” scans during FY 2022 and FY 2023.

Finding #1: Scanning Compliance

Although the reporting structure for expeditors fluctuated, the Postal Service improved its national scanning compliance scores each year since FY 2021 and exceeded its scanning compliance goals⁹ in FY 2022 and FY 2023 (see Figure 3). However, we found not all scans were consistently performed in accordance with scanning policies and procedures, and opportunities exist to improve “load” and “terminate” scan compliance.

Figure 3. Nationwide SV Scanning Scores



Source: OIG analysis of SV data.

Processing Mail at Origin Facility

Of the six required scans, the “load” scan had the lowest score, which averaged about 91 percent from FY 2021 through FY 2023. We determined over 5.8 million (or 1.9 percent) of MTEL placards did not receive a “load” scan at the origin facility from FY 2021 through FY 2023, including about 2.5 million MTEL placards that also did not receive either an “assign” or “close” scan¹⁰ (see Table 3).

“Of the six required scans, the “load” scan had the lowest score, which averaged about 91 percent from FY 2021 through FY 2023.”

Table 3. Origin MTEL Placards Missing “Load” or “Terminate” Scan

Fiscal Year	Missing Load, Assign, and Close Scans	Missing Load Scan	Missing Terminate Scan	Total Placards	Percent Missing Load Scan ¹¹	Percent Missing Terminate Scan
2021	733,947	1,305,668	1,491,986	101,644,396	2.0%	1.5%
2022	699,103	1,064,637	1,256,110	106,082,362	1.7%	1.2%
2023	1,085,564	962,471	1,087,212	105,637,115	1.9%	1.0%
Total	2,518,614	3,332,776	3,835,308	313,363,873	1.9%	1.2%

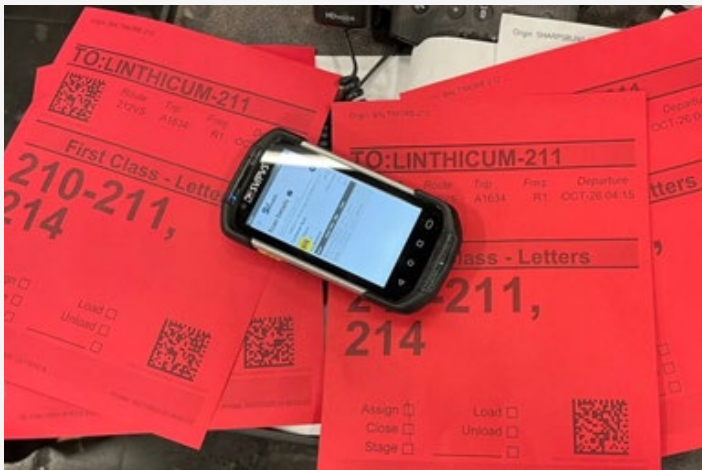
Source: OIG analysis of SV data.

⁹ The FY 2022 and FY 2023 NPA Scanning Visibility indicator set the logistics goal at 92 percent while the processing goal was set at 93.25 percent.
¹⁰ These MTEL placards received scans at another facility; therefore, the MTEL placards should have received an “assign”, “close”, and “load” scan at the origin facility.
¹¹ The “Percent Missing Load Scan” column uses the sum of the “Missing Load, Assign, and Close Scans” and “Missing Load Scan” columns.

Additionally, we determined the Postal Service did not always follow procedures for MTEL placards that were scanned initially but subsequently weren't used. During our facility observations, we identified MTEL placards that were printed and received an "assign" and/or "close" scan but were never affixed

to a container (see Figure 4). These MTEL placards should have received a "terminate" scan to ensure the MTEL placard was deactivated, which eliminates the expectation of additional scans and would improve compliance scores.

Figure 4. Unused Active MTEL Placards



Source: OIG photos taken at Baltimore Processing & Distribution Center (P&DC).



Source: OIG photos taken at Linthicum International Mail Facility.

We determined there were over 3.8 million (or 1.2 percent) of MTEL placards nationally that should have been terminated, as the MTEL placards were never dispatched from the facility (see Table 3).

Processing Mail at a Via Facility

We determined from FY 2021 through FY 2023, there were about 1.8 million (or 3 percent) of MTEL placards that did not receive a "load" scan when transferred through a via facility. Additionally, we determined almost 2.3 million (or 3.9 percent) of MTEL placards

had no subsequent scans after arriving at the via facility, and therefore, should have been terminated (see Table 4). These containers were unloaded and processed at a via facility instead of continuing to the planned destination. Containers at a via facility should be loaded onto an outbound trip to continue to their next destination to undergo final processing. If the mail will be processed at the via facility rather than the planned destination, the via facility should use the "terminate" scan after the container is unloaded to deactivate the MTEL placard.

Table 4. MTEL Placards Missing a “Load” or “Terminate” Scan at the Via Facility

Fiscal Year	Missing Load Scan	Missing Terminate Scan	Total Placards	Percent Missing Load Scan	Percent Missing Terminate Scan
2021	750,356	846,341	22,213,740	3.4%	3.8%
2022	545,759	732,926	18,516,307	2.9%	4.0%
2023	476,188	716,245	18,057,626	2.6%	4.0%
Total	1,772,303	2,295,512	58,787,673	3.0%	3.9%

Source: OIG analysis of SV data.

This occurred because employees did not always follow scanning policies and procedures. Additionally, employees did not always record on MTEL placards when a scan was performed to help ensure all required scans were completed. Finally, there was inconsistent oversight of employee scanning duties by logistics and processing management at some processing facilities. Specifically, management did not always review daily scan data or spot check MTEL placards to ensure required scans were performed.

“While the percentage of missed SV scans are low, mail and packages cannot be accurately tracked when scans are not performed as required.”

While the percentage of missed SV scans are low, mail and packages cannot be accurately tracked when scans are not performed as required. Further, downstream facilities receive inaccurate information, such as inbound volumes and mail types, which can disrupt workflow and may increase the need for extra trips. Further, when “terminate” scans aren’t completed, additional scans are expected, reducing scanning visibility and reducing scan compliance scores. The Postal Service will have limited visibility of containers that are scanned and ready for departure while also causing facilities to be unable to track assets within the facility. Finally, trailer utilization will be underreported when the “load” scan is not performed because all mail loaded on the truck is

not accounted for in the scans.¹² We determined the Postal Service underreported trailer utilization nationwide because of missed “load” scans an average of 5.27 percent from FY 2021 to FY 2023 (see Table 5).

Table 5. Underreported Trailer Utilization

Fiscal Year	Average Trailer Utilization Underreported
2021	5.45%
2022	5.23%
2023	5.10%
Average	5.27%

Source: OIG analysis of SV data.

Consistent and effective scanning compliance will enhance the end-to-end visibility of mail, provide decision-makers with more accurate and complete information, and enhance the Postal Service’s brand and standing within the competitive marketplace.

Recommendation #1

We recommend the **Vice President, Processing and Maintenance** and the **Vice President, Logistics**, reissue Surface Visibility scanning policy, reiterating the importance of completing required “terminate” scans at via facilities, to all logistics and processing employees and certify all employees responsible for scanning have reviewed and understand their scanning responsibilities.

¹² This same issue was identified in several prior OIG audit reports. See reports with * in the [Prior Audit Coverage](#).

Recommendation #2

We recommend the **Vice President, Processing and Maintenance** and the **Vice President, Logistics**, require management to review daily scan data to identify problem areas and spot check those areas to correct issues and ensure required scans are performed.

Postal Service Response

Management agreed with finding 1 and with recommendations 1 and 2. Regarding recommendation 1, management stated Logistics and Processing Operations will reissue the standard operational procedure for scanning and certify all sites have reviewed with their employees. The target implementation date is May 31, 2024.

Regarding recommendation 2, management stated that reviewing daily scan data to identify root causes and take corrective action is already a requirement. Management also provided evidence of reports that are sent to processing facilities that identify missing scans. With this, the Postal Service requested closure of this recommendation at issuance of the final report.

OIG Evaluation

The OIG considers management's comments responsive to recommendations 1 and 2, and corrective actions should resolve the issues identified in the report. Because OIG has verified through a review of supporting documentation that management has taken corrective action to resolve recommendation 2, we are closing recommendation 2 with the issuance of this report.

“When scan compliance indicators do not include all scans for each responsible function, the Postal Service risks employees not taking ownership of their role in providing visibility and tracking of mail and packages.”

Finding #2: Scanning Visibility Performance Metrics

NPA Scanning Visibility scores were not aligned to the responsible logistics and processing groups. Specifically, the logistics and processing groups were evaluated on both PVS and HCR scans during FY 2022 and FY 2023 instead of being evaluated on only scans they were responsible for performing. Additionally, the processing group was not evaluated on their scanning performance of “arrive” or “depart” scans during FY 2022 and FY 2023.

“NPA Scanning Visibility scores were not aligned to the responsible logistics and processing groups.”

Before November 2023, the data used to determine scan compliance could not be separated by service type, that is, whether the scan was for an HCR or PVS trip. Postal Service management explained that evaluating logistics and processing employees by service type is not always clear because there are instances requiring logistics personnel to perform HCR scans. However, in November 2023, the Postal Service enhanced its reporting, which enables the ability to identify and review scan data by service type. Postal Service management stated that the processing group was not evaluated on “arrive” and “depart” scan compliance because the logistics group performs the actual function of driving trailers in and out of the facility.

When scan compliance indicators do not include all scans for each responsible function, the Postal Service risks employees not taking ownership of their role in providing visibility and tracking of mail and packages in near real time for their customers. This could impact the Postal Service's ability to identify and take effective action to improve scanning performance, which over time, could affect the Postal Service's brand.

Recommendation #3

We recommend the **Executive Director, Compensation and Benefits**, in coordination with the **Vice President, Processing and Maintenance**, and the **Vice President, Logistics**, evaluate and update the current Scanning Visibility performance metrics to better align evaluation criteria for individual units to their specific performance.

Postal Service Response

Management generally agreed with finding 2 but pointed out that scanning compliance accountability is not clearly separated by PVS or HCR scans. While agreeing with recommendation 3, management noted there are facilities where separating the types of transportation routes and assigning responsibility to only one operational group would potentially leave some scans with no responsible party. Management noted that the FY 2025 NPA Committee will review the potential adjustment to the NPAs FY 2025 Scanning Visibility metrics to include the “arrive” and “depart” scans for the processing group. The target implementation date is October 31, 2024.

OIG Evaluation

The OIG considers management’s comments responsive to recommendation 3, and corrective actions should resolve the issues identified in the report.

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Appendix A: Additional Information

Scope and Methodology

The scope of this audit was to review scores for six SV scanning events from FY 2021 through FY 2023. The scanning events we reviewed include “load,” “unload,” “arrive,” “depart,” “assign,” and “close” scans.

To accomplish our objective, we:

- Identified, reviewed, and evaluated Postal Service scanning strategies, policies, procedures, and responsibilities.
- Interviewed Postal Service officials about scanning processes, challenges, and results as well as the assessment of the NPA Scanning Visibility indicator.
- Identified and reviewed Postal Service initiatives related to scanning.
- Collected and analyzed Postal Service SV scan data for FY 2021 through FY 2023 to determine:
 - Scanning scores.
 - Missed scans.
 - Missed trailer utilization.
- Evaluated the FYs 2021, 2022, and 2023 NPA Scanning Visibility indicator assessment.
- Conducted judgmental facility visits from October to November 2023 at the Morgan P&DC, Peach Tree P&DC, North Metro P&DC, Baltimore P&DC, Linthicum International Mail Facility, Chicago Metro Surface Hub, Chicago International Service Center, Denver P&DC, and Denver Network Distribution Center to observe:
 - Dock operations and scanning.
 - Mail Processing operations and scanning.
 - Supervision of scanning operations.
 - Scanning deficiencies and areas for improvement.
- Interviewed employees responsible for scanning and facility management to understand:

- Scanning issues and causes.
- Management oversight of scanning operations.
- Scanning roles and responsibilities.
- The effects organizational changes had on scanning operations.
- Scanning goals and initiatives.
- Training regarding scanning roles and responsibilities.

We conducted this performance audit from October 2023 through April 2024 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 discussed our observations and conclusions with management on March 18, 2024, and included their comments, where appropriate.

In planning and conducting the audit, we obtained an understanding of the SV scanning and NPA assessment internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following two components were significant to our audit objective:

- Control Activities
- Information and Communication

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to control activities and information

and communication that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of scan data from Surface Visibility, Informed Visibility, and Enterprise Data Warehouse by performing tests for data completeness, reasonableness, accuracy, and validity. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Efficiency of Operations at the Baltimore, MD, Processing and Distribution Center*</i>	Evaluate the efficiency of plant operations at the Baltimore, MD, P&DC.	21-237-R22	December 16, 2021	N/A
<i>Efficiency of Operations at the Columbus OH, Processing and Distribution Center*</i>	Evaluate the efficiency of operations at the Columbus P&DC.	22-041-R22	March 25, 2022	N/A
<i>Efficiency of Operations at the Margaret L. Sellers San Diego, CA, Processing and Distribution Center*</i>	Evaluate the efficiency of operations at the Margaret L. Sellers P&DC.	22-061-R22	April 8, 2022	N/A
<i>Efficiency of Operations at the Indianapolis, IN, Processing and Distribution Center*</i>	Evaluate the efficiency of operations at the Indianapolis P&DC.	22-080-R22	May 11, 2022	N/A
<i>Efficiency of Operations at the St. Louis, MO, Processing and Distribution Center*</i>	Evaluate the efficiency of operations at the St. Louis P&DC.	22-112-R22	July 13, 2022	N/A
<i>Efficiency of Operations at the Milwaukee, WI, Processing and Distribution Center*</i>	Evaluate the efficiency of operation at the Milwaukee P&DC.	22-154-R22	August 31, 2022	N/A
<i>Efficiency of Operations at the Dominick V. Daniels processing and Distribution Center, Kearny, NJ*</i>	Evaluate the efficiency of operations at the Dominick V. Daniels P&DC.	22-169-R23	October 19, 2022	N/A
<i>Efficiency of Operations at the Atlanta, GA Processing and Distribution Center</i>	Evaluate the efficiency of the operations at the Atlanta P&DC.	22-179-R23	November 1, 2022	N/A
<i>Efficiency of Operations at the Delaware Processing and Distribution Center, Wilmington, DE*</i>	Evaluate the efficiency of operations at the Delaware P&DC.	22-206-R23	January 10, 2023	N/A
<i>Efficiency of Operations at the Philadelphia Processing and Distribution Center, Philadelphia, PA*</i>	Evaluate the efficiency of operations at the Philadelphia P&DC.	22-207-R23	January 10, 2023	N/A
<i>Fiscal Year 2022 Capping Report – Efficiency of Operations at Processing and Distribution Centers in the Western Region*</i>	Summarize the audits of selected U.S. Postal Service P&DCs in the Western Processing Region during FY 2022 and evaluate recent load scan and transportation performance.	23-034-R23	March 27, 2023	N/A
<i>Efficiency of Operations at the Miami Processing and Distribution Center, Miami, FL*</i>	Evaluate the efficiency of operations at the Miami P&DC	23-049-R23	April 10, 2023	N/A

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Efficiency of Operations at the Southern Maine Processing and Distribution Center, Scarborough, ME</i>	Evaluate the efficiency of operations at the Southern Maine P&DC.	23-075-R23	May 10, 2023	N/A
<i>Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN*</i>	Evaluate the efficiency of operations at the Memphis P&DC and MPA.	23-099-R23	June 27, 2023	N/A
<i>Efficiency of Operations at the New Orleans Processing and Distribution Center, New Orleans, LA*</i>	Evaluate the efficiency of operations at the New Orleans P&DC.	23-112-R23	August 17, 2023	N/A
<i>Efficiency of Operations at the North Houston Processing and Distribution Center, Houston, TX*</i>	Evaluate the efficiency of operations at the North Houston P&DC.	23-150-R24	November 28, 2023	N/A

Appendix B: Management's Comments



April 4, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Scanning Compliance and Oversight on Dock Operations (23-164-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report titled: Scanning Compliance and Oversight on Dock Operations. We appreciated your recognition of the fact that the Postal Service has improved its national scanning compliance scores each year since Fiscal Year 2021 and exceeded its scanning compliance goals in FY 2022 and FY 2023. USPS continues the emphasis on compliance improvement.

Comments on Findings:

Finding # 1 - The Postal Service agrees with the finding that there is opportunity within Scanning Compliance and even though there has been a steady increase year over year, additional focus on process can continue to improve the overall scanning scores.

Finding # 2 - Logistics has pointed out that it is not as clear as Postal Vehicle Service (PVS) vs Highway Contract Route (HCR) when it comes to accountability with Scanning compliance. There are some Logistics personnel who perform load/unload/arrive/depart scans in Network Distribution Center (NDC) facilities outside of the PVS personnel.

Following are our comments on each of the three recommendations:

Recommendation 1: We recommend the Vice President, Processing and Maintenance and the Vice President, Logistics, reissue Surface Visibility scanning policy, reiterating the importance of completing required "terminate" scans at via facilities, to all logistics and processing employees and certify all employees responsible for scanning have reviewed and understand their scanning responsibilities.

Management Response/Action Plan:
Management agrees with this recommendation.

Logistics and Processing Operations agree to reissue the Standard Operational Procedure (SOP) for scanning and certify all sites have reviewed with their employees.

Target Implementation Date: 05/31/2024

Responsible Official: Sr. Director Surface Logistics, Sr. Director Strategic Planning & Implementation

Recommendation 2: We recommend the Vice President, Processing and Maintenance and the Vice President, Logistics, require management to review daily scan data to identify problem areas and spot check those areas to correct issues and ensure required scans are performed.

Management Response/Action Plan:

Management agrees with this recommendation.

Reviewing daily scan data to identify problem areas is already a management requirement. Root causes are determined, and corrective action taken as needed. The Postal Service requests closure of this recommendation at issuance of the final report.

Target Implementation Date: 05/31/2024

Responsible Official: Sr. Director Surface Logistics, Sr. Director Processing Operations

Recommendation 3: We recommend the Executive Director, Compensation and Benefits, in coordination with the Vice President, Processing and Maintenance, and the Vice President, Logistics, evaluate and update the current Scanning Visibility performance metrics to better align evaluation criteria for individual units to their specific performance.

Management Response/Action Plan:

Management agrees with this recommendation.

As discussed at the exit conference, there are facilities where separating the types of transportation routes and assigning responsibility to only one operational group, would potentially leave some scans with no responsible party. The Office of Inspector General (OIG) accepted the evaluation done to determine the feasibility of adjusting the logistics and processing scores for PVS and HCR-related trips. The FY25 National Performance Assessment (NPA) Committee will review the potential adjustment to the FY25 metrics to include the "arrive" and "depart" scans for the processing group.

Target Implementation Date: 10/31/2024

Responsible Official:

Executive Director, Compensation and Benefits

E-SIGNED by DANE A COLEMAN
on 2024-04-04 10:45:51 EDT

Dane A. Coleman
Vice President, Processing and Maintenance Operations

E-SIGNED by ROBERT CINTRON
on 2024-04-03 16:42:43 EDT

Robert Cintron
Vice President, Logistics

E-SIGNED by STEVEN A DARRAGH
on 2024-04-04 09:05:41 EDT

Steven Darragh
Executive Director, Compensation and Benefits

cc: Corporate Audit Response Management

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UNITED STATES



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