

May 2, 2001

NICHOLAS F. BARRANCA
VICE PRESIDENT, OPERATIONS PLANNING
AND PROCESSING

SUBJECT: Certified Mail Observations at the Los Angeles
Processing and Distribution Center
(Report Number AC-MA-01-002)

This management advisory report presents an issue that recently surfaced during a survey of certified mail (Project Number 01NA010AC000). The purpose of the survey was to determine if the Postal Service was meeting its delivery standards for certified mail during nonpeak times. During the survey we identified an issue that needs immediate attention. It deals with using scanning equipment that is incompatible with the Signature Capture Program.

Results in Brief

The use of old scanning equipment at the Los Angeles Processing and Distribution Center may impact the Signature Capture Program. The old scanning equipment is not linked to the national database and may jeopardize the system to electronically collect, store, and retrieve delivery records. We suggested that management notify appropriate individuals that using old scanning equipment precludes their participation in the Signature Capture Program. Management agreed with our suggestion and will reinforce the proper procedures for handling signature capture mail. Management's comments are included, in their entirety, in the appendix to this report.

Objective, Scope, and Methodology

Our objective was to determine whether the Postal Service was meeting its delivery standards for certified mail. In conducting our review, we observed caller service personnel in the Los Angeles Processing and Distribution Center scanning certified mail with old scanning equipment. We discussed this issue with the manager of the Main Post Office, Los Angeles, and the manager, Information

Systems, Expedited/Packages Service at headquarters. This review was conducted from December 2000 through May 2001, in accordance with the President's Council on Integrity and Efficiency's Quality Standards for Inspections. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

Background

Certified mail is an accountable product that permits a customer to obtain a record of delivery. On July 22, 2000, the Postal Service implemented the Signature Capture Program, which allowed the transition from manually-filed to electronically-filed delivery records. This program provides the customer with easier access to delivery information.

To implement the Signature Capture Program, new equipment was purchased. Mobile data collection devices (handheld scanners) and new Firm Print Workstations are now being used, replacing the older systems, Delivery Confirmation Receipt System and Enhanced Delivery Confirmation Receipt System. This older equipment can still be used for registry dispatch functions but the equipment is incompatible with the Signature Capture Program and no longer will be supported.

**Implementation of
Signature Capture
Program**

The implementation of the Signature Capture Program may be impacted by the use of old scanning equipment not linked to the national database. During a recent visit to the Los Angeles Processing and Distribution Center, we observed caller service personnel using the Delivery Confirmation Receipt System and Enhanced Delivery Confirmation Receipt System for certified mail. In discussions with the manager, Main Post Office, regarding preparation for the upcoming tax season, we learned the manager had requested additional Delivery Confirmation Receipt System and Enhanced Delivery Confirmation Receipt System equipment to be used for the processing of certified mail. However, we confirmed with the manager, Information Systems, Expedited/Packages Service, that the old scanning equipment is not linked to the national database and thus, the use of the old equipment will prevent the facility from participating in the Signature Capture Program during the upcoming tax season. The manager of the Main Post Office in Los Angeles was not aware that the Signature Capture Program and the older system

equipment were incompatible. We are concerned that similar problems may exist at other locations. If the Signature Capture Program is not uniformly implemented, the processes to electronically collect, store, and retrieve delivery records may be jeopardized.

Suggestion

We suggest the vice president, Operations Planning and Processing: Notify the appropriate individuals that using old scanning equipment for certified mail precludes their participation in the Signature Capture Program resulting in no delivery record for the customer currently or during the upcoming tax season.

**Management's
Comments**

Management agreed with our suggestion and stated they had made repeated efforts to communicate the proper procedures for handling signature capture mail. Management stated that they would reinforce proper procedures with plant managers.

**Evaluation of
Management's
Comments**

Management's comments are responsive to our suggestion and their actions taken or planned address the issue identified in this report.

We appreciated the cooperation and courtesies provided by your staff during the survey. If you have any questions, please contact Mike Magalski, acting director, at (703) 248-2455, or me at (703) 248-2300.

Debra S. Ritt
Assistant Inspector General
for Business Operations

Attachment

cc: John R. Gunnels

APPENDIX. MANAGEMENT'S COMMENTS

NICHOLAS F. BARRANCA
VICE PRESIDENT, OPERATIONS, PLANNING AND PROCESSING



April 20, 2001

DEBRA S. RITT
ASSISTANT INSPECTOR GENERAL FOR BUSINESS OPERATIONS

SUBJECT: Transmittal of Draft Management Advisory – Certified Mail Operations at the
Los Angeles Processing and Distribution Center

A joint effort has been made and continues to be made amongst three functional areas--
Operations, Core Business Marketing, and Expedited/Package Services (EPS)--to educate and
reinforce proper procedures for capture of the Signature Confirmation product.

A list of correspondence, both written and electronic, either states or restates the proper
procedures for handling Signature Confirmation mail.

- As a letter of introduction to the upcoming changes even prior to the announcement of the Signature Confirmation process, we offer correspondence to district and plant managers dated April 20, 1999, subject: New Bar Code Labels for Accountable Mail. This letter signed jointly between Operations and Core Business Marketing informs the audience that all accountable mail types will be incorporated into the Delivery Confirmation electronic infrastructure.
- Handbook PO-610, July 2000, Signature Capture and Electronic Record Management, section 1-2 outlines the process, forms, and equipment used for Signature Capture. Section 2-3.3.1 explicitly states that "...DCRS or ...EDCRS *must not be used with the signature capture process/electronic record*. The DCRS or EDCRS may only be used for Registry dispatch functions" (emphasis theirs). This document was published by EPS.
- On March 2, 2001, the manager, Processing & Distribution Center Operations, crafted a letter to managers, In Plant Support (Area), subject: Processing IRS Mail, specifically states the methods by which this accountable mail could be processed. Also, the letter reminded the audience that DCRS and EDCRS "...must not be used with the signature confirmation process. DCRS and EDCRS may only record items for Registry dispatch functions."
- The March 14, 2001 edition of Operations2001, a weekly electronic communication vehicle similar to PostalLink, contains two separate articles concerning the upcoming tax season and Signature Confirmation. In the first article, Mr. Donahoe puts into perspective the importance of handling all accountable mail quickly and correctly, including that going to the IRS. On the sixth slide, an article titled Update: "Signature Capture Process, Proper Scanning Of Firm Sheets Critical" reviews proper procedures and equipment for the process. The page contains one warning in bold, italicized print: "*Sites using Electronic Delivery Confirmation Receipt System (EDCRS or DCRS) for anything other than Registry Dispatch Bills must discontinue this practice immediately. All delivery data is lost with these systems.*" The page also has a teaser: "Using the wrong system--EDCRS or DCRS--will result in loss of delivery data."

475 L'ENFANT PLAZA SW, ROOM 7021
WASHINGTON, DC 20260-7000
202-268-5766
FAX: 202-268-2577

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Although we have made reasonable, continued efforts to communicate the proper procedures to the field, we will again notify all plant managers individually, in writing, of the proper procedures that need to be followed during the tax season, as well as throughout the year for our regular customers.



for
Nicholas F. Barranca

Attachments

cc: John Dorsey
David Goldstein
Pat Mendonca
Walt O'Tormey
Julie Rios