



# AUDIT REPORT

## **Delivery Scanning Issues – Carmel Valley Carrier Annex, San Diego, CA**

June 21, 2019



---

Report Number DRT-AR-19-006



June 21, 2019

**MEMORANDUM FOR:** JAMES P. OLSON  
MANAGER, SAN DIEGO 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 – Carmel Valley  
Carrier Annex, San Diego, CA  
(Report Number DRT-AR-19-006)

This report presents the results of our Carmel Valley Carrier Annex, San Diego, CA Delivery Scanning audit (Project Number 19RG018DRT000).

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

Attachment

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

## Background

This report presents the results of our self-initiated audit of Delivery Scanning Issues – Carmel Valley Carrier Annex, San Diego, CA (Project Number 19RG018DRT000). The Carmel Valley Carrier Annex is in the San Diego District of the Pacific Area. We conducted the audit to provide U.S. Postal Service management with timely information on potential operational risks at the Carmel Valley Carrier Annex.

The Carmel Valley Carrier Annex had 51 delivery routes (29 city and 22 rural) and 87 carriers (44 city and 43 rural). We selected the Carmel Valley Carrier Annex based on our analysis of stop-the-clock (STC) scan data from the Product Tracking and Reporting (PTR) system. Specifically, we used geolocation data to identify packages with STC scans of “delivered” that occurred at the delivery unit property instead of the intended delivery address. The unit had 17,152 scans of “delivered” that occurred at the delivery unit 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. Stop-The-Clock Scans of “Delivered” at Delivery Unit**

January	February	March	Total
5,642	5,587	5,923	17,152

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

## Objective, Scope, and Methodology

The objective of this audit was to evaluate the delivery scanning process on select routes at the Carmel Valley Carrier Annex - San Diego, California.

We reviewed Stop the Clock (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.

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 May 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 29, 2019 and included their comments where appropriate.

## **Finding # 1: 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 data in the PTR system which showed employees scanned 9,668<sup>1</sup> packages as “delivered” at the Carmel Valley Carrier Annex rather than at the appropriate delivery point between January and March 2019. Per Postal Service policy,<sup>2</sup> carriers must perform accurate STC scans for packages at the point of delivery.

Carriers stated they performed these scans for a variety of reasons, including to save time, out of fear of forgetting, or they were instructed by management. In other cases, it was a common practice for some carriers to perform these scans before caller service customers pick up their packages at the unit.

In addition to our analysis of PTR scans, we also conducted an observation on April 23, 2019, and judgmentally selected 50 packages that were in the unit before the carriers arrived for the day to review their scanning and tracking data. Of the 50 packages we identified, 23 were at the carrier cases and 27 were in the notice left area. We found 13 of the 23 packages located at the carrier cases were missing a scan or had improper scans. Specifically:

- Two packages went out for delivery on prior delivery days but did not have a STC scan, indicating why they had not been delivered.
- Eleven had a “delivered” scan. Additionally,
  - Two of these packages had a scan dated December 31, 2018 and therefore should have been returned to the sender.
  - The remaining nine had a “delivered” scan dated between April 1 and April 22, 2019.

We also determined that three of the 27 packages in the notice left area were missing a scan or had improper scans. Specifically:

- One package had no STC scan yet had an Arrival at Unit (AAU) scan of March 25, 2019.

---

<sup>1</sup> On May 29, 2019 the Postal Service provided us with a list of Caller Service accounts and addresses and of the 17,152 scans we reviewed, 7,484 (44 percent) were associated with a Caller Service account.

<sup>2</sup> *No Delivery / No Attempt and Scanning Document*, November 2015 and *Scanning at a Glance, Delivering 100% Visibility*, August 2011.

- One package had a “delivered” scan from March 7, 2019.
- One package had a STC scan date of March 28, 2019 yet had no AAU scan.

According to Postal Service policies,<sup>3</sup> the Postal Service’s goal is to ensure mail is delivered to the correct address with proper service, which includes scanning every mail piece ensuring 100 percent visibility throughout the process.<sup>4</sup>

The package scanning issues occurred because local management did not adequately enforce scanning procedures. 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 operations, management can potentially improve mail visibility, increase customer satisfaction, enhance the customer experience and the Postal Service brand.

**Recommendation #1: We recommend the Manager, San Diego District**, instruct the unit management to ensure staff follow delivery standard operating procedures for scanning mail pieces.

## **Finding # 2: Improper Handling of Certified Mail**

Certified Mail procedures were not followed. Specifically, we determined 27 of the 41<sup>5</sup> (66 percent) Certified Mail pieces that carriers were unable to deliver (and customers had not claimed) had not been returned to sender after 15 days as required.<sup>6</sup> Some of the pieces were almost a month old. This condition occurred because management did not provide effective oversight to ensure Certified Mail procedures were followed. When Certified Mail procedures are not followed there is an increased risk of customer dissatisfaction which may adversely affect the Postal Service brand.

During the audit, management took immediate action by processing the mail as unclaimed and returning to the sender. Therefore, we are not making a recommendation regarding this issue.

---

<sup>3</sup> Delivery Done Right Initiative and Handbook M-41, *City Delivery Carriers Duties and Responsibilities* and Handbook PO-603, *Rural Carrier Duties and Responsibilities*.

<sup>4</sup> *Scanning at a Glance – Delivering 100 percent Visibility*, August 2011.

<sup>5</sup> There were 44 pieces of Certified Mail during our observation, but scan data was only available for 41 pieces.

<sup>6</sup> *Postal Operations Manual* – Section 813.25, Notice of Arrival, July 2002 with Revisions through April 30, 2019.

## Management's Comments

Management disagreed with finding 1 and agreed to recommendation 1. Management did not indicate agreement or disagreement with finding 2.

Regarding finding 1, management stated the report failed to acknowledge that the unit has 35 caller service and 41 firm pickups that were scanned as delivered according to the policy. In addition, management stated they could not substantiate carriers that said they inappropriately scanned items based on a lack of information provided.

Regarding recommendation 1, management stated they will retrain and monitor the proper scanning method through daily, weekly, and monthly reports and on-site visits. The target implementation date is July 30, 2019. See [Appendix A](#) for management's comments in their entirety.

## Evaluation of Management's Comments

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

Regarding management's disagreement with finding 1, we noted in our subsequent discussion with management that the Caller Service packages were incorrectly addressed to the physical street address instead of the Caller Service box number. This resulted in packages being sorted to carrier routes instead of to the PO Box section for sorting and handling. As a result, we have adjusted Finding 1 by removing the number of Caller Service packages improperly addressed. Management also stated they will work with their customers to ensure that Caller Service mailpieces are addressed correctly thus preventing additional sorting and handling by carriers.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective action is 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

DISTRICT MANAGER  
SAN DIEGO DISTRICT



June 18, 2019

LAZERICK POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Delivery Scanning Issues - Carmel Valley Carrier Annex, San Diego,  
CA (Report Number DRT-AR-19) Project number:  
19RG018DRT000

Management disagrees with Finding #1, that there were 17,152 packages scanned inappropriately at the station instead of at the physical address. The report failed to acknowledge that the unit has 35 caller service and 41 firm pickups that were scanned as delivered according to policy. Policy states in part: '**Directs:** The term 'directs' applies to caller service, firm hold outs, unique 5-digit ZIP codes, etc. When caller service or firm pick-up is provided at the post office, scan the pieces as **delivered** when items are placed into container for the direct.'

Findings of carriers (that stated) they inappropriately scanned items could not be substantiated based on lack of information provided.

Recommendation #1: We recommend the Manager, San Diego District, instruct the unit management to ensure staff follow delivery standard operating procedures for scanning mail pieces.

Management Response/Action Plan:

Management agrees there is opportunity to improve the scanning process. Management will retrain and monitor the proper scanning methods at the Carmel Valley Carrier Annex through daily, weekly and monthly reports in addition to on-site visits.

Target Implementation Date: July 30, 2019

Responsible Official: Postmaster, San Diego, USPS

11251 RANCHO CARMEL DR  
SAN DIEGO CA 92199-9990  
858-674-0301  
FAX: 858-674-0405  
www.usps.com

A handwritten signature in blue ink, appearing to read 'JPO', with a horizontal line extending to the right from the end of the signature.

James P. Olson, District Manager, San Diego, USPS

Kevin L. McAdams  
Larry P. Munoz