



AUDIT REPORT

Delivery Scanning Issues – Hayward Main Post Office, Hayward, CA

June 19, 2019



Report Number DRT-AR-19-004



June 19, 2019

MEMORANDUM FOR: ROBERT A. REYNOSA
MANAGER, BAY VALLEY 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 – Hayward Main
Post Office (Report Number DRT-AR-19-004)

This report presents the results of our review of Delivery Scanning Issues at the Hayward Main Post Office, Hayward, CA (Project Number 19RG016DRT000).

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 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 - Hayward Main Post Office, Hayward, CA (Project Number 19RG016DRT000). The Hayward Main Post Office is in the Bay Valley 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 Hayward Main Post Office.

The Hayward Main Post Office has 115 city routes and 9 parcel delivery routes. The office has 139 Full Time Regular carriers and 11 City Carrier Associates on the rolls. We selected the Hayward Main Post Office 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 18,347 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
6,422	5,710	6,215	18,347

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

Objective, Scope, and Methodology

Our objective was to evaluate the package delivery scanning process on select routes at the Hayward Main Post office, Hayward, CA.

We analyzed delivery metrics that included scan data with STC “Delivered” scans that occurred at the delivery unit, mail arrival, distribution up time, delayed mail, and carriers return to office time. We also conducted observations at the unit from April 23 to April 24, 2019 and analyzed the scan status of mailpieces at the carrier cases and the dock areas and in the notice left package area. Additionally, we 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 assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined 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 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 May 30, 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 data in the PTR system which showed employees scanned 18,347 packages as “Delivered” at the Hayward Main Post Office rather than the delivery point, between January and March 2019. We determined that most of these scans were for one business that received a high volume of packages. Per Postal Service policy,¹ city carriers must perform accurate STC scan for packages at the point of delivery.

We interviewed the carriers who performed these scans and they stated all but one of the delivery points were businesses that receive a high volume of packages and the scans were being performed at the unit for efficiency. Management also identified these addresses as businesses with high volumes of packages and indicated that a firm sheet² was not being utilized for the deliveries.

One of these businesses was identified as a nursing home that did not want to wait for scheduled mail delivery and preferred to pick up their mail and packages at the unit. The Postmaster was not aware that this was occurring and stated it would qualify as caller service.³ The caller service fee for this unit is \$1,320 annually; therefore, we estimated a revenue loss in the amount of \$1,320 that was not collected for this service during fiscal year 2019.

In addition to our analysis of PTR scans, we also conducted an observation on April 23, 2019, and judgmentally selected 88 packages that were in the unit before the carriers arrived for the day to review the scanning and tracking data. Of the 88 packages we identified, 59 packages were located at the carrier cases and 29 packages were in the notice left area. We determined 19 of the 59 packages located at carrier cases had improper scans. Specifically:

¹ No Delivery / No Attempt and Scanning, November, 2015.

² 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. Postal Service guidance states that firm sheet usage for delivery points that receive 25 or more trackable pieces per day would result in highly increased efficiency.

³ Caller service is a premium service available for a fee to any customer who: requires more than free carrier service; receives more mail than can be delivered to the largest installed PO Box at the postal facility to which the customer's mail is addressed; is required to use caller service by standard.

- Eight packages did not have a STC scan, indicating why they had not been delivered.
- Six had been scanned as “delivered” on or before 4/22/2019.
- One had a “no access” scan performed on 4/13/2019.
- Four had a scan that indicated the package should have been returned to sender prior to our visit for the following reasons:
 - One had a “no such number” scan performed on 2/21/2019.
 - One had a “refused” scan performed on 3/28/2019.
 - One had an “insufficient address” scan performed on 4/12/2019.
 - One had a “vacant” scan performed on 4/19/2019.

We also determined 8 of the 29 packages in the notice left area were missing a scan or had improper scans. Specifically:

- Four did not have a STC scan, indicating why they had not been delivered.
- Two had “delivered” scans prior to day of site visit.
- Two did not have an STC scan on the same day as the arrival at unit scan.

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.⁴

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 Postal Service brand.

Recommendation #1: We recommend the Manager, Bay Valley District, instruct the Hayward Main Post Office Postmaster and management to follow delivery standard operating procedures for scanning packages, to include the use of firm sheets.

Recommendation #2: We recommend the Manager, Bay Valley District, instruct the Hayward Main Post Office Postmaster and management, to ensure caller service fees are collected for businesses picking up mail at the unit.

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

Management's Comments

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

Regarding recommendation 1, management stated that Hayward Main Post Office management was instructed to follow delivery standard operating procedures for scanning packages, to include the use of firm sheets. The unit began using the Passive Adaptive Scanning System Manual Firm Sheet process on June 14, 2019 and stated the District Operations Support staff reviewed the office for compliance.

Regarding recommendation 2, management stated that immediately after this issues were brought to their attention, management notified the business and offered caller service. The business declined and regular street delivery resumed the next day. In a separate email, management confirmed that this action was completed by May 30, 2019.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report. We consider recommendations 1 and 2 closed with the issuance of this report.

Appendix A: Management's Comments

DISTRICT MANAGER
BAY-VALLEY CUSTOMER SERVICE AND SALES



June 17, 2019

LAZERICK C. POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Delivery Scanning Issues
Hayward Main Post Office
Report Number DR-AR-19-DRAFT

The Bay-Valley District agrees with the OIG observations, findings, recommendations, and monetary impact dated May 31, 2019.

Recommendation 1: We recommend the Manager, Bay-Valley District, instruct the Hayward Main Post Office Postmaster and management to follow delivery standard operating procedures for scanning packages, to include the use of firm sheets.

Management Response/Action Plan:

The district agrees with the OIG observations, findings, and recommendations.

The Hayward Main Post Office and management were instructed to follow delivery standard operating procedures for scanning packages, to include the use of firm sheets. The district Operations Support staff reviewed the office for compliance.

Target Implementation Date:

The Hayward Post Office corrected the deficiencies immediately upon notification. The office had issues implementing the Auto Firm Sheet tool of the Passive Adaptive Scanning System (PASS) and it was referred to Help Desk Tier 3. The Hayward Post Office implemented the PASS Manual Firm Sheet process June 14, 2019.

Responsible Officials:

Postmaster, Hayward, CA
Manager, Post Office Operations
Manager, Operations Programs Support

Recommendation 2: We recommend the Manager, Bay-Valley District, instruct the Hayward Main Post Office Postmaster and management, to ensure caller service fees are collected for businesses picking up mail at the unit.

Management Response/Action Plan:

The district agrees with the OIG observations, findings, recommendations, and monetary impact.

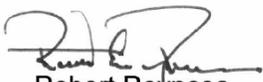
The firm picking up their mail at the delivery unit was discontinued. Since the firm did not qualify for a firm holdout because of the mail volume, a caller service was offered and the firm declined the service.

Target Implementation Date:

After the Hayward Post Office management was notified of the issue, the firm was notified immediately and caller service was offered and declined. Regular street delivery for the firm was resumed the next day.

Responsible Officials:

Postmaster, Hayward, CA
Manager, Post Office Operations



Robert Reynosa
Manager, Bay-Valley District

Attachments:

Help Desk Tier 3 Report

cc: AVP, Pacific Area
Controller, Pacific Area
Manager, Corporate Audit Response Management
Manager, Pacific Area Accounting
Postmaster, Hayward, CA
Manager, Post Office Operations
Manager, Operations Programs Support