



Office of Inspector General | United States Postal Service

Audit Report

Mail Delivery and Customer Service Operations – Sunrise Station, Las Vegas, NV

Report Number 21-214-R22 | October 15, 2021



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Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 15, 2021

MEMORANDUM FOR: Kevin V. Romero
Manager, Nevada-Utah District

A handwritten signature in black ink, reading "Sean Balduff", is positioned above the "FROM:" field.

FROM: Sean Balduff
Director, Delivery and Retail Response Team

SUBJECT: Audit Report – Mail Delivery and Customer Service
Operations – Sunrise Station, Las Vegas, NV (Report Number
21-214-R22)

This report presents the results of our audit of the Mail Delivery and Customer Service Operations – Sunrise Station, Las Vegas, NV.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jennifer Schneider, Operations Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Vice President, Delivery Operations
Vice President, Retail and Post Office Operations
Vice President, Western/Pacific

Results

Background

This report presents the results of our self-initiated audit of Mail Delivery and Customer Service Operations at the Sunrise Station in Las Vegas, NV (Project Number 21-214). The Sunrise Station is in the Nevada – Utah District of the WestPac Area. This audit was designed to provide U.S. Postal Service management with timely information on potential scanning, mail delivery, and customer service operations risks at the Sunrise Station.

The unit has 69 city routes which are delivered by 83 full-time city carriers, four part-time flexible carriers, and 19 city carrier assistants. The Sunrise Station also has 10 full-time clerks and seven postal support employees. We chose the Sunrise Station based on the number of stop-the-clock¹ (STC) scans occurring at the delivery unit, rather than at the point of delivery, and the number of Customer 360² inquiries the unit received related to package tracking and mail delivery delays.

Objective, Scope, and Methodology

Our objective was to evaluate select mail delivery and customer service operations and determine whether internal controls were effective at the Sunrise Station in Las Vegas, NV.

To accomplish our objective, we reviewed delivery metrics including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and distribution up-time.³ During our site visits on August 3-5, 2021, we reviewed unit safety and security procedures, mail conditions, Voyager Fleet card

and arrow lock key⁴ security procedures, truck arrival scanning procedures, and service performance measurement⁵ scans. We also analyzed the scan status of mailpieces at the carrier cases and in the “Notice Left”⁶ area and interviewed unit management and employees.⁷

We conducted this audit from July through October 2021 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 September 22, 2021 and included their comments where appropriate.

We relied on computer-generated data from the Product Tracking and Reporting system (PTR),⁸ the Customer Service Daily Reporting System,⁹ and the Surface Visibility¹⁰ database. Although we did not test the validity of the controls over these systems, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing

“The unit has 69 city routes which are delivered by 83 full-time city carriers, four part-time flexible carriers, and 19 city carrier assistants.”

1 A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include “Delivered”, “Available for Pick-up”, “No Access”, and “Business Closed”.

2 A cloud-based application which enables Postal Service employees to diagnose, resolve, and track customer inquiries.

3 Time of day that clerks have completed distributing mail to the carrier routes.

4 A distinctively shaped key that carriers use to open mail-receiving receptacles such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow lock keys are accountable property and subject to strict controls.

5 The Postal Service measures the time it takes to process letters, flats, and parcels from collection to delivery; determines service scores; and then applies the data to provide timely, reliable, accurate, and secure mail services to customers.

6 The area of a postal facility where letters or packages that the carriers were unable to deliver are stored for customer pickup.

7 The city carriers we interviewed had from three months to 24 years of service.

8 A system of record for all delivery status information for mail and packages with trackable services and barcodes.

9 A delivery unit-based system that provides a snapshot of the daily condition of the mail at the point in time when the carriers have departed for the street. The data in this system is used to provide management with a formal delayed mail reporting tool.

10 Surface Visibility collects end-to-end data by linking multiple scans of a single asset to create visibility data to support planning, management, and optimization of the surface network.

Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

Finding #1: Package Delivery Scanning

Delivery unit employees improperly scanned 31,103 packages at the unit rather than at the delivery point between April and June 2021. A majority of these packages were scanned “Delivered” (see Table 1).

Table 1. STC Scans at Delivery Unit

STC Scan Type	April	May	June	Total
Delivered	4,820	2,244	23,864	30,928
Receptacle Full/Item Oversized	40	27	22	89
No Secure Location Available	35	27	3	65
Refused	6	0	9	15
No Authorized Recipient Available	3	1	2	6
Total	4,904	2,299	23,900	31,103

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of the Postal Service’s PTR System data.

Further analysis of the scan data for these packages showed multiple instances where packages were scanned in batches at the same time. We found that most of these scans (81 percent) were for two businesses. Management explained that due to the volume of packages these businesses receive, a transportation employee delivers the containers of parcels to each business. Once the containers are loaded for delivery, a clerk scans the firm sheets¹¹ at the delivery unit with a “Delivered” scan. However, management should have required the transportation employee to scan the firm sheets at the delivery address when the packages were delivered. In subsequent communications with the station manager, arrangements were made for the transportation employee to scan the firm sheets as delivered at the two customers locations. We reviewed STC

scans at the unit for August 2021 and identified a significant reduction of parcels for the two addresses associated with these businesses.

We also conducted on-site observations at the unit on the morning of August 3, 2021, before carriers arrived for the day. During our observations, we judgmentally selected 60 packages (30 from the carrier cases and 30 from the “Notice Left” area) to review and analyze scanning and tracking data.

Of the 30 sampled packages in carrier cases, all 30 packages had missing or improper scans. Specifically:

- Eighteen packages were scanned “Delivered.” A “Delivery” scan should only be made when a package is successfully left at the delivery address.
- Eleven packages were missing STC scans to let the customer know the reason for non-delivery.
- One package was scanned as “Forwarded” but was not properly processed in the forwarding system.

Of the 30 sampled packages in the “Notice Left” area, 17 packages had missing or improper scans. Specifically:

- Twelve packages were missing STC scans to let the customer know the reason for non-delivery.
- Three packages were scanned “Delivered.” A “Delivery” scan should only be made when a package is successfully left at the delivery address.
- Two were scanned as “No Secure Location” at the delivery unit instead of at the point of delivery.

“Of the 30 sampled packages in carrier cases, all 30 packages had missing or improper scans.”

¹¹ 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.

“Voyager Fleet cards are accountable items and should be treated as such and never be carried by off-duty personnel or left in unattended vehicles or other locations with unrestricted access.”

In addition, five packages in the “Notice Left” area should have been returned to the sender.¹² These packages ranged from two to 20 days past their return dates.

These package scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,¹³ which includes accurate scanning of mailpieces at the point of delivery, thus ensuring 100 percent visibility throughout the process.¹⁴

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, and enhance the customer experience and Postal Service brand.

Recommendation #1

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure employees at the Sunrise Station follow standard operating procedures for scanning and that station management systematically review and monitor scan data for compliance.

Finding #2: Safeguarding of Assets

Sunrise Station management did not properly manage and safeguard Postal Service assets including Voyager credit cards, arrow lock keys, and mail delivery vehicles.

Voyager Fleet Cards

Sunrise Station management did not properly manage and safeguard Voyager Fleet cards. We conducted a physical inventory of the unit’s assigned Voyager Fleet cards on August 4, 2021, and found that 17 of the 68 cards were missing. Further, there were five vehicles with duplicate cards.

Unit management stated that the district initiated the ordering of duplicate Voyager Fleet cards to multiple units approximately six months prior to our visit. Upon receipt of the new cards, unit management did not destroy the existing duplicate cards. Therefore, five vehicles had duplicate cards that were being utilized on multiple vehicles.

These conditions occurred because unit management did not provide sufficient oversight of Voyager Fleet cards. Specifically, unit management did not ensure that carriers turned in their cards daily, as required. Management also stated that they were unaware of the Voyager Fleet card policy¹⁵ requiring that each vehicle only be assigned one card.

Voyager Fleet cards are accountable items and should be treated as such and never be carried by off-duty personnel or left in unattended vehicles or other locations with unrestricted access.¹⁶ When there is insufficient oversight and supervision of accountable items such as Voyager Fleet cards, there is an increased risk of theft. Furthermore, management cannot prevent potentially fraudulent charges and unauthorized purchases.

¹² *Notice Left and Return Guidelines* dated July 2007, states that domestic packages should be returned to sender on the 15th calendar day and international packages should be returned to sender on the 30th calendar day after a notice is left.

¹³ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁴ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

¹⁵ *Postal Service’s eFleet Card: Site Manager* online course (code # 2011NTWK1834SS01).

¹⁶ *Standard Work Instruction (Quick Reference): U.S. Bank Voyager Fleet Card Management for Site Managers*, Revision February 25, 2019.

Arrow Lock Keys

On the morning of August 4, 2021, we reviewed the unit's inventory log for arrow lock keys and conducted a physical inventory of keys at the unit. Two of the 86 keys on the inventory log were missing and 11 were identified with serial numbers not included on the key inventory log.

“Management did not maintain accurate key inventories and ensure that missing, lost, and stolen keys were properly reported to the Postal Inspection Service.”

This condition occurred due to insufficient management oversight. Specifically, management did not maintain accurate key inventories and ensure that missing, lost, and stolen keys were properly reported to the Postal Inspection Service. Additionally, management stated that they did not know when the last arrow lock key inventory was performed.

Postal Service policies¹⁷ require management to account for arrow lock

keys at the facility level. Local management must conduct daily inventories as well as semiannual key inventories in January and July and maintain the results of those inventories on file for a period of two years. Further, Postal Service policy¹⁸ states that local management must immediately report lost or stolen arrow lock keys to the inspector-in-charge. Insufficient oversight of arrow lock keys increases the risk of mail theft.

Delivery Vehicles

Employees did not always lock and secure delivery vehicles. We inspected 68 vehicles on the morning of August 3, 2021 and found that 25 of them (37 percent) were not locked and secured as required. In addition, we found one certified and nine mixed letters in a tray on the floor of one of the unlocked vehicles (see Figure 1).

Figure 1. Delayed Mail Found in Unlocked Vehicle



Source: OIG photo taken on August 3, 2021.

These conditions occurred because unit management did not ensure carriers were securing and locking their vehicles at the end of the day and were not following the PM Verification of Activity Checklist. This checklist requires supervisors to verify that vehicles are free of mail and trash and are locked and secure. When vehicles are left unlocked, there is an increased risk that they could be vandalized or stolen.

Recommendation #2

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management destroys all duplicate Voyager Fleet cards and follows procedures to ensure all cards are safeguarded and properly managed daily.

¹⁷ Arrow Key Standard Work Instructions, dated April 23, 2020.

¹⁸ Administrative Support Manual Issue 13, Sections 273.461, 273.464 and 273.471, July 1999 - updated through January 31, 2021 and Postal Operations Manual Issue 9, Sections 633.51 and 633.52, July 2002 - updated through January 31, 2021.

Recommendation #3

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management conducts semi-annual arrow lock key inventories and follows procedures to account for keys daily.

Recommendation #4

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management completes the PM Verification of Activity Checklist daily to ensure delivery vehicles are free of mail and properly secured.

Finding #3: Inbound Truck Scanning Procedures

Sunrise Station employees did not scan any incoming trailer/truck barcodes (99T)¹⁹ for trucks arriving with mail from the Las Vegas Processing and Distribution Center from July 3 through August 2, 2021. The delivery unit clerk stated he previously scanned all 99T barcodes, but for the past several months the trailers did not have barcodes to scan. However, the incoming trailers we observed during our site visits had the 99T barcode labels and the employees were not scanning these barcodes.

“Postal Service policy states that employees must scan the trailer barcode when Postal Service trailer/trucks and Highway Contract Route trucks arrive at the delivery unit during local operating hours.”

This occurred because unit management did not review 99T scan performance data and follow-up with employees regarding missing scans. Postal Service policy²⁰ states that employees must scan the trailer barcode when Postal Service trailer/trucks and Highway Contract Route trucks arrive at the delivery unit

¹⁹ The 15-digit trailer barcode located on the back door and inside right and left walls of the trailer.

²⁰ *United States Postal Service Standard Operating Procedure* - Subject: Trailer Scans at Delivery Units.

during local operating hours. When employees do not scan the 99T barcode, the Postal Service does not receive timely transportation information and is unable to address issues that may be causing mail delays.

Recommendation #5

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management reviews truck/trailer arrival scanning performance daily for compliance and follows-up for correction as necessary.

Management’s Comments

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

Regarding recommendation 1, district management stated that they will provide training to station management on proper scanning procedures and how to monitor scan performance. Management’s target implementation date is October 31, 2021.

Regarding recommendation 2, district management stated station management will put a process in place to properly handle Voyager Fleet cards. Management’s target implementation date is October 31, 2021.

Regarding recommendation 3, district management stated station management will put a process in place to properly handle arrow lock keys. Management’s target implementation date is October 31, 2021.

Regarding recommendation 4, district management stated they will put a process in place to conduct the PM checklist to ensure no mail is left in vehicles. Management’s target implementation date is October 31, 2021.

Regarding recommendation 5, district management stated station management will put a process in place to ensure management reviews truck/trailer arrival scanning performance daily for compliance and follows-up for correction as necessary. Management’s target implementation date is October 31, 2021.

Evaluation of Management's Comments

The OIG considers management's comments partially responsive to recommendation 1 and responsive to recommendations 2, 3, 4, and 5.

Regarding recommendation 1, management will need to provide evidence that Sunrise Station management is systematically reviewing and monitoring scan data for compliance in addition to providing evidence that station management received training before the recommendation can be closed.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when actions are completed and supporting documentation for those actions that have already been completed. 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



9/29/2021

Joe Wolski
Director, Audit Operations

SUBJECT: Draft Report – Mail Delivery and Customer Service Operations – Sunrise Station, Las Vegas, NV
(Project Number 21-214-DRAFT)

Management agrees with the findings.

Recommendation [1]:

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure employees at the Sunrise Station follow standard operating procedures for scanning and that station management systematically review and monitor scan data for compliance.

Management Response/Action Plan:

Management agrees and the MCSO will train Station Management on proper scanning and how to monitor scan performance

Target Implementation Date:

10/31/2021

Responsible Official:

Postmaster/ MCSO/Station Manager

Recommendation [2]:

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management destroys all duplicate Voyager Fleet cards and follows procedures to ensure all cards are safeguarded and properly managed daily.

Management Response/Action Plan:

Management agrees and a process will be put into place to properly handle Voyager fleet cards

Target Implementation Date:

10/31/2021

Responsible Official:

Postmaster/ MCSO/Station Manager

Recommendation [3]:

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management conducts semi-annual arrow lock key inventories and follows procedures to account for keys daily.

Management Response/Action Plan:

Management agrees and a process will be put into place to properly handle arrow lock keys.

Target Implementation Date:

10/31/2021

Responsible Official:

Postmaster/ MCSO/Station Manager

Recommendation [4]:

We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management completes the PM Verification of Activity Checklist daily to ensure delivery vehicles are free of mail and properly secured.

Management Response/Action Plan:

Management agrees and a process will be put into place to conduct PM checklist to ensure no mail in vehicles.

Target Implementation Date:

10/31/2021

Responsible Official:

Postmaster/ MCSO/Station Manager

Recommendation [5]: We recommend the **Manager, Nevada-Utah District**, develop and execute a plan to ensure Sunrise Station management reviews truck/trailer arrival scanning performance daily for compliance and follows-up for correction as necessary

Management Response/Action Plan:

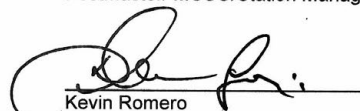
Management agrees with Recommendation and a process will be put into place to ensure Sunrise Station management reviews truck/trailer arrival scanning performance daily for compliance and follows-up for correction as necessary. This is in process for new barcode from TTO.

Target Implementation Date:

10/31/2021

Responsible Official:

Postmaster/ MCSO/Station Manager


Kevin Romero
District Manager

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