Audit Report

Mail Delivery, Customer Service, and Property Conditions Review – Parkrose Station, Portland, OR

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

February 2, 2022

MEMORANDUM FOR: WILLIAM SCHWARTZ
MANAGER, IDAHO-MONTANA-OREGON DISTRICT

FROM: Lazerick Poland
Director, Field Operations

SUBJECT: Audit Report – Mail Delivery, Customer Service, and Property
Conditions Review – Parkrose Station, Portland, OR
(Report Number 22-029-R22)

This report presents the results of our audit of Mail Delivery, Customer Service, and
Property Conditions – Parkrose Station, Portland, OR.

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

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, WestPac Area

Mail Delivery, Customer Service, and Property Conditions Review – Parkrose Station, Portland, OR
Report Number 22-029-R22

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Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Parkrose Station in Portland, OR (Project Number 22-029). The Parkrose Station is in the Idaho-Montana-Oregon District of the WestPac Area. The station services ZIP Codes 92720, 97230, and 97233.[1] There are about 108,739 people living in these ZIP Codes, which are considered urban communities.[2] We judgmentally selected the Parkrose Station based on the number of customer inquiries the unit received per route. From June 1, 2021, through August 31, 2021, the unit received about 39.96 inquiries per route, which was larger than the average of 10.62 inquiries per route for all sites serviced by the Portland Processing and Distribution Center (P&DC).

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Parkrose Station in Portland, OR.

To accomplish our objective, we focused on these four audit areas: delayed mail, package scanning, truck arrival scans, and property conditions. Specifically, 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 visit from November 30 through December 2, 2021, we reviewed mail conditions; package and truck arrival scanning procedures; and unit safety, security, and maintenance conditions. We also analyzed the scan status of mailpieces at the carrier cases and in the "Notice Left" area[4] and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 1 with management on January 20, 2022, and included their comments where appropriate.

The Parkrose Station is one of four delivery units[5] the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of November 29, 2021, that are serviced by the Portland P&DC. We issued this interim report to provide the Postal Service with timely information regarding the conditions we identified at the Parkrose Station. We will issue a separate report[6] that provides the Postal Service with the overall findings and recommendations for all four delivery units. See Appendix A for additional information about our scope and methodology.

Results Summary

We identified issues affecting mail delivery, customer service, and property conditions at the Parkrose Station. Specifically, we found deficiencies with three of the four areas we reviewed (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	**No**
Delayed Mail		X
Package Scanning	X	
Truck Arrival Scanning	X	
Property Conditions	X	

Source: Results of our fieldwork during week of November 29, 2021.

Finding #1: Package Scanning

What We Found

Employees improperly scanned 2,812 packages at the delivery unit rather than at the customer's delivery address between August and October 2021 (see Table 2).

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1. The unit also services ZIP Codes 97250, 97251, 97252, 97253, and 97294, which are used for PO Boxes and business customers.
2. We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information.
3. Time of day that clerks have completed distributing mail to the carrier routes.
4. The area of a postal property where letters or packages that the carriers were unable to deliver are stored for customer pickup.
5. The other three units were Beaverton Post Office in Beaverton, OR (Project Number 22-031); Piedmont Station in Portland, OR (Project Number 22-030); and Vancouver Post Office in Vancouver, WA (Project Number 22-032).
6. The project number for the separate report is 22-001.

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Further analysis of the scan data for these packages showed about 93 percent were scanned "Delivered."

Table 2. Stop-the-Clock[7] (STC) Scans at Delivery Unit

STC Scan Type	August	September	October	Totals	Percent
Delivered	786	1,164	668	2,618	93.10%
Refused	3	13	75	91	3.24%
Receptacle Full / Item Oversized	29	15	7	51	1.81%
No Secure Location	22	11	11	44	1.57%
No Authorized Recipient	0	3	5	8	0.28%
Totals	**840**	**1,206**	**766**	**2,812**	**100%**

Source: OIG analysis of the Postal Service's Product Tracking and Reporting (PTR) System[8] data.

In addition, on the morning of November 30, 2021, before carriers arrived for the day, we selected 50[9] packages to review and analyze scanning and tracking data. Of the 50 sampled packages, eight had missing or improper scans. These included six packages that were missing STC scans to let the customer know the reason for non-delivery and two that had "Delivered" scans, which should only be performed when the package is successfully left at the customer's delivery address.

Further, we found 12 packages in the "Notice Left" area that were not returned to the sender, as required.[10] These packages ranged from 12 to 112 days past their return dates.

Why Did It Occur

We determined these scanning issues occurred because management did not adequately monitor and enforce proper package scanning and handling procedures. Management explained that a transportation employee, rather than carriers, delivers containers of packages to some high-volume customers. Therefore, management allowed employees to perform "Delivered" scans for these packages at the delivery unit. In addition, some carriers were not attempting to deliver packages for customers with damaged cluster box units.[11]

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The transportation employee that delivered the packages should have scanned the packages at the delivery address when the packages were delivered instead of an employee scanning them at the delivery unit. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address with proper service,[12] which includes scanning packages at the time and location of delivery.[13] Packages in the "Notice Left" area should have been reviewed for second notices and returned to the sender if they remained after the prescribed number of days.

Effect on the Postal Service and Its Customers

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 and handling operations, management can potentially improve mail visibility, increase customer satisfaction, and enhance the customer experience and Postal Service brand.

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7   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."
8   A system of record for all delivery status information for mail and packages with trackable services and barcodes.
9   We reviewed all 20 packages that we found at the carrier cases and judgmentally selected 30 packages from the "Notice Left" area.
10   *Notice Left and Return Guidelines*, dated July 2007, states that domestic packages should be returned to the sender on the 15th calendar day after a notice is left and international packages should be the returned to the sender on the 30th calendar day after a notice is left.
11   A centralized unit of individually locked compartments for the delivery and collection of mail.
12   *Delivery Done Right the First Time* stand-up talk, March 2020.
13   *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

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Finding #2: Truck Arrival Scanning

What We Found

Employees at the Parkrose Station did not always scan incoming trailer/truck barcodes (99T)[14] as required. We reviewed data related to morning truck arrival scans from September 1 through November 18, 2021, and found that employees did not perform a scan for 224 of the 273 scheduled trucks (about 82 percent) arriving from the Portland P&DC (see Table 3). However, we determined that management corrected this issue by training new staff assigned to the station, which resulted in 100 percent scanning of all morning truck arrivals between November 19 and December 1, 2021.

Table 3. Truck Arrival Scans from September 1 through November 18, 2021

Month	Count of Inbound Trips	Count of Missed 99T Scans	Percentage Missing
September	105	71	67.62%
October	103	96	93.20%
November	65	57	87.69%
Total	**273**	**224**	**82.05%**

Source: OIG analysis of data extracted from the Postal Service's Surface Visibility System.[15]

Why Did It Occur

Staff responsible for scanning the 99Ts from September 1 through November 18, 2021, were not following scanning procedures. The station manager stated he was assigned to the station in April 2021 and began addressing issues related to attendance and performance, which were considered a higher priority. The manager stated he began reviewing 99T scanning performance in September 2021. The staff who did not comply with the scanning procedures transferred to a different facility in November 2021. The manager trained new staff assigned in November 2021, who followed scanning procedures as instructed.

What Should Have Happened

According to Postal Service Policy,[16] employees must scan the trailer barcode on Postal Service trailer/trucks and Highway Contract Route trucks arriving at the delivery unit during local operating hours.

Effect on the Postal Service and its Customers

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, which could affect customer service.

Finding # 3: Property Conditions

What We Found

We found safety and maintenance issues at the Parkrose Station including fire extinguishers that had not been inspected,[17] blocked exit route doors (see Figure 1), and metal objects protruding from cement (see Figure 2). During our audit, management ordered new fire extinguishers once we informed them of the issue.

Figure 1. Blocked Doors

Source: OIG photos taken on December 1, 2021.

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14 The 15-digit trailer barcode on the back door and inside right and left walls of the trailer.
15 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.
16 *United States Postal Service* Standard Operating Procedure – Subject: Trailer Scans at the Delivery Units (DU).
17 Occupational Safety and Health Administration (OSHA), 29 CFR 1910.157(e)(2) and 29 CFR 1910.157(e)(3) requires that fire extinguishers be inspected monthly and annually.

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Figure 2. Cement With Protruding Metal Object

Source: OIG photo taken on December 1, 2021.

Why Did It Occur

Unit management did not take the necessary actions to ensure that property condition issues were corrected because other duties took priority such as addressing customer inquiries and ensuring mail delivery operations were followed.

What Should Have Happened

Management should have provided sufficient oversight to personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up for completion. The Postal Service is required to maintain a safe environment for employees and customers. In addition, OSHA requires employers to provide a safe and healthy workplace free of recognized hazards.[18]

Effect on the Postal Service and Its Customers

Management's attention to maintenance, safety, and security deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims, lawsuits, and OSHA penalties; and enhance the customer experience and Postal Service brand.

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18 OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*.

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Appendices

Click on the appendix title below to navigate to the section content.

Appendix A: Additional Information

We conducted this audit from November 2021 through February 2022 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 relied on computer-generated data from the PTR system, the Surface Visibility database, and the electronic Facilities Management System.[19] 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 Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

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19   A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs, and alteration contracts, along with real estate contracts.

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Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

January 28, 2022

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Mail Delivery, Customer Service, and Property Conditions Review -
Parkrose Station, Portland, OR   Project Number 22-029-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment
on the findings contained in the draft audit report, Mail Delivery, Customer Service,
and Property Conditions Review - Parkrose Station, Portland, OR

Following are our comments on each of the three findings.

Finding #1:

Employees improperly scanned 2,812 packages at the delivery unit rather than at the
customer's delivery address between August and October 2021. Further analysis of
the scan data for these packages showed about 93 percent were scanned "Delivered."

Management Response:
Management agrees with this finding.

Most of these scans are the 57 re-shippers that average just over 10K pieces per day.
We have changed where these are parcels are run and staged. Only the rejects from
the EPPS goes to the Parkrose station. The daily volume is now running on the EPPS
at the Portland P&DC and logistics delivers from the Portland P&DC to the re-shipper
or staged at the AMF/retail station for delivery to the re-shipper from logistics.
Currently, the plant sends the firm sheets to the Parkrose station whose scans them.
We will ask logistics to scan the firm sheets in the future to provide the visibility to the
customer. Logistics currently does not have scanners. We will reserve the right for
Logistics to respond to the issue. Management will also review the notice left
operation and ensure we are timely.

Finding #2:

Employees at the Parkrose Station did not always scan incoming trailer/truck
barcodes (99T) as required. We reviewed data related to morning truck arrival scans
from September 1 through November 18, 2021 and found that employees did not
perform a scan for 224 of the 273 scheduled trucks (about 82 percent) arriving from
the Portland P&DC. However, we determined that management corrected this issue

by training new staff assigned to the station, which resulted in 100 percent scanning of all morning truck arrivals between November 19 and December 1, 2021.

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Management Response:
Management agrees with this finding.

Management has properly trained all employees assigned to Parkrose station (Clerks and EAS). Each clerk is aware of the scanning process, arrival, unload, and the scanning of placards from every truck. A Lead clerk was assigned to properly train each new employee assigned to Parkrose and documented on training record. Management follows up with all clerks on our early morning scanning process for truck and distribution productivity.

Finding #3

We found safety and maintenance issues at the Parkrose Station including fire extinguishers that had not been inspected. During our audit, management ordered new fire extinguishers once we informed them of the issue. There are 18 blocked exit route doors, and metal objects protruding from cement.

Management Response:
Management agrees with this finding.

Management will do a walkthrough of the building daily and weekly to maintain the safety and security of the building. Management at Parkrose will continue to monitor exits, doorways, and maintain signed in good conditions where "Do Not Block" is noted. Management will recognize hazards and address them on that day to include any workorders to be submitted for repairs; workorders will be documented and filed for future inspections and OSHA regulations. We have identified the issues and current management has corrected them at this time. Unblocked Doors and removed metal plate attached to wall that was a safety issue for anyone passing by. Monthly fire extinguisher inspection is now current.

As the District Manager, Portland District, I will ensure that we begin to address the findings identified in the report.

William Schwartz

cc: Vice President, Delivery Operations
    Vice President, Retail & Post Office Operations
    Vice President, WestPac Area
    Corporate Audit Response Management

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