Office of Inspector General | United States Postal Service

Audit Report

Mail Delivery, Customer Service, and Property Conditions Review – Lacey Branch, Lacey, WA

OFFICE OF
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UNITED STATES POSTAL SERVICE

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June 7, 2022

MEMORANDUM FOR: PAMELA J. COOK,
MANAGER, WASHINGTON DISTRICT

[signature: Joseph E. Wolski]

FROM: Joseph E. Wolski
Director, Field Operations

SUBJECT: Audit Report – Mail Delivery, Customer Service, and Property Conditions Review – Lacey Branch, Lacey, WA (Report Number 22-098-R22)

This report presents the results of our audit of Mail Delivery, Customer Service, and Property Conditions – Lacey Branch, Lacey, WA.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Ricardo Martinez, 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
Chief Retail & Delivery Officer & Exec VP
Chief Logistics & Processing Operations Office & Exec VP

Results

Background

This interim report presents the results of our self-initiated audit of mail delivery, customer service, and property conditions at the Lacey Branch in Lacey, WA (Project Number 22-098). The Lacey Branch is in the Washington District of the WestPac Area and services ZIP Codes 98513 and 98516,[1] which serves about 51,113 people and is considered an urban community.[2] We judgmentally selected the Lacey Branch based on the number of customer inquiries the unit received related to package tracking and mail delivery delays. From December 1, 2021, through February 28, 2022, the unit received 25.65 inquiries per route, which was more than the average of 12.28 inquiries per route for all sites serviced by the Seattle Processing and Distribution Center (P&DC).

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery, customer service, and property conditions at the Lacey Branch in Lacey, WA.

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 April 5-6, 2022, 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 May 23, 2022, and included their comments where appropriate.

The Lacey Branch is one of four delivery units[5] the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of April 4, 2022 that are serviced by the Seattle P&DC. We issued this interim report to provide the Postal Service with timely information regarding the conditions we identified at the Lacey Branch. 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 Lacey Branch. Specifically, we found issues 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 April 4, 2022.

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1 The unit also services ZIP Code 98509, which is 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. Of the people living in these ZIP Codes, about 44,759 (or 87.57 percent) are considered to be urban and 6,354 (or 12.43 percent) are considered to be living in rural communities.
3 Time of day that clerks have completed distributing mail to carrier routes.
4 The area of a postal facility where letters or packages that carriers were unable to deliver are stored for customer pickup.
5 The other three units were the Parkland Branch, Tacoma, WA (Project Number 22-095); the Kent Main Post Office (MPO), Kent, WA (Project Number 22-096); and the Renton MPO, Renton, WA (Project Number 22-097).
6 The Project Number for this report is 22-101.

Finding #1: Package Scanning

What We Found

Employees improperly scanned packages at the delivery unit. In total, employees scanned 665 packages at the delivery unit between December 2021 and February 2022 (see Table 2). Further analysis of the scan data for these packages showed that about 43 percent of these packages were scanned "Delivery Attempted – No Access to Delivery Location". Note that this data excludes scans that could properly be made at a delivery unit, such as "Delivered – PO Box" and "Customer (Vacation) Hold". Rather, the data represents scans performed at the delivery unit that should routinely be made at the point of delivery.

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

STC Scan Type	December	January	February	Total	Percentage
Delivery Attempted – No Access to Delivery Location[8]	162	70	53	285	42.86%
Delivered	68	65	39	172	25.86%
Receptacle Full / Item Oversized	94	37	26	157	23.61%
No Secure Location Available	20	14	10	44	6.62%
Refused	4			4	0.60%
No Authorized Recipient	1		1	2	0.30%
Delivery Exception – Animal Interference		1		1	0.15%
Total	**349**	**187**	**129**	**665**	**100%**

Source: OIG analysis of the Postal Service's Product Tracking and Reporting (PTR) System[9] data.

In addition, on the morning of April 5, 2022, before carriers arrived for the day, we selected 60 packages[10] to review and analyze scanning and tracking data. Of the 60 sampled packages, seven (12 percent) had missing or improper scans. For example, four packages were missing STC scans to let the customer know the reason for non-delivery and three had a "Delivered" scan, which should only be performed when the package is successfully left at the customer's point of delivery.

We also identified seven packages in the "Notice Left" area that were not returned to the sender, as required.[11] These packages ranged from 14 to 77 days past their return dates.

Why Did It Occur

These scanning issues occurred because management did not monitor and enforce proper package scanning and handling procedures. For example, to clear the End of Day Report, an acting supervisor was entering "Delivery Attempted – No Access to Delivery Location" scans for all items that remained on the report after the last carrier returned. Due to this improper practice the individual is no longer in a supervisory capacity.

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance, including ensuring that packages were scanned at the delivery point and not 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 on the "Notice Left" area should have been reviewed for second notices and returned to sender if they remained after the prescribed number of days.

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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", and "No Access".

8   For this STC scan type, we only included scans performed Monday through Friday to avoid legitimate scans for businesses closed over the weekend.

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

10 We judgmentally selected 30 packages from the carrier cases and 30 packages from the "Notice Left" area.

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

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

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

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 or properly handle packages in the "Notice Left" area, 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.

Finding #2: Truck Arrival Scanning

What We Found

Employees at the Lacey Branch did not scan all incoming trailer/truck barcodes[14] as required. We reviewed data related to morning truck arrival scans from December 1, 2021 through February 28, 2022, and found that employees did not perform a scan for any of the 223 scheduled trucks arriving from the Olympia P&DC.[15]

Why Did It Occur

This occurred because management did not monitor and enforce truck scan performance. The unit does not have a raised loading dock and the clerks responsible for making the scans felt it was unsafe to use the lift to scan the barcode inside the truck. The station manager stated that he advised the clerks to have the truck driver make the scan for them but was unaware that the clerks did not do so.

What Should Have Happened

Management should have monitored truck scan performance and elevated the loading dock issue. For example, unit management could have reached out to Washington District management to let them know the clerks could not scan the barcodes. Then management could have discussed modifications to the barcode scan process. 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 trailer/truck barcodes, 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.

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14 The 15-digit trailer barcode on the back door and inside right and left walls of the trailer.
15 There is no direct dispatch from the Seattle P&DC to Lacey Branch. Instead, mail processed at Seattle P&DC is sent to the Olympia P&DC where it is moved to a different truck that takes the mail to the Lacey Branch.
16 *United States Postal Service* Standard Operating Procedure – Subject: Trailer Scans at the Delivery Units.

Finding # 3: Property Conditions

What We Found

We found maintenance issues at the Lacey Branch, including an exterior PO Box area door that does not close completely (see Figure 1), and a lobby door in the PO box area that is broken (taped up — see Figure 2).

Why Did It Occur

Management stated that they were not aware that the PO Box area door did not close completely. Regarding the broken lobby door that was taped up, management submitted a repair request in May 2021, but did not take additional steps when the local field maintenance office declined to do the repair.

What Should Have Happened

Management should have provided sufficient oversight to ensure the facility maintenance issues were monitored and addressed. Personnel responsible for maintaining facilities should have reported maintenance issues as they arose and followed up for completion.

Effect on the Postal Service and Its Customers

Management's attention to maintenance deficiencies can enhance the customer experience and Postal Service brand.

Management's Comments

Management agreed with all findings in the report.

See Appendix B for management's comments in their entirety.

Figure 1. Door That Does Not Close Completely

Source: OIG photo taken April 5, 2022.

Figure 2. Non-Functioning Taped Lobby Door

Source: OIG photo taken April 5, 2022.

Appendix A. Additional Information

We conducted this audit from April through June 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, the Surface Visibility[17] database, and the electronic Facilities Management System.[18] 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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17 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.
18 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.

Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

June 1, 2022

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Mail Delivery, Customer Service, and Property Conditions Review - Lacey Branch, Lacey, WA Project Number 22-098-Lacey

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 – Lacey Branch Post Office, Lacey, WA

Following are our comments on each of the three findings.

Findings #1:
Employees improperly scanned packages at the delivery unit. In total, employees scanned 665 packages at the delivery unit between December 2021 and February 2022 (see Table 2). Further analysis of the scan data for these packages showed that about 43 percent of these packages were scanned "Delivery Attempted – No Access to Delivery Location". Note that this data excludes scans that could properly be made at a delivery unit, such as "Delivered - PO Box" and "Customer (Vacation) Hold". Rather, the data represents scans performed at the delivery unit that should routinely be made at the point of delivery.

In addition, on the morning of April 5, 2022, before carriers arrived for the day, we selected 60 packages[1] to review and analyze scanning and tracking data. Of the 60 sampled packages, seven (12 percent) had missing or improper scans. For example, four packages were missing STC scans to let the customer know the reason for non-delivery and three had a "Delivered" scan, which should only be performed when the package is successfully left at the customer's point of delivery.

We also identified seven packages in the "Notice Left" area that were not returned to the sender, as required.[2] These packages ranged from 14 to 77 days past their return dates.

Management Response:
Management agrees with this finding.

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[1] We judgmentally selected 30 packages from the carrier cases and 30 packages from the "Notice Left" area.
[2] *Notice Left and Return Guidelines*, dated July 2007, states that domestic packages should be returned to sender on the 15th calendar day after a notice is left and international packages should be returned to sender on the 30th calendar day after a notice is left.

- 2 -

Management did the investigation during this time frame and found the Acting Supervisor gave the improper instructions to carriers. Manager took appropriately Corrective Action on this supervisor.

Management continues to monitor the process of checking the Notice Left Parcels daily and enforce the compliance.

Integrity scan report comes out daily from the district. All packages are required to be scanned at the delivery location. Scans that are made in the office require additional follow up with the individual employee.

Finding #2:

Employees at the Lacey Branch did not scan all incoming trailer/truck barcodes[3] as required. We reviewed data related to morning truck arrival scans from December 1, 2021 through February 28, 2022, and found that employees did not perform a scan for any of the 223 scheduled trucks arriving from the Olympia P&DC

Management Response:

Management agrees with this finding.

Management had the Learn and Grow Training with all clerks and supervisors on proper scanning of 99T labels.

Management created a daily log to verify compliance.

Finding #3:

We found maintenance issues at the Lacey Branch, including an exterior PO Box area door that does not close completely (see Figure 1), and a lobby door in the PO box area that is broken (taped up — see Figure 2).
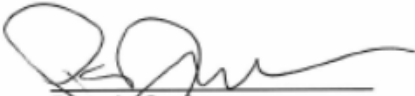
Management Response:

Management agrees with this finding.

Management already abated all the concerns involving the lobby door.
      -Documentary photos submitted.

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

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[3] The 15-digit trailer barcode on the back door and inside right and left walls of the trailer.

- 3 -

Pamela Cook
Washington District Manager

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

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