



# AUDIT REPORT

## Mail Delivery and Customer Service Operations – Hawthorne Post Office, Hawthorne, CA

March 23, 2020



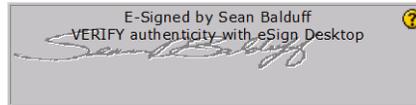
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Report Number 20-149-R20



March 23, 2020

**MEMORANDUM FOR:** ROBERT REYNOSA  
MANAGER, LOS ANGELES DISTRICT



**FROM:** Sean Balduff  
Director, Delivery and Retail Response Team

**SUBJECT:** Audit Report – Mail Delivery and Customer Service  
Operations – Hawthorne Post Office, Hawthorne, CA  
(Report Number 20-149-R20)

This report presents the results of our audit of Mail Delivery and Customer Service Operations at the Hawthorne Post Office, Hawthorne, CA.

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

Attachment

cc: Postmaster General  
Corporate Audit and Response Management  
Chief Operating Officer and Executive Vice President  
Vice President, Delivery and Retail Operations  
Vice President, Pacific Area

## Background

This report presents the results of our self-initiated audit of Mail Delivery and Customer Service Operations at the Hawthorne Post Office in Hawthorne, CA (Project Number 20-149). The Hawthorne Post Office is in the Los Angeles District of the Pacific Area. This audit was designed to provide U.S. Postal Service management with timely information on potential scanning and mail delivery risks at the Hawthorne Post Office.

The unit has 50 city routes, including one auxiliary route, delivered by 58 full-time regular city carriers, four part-time flexible city carriers, and five city carrier assistants (CCA). We chose the Hawthorne Post Office based on the number of stop-the-clock (STC)<sup>1</sup> scans at the delivery unit.

## Objective, Scope, and Methodology

Our objective was to review select mail delivery and customer service operations at the Hawthorne Post Office in Hawthorne, CA.

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, distribution up-time (DUT),<sup>2</sup> and carriers return to office time. During our site visits on January 22-23, 2020, we reviewed unit safety and security procedures, mail conditions, and Voyager card and arrow lock key<sup>3</sup> security procedures. We analyzed the scan status of mailpieces at the “Notice Left”<sup>4</sup> area and interviewed unit management and employees.<sup>5</sup>

We relied on computer-generated data from the Product Tracking and Reporting System. Although we did not test the validity of controls over this system, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service employees knowledgeable about the data. Therefore, we determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from January through March 2020, 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

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<sup>1</sup> A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include “Delivered”, “Available for Pick-Up”, and “Business Closed”.

<sup>2</sup> Time of day that clerks completed distributing mail to carrier routes after it has arrived from the processing center.

<sup>3</sup> A distinctively shaped key 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.

<sup>4</sup> The area of a postal facility where letters or packages that carriers were unable to deliver are stored for customer pickup.

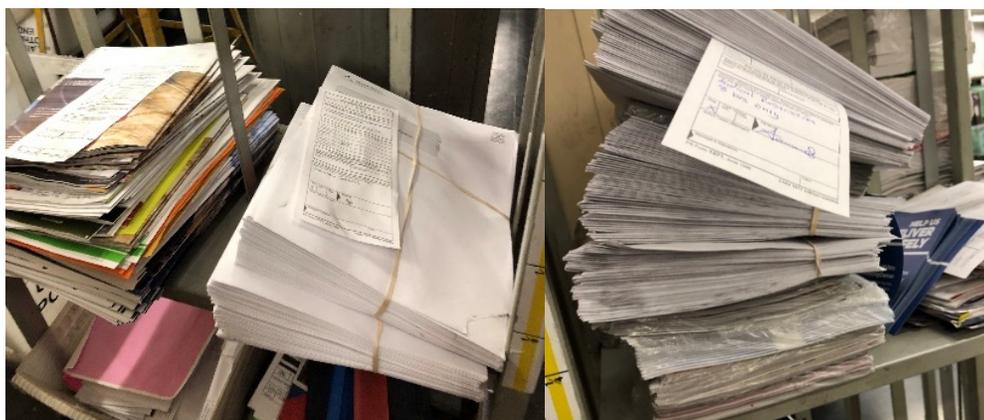
<sup>5</sup> The city carriers we interviewed had from two to 33 years of service.

conclusions with management on March 5, 2020 and included their comments where appropriate.

### **Finding # 1: Unreported Delayed Mail**

During our site visit on January 22-23, 2020, we identified delayed mail<sup>6</sup> that was not reported in the Customer Service Daily Reporting System (CSDRS) as required. Specifically, we found a stack of 545 pieces of Every Door Direct Mail dated January 15, 2020, which was delayed and not reported, and about 29 feet of flats, including one tub of mixed class mail that contained some First-Class Mail (FCM) at the carrier cases. The mail was delayed from the previous delivery day and did not have a color code placard indicating the scheduled delivery date. We also found three Postal Service (PS) Forms 1571, Undelivered Mail Report<sup>7</sup> forms carriers use to report undelivered mail, along with the flats. Two forms were from the day prior to our visit but were not signed by a supervisor and one was signed by a supervisor but was dated 2018 (see Figures 1 & 2).

**Figures 1 & 2. Unreported Undelivered Mail**



Source: Office of Inspector general (OIG) photos taken on January 22, 2020.

Postal Service policy<sup>8</sup> states all mail types of FCM, Priority Mail, and Priority Mail Express are scheduled (committed) for delivery or processing on the day of receipt at the post office. Postal Service policy also states that marketing mail must be coded with the delivery color that represents the scheduled day of delivery and, once applied, the color code remains on the mail until it is taken out for delivery.<sup>9</sup> Further, Postal Service policy<sup>10</sup> requires that mail found in the delivery unit without a color-code placard is considered committed for the current day's delivery and if it is not delivered, is to be reported as delayed in CSDRS.

<sup>6</sup> Mail that is in the delivery unit after the carriers have left for street delivery.

<sup>7</sup> A form the carrier completes stating that mail was left in the office or undelivered.

<sup>8</sup> Delivery Unit Service Talk-Committed Mail & Color Code Policy for Marketing Mail, February 2019.

<sup>9</sup> *Postal Operations Manual*, Mail Processing Procedures, Section 458, National Color Code Policy for USPS Marketing Mail.

<sup>10</sup> *CSDRS Guidelines and Definitions*, dated September 2016.

Management stated that the flats were color coded at the delivery unit using pieces of paper since there are no color-code placards available and they must have fallen off or been removed by carriers the previous day. The postmaster also stated that the unit does not need the color-code placards since they do not normally curtail or delay mail. In addition, the postmaster stated that she was unaware of the delayed mail we found and added that some flats were not delivered the previous delivery day because it was the day after a holiday and mail volume was high.

These conditions occurred due to ineffective management oversight. All delivery managers have the responsibility to develop and maintain their unit at a high degree of efficiency and ensure that Postal Service standards are maintained. This responsibility includes ensuring the daily workload is reviewed and reviewing any PS Forms 1571 from the preceding day as well as the amount of mail on and around each carrier case. Further, managers should review all communication that could affect the day's workload and develop contingency plans for situations that may interfere with normal delivery service.<sup>11</sup>

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. Further, when delayed mail is not reported, management at the local, district, area, and headquarters levels are unable to take the appropriate actions to mitigate the delay.

**Recommendation #1:** We recommend the **District Manager, Los Angeles District**, instruct the **Postmaster, Hawthorne Post Office**, to develop an action plan to ensure standard operating procedures are followed for reporting delayed mail and enforce the use of color-code placards for marketing mail.

### Finding #2: Package Delivery Scanning and Handling

We determined that employees were improperly scanning packages at the unit and not following package scanning and handling policies. We used geolocation data to identify STC scans that occurred at the delivery unit property instead of the intended delivery address. Our data analysis of scans performed between October and December 2019 showed that employees performed STC scans for 21,869 packages at the unit rather than at the delivery point (see Table 1).

**Table 1. STC Scans at Delivery Unit**

October	November	December	Total
7,538	6,499	7,832	21,869

Source: OIG analysis of Postal Service PTR system data.

<sup>11</sup> Handbook M-39, *Management of Delivery Services*, June 2019.

Based on our analysis, most of these scans were for packages that were delivered to a single business address. Unit management stated that a carrier scans each package with a Mobile Delivery Device (MDD)<sup>12</sup> scanner in the office to create a firm sheet.<sup>13</sup> While the scan data from the MDD is being uploaded to create a firm sheet, the carrier departs to deliver the packages. After the scan data is uploaded and the firm sheet is printed, an employee at the delivery unit scans the firm sheet as “Delivered”. The postmaster stated that this process saves time because the carrier can start his deliveries without waiting for the MDD data to upload and a firm sheet to be printed. However, a more efficient process would be to print a firm sheet directly from the Passive Adaptive Scanning System (PASS)<sup>14</sup> when package sortation is completed. This process would allow the carrier to properly scan the package as “Delivered” at the delivery address. The postmaster stated that she was unaware that a firm sheet could be printed from PASS.

During our site visit we interviewed carriers who performed the remaining STC scans at the unit instead of at the delivery address. One carrier stated that he scans small packages at the unit because he might forget to scan them during his street deliveries. Another carrier stated that she does not attempt delivery for packages she deems too large or too heavy and instead places them in the “Notice Left” area. Two carriers stated that they scan packages at the unit when they forget to scan them while out on their route; however, scanning packages at the unit instead of the delivery address is against Postal Service policy. The Postal Service’s goal is to ensure mail is delivered to the correct address with proper service, which includes scanning every mailpiece at the delivery point, ensuring 100 percent visibility throughout the process.<sup>15</sup>

We also conducted on-site observations at the unit on the morning of January 22, 2020, before carriers arrived for the day. We judgmentally selected 30 packages that were in the “Notice Left” area<sup>16</sup> to review their scanning and tracking data. Of the 30 packages we reviewed, five (17 percent) were missing a scan or had improper scans, and four (13 percent) were not handled or processed as required.

Specifically:

- Three did not have STC scans to let the customer know the reason for non-delivery. All packages should receive a STC scan at the time of attempted delivery.
- Two had a “Delivered” scan. A “Delivered” scan should only be made when a package is successfully left at the delivery address.

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<sup>12</sup> A handheld mobile scanning device carriers use to improve real-time delivery scanning capabilities by providing tracking information for customers.

<sup>13</sup> A list of packages for delivery to one address documented with a single barcode.

<sup>14</sup> HQ Labor Notification – *PASS/DSS Auto Firm Sheet Enhancement(s)*, dated October 25, 2017.

<sup>15</sup> Standup Talk - *Delivering a Positive Customer Service Experience-Delivery Done Right*, and *Scanning at a Glance, Delivering 100% Visibility*.

<sup>16</sup> We did not identify any packages in or around carrier cases.

- One had an “Animal Interference” scan which should have been left at the carrier case for an attempted re-delivery instead of being placed in the “Notice Left” area.
- Three were unclaimed and not returned to sender according to the “Notice Left and Return Guidelines”.<sup>17</sup> The packages were held between three and 29 days beyond their authorized retention periods.

We also found one package in an unlocked delivery vehicle that had a “No Access” scan four days prior to our site visit. This package should have been in the “Notice Left” section and available for customer pick up.

These package scanning and handling deficiencies occurred because management did not adequately enforce and monitor mail handling and scanning procedures. Customers rely on accurate scan data to track their packages in real time. When inaccurate information is conveyed to customers, it results in confusion, complaints, and loss of data integrity which causes a loss of customer trust and may negatively impact the Postal Service brand.

**Recommendation #2:** We recommend the **Manager, Los Angeles District**, instruct the **Postmaster, Hawthorne Post Office**, to ensure that employees follow standard operating procedures for scanning including using firm sheets from the Passive Adaptive Scanning System, periodically review and monitor scan data for compliance, and provide carriers with refresher training on package handling and scanning procedures.

### Finding #3: City Carriers Returning After 6 p.m.

City carriers at the Hawthorne Post Office did not meet the Postal Service’s goal of 100 percent of carriers returning to the office by 6:00 p.m.<sup>18</sup> Specifically, from October – December 2019, about 38 percent of carriers returned to the unit by 6 p.m. and 69 percent of carriers returned to the unit by 7 p.m. (see Table 2).

**Table 2. Carriers Returning After 6 p.m.**

Month/Year	Carriers Returning by 6 p.m.	Carriers Returning by 7 p.m.	Carriers Returning by 8 p.m.
October 2019	37%	75%	99%
November 2019	46%	77%	99%
December 2019	31%	55%	89%
<b>Average</b>	<b>38%</b>	<b>69%</b>	<b>96%</b>

Source: OIG analysis of City Carriers After 6 p.m. data from (EDW - Delivery Data Mart).

<sup>17</sup> *Notice Left and Return Guidelines*, July 2013, states that parcels should be returned on the 15<sup>th</sup> calendar day and international mail should be returned on the 30<sup>th</sup> calendar day.

<sup>18</sup> *Staffing and Scheduling Tool, Function 4 Applications Users Guide*, 2016.

The postmaster stated that various factors contributed to the carriers' late return time, including:

- Two vacant routes, which were open for bid during our site visit.
- Four carriers were on long-term leave and one carrier had work limitations. We verified this with the Staffing and Scheduling Tool.<sup>19</sup>
- Late arriving mail from the processing center. The postmaster stated that packages sometimes arrive late to the unit and are not available when carriers begin their routes. These packages must either be sent out to the carrier while they are delivering their route, or the carrier must return to the delivery unit to obtain and then deliver the packages. We reviewed mail trips<sup>20</sup> from the Los Angeles Processing and Distribution Center to the unit for quarter one of FY 2020 and noted that 119 (28%) of the 432 trips arrived late. We also reviewed 31 DUT scans between November 30, 2019 and January 7, 2020 and determined that 11 (35%) of them were late, with the average late scan being 53 minutes after the scheduled DUT.

Improving staffing levels would reduce the number of carriers returning to the office after 6 p.m. Additionally, when mail arrives on time, clerks are able to distribute it to the carriers sooner, allowing them to leave for their routes on time.

**Recommendation #3:** We recommend the **Manager, Los Angeles District**, continue to fill carrier vacancies and review and adjust mail arrival times at the Hawthorne Post Office as appropriate to maximize carrier efficiency and ensure distribution up-times are met.

#### **Finding #4: Safeguarding of Assets**

Hawthorne Post Office management did not properly manage and safeguard Postal Service assets including arrow lock keys, Voyager Fleet cards, and mail delivery vehicles.

##### **Accountable Items**

We reviewed the unit's inventory log for arrow lock keys and conducted a physical inventory of the keys at the unit. Of the 48 arrow lock keys on the inventory log, 13 were missing. We also found an additional 14 keys that were not listed on the inventory log. Additionally, there was no clerk dedicated to checking in the arrow lock keys when carriers return.

Postal Service policy states that postmasters must keep accurate arrow lock key inventories and must immediately report lost or stolen arrow lock keys to the inspector-

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<sup>19</sup> *On Rolls Not Available* report listed five full-time carriers as injured on the job and one CCA on military leave as of February 18, 2020.

<sup>20</sup> Based on OIG analysis of Surface Visibility data.

in-charge. Policy also states that when carriers return from their routes, clerks should be available to check in accountable items as efficiently and promptly as possible.

We also reviewed the Voyager Fleet card inventory log maintained at the unit. The inventory listed 55 active voyager cards; however, we only found 36 active cards at the unit. Additionally, one of the 36 cards was in a carrier's wallet. Unit management did not report any of the missing cards as lost or stolen at the time of our review.

Postal Service policy states that Voyager Fleet cards are accountable items and should be treated as such and they should never be carried by off-duty personnel or left in unattended vehicles or other locations with unrestricted access.<sup>21</sup>

The postmaster stated that these conditions occurred due to a shortage of one full-time and one part-time clerk; therefore, she was unable to give the responsibility for accountable items to a clerk because other duties took priority. When there is insufficient oversight and supervision of accountable items such as arrow lock keys and Voyage Fleet cards, there is an increased risk of mail theft and management cannot prevent potentially fraudulent charges and unauthorized purchases.

### Delivery Vehicles

We inspected delivery vehicles on the morning of our site visit and found 35 of 55 unattended vehicles that were not locked, including 29 vehicles with the rear doors open (see Figure 3).

**Figure 3. Unlocked and Open Delivery Vehicles**



Source: OIG photo taken on January 22, 2020.

According to unit management, the parking lot gate is closed and locked for about four hours each night, between 11 p.m. and 3 a.m. Postal Service policy states that all vehicle doors must be secured when vehicles are left unattended and out of the driver's immediate site.<sup>22</sup> The postmaster stated that there is a district policy to leave vehicles unlocked so the evening supervisor is able to check for mail and equipment. However,

<sup>21</sup> Standard Work Instructions (Quick Reference): U.S. Bank Voyager Fleet Card Management for Site Managers, January 8, 2019.

<sup>22</sup> Handbook EL-814, *Postal Employee's Guide to Safety*, Section X,E,4, Parking.

district management stated that vehicles should be locked when cleared by the supervisors at the end of the day.

**Recommendation #4:** We recommend the **District Manager, Los Angeles District**, instruct the **Postmaster, Hawthorne Post Office**, to follow procedures to ensure arrow lock keys, voyager cards, and delivery vehicles are safeguarded and properly managed and report lost or missing assets as required.

## 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, management stated that supervisors will be trained on proper mail condition and reporting procedures and data entry through the CSDRS application. Additionally, management stated that employees have been trained to properly identify and color-code mail for distribution. Management also stated that over the next three months, the Manager of Operation Programs Support will conduct monthly observations/audits to ensure the unit complies with outlined procedures. Management's target implementation date is June 30, 2020.

Regarding recommendation 2, management stated that the Office-in-Charge (OIC) has begun following standard operating procedures for scanning packages to include the use of firm sheets. Operations Support trained all available clerks and supervisors on firm sheet processing and validation. Further, the OIC will provide firm sheet processing make-up training and give a Scan Integrity Stand-Up Talk by March 31, 2020. In addition, management stated that the Manager of Operation Programs Support will conduct monthly observations/audits to ensure the unit complies with outlined procedures. Management's target implementation date is June 30, 2020.

Regarding recommendation 3, management stated that the Los Angeles District Complement Committee will review both carrier and clerk vacancies to ensure appropriate staffing levels. Additionally, management stated that the Manager, Post Office Operations, and Manager, Distribution Operations, will address any mail flow issues affecting the Hawthorne Post Office during the daily Mail Arrival Quality/Plant Arrival Quality call. Management's target implementation date is June 30, 2020.

Regarding recommendation 4, management stated that the Hawthorne Postmaster has begun following policies and procedures related to the proper security and accountability of arrow lock keys, Voyager Fleet cards, and vehicle security. Additionally, management stated that all arrow lock keys are secured in the accountable cage until distribution each morning and the supervisor or assigned clerk uses daily key and Voyager logs to distribute keys to each carrier. In addition, management stated that the Manager of Operation Programs Support will provide resources to conduct monthly

observations/audits to ensure the unit complies with outlined procedures. Management's target implementation date is June 30, 2020.

### **Evaluation of Management's Comments**

The OIG considers management's comments responsive to the recommendations in the report.

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



March 17, 2020

LAZERICK POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Mail Delivery and Customer Service Operations – Hawthorne Post  
Office, Hawthorne, CA (Project Number 20-149-DRAFT)

Management has reviewed the results of the Mail Delivery and Customer Service Audit at the Hawthorne Post Office and agrees that there is an opportunity for improvement of mail delivery oversight and postal asset accountability.

Recommendation #1:

We recommend the District Manager, Los Angeles District, instruct the Postmaster, Hawthorne Post Office, to develop an action plan to ensure standard operating procedures are followed for reporting delayed mail and enforce the use of color-code placards for marketing mail.

Management Response/Action Plan:

Management Agrees.

Supervisors will be trained in proper mail condition reporting procedures and data entry through Customer Service Daily Reporting System (CSDRS) application. Additionally, employees have been trained in properly identifying and color-coding mail for distribution.

Over the next three months, the Manager of Operation Programs Support will conduct monthly observations/audits to ensure the unit is in compliance and properly following outlined procedures. The first audit will be held in April 2020.

Target Implementation Date:

June 2020.

Responsible Official:

Postmaster – Hawthorne Post Office  
Manager Post Office Operations – MPOO A  
Manager Operations Programs Support

Recommendation #2:

We recommend the Manager, Los Angeles District, instruct the Postmaster, Hawthorne Post Office, to ensure that employees follow standard operating procedures for scanning including using firm sheets from the Passive Adaptive Scanning System, periodically review and monitor scan data for compliance, and

provide carriers with refresher training on package handling and scanning procedures.

Management Response/Action Plan:  
Management Agrees.

To improve the delivery scanning process at the Hawthorne Post Office, the Officer in Charge (OIC) has begun following the standard operating procedures for scanning packages. This process includes the use of firm sheets to scan multiple packages for one address at the delivery point. Operations Support conducted training with all available clerks and supervisors on firm sheet processing and validation on January 28, 2020, as documented through PS Form 2548. Firm sheet processing make-up training and Scan Integrity Stand-Up Talk to be given by OIC, no later than March 31, 2020.

Over the next three months, the Manager of Operation Programs Support will conduct monthly observations/audits to ensure the unit is in compliance and properly following outlined procedures. The first audit will be held in April 2020.

Target Implementation Date:  
June 2020.

Responsible Official:  
Postmaster – Hawthorne Post Office  
Manager Post Office Operations – MPOO A  
Manager Operations Programs Support

Recommendation #3:  
We recommend the Manager, Los Angeles District, continue to fill carrier vacancies and review and adjust mail arrival times at the Hawthorne Post office as appropriate to maximize carrier efficiency and ensure distribution up-times are met.

Management Response/Action Plan:  
Management Agrees.

The Los Angeles District Complement Committee will review both carrier and clerk vacancies to ensure appropriate staffing up to earned complement levels. Additionally, any mail flow issues affecting the Hawthorne PO will be addressed by the Manager Post Office Operations (MPOO) and Manager Distribution Operations (MDO) during the daily Mail Arrival Quality/Plant Arrival Quality (MAQ/PAQ) call.

Target Implementation Date:  
June 2020.

Responsible Official:  
Postmaster – Hawthorne Post Office  
Manager Post Office Operations – MPOO A  
Manager Operations Programs Support

Recommendation #4:

We recommend the District Manager, Los Angeles District, instruct the Postmaster, Hawthorne Post Office, to follow procedures to ensure arrow lock keys, voyager cards, and delivery vehicles are safeguarded and properly managed and report lost or missing assets as required.

Management Response/Action Plan:

Management Agrees.

The Hawthorne Postmaster has begun following Postal and Inspection service policies and procedures as they relate to the proper security and accountability of arrow lock keys/Voyager Fleet cards/vehicle security. All arrow keys are secured in the accountable cage until distribution each morning. A daily Key Log and Voyager Log is used by the supervisor or assigned clerk to distribute keys to each carrier.

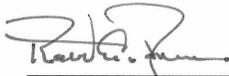
Over the next three months, the Manager of Operation Programs Support will provide resources to conduct monthly observations/audits. This will ensure the unit is in compliance and properly following outlined procedures. The first audit will be held in April 2020.

Target Implementation Date:

June 2020.

Responsible Official:

Postmaster – Hawthorne Post Office  
Manager Post Office Operations – MPOO A  
Manager Operations Programs Support



Robert A. Reynosa  
District Manager  
Los Angeles District

cc: Kevin L. McAdams, VP Delivery Operations  
Larry P. Munoz, Pacific Area Vice President

