GAO Highlights

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U.S. POSTAL SERVICE

Enhancing Procedures Could Improve Product Scanning

Why GAO Did This Study

USPS's competitive products have become increasingly important, comprising about 28 percent of USPS's total revenue. USPS scans these packages at various points throughout the postal network. When scans are inaccurate or missing, questions are raised about the veracity of USPS's data on scanning performance and can lead to customer complaints.

GAO was asked to review USPS's scanning policies and procedures. In this report, GAO (1) describes USPS's scanning performance and (2) examines how USPS ensures accurate scanning. GAO reviewed USPS's policies and procedures and assessed them against internal control standards; interviewed officials from USPS and five high-volume mailers; and conducted site visits to six post offices in two USPS districts that represented a range of volume, number of routes, and performance.

What GAO Recommends

GAO recommends that USPS: (1) identify and adopt internal control standards for its operational activities such as for scanning of competitive products; (2) improve the communication of procedures for scanning competitive products; and, (3) create procedures for supervisors on how to address inaccurate scans and resolve scanning issues. USPS agreed to explore addressing the first recommendation and agreed with the other two recommendations.

What GAO Found

Mail products over which the United States Postal Service (USPS) does not exercise market dominance, such as many of its packages, are called competitive products. These items are scanned throughout the mail delivery system to track their progress (see figure). USPS data show that these products are almost always scanned. For example, USPS data showed that for the first three quarters of fiscal year 2018; all but one of USPS's 67 districts met their scanning goals. Additionally, mailers that account for a high volume of USPS's competitive products told GAO that they believed USPS was generally scanning products correctly. However, a small percentage of missed or inaccurate scans occur. For example, a report from one USPS district showed that for one week, 0.73 percent of the products delivered were missing a scan and that for the fiscal year to date almost 155,000 competitive products were missing a delivery scan.

USPS Employee Scanning a Competitive Product and a USPS Mobile-Scanning Device

Source: GAO. | GAO-18-638

USPS has designed and implemented procedures and activities to help ensure accurate scanning, but some limitations could contribute to scanning errors. For example, USPS has not based its operational procedures for scanning on any internal control standards. USPS officials said the procedures were based on USPS's unique responsibilities, management experience, and sound business practices, but the officials could not identify specific standards or a framework that they followed as the basis for the procedures. USPS officials said they did not believe any internal controls standards applied to these procedures. By not basing procedures on standards, USPS may miss opportunities to improve how it achieves its mission to scan and measure the performance of competitive products. Additionally, USPS's scanning procedure documents, such as for outlining specific delivery scanning steps, are not always consistent, and USPS relies on more informal methods, such as meetings with employees to communicate changes. Thus, employees may not have accurate procedures available to them. Finally, USPS lacks procedures to help managers identify and address incorrect scans, address customer complaints or otherwise address scanning irregularities. For example, USPS's guidance for managers is limited to a list of bullet-points that do not detail the steps managers should follow to resolve scanning irregularities. In addition, this list has not been updated since 2005. Without consistent or detailed procedures, USPS's employees and managers may not scan items accurately or find information needed to resolve scanning issues—a situation that could hinder USPS's ability to reduce inaccurate or missing scans for these important mail products.

_____ **United States Government Accountability Office**