



November 24, 2025

LAURA LOZON  
DIRECTOR, AUDIT SERVICES

SUBJECT: Audit Resolution – Cardboard Mail Transport Equipment Recycling Program, Audit Number 25-041-R25 (Recommendation 5)

Representatives of the Office of the Inspector General (OIG) and USPS management held an audit resolution meeting on September 30, 2025, to discuss management’s disagreement with Recommendation #5 as stated in the August 6, 2025, management response in the subject audit report.

As a result of the meeting an agreement was reached pertaining to Recommendation #5, which reads as follows from the August 26, 2025, final audit report:

**Recommendation 5:**

We recommend the Senior Director, Facilities and Fleet Acquisition, in coordination with the Vice President, Processing Operations, 1) perform a cost benefit analysis for baling cardboard at all processing facilities, 2) provide balers for facilities identified to have a positive benefit, and 3) for the facilities that cannot accommodate a baler, document the approved deviations.

The recommendation status will be changed to “Agreed” in both the OIG’s and management’s tracking systems.

To close the recommendation management agrees to take the following actions:

Management will work in conjunction with all necessary parties to achieve results outlined in this recommendation. Sustainability Initiatives has an existing role in performing cost benefit analyses in support of Processing Operations, Maintenance, and/or Retail and Delivery. This initial cost benefit analysis helps identify individual site needs and drive adherence to Standard Work Instruction and baling program implementation.

Management will pursue installation of approximately 22 balers in target regions where it has been determined that USPS facilities would have a positive benefit from baling cardboard. Facilities and Fleet Acquisition will confirm installation of those balers.

**Target Implementation Date:** 07/31/2026

**Responsible Official:** Sr. Dir. Facilities and Fleet Acquisition and Vice President Processing Operations

Sincerely,

E-SIGNED by Martin Petrey  
on 2025-12-08 14:29:19 EST

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Martin Petrey  
Sr. Dir. Facilities and Fleet Acquisition

E-SIGNED by DANE.A COLEMAN  
on 2025-12-03 14:00:10 EST

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Dane Coleman  
Vice President Processing Operations

cc: Corporate Audit & Response Management