

# Mail Theft Mitigation and Response: Houston, TX

## AUDIT REPORT

Report Number 25-023-R25 | March 20, 2025





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# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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March 20, 2025

**MEMORANDUM FOR:** ELVIN MERCADO  
CHIEF RETAIL AND DELIVERY OFFICER AND  
EXECUTIVE VICE PRESIDENT

DAVID CAMP  
DISTRICT MANAGER, TEXAS 2 DISTRICT

*Mary H. Lloyd*

**FROM:** Mary Lloyd  
Acting Deputy Assistant Inspector General  
for Inspection Service and Cybersecurity & Technology

**SUBJECT:** Audit Report – Mail Theft Mitigation and Response: Houston, TX  
(Report Number 25-023-R25)

This report presents the results of our audit of the Mail Theft Mitigation and Response: Houston, TX.

All Recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1 and 3 -11 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.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Laura Lozon, Director, Inspection Service, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit Response Management

# Results

## Background

This report presents the results of our audit of Mail Theft Mitigation and Response at the Beechnut, Debora Sue Schatz, and T W House Stations in Houston, TX (Project Number 25-023). The stations are in Texas 2 District of the Retail and Delivery Operations, Southern Area. Our objective was to assess the U.S. Postal Service's actions taken to mitigate and respond to mail theft in Houston, TX. See [Appendix A](#) for additional information about this audit. This is one of a series of mail theft audits across the Postal Service.

The Postal Service's mission is to provide the nation with trusted, safe, and secure mail services, including the more than 438.5 million pieces of mail processed in Houston, TX, in fiscal year (FY) 2024. Unfortunately, mail theft occurs in various ways. Individuals use stolen universal keys — called arrow keys<sup>1</sup> — to access collection boxes, outdoor parcel lockers, cluster box units (CBU), and apartment panels. Mail theft can also occur by individuals fishing<sup>2</sup> or breaking into collection boxes with force, residential mailbox break-ins, package theft, and carrier robberies. It is imperative for the Postal Service to address mail theft issues to protect the Postal Service and earn the public's trust.

Concerns about how the Postal Service prevents and responds to mail theft frequently appear in the media, and they have been a topic for congressional hearings<sup>3</sup> and inquiries sent to the U.S. Postal Service Office of Inspector General (OIG). News articles<sup>4</sup> have also highlighted theft in the Houston area from blue collection boxes and cluster box units, which included customers' identity documents and checks.

## Mail Theft Prevention Efforts

In a news release on May 12, 2023, the Postal Service and U.S. Postal Inspection Service announced a joint initiative called Project Safe Delivery to combat the rise in mail theft and carrier robberies. Prevention efforts include the rollout of high security collection boxes (HSCB), electronic arrow locks (eLock), and modified arrow lock (MAL)<sup>5</sup> keys in areas with high incidents of mail theft. As of September 2024, the Postal Service installed 23,086 HSCBs and 37,747 eLocks in select cities across the country, including 361 HSCBs and 364 eLocks in Houston, TX.

### High Security Collection Boxes

The Postal Service uses blue collection boxes for mail collection at postal facilities, residential neighborhoods, businesses, and other locations. Blue collection boxes have been targeted by individuals pulling mail out of the drop slot, prying them open with a crowbar, and opening them with stolen or counterfeit arrow keys. The HSCB has a narrow mail slot without the lever/door, finger rakes to deter mail fishing, and reinforced steel. The Postal Service announced in May 2023 that the new HSCB will replace the regular blue collection box.

### Electronic Arrow Locks

The traditional arrow keys have been a target of thieves looking to steal a key to gain access to collection and relay boxes, as well as CBUs along a carrier's route. These eLocks, initially announced in May 2023, can replace existing locks and provide a safer environment for postal employees to collect and deliver mail by eliminating the utility of a lone key for those looking to steal mail. The eLocks add an extra layer of security by requiring dual authentication —

The eLocks also provide added transparency to

<sup>1</sup> Arrow keys are used in conjunction with arrow locks to access collection boxes, CBUs, outdoor parcel lockers, apartment panels, and other secure postal access points.

<sup>2</sup> Mail fishing is a scheme where criminals use a handmade tool to pull envelopes out of collection boxes.

<sup>3</sup> [Tracking the Postal Service: An Update on the Delivering for America Plan](#), House Committee on Oversight and Accountability 118th Cong., May 17, 2023; [Delivering for Pennsylvania: Examining Postal Service Delivery and Operations from the Cradle of Liberty](#) | House Committee on Oversight and Reform 117th Cong., September 7, 2022; [The Holiday Rush: Is the Postal Service Ready?](#) | House Committee on Oversight and Reform, 117th Congress, November 16, 2022.

<sup>4</sup> [Houston Chronicle Houston man accused of stealing 1,400 checks from mailboxes sentenced to seven years in prison](#), July 3, 2024; [Click2Houston News 'Documents everywhere': Accused mail thieves arrested as federal investigators find bags of stolen mail in motel room](#), January 30, 2024.

<sup>5</sup> A MAL is a newer version of the standard arrow lock. The MAL has a higher security cylinder for use in areas that sustain or are subject to high incidents of mail attacks or losses. MALs are designed to deter counterfeiting of keys.



the Postal Service through a report that details the employee identification, date, and time when a collection box was accessed.

High Security Electronic Locks

In January 2024, the Postal Service [REDACTED]. The [REDACTED]. The HSEL is an improved version of the eLock and was designed to be suitable for all types of mailboxes. This new key adds an extra layer of security with technology that requires the key to be activated daily to be used, and if not activated daily such as in the case of loss or theft, the system renders the key useless. The HSEL keys also allow for data tracking on the number of attempts to open mailboxes. Postal facilities store the HSEL keys in a secured cabinet, where they must be validated daily, and if a key has not been returned, the system features automated alerting functionality that may be utilized to notify the appropriate personnel.

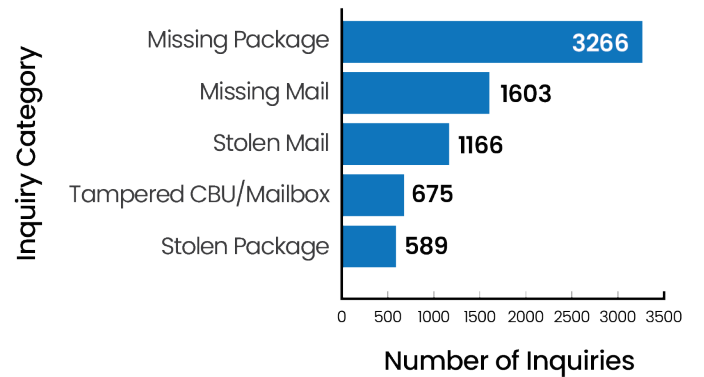
Mail Theft Inquiries and Case Data in Houston, TX

The Postal Service and the Postal Inspection Service share the responsibility for the deployment of the mail theft initiatives. For all mail theft initiatives, the Postal Inspection Service compiles postal-related complaints alleging criminal conduct and lost/stolen arrow key data to identify target areas at risk for mail theft. The Postal Inspection Service then communicates high mail theft target areas to the Postal Service’s Innovative Business Technology and Delivery Operations groups to determine deployment locations for certain initiatives.

From March 1, 2024, to August 31, 2024, customers submitted 42,551 inquiries to the Postal Service in the Houston, TX, area. Of these inquiries, 7,299 (17 percent) were directly related to tampered CBUs or

mailboxes, missing mail or packages, and stolen mail or packages (see Figure 1).

Figure 1. Customer Inquiries From March 1 Through August 31, 2024



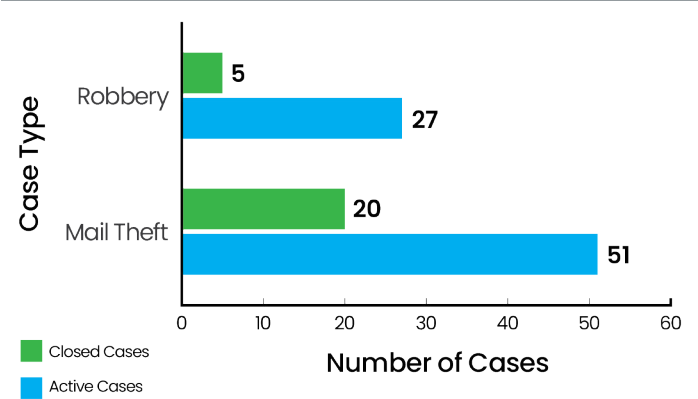
Source: Customer 360,<sup>7</sup> OIG analysis.

The Postal Inspection Service’s efforts to prioritize mail theft investigations and customer complaints are key to addressing mail theft. Postal inspectors<sup>8</sup> accept and review customer complaints about alleged mail theft, conduct investigations, and submit cases for prosecution. Postal police officers<sup>9</sup> are responsible for Postal Service facility and perimeter security; however, not all Postal Service facilities have postal police officers assigned to secure them. The Postal Inspection Service receives mail theft complaints through a variety of sources including public complaints submitted through phone calls, letter correspondence, the Postal Service’s website, and referrals from federal, state, and local law enforcement agencies. When complaints made through the Postal Service’s website appear to fall within the Postal Inspection Service’s jurisdiction, they are sent from the Postal Service’s C360 platform to the Postal Inspection Service’s Financial Crimes Database (FCD). When complaints come in through other means, they are manually entered into the FCD. Postal inspectors use the FCD to retain and review complaints related to mail theft, financial crimes, and other issues.

6 The HSEL is a new electronic lock [REDACTED] that requires daily authentication and is suitable for installation on all types of mail theft receptables, collection boxes, apartment panels, and green relay boxes.  
7 An integrated platform that Postal Service personnel and postal inspectors use to create, handle, and resolve customer issues and inquiries.  
8 As of November 2024, there were [REDACTED] postal inspectors in the city of Houston.  
9 As of November 2024, there were [REDACTED] postal police officers in the city of Houston.

Between March 1, 2024, and August 31, 2024, the Postal Inspection Service received 2,000 mail theft complaints<sup>10</sup> from all sources for Houston, TX. During the same timeframe, the Postal Inspection Service had 27 active carrier robbery cases, 51 active mail theft cases, and no active area cases<sup>11</sup> in Houston, TX. Once an inspector determines they have enough information to conduct a full investigation during an area case, they may open a jacketed case.<sup>12</sup> In that same time period, the Postal Inspection Service closed five robbery cases, 20 mail theft cases, and no area cases in Houston, TX (see Figure 2).

**Figure 2. Postal Inspection Service Active and Closed Cases – Houston, TX**



Source: Data provided by the Postal Inspection Service from its Case Management system for the period of March 2024 – August 2024.

**Findings Summary**

We found opportunities to improve the management of eLocks and HSCB installations at three selected stations in Houston, TX. Additionally, we found deficiencies in the tracking and safeguarding of arrow and MAL keys. Further, the Postal Service does not track whether CBUs are postal-owned or privately owned, and reliance is on local staff knowledge to determine the party responsible for maintaining the boxes. Lastly, although most of the blue collection boxes and CBUs reviewed were generally in good condition, station management did not perform annual safety inspections on the physical condition of blue collection boxes and CBUs or performed these inspections, but did not maintain a record of them.

<sup>10</sup> We used the complainant's ZIP Code to identify mail theft complaints within Houston, TX.  
<sup>11</sup> Area cases are used for preliminary investigations in a particular program area.  
<sup>12</sup> A jacketed case is used to document investigative tasks.



# Finding #1: Implementation of Electronic Arrow Locks and High Security Collection Boxes

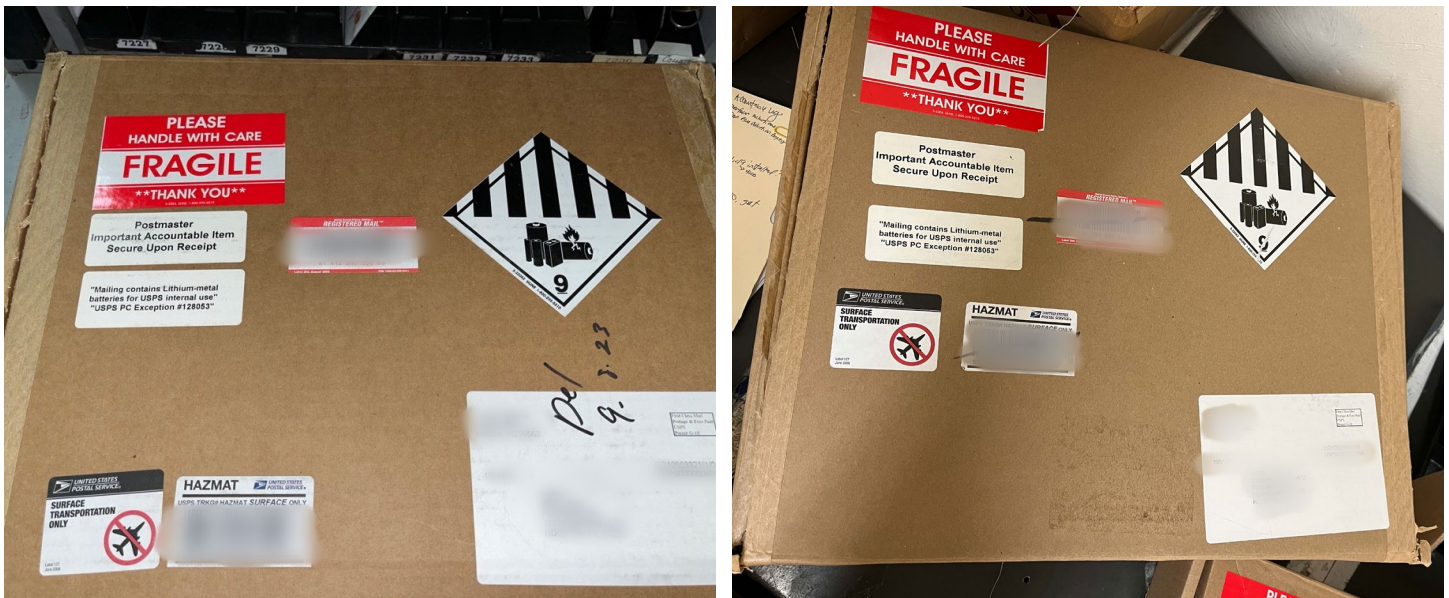
## What We Found

Though some eLocks and HSCBs were installed in Houston, TX, Texas 2 District, management did not track which collection boxes were HSCBs and did not timely install eLocks<sup>13</sup> and HSCBs.

According to Field Maintenance Operations (FMO) management, an eLock takes approximately 20 to 30 minutes to install. Based on this, the installations should have been completed within two weeks after they were received at the stations. As of September 2024, according to the FMO, eLock Deployment Dashboard (Dashboard), 20 of 21 (95 percent) eLocks received by the three selected sites in Houston, TX, between August 2023 and April 2024 had been

installed. However, during our observations at the Beechnut and Debora Sue Schatz Stations, we found four eLocks stored in boxes in a secured area awaiting installation (see Figure 3). These eLocks were sent and stored in accordance with Postal Service policy;<sup>14</sup> however, the Dashboard incorrectly shows they were installed between August and October 2023, which was at least one year prior to our visit. In addition, according to the Dashboard, there was one eLock assigned to the T W House Station pending installation since September 2023. However, according to the FMO ticketing system in RADAR, this eLock was installed in June 2024. See [Table 1](#) for a breakdown of eLock deployment for the three sites.

Figure 3. Electronic Arrow Locks Awaiting Installation



Source: Left: OIG photograph taken at Beechnut Station October 28, 2024.

Right: OIG photograph taken at Debora Sue Schatz Station October 28, 2024.

<sup>13</sup> eLocks possess a battery life of a minimum of five years.

<sup>14</sup> Handbook DM-901, *Registered Mail*, Section 3-3.3, Safeguarding Registered Mail, updated January 2016.

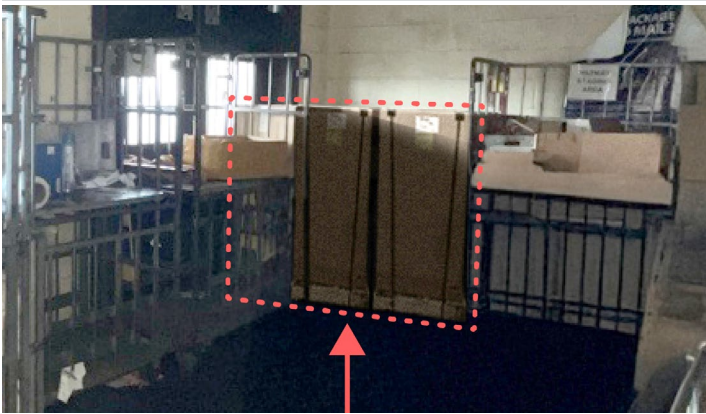
Table 1. Electronic Arrow Lock Status for Selected Sites in Houston, TX

Station	FMO Deployment Dashboard				OIG On-Site Observation
	Shipped	Installed	Pending Installation		Pending Installation
			Count	Percentage	
Beechnut	5	5	0	0	2
Debora Sue Schatz	3	3	0	0	2
T W House	13	12	1	8%	0
Total	21	20	1	5%	4

Source: Postal Service FMO Deployment Dashboard as of September 2024; OIG analysis and observations on October 28, 2024.

According to the Decision Analysis Report (DAR)<sup>15</sup> 1 and DAR 2, all 21 HSCBs shipped to the three stations were installed between June 2023 and August 2024;<sup>16</sup> however, they were not identifiable in the Collection Point Management System (CPMS). During our site visits in October 2024, we observed three HSCBs at the Beechnut Station pending installation (see Figure 4). See Table 2 for a breakdown of HSCB deployment for the three sites.

Figure 4. High Security Collection Boxes Awaiting Installation



Source: OIG photograph taken at Beechnut Station October 28, 2024.

Table 2. High Security Collection Box Status for Selected Sites in Houston, TX

Station	DAR 1 and DAR 2				OIG On-Site Observation
	Shipped	Installed	Pending Installation		Pending Installation
			Count	Percentage	
Beechnut	4	4	0	0	3
Debora Sue Schatz	5	5	0	0	0
T W House	12	12	0	0	0
Total	21	21	0	0%	3

Source: Postal Service DAR 1 and DAR 2 as of September 2024; OIG analysis and observations October 28, 2024.

<sup>15</sup> A document prepared by the requiring organization to recommend an investment for approval. It is used for decisions regarding high dollar-value projects.  
<sup>16</sup> We relied on information contained in the DAR regarding installation.



## Why Did It Occur

HSCBs were not properly tracked because CPMS does not have the functionality to specify whether the blue collection boxes are HSCBs. Furthermore, the eLocks and HSCBs were not timely installed because Postal Service management did not have a comprehensive plan — including a communication strategy, deployment schedule, defined locations, timeframes, and processes — for the installations.

Beechnut management stated that the two eLocks were not installed because they were pushed to a lower priority. Additionally, once the eLocks and HSCBs boxes were delivered, management received no update on pending installations because eLocks were incorrectly entered in the Dashboard and HSCBs were not scanned. Because the HSCBs delivered to Beechnut Station were not scanned, there were no work orders generated for installation of the boxes. Debora Sue Schatz Station management stated that the eLocks were not installed because the keys were not available when FMO attempted to install them.

## What Should Have Happened

Postal Service policy<sup>17</sup> states that station management must ensure eLock boxes are scanned as delivered.

According to Postal Service Headquarters personnel, when eLocks and HSCBs are received, station management should scan the parcel's tracking number with an acceptable delivery event (ADE)<sup>18</sup> scan. Once scanned, an FMO installation request ticket is automatically created. According to Postal Service management, once eLocks and HSCBs are received and installed, the district FMO manager is responsible for updating information in the DARs.

Postal Service Headquarters personnel stated that if there is no tracking barcode on the eLock or HSCB

boxes, station management should notify its local FMO team that the eLock or HSCB has arrived, but cannot be scanned, so that the team can generate a ticket for installation. According to Postal Service Headquarters personnel, station management should not enter manual tickets for installation of the boxes.

Further, Postal Service personnel stated that there is a system<sup>19</sup> generated notification that is sent to station management informing it of upcoming deployment and tracking of HSCBs. In addition, the district manager reviews email notifications from Postal Service Headquarters about upcoming deployment and tracking of eLocks. Both notifications instruct management that the eLock and HSCB boxes must receive an ADE scan upon arrival to the site and cannot begin the installation process without the ADE scan.

Federal Internal Control Standards<sup>20</sup> states that as part of the control environment component, management defines responsibilities, assigns them to key roles, and delegates authority to achieve the entity's objectives. In addition, Postal Service policy<sup>21</sup> states district managers are required to enter all collection points in CPMS accurately and completely and review the information annually.

## Effect on the Postal Service and Its Customers

Without a comprehensive plan and communication strategy to timely implement mail theft initiatives, or the tools and resources to effectively track and manage the deployment and installation of the initiatives, the Postal Service and its customers will continue to be at risk of known mail theft issues in Houston, TX. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system.

<sup>17</sup> *Helping Hands #25*, Arrow Key and Lock Requisition Process, updated December 2023.

<sup>18</sup> An ADE scan is evidence of receipt of the parcel and is used to trigger software generation of an FMO ticket for installation.

<sup>19</sup> ETHOS is an application that tracks deployments of major equipment programs.

<sup>20</sup> *Standards for Internal Control Standards in the Federal Government*, Principle 10, *Design Control Activities*, Section 10.02 Response to Objectives and Risks, updated September 2014.

<sup>21</sup> *Postal Operations Manual* Issue 9, Section 314 Collection Point Management System, Collection Test, and Density Test (Volume Reviews), dated July 2002, updated May 2024.

Every delayed installation of these eLocks leaves carriers and older collection boxes vulnerable to theft. In addition, by not properly identifying HSCBs in CPMS, Postal Service management is unable to determine which postal facilities still need these boxes, thereby further delaying the deployment of mail theft initiatives.

“Every delayed installation of these eLocks leaves carriers and older collection boxes vulnerable to theft.”

In our previous report, *Mail Theft Mitigation and Response – Queens, NY*,<sup>22</sup> we recommended the functionality be added to CPMS to differentiate between blue collection and high security collection boxes. The Postal Service agreed with this recommendation and implemented a feature to identify and differentiate between blue collection boxes and HSCBs in CPMS.<sup>23</sup> In that report we also recommended the implementation of a plan for the timely deployment and installation of mail theft initiatives nationwide. The Postal Service also agreed with this recommendation targeting April 30, 2025, for implementation. Therefore, we will not be making recommendations concerning the changes to CPMS functionality or a nationwide implementation plan in this report.

Further, in our previous report, *Mail Theft Mitigation and Response – San Francisco, CA*,<sup>24</sup> we recommended that the Postal Service update CPMS to accurately reflect inventories for all stations nationwide once the functionality is available. The Postal Service agreed with this recommendation, targeting April 30, 2025. Therefore, we will not be making a recommendation regarding this issue in this report.

#### Recommendation #1

We recommend the **Chief Retail and Delivery Officer and Executive Vice President** develop a verification process to ensure all electronic arrow lock and high security collection box shipments, deliveries, and installations are accurately recorded.

#### Recommendation #2

We recommend the **Chief Retail and Delivery Officer and Executive Vice President**, in coordination with **Texas 2 District Manager**, develop a standard operating procedure outlining steps for station management on how to generate maintenance requests for electronic arrow lock and high security collection box installations.

#### Postal Service Response

Management generally agreed with our finding and agreed with recommendation 1, but disagreed with recommendation 2.

Regarding recommendation 1, management stated it will continue to communicate arrow lock and MAL policy to the District and direct them to follow the process of recording Registered mail and performing all scans as required. In addition, management will develop a verification process that focuses on accuracy of noted discrepancies. The target implementation date is February 28, 2026.

<sup>22</sup> *Mail Theft Mitigation and Response – Queens, NY* (Report Number 24-037-R24, dated May 21, 2024).

<sup>23</sup> Recommendation was closed November 22, 2024.

<sup>24</sup> *Mail Theft Mitigation and Response – San Francisco, CA* (Report Number 24-099-R24, dated August 30, 2024).



Regarding 2, management stated eLocks and HSCB installations are not requested by the Field. Locations are determined by the Postal Inspection in high crime cities and subsequent work requests are authorized and entered to the Field Maintenance Ticketing Center by Headquarters only.

#### OIG Evaluation

OIG considers management's comments responsive to recommendation 1, and corrective action should resolve the issues identified in. We view recommendation 2 as unresolved and will work with management during the audit resolution process.

# Finding #2: Arrow Key Accountability

## What We Found

### Tracking of Arrow and MAL Key Inventory

The Beechnut Station, Debora Sue Schatz Station, and T W House Station did not properly track their arrow and MAL key inventories.

On October 28, 2024, we performed a physical inventory of the arrow keys and compared the results to the required Retail and Delivery Analytics and Reports (RADAR)<sup>25</sup> monthly arrow key certification report from October 2024. We found deficiencies at all three sites, as shown in Table 3. Specifically:

- Beechnut Station: 29 of the 122 (24 percent) arrow keys recorded in RADAR were missing or could not be verified,<sup>26</sup> placing access to over 12,800 CBUs across three ZIP Codes in the Houston, TX, area at risk. Also, seven arrow keys observed on-site were damaged but were not sent to National Material Customer Service (NMCS) help desk<sup>27</sup> as required. Specifically, five arrow keys' serial numbers were faded, and two arrow keys were broken in half. Further, although four additional damaged keys were sent back to NMCS, they were not sent via Registered Mail, as required by policy. We found seven additional arrow keys that could not be verified in RADAR due to faded serial numbers; therefore, we could not determine how these

keys were accounted for. Lastly, of the 93 verified keys, seven arrow keys had the incorrect "Key Use" status listed in RADAR.

- Debora Sue Schatz Station: One of the 52 (two percent) arrow keys recorded in RADAR was missing or could not be verified, placing access to over 270 CBUs and four blue collection boxes across one ZIP Code in the Houston, TX, area at risk. The key was listed as damaged in RADAR, but we could not verify it was returned to NMCS. Also, a different damaged arrow key was observed on-site but was not sent to NMCS. Lastly, we observed two additional arrow keys for uninstalled eLocks that were not entered in RADAR.
- T W House Station: 10 of the 103 (10 percent) arrow keys recorded in RADAR were missing or could not be verified, placing access to over 7,400 CBUs across two ZIP Codes in the Houston, TX, area at risk. Specifically, nine arrow keys were not reported to the Postal Inspection Service, and the other arrow key was recorded as damaged and no information was provided or recorded to validate the key was sent back to NMCS. We also observed 11 additional arrow keys that were not entered in RADAR. Lastly, of the 93 verified keys, one arrow key had the incorrect "Key Use" status listed in RADAR.

Table 3. Arrow Key Inventory

Station	Listed in RADAR	Verified Keys	Missing/Not Verified Keys	Additional Keys Verified But Not Recorded in RADAR
Beechnut	122	93	29*	0
Debora Sue Schatz	52	51	1	2
T W House	103	93	10	11
Total	277	237	40	13

Source: OIG analysis based on observations and reviews of RADAR.

\*12 MAL keys were not observed by the audit team during site visit; however, the Beechnut Station Manager provided photos of those keys after our site visit.

25 Postal Services RADAR system provides a national platform of current inventory of arrow and MAL keys at all facilities.

26 Included 13 arrow keys and 16 MAL keys.

27 The National Material Customer Service is responsible for receiving and returning damaged arrow keys to the vendor.

Additionally, Beechnut Station and T W House Station had lost keys that were not reported to the Postal Inspection Service. Station management also did not subsequently inform the Postal Inspection Service when keys were recovered or found after reporting them as lost (see Table 4). Lastly, at all three stations, management did not update RADAR in a timely manner once keys were reported to the Postal Inspection Service.

Specifically:

- Beechnut Station: Eight of the nine (89 percent) arrow keys listed as lost in RADAR were not reported to the Postal Inspection Service. In addition, one arrow key that was reported as lost to the Postal Inspection Service was not updated in RADAR at the time the key was identified as lost. Management also did not report that the key was recovered to the Postal Inspective Service. Also, there were two additional arrow keys reported as lost to the Postal Inspection Service in July and November 2024, but as of January 2025, these keys were not entered in RADAR as part of

their inventory. Lastly, it took Beechnut Station management 25 days to update RADAR to reflect the loss of one arrow key after it was reported to the Postal Inspection Service as lost.

- Debora Sue Schatz Station: Although only the one of one (100 percent) key listed as lost in RADAR was reported to the Postal Inspection Service, station management took 19 days to update RADAR to reflect that the key was lost.
- T W House Station: Nine of the 25 (36 percent) arrow keys listed as lost in RADAR were not reported to the Postal Inspection Service, and 12 of the 25 (48 percent) were not reported within 24 hours of the incident, as required by policy. In addition, there were seven arrow keys reported as lost to the Postal Inspection Service that had been recovered, but station management did not inform the Postal Inspection Service that these keys were no longer lost. Overall, the station management took between eight and 201 days to report lost keys to the Postal Inspection Service.

**Table 4. Lost Arrow Keys Not Reported to U.S. Inspection Service**

Station	Listed as Lost in RADAR	Keys Not Reported as Lost	Keys Not Reported as Recovered
Beechnut	9*	8	1**
Debora Sue Schatz	1	0	0
T W House	25	9	7
Total	35	17	8

Source: OIG analysis based on reviews of RADAR and Case Management System.

\*Includes four MAL keys.

\*\*This key was originally reported as lost to the Postal Inspection Service.



Furthermore, the Beechnut Station and T W House Station did not document their reported lost and stolen keys in the RADAR Incident Report,<sup>28</sup> as required. Specifically:

- Beechnut Station: Management did not record the required information in the Incident Report for five arrow keys and four MAL keys.
- T W House Station: Management did not record the required information in the Incident Report for all 25 lost arrow keys.

Lastly, station management at all three stations did not use the 24-hour arrow key accountability process for arrow keys assigned to city routes during October 2024, as required by Postal Service policy (see Table 5). Specifically:

- Beechnut Station: Although all 70 arrow keys had barcodes, PM inventory scans were not completed. In addition, there were only four AM

inventory scans performed for all 70 keys and carrier check out/in was not performed for 69 keys.

- Debora Sue Schatz Station: One of the 34 (three percent) arrow keys assigned to city routes was not included in the daily accountability inventory checks. In addition, management was not consistently performing the 4-step process on 30 of the 34 arrow keys. Lastly, we identified one arrow key was included in the 24-hour arrow key process; however, it was not recorded in RADAR.
- T W House Station: Although all 75 arrow keys had barcodes, supervisors were not performing AM and PM inventory checks for all of the keys. In addition, 18 of the 75 arrow keys were not consistently checked out or checked in.

Table 5. 24-Hour Arrow Key Accountability Process Compliance

Station	Supervisor's AM Inventory Check	Carrier's Check Out	Carrier's Check In	Supervisor's PM Inventory Check
Beechnut	No	No	No	No
Debora Sue Schatz	No	No	No	No
T W House	No	No	No	No

Source: OIG analysis based on observations and reviews of RADAR from October 1 through October 31, 2024.

28 Lost or Stolen Arrow Key Incident Report is for station management to certify that the station has reported a lost or stolen Arrow/MAL key with the associated Inspection Service Computer Aided Dispatch number.

While management at all three stations continued to use manual forms for the daily check in/out processes for arrow keys, it did not use the required standard postal manual form. The three locations were using forms that appeared to be internally created. See Figure 5 for examples of the forms used.

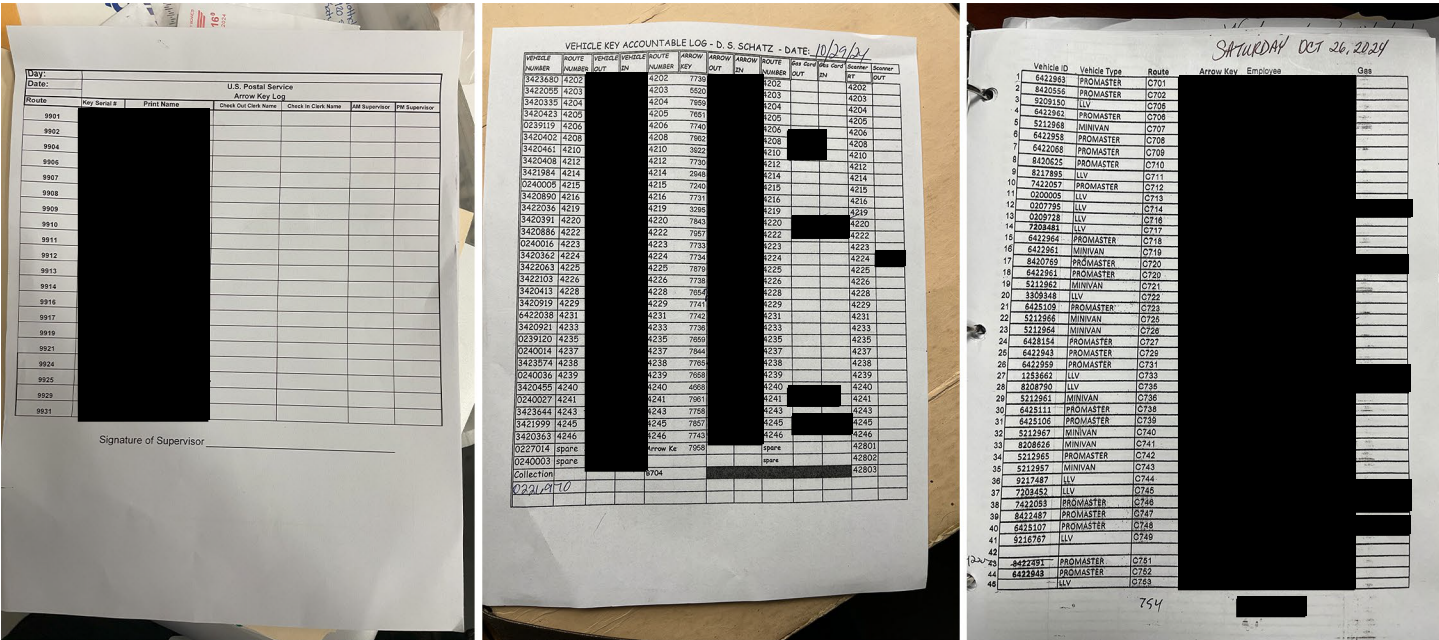
Lastly, station management did not take corrective action on the Postal Inspection Service’s arrow key audits. Specifically, Postal Inspection Service officials identified arrow key deficiencies at both the T W House Station and the Beechnut Station during audits performed in January 2024, March 2024, and September 2024 (T W House) and in February 2024 and November 2024 (Beechnut). Upon completion of their arrow key audits, Postal Inspection Service officials issued 30-day letters<sup>29</sup> to station management that included arrow key tracking and reporting deficiencies, such as not fully implementing the 24-hour accountability process, incorrect form usage, not reporting lost keys, and not following

recommendations for correction. Our team observed similar deficiencies while on-site in October 2024. Further, despite the Postal Inspection Service and our audit team identifying these inaccuracies and notifying Beechnut Station management, its arrow key certification report from October 2024 remained inaccurate, yet management certified it in RADAR, knowing of its inaccuracies.

Safeguarding Arrow and MAL Keys

Management at the three stations did not properly safeguard all arrow keys in accordance with Postal Service policy. Specifically, we found an unsecured broken arrow key [REDACTED] at the Beechnut Station. Additionally, we found three arrow keys and a MAL key [REDACTED] at the Debora Sue Schatz Station. At the T W House Station, we found one arrow key that was left in an unsecured registry cage<sup>30</sup> after the carriers had left for the day (see Figure 6).

Figure 5. Incorrect Arrow Key Accountability Log



Source: Left: OIG photograph taken in Beechnut Station October 28, 2024. Middle: OIG photograph taken in Debora Sue Schatz Station October 28, 2024. Right: OIG photograph taken in T W House Station October 28, 2024.

29 The 30-day letter includes arrow key deficiencies identified during audits performed by the Postal Inspection Service. Station management has 30 days to respond concerning any action or intended action taken to correct the deficiencies identified during the audit.  
30 The registry cage is used to secure Registered Mail and other accountable items, such as arrow keys.



Figure 6. Unsecured Registry Cage



Source: OIG photographs taken at T W House Station October 28, 2024.

### Why Did It Occur

District and station management had insufficient controls and oversight to manage and safeguard arrow keys per Postal Service policy. Specifically, managers and supervisors at the three stations we visited were unaware of the requirement to maintain RADAR to accurately reflect arrow key inventories. Additionally, all three stations could not provide documentation showing keys were reported to the Postal Inspection Service, and/or the Postal Service's NMCS.

Management at the Beechnut Station stated arrow key deficiencies occurred due to management oversight and that supervisors were responsible for arrow key accountability; however, one of the employees performing arrow key oversight was a carrier. At the Debora Sue Schatz Station, management stated that the two arrow keys were not entered in RADAR because the eLocks were not installed. In addition, Debora Sue Schatz management could not provide an explanation as to why the lost key took 19 days to be updated in RADAR. At the T W House Station, management could not provide an explanation as to why the arrow keys were not entered or updated in RADAR.

Specifically, management at the Beechnut Station stated the incorrect handling of lost and damaged keys was due to changes in management. Additionally, Beechnut management was waiting for authorization on how to return the damaged keys with faded serial numbers. Management at Debora Sue Schatz Station stated that the key was inside the drawer because it did not make the time to return it to NMCS. Management at the T W House Station was unable to provide documentation to validate damaged keys were sent back to NMCS.

According to T W House and Beechnut Station management, they were using forms that appeared to be internally created because there was a grievance settlement between management and the National Association of Letter Carriers regarding the use of the required Postal Service (PS) Form 1106, *Arrow Key – Daily Accountable Log*. Debora Sue



Schatz management stated they used a different form because the print was too small on the PS Form 1106.

Regarding the unsecured registry cages, management did not remediate security concerns to properly safeguard and manage registry cages per Postal Service policy. Specifically, although Beechnut Station management was aware of the registry cage procedures and had instructed its employees on the procedures, some were not following the sign in/out process on the registry log to document time of entry/exit. In addition, T W House Station management stated that the registry cage was left open because carriers need to access the cage to obtain their scanners to perform their job functions. T W House Station management was also aware that employees were not consistently signing in and out on the registry cage log.

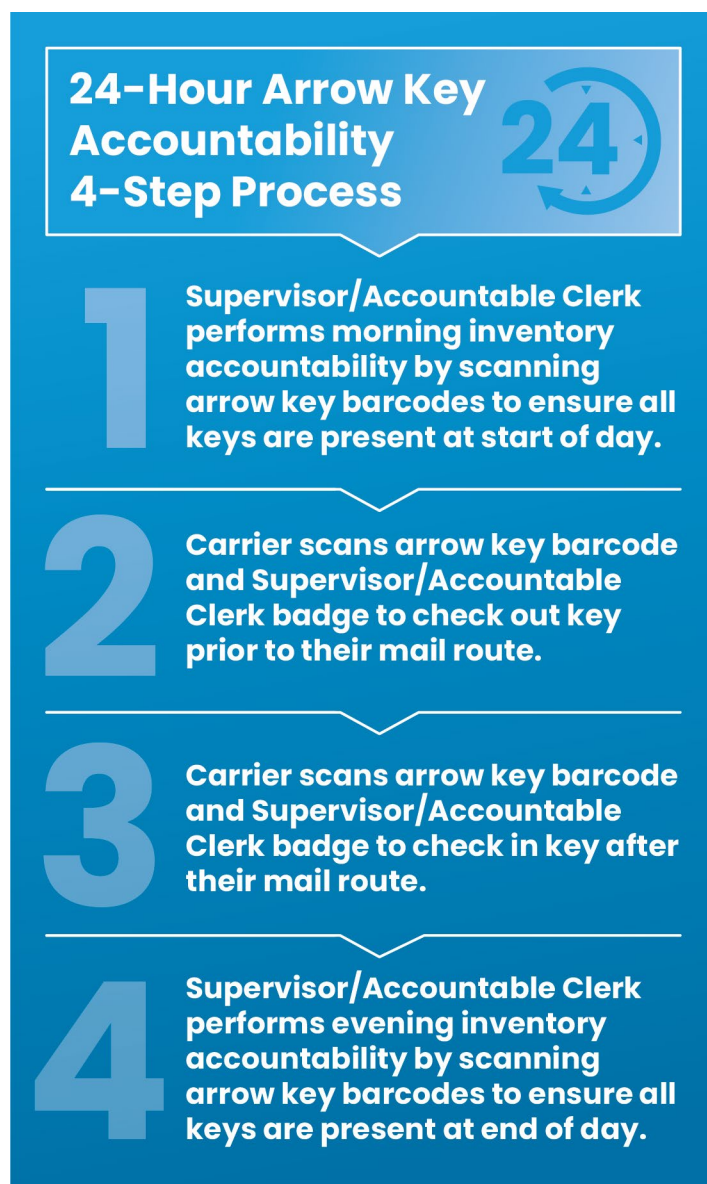
#### What Should Have Happened

In June 2023, the Postal Service began requiring monthly and semi-annual arrow key certifications in RADAR, the authoritative source for the arrow key inventory.<sup>31</sup> For the semi-annual and monthly certifications, the station management certifies the physical inventory of keys. These certifications create a data source available to the Postal Inspection Service for its internal reviews where it identifies and reports on arrow key certification and accountability deficiencies.

Additionally, per Postal Service Headquarters management, as of February 2023, a new 24-Hour Arrow Key Accountability process was being piloted for all Tier 1 facilities<sup>32</sup> with arrow and MAL keys<sup>33</sup> assigned to city routes. This process has four steps to provide oversight of the daily usage, visibility, and accountability for each employee handling arrow keys. The process uses a carrier's handheld scanner (see Figure 7) and barcode system instead of the PS Form 1106. Per Postal Service policy,<sup>34</sup> if facilities experience any technical or scanning issues during

the 24-hour arrow key accountability process, they must revert to using the PS Form 1106 for the daily check in/out process of arrow keys.

**Figure 7. 24-Hour Arrow Key Accountability 4-Step Process**



Source: 24-Hour Arrow Key Management System District Kick Off Meeting, August 1, 2023.

<sup>31</sup> USPS Arrow Key Guidebook Standard Work Instructions, updated August 2023.

<sup>32</sup> A category of postal units that fall under the jurisdiction of the highest-level postmaster.

<sup>33</sup> HSEL keys will not be a part of the 24-hour arrow key accountability process because they have a separate daily validation within a secured cabinet.

<sup>34</sup> USPS Arrow/Modified Arrow Lock (MAL) Key Accountability Standard Work Instructions, updated May 2024.

Postal Service policy<sup>35</sup> also states each arrow key must have an assigned barcode via RADAR/Regional Intelligent Mail Servers. There is a morning and evening process of verifying daily arrow keys in inventory by scanning each arrow key barcode for daily morning and evening inventory checks.

Postal Service policy<sup>36</sup> further states that broken, unusable, or excess arrow/MAL keys are required to be returned to NMCS using Registered Mail. Additionally, Postal Service policy<sup>37</sup> states that any lost or stolen arrow and MAL keys should be immediately reported to the Postal Inspection Service. Staff should also notify the Postal Inspection Service immediately if these lost or stolen keys are found or returned.

Further, Postal Service policy<sup>38</sup> states that arrow keys must remain secured until they are individually assigned to personnel. Supervisors assign arrow keys, generally one per route, to carriers for use on delivery and collection routes each day. Carriers must keep arrow keys secured while on duty and return them at the end of each workday. Upon return, arrow keys should be deposited in a secure location, and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Lastly, Postal Service policy<sup>39</sup> states that a strict key-access policy is mandated for all registry cages and that the cages must be maintained 24 hours a day, 365 days a year. Postal Service policy<sup>40</sup> also states that employees in charge of or working in the registry cage must sign and note their times of entering and leaving the registry cage and to use the PS Form 1625 to record the times. In addition, the policy states that all other employees and visitors must sign in and out

“Because arrow keys open mailboxes across an entire area or multiple ZIP Codes, damaged, lost, or stolen keys can result in mail theft or the inability to collect or deliver mail.”

each time they enter or leave the registry section with no exceptions.

#### Effect on the Postal Service and Its Customers

Inadequate oversight of arrow keys and MAL keys in RADAR increases risk that these keys will be lost, stolen, or not detected. In addition, when stations do not immediately update the key status in RADAR, they are not able to maintain an accurate key count, which affects the accuracy of the arrow key certification. Because arrow keys open mailboxes across an entire area or multiple ZIP Codes, damaged, lost, or stolen keys can result in mail theft or the inability

to collect or deliver mail. This may damage the Postal Service’s reputation and diminish public trust in the nation’s mail system.

#### Recommendation #3

We recommend the **Texas 2 District Manager** confirm all arrow keys are accurately recorded in the Retail and Delivery Analytics and Reports system and, when necessary, returned to the National Materials Customer Service, and/or reported to the Postal Inspection Service for the Beechnut, Debora Sue Schatz, and T W House Stations.

#### Recommendation #4

We recommend the **Texas 2 District Manager** establish internal controls to verify facilities are following the 24-hour arrow key accountability process, including the establishment of barcodes for every key assigned to city routes at Tier 1 facilities, or using the PS Form 1106, as required.

<sup>35</sup> USPS 24-Hour Arrow Key Accountability Standard Work Instructions, updated November 2023.

<sup>36</sup> Helping Hand #23, Lock & Key Return Program, updated February 27, 2024.

<sup>37</sup> USPS Arrow Key Guidebook Standard Work Instructions, updated August 2023.

<sup>38</sup> USPS Arrow/Modified Arrow Lock (MAL) Key Accountability Standard Work Instructions, updated May 2024.

<sup>39</sup> Handbook DM-901, Registered Mail, Section 7-1.2, Key, Round Date, and Valuable Unit Control, updated January 2016.

<sup>40</sup> Handbook DM-901, Registered Mail, Section 7-1.3, Records of Employees, updated January 2016.

### **Recommendation #5**

We recommend the **Texas 2 District Manager** provide regularly recurring training on arrow key accountability processes, security policies, and responsibilities to managers and supervisors in the Houston, TX, area, and track training compliance.

### **Recommendation #6**

We recommend the **Texas 2 District Manager** provide training on registry cage security policies and responsibilities to managers and supervisors in the Houston, TX, area, and track training compliance.

### **Recommendation #7**

We recommend the **Texas 2 District Manager** establish internal controls to validate that facilities are remediating arrow key deficiencies identified by the Postal Inspection Service.

### **Postal Service Response**

Management generally agreed with our finding and agreed with recommendations 3-7.

Regarding recommendation 3, management stated it will ensure compliance with arrow key accountability and provide updated arrow key inventories at the three stations. Also, management stated it will return damaged/broken keys to NMCS and notify the Postal Inspection Service when keys are missing or lost. The target implementation date is October 31, 2025.

Regarding recommendation 4, management stated it will train staff on the 24-hour arrow key accountability process and the proper use of PS Form 1106. The target implementation date is August 31, 2025.

Regarding recommendation 5, management stated it will require managers and supervisors in the Texas 2 District to complete annual training on arrow key processes, policies, and responsibilities, and track training compliance. The target implementation date is October 31, 2025.

Regarding recommendation 6, management stated it will reissue training related to registry cage policies to all managers and supervisors within the Texas 2 District. The target implementation date is October 31, 2025.

Regarding recommendation 7, management stated it will create a tracking mechanism for arrow key deficiencies identified by the Postal Inspection Service and monitor abatement of the findings. The target implementation date is January 31, 2026.

### **OIG Evaluation**

The OIG considers management's comments responsive to recommendations 3, 5, and 7 and corrective actions should resolve the issues identified in the report. For recommendation 4, the OIG considers management's comments partially responsive. In addition to training staff on the 24-hour arrow key accountability process, management should establish barcodes for every key assigned to city routes at Tier 1 facilities. For recommendation 6, the OIG considers management's comments partially responsive. In addition to training staff on registry cage policies, management should track training compliance. We will work with management on recommendations 4 and 6 during the closure process.



## Finding #3: Oversight and Theft Prevention for Cluster Box Units

### What We Found

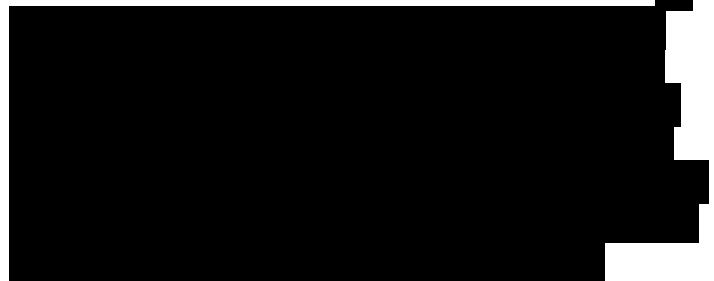
There is no tracking mechanism in place that distinguishes whether a CBU is postal-owned or privately owned. According to Postal Service Headquarters, there is no documentation or system available to identify CBU ownership. Debora Sue Schatz Station management stated the Postal Service does not own any CBUs, and therefore, any maintenance on CBUs is the responsibility of the homeowners association (HOA). Additionally, T W House Station management stated it stopped servicing CBUs approximately two years ago. It received communication that postal facilities were no longer responsible for CBU maintenance issues.

According to Postal Service Headquarters officials, prior to 2022, previous Headquarters FMO management instructed field maintenance personnel to repair privately owned CBUs, and when field maintenance repaired these CBUs, the Postal Service then took ownership and responsibility for maintaining the box. While Postal Service management stated that its preference for new residential and commercial addresses is centralized delivery, using CBUs instead of individual mailboxes, management also stated it is trying to get away from owning CBUs. From May 2023 to January 2025 in Houston, TX, there were 84 repair tickets submitted<sup>41</sup> for CBUs due to theft, break-ins, vandalism, lock replacement, and other maintenance.

According to the Houston postmaster, it is not the Postal Service's responsibility to replace or fix the CBUs unless it is to replace or change the lock. Both the Houston postmaster and station management explained that HOAs do not typically want to pay to fix the CBUs, and this causes customer complaints to increase because the box is not repaired.

Therefore, they both rely on carriers to report issues on CBUs so management can inform the HOA of any irregularities.<sup>42</sup>

Postal Service Headquarters management stated regardless of whether a CBU is postal-owned or privately owned, the Postal Service is responsible for replacing locks and keys on the boxes. One common reason keys need to be replaced is to counter stolen and counterfeit arrow and MAL keys that are used to commit mail theft. As part of the



In addition, Postal Service Headquarters stated that there is no centralized repository for Mode of Delivery Agreements<sup>43</sup> on a national level to define the ownership of the CBU and maintenance responsibilities, but that the agreements are filed locally and at the district office. The Texas 2 Address Management manager stated that for the addresses associated with the sampled 45 CBUs, 40 Mode of Delivery Agreements (89 percent) were never submitted. The other five agreements could not be located because the files were saved on a retired employee's computer.

Finally, we found that Handbook PO-631, *Growth and Delivery Point Management Program* policy, dated April 2021, did not reflect current operations. Specifically, we found sections related to managing Mode of Delivery Agreements referenced positions that no longer exist.<sup>44</sup> In addition, the Texas 2 Address

41 Repair tickets include active and archived tickets from RADAR. In addition, three of the 84 repair tickets were for the T W House Station. Beechnut Station and Debora Sue Schatz Station did not have any repair tickets in this data.

42 Station management will notify the HOA through PS Form 1507, Request to Provide Mail Receptacle (city delivery routes); via PS Form 4056, Your Mailbox Needs Attention (rural and highway contract routes); or via other written communication.

43 Agreement outlines the commitments made by USPS and the business/property owner for establishment or conversion of a delivery mode and for the installation, maintenance, and replacement of a CBU at the site and delivery points.

44 The four positions in the policy that do not currently exist are: Area Growth and Delivery Point Management Coordinator; District Growth and Delivery Point Management Coordinator; Area Managers, Delivery Programs Support; and District Managers, Operations Programs Support.

Management manager and manager, Operations Integrations, could not confirm whether they perform the same functions listed in the policy.

### Why Did It Occur

Based on discussions with Postal Service Headquarters, Texas District 2, and station management in Houston, TX, there is no policy requiring records and tracking of CBU ownership because they rely on the local knowledge of staff in the field for this information.

In addition, Postal Service Headquarters management has not determined the future strategy for HSEL deployment, [REDACTED]

[REDACTED] It stated it will work with the Postal Inspection Service to identify high crime areas for future deployments [REDACTED] using mail theft complaint data.

Finally, Postal Service Headquarters did not update its policy to reflect current roles and responsibilities for Mode of Delivery Agreements and remove obsolete positions. While policy refers to a district growth and delivery point management coordinator and manager of operations program support, those positions were eliminated with the Postal Service's reorganization in 2020.

### What Should Have Happened

Since December 2017, Postal Service policy<sup>45</sup> states that the customer is responsible for the purchase, installation, maintenance, repair, and replacement of mail receptacles. This policy also states the Postal Service furnishes its own master access lock with CBUs that allow mail to be delivered. This lock is not available to developers and builders to pre-install on mail receptacles. Postal Service Headquarters management was unaware of any guidance prior to 2017.

Postal Service policy<sup>46</sup> articulates the roles and responsibilities of postal employees and includes customer contact, equipment inventory

management, and management of mode of delivery issues for new and current delivery points. Specifically, all new delivery developments should use CBUs as the mode of delivery, to be established in the planning stages of any new development. Where there is no HOA or other property management company with authority to request a conversion on behalf of the owners, residents, or the community, customer signatures must be obtained prior to any conversion. Owners who do not agree must be allowed to retain their current mode of delivery. Such letters are to be retained by the Postal Service.

Other Postal Service policy<sup>47</sup> states that the Postal Service may consider withdrawing service if a customer does not provide a suitable mail receptacle in the postal-approved location for the delivery after being so notified by PS Form 1507, *Request to Provide Mail Receptacle* (city delivery routes); by PS Form 4056, *Your Mailbox Needs Attention* (rural and highway contract routes); by letter or verbally.

Further, Federal Internal Control Standards<sup>48</sup> state that management should periodically review policies, procedures, and related control activities for continued relevance and effectiveness in achieving the organization's objective or addressing related risks.

Finally, Postal Service policy<sup>49</sup> states that organizational units should ensure policies and procedures are current and complete. In addition, Postal Service policy<sup>50</sup> states that policy owners must review their own policies and related documents at regular intervals to ensure they reflect current practices. Specifically, policy should be updated once every two years, and processes and guidelines should be updated once every year.

### Effect on the Postal Service and Its Customers

The reliance on local knowledge to determine if CBUs are postal-owned or privately owned prior to performing repairs can impact service performance.

45 *National Delivery Planning Standards, a Guide for Builders and Developers*, dated December 2017.

46 Handbook PO-631, *Growth and Delivery Point Management Program*, updated April 2021.

47 *Postal Operations Manual* Issue 9, Section 623.1 Withdrawal of Delivery Service, updated May 31, 2024.

48 *Standards for Internal Control Standards in the Federal Government*, Principle 12, *Implement Control Activities*, Section 12.05 Periodic Review of Control Activities, updated September 2014.

49 *Administrative Service Manual*, Section 313.12: Originating Organizational Units, updated January 31, 2024.

50 Policy AS-310 Management of Postal Service Policies and Related Documents, updated September 2023.

The use of a tracking mechanism would be more efficient going forward rather than ensuring this local knowledge is transferred to newly onboarded staff over time. Postal Service Headquarters personnel agreed that the implementation of a repository that tracks ownership of CBUs, along with any mode of delivery agreements with HOAs, would be a useful tool for headquarters and local maintenance staff.

The standard locks with arrow/MAL keys, and the ease with which stolen or counterfeit keys may be used, has contributed to the rise in mail theft. [REDACTED], installing HSELs in high crime areas to include the Houston, TX, area specifically for CBUs could be effective in reducing mail theft, as it can deter the widespread use of stolen or counterfeit arrow and MAL keys.

“The standard locks with arrow/MAL keys, and the ease with which stolen or counterfeit keys may be used, has contributed to the rise in mail theft.”

In our previous report, Mail Theft Mitigation and Response: Sacramento, CA,<sup>51</sup> we recommended developing and maintaining a repository of CBUs to include ownership and applicable agreements; therefore, we will not be making a similar recommendation in this report.

#### Recommendation #8

We recommend the **Chief Retail and Delivery Officer and Executive Vice President** revise Postal Operation-631 Growth and Delivery Point Management Program policy to update current roles and responsibilities.

#### Recommendation #9

We recommend the **Chief Retail and Delivery Officer and Executive Vice President** complete the high security electronic locks [REDACTED], and based on criteria for future deployments, consider including Houston, TX.

#### Postal Service Response

Management generally agreed with our finding and agreed with recommendations 8 and 9.

Regarding recommendation 8, management stated it will update PO-631 Growth and Delivery Point Management Program policy. The target implementation date is February 28, 2026.

Regarding recommendation 9, management stated it will consider deployment of HSELs in Houston, TX, following the completion and approval of the [REDACTED]. The target implementation date is February 28, 2026.

#### OIG Evaluation

The OIG considers management’s comments responsive to recommendations 8 and 9, and corrective actions should resolve the issues identified in the report.

<sup>51</sup> Mail Theft Mitigation and Response: Sacramento, CA (Report Number 24-163-R25, dated March 20, 2025).



# Finding #4: Oversight of Boxes

## What We Found

Management at the Debora Sue Schatz Station did not perform annual safety inspections for blue collection boxes and CBUs. In addition, while the Sam Houston Station performed annual safety inspections, it did not maintain a record of those safety inspections.<sup>52</sup>

## Blue Collection Boxes

We reviewed all 11 blue collection boxes assigned to the Beechnut, Debora Sue Schatz, and T W House Stations. Of those, we observed two (18 percent) blue collection boxes that had at least one of the following conditions: corrosion or missing bolts as shown in Table 6 and Figure 8. Additionally, we identified five blue collection boxes that were miscategorized, where the box was identified as one type, but upon observation, the box was an HSCB.

Table 6. Blue Collection Box Deficiencies

Deficiency	Total Boxes Observed	Number of Boxes with Observed Deficiency	Percentage
Corrosion	11	1	9%
Cracks		0	0%
Door Gap		0	0%
Missing Leg Bolts		1	9%

Source: OIG observations from October 28 through October 30, 2024.

Figure 8. Houston, TX, Blue Collection Box With Corrosion and Missing Leg Bolt



Source: Left: OIG photograph taken in Beechnut Station area October 29, 2024.

Right: OIG photograph taken in T W House Station area October 29, 2024.

52 Sam Houston Station services blue collection boxes for Beechnut and T W House Stations, and therefore, would be responsible for performing and maintaining the annual safety inspections.

Cluster Box Units

We sampled 78 of 14,697 unique CBU addresses<sup>53</sup> served by the Beechnut, Debora Sue Schatz, and T W House Stations. Of those, we observed 19 (24 percent) CBUs that had at least one of the following conditions: corrosion or door gaps as shown in Table 7 and Figure 9. Additionally, the Beechnut Station had other deficiencies, such as one CBU with an unsecured,

open mail slot, and another CBU parcel box lock that was broken, causing the package key to not secure the door. The Debora Sue Schatz Station had other deficiencies such as one CBU with a mail slot open; specifically, the outgoing mail slot, and another CBU where the entire unit was unsecured as shown in Figure 10.

Table 7. Cluster Box Unit Deficiencies

Deficiency	Total Boxes Observed*	Number of Boxes with Observed Deficiency**	Percentage
Corrosion	78	18	23%
Cracks		0	0%
Door Gap		2	3%
Missing Leg Bolts		0	0%

Source: OIG observations from October 28 through October 30, 2024.  
\*Some addresses had multiple cluster box units at the location.  
\*\*Some boxes had more than one deficiency.

Figure 9. Houston, TX, Cluster Box Unit With Corrosion and Door Gap



Source: Left and middle: OIG photographs taken in Beechnut Station area October 29, 2024.  
Right: OIG photograph taken in T W House Station area October 29, 2024.

53 While 45 unique CBU addresses were selected for review, some addresses had multiple units at the location. Therefore, we reviewed a total of 78 individual CBUs.



**Figure 10. Houston, TX, Unsecured Cluster Box Unit**



Source: OIG photographs taken in Debora Sue Schatz Station area October 29, 2024.

### Why Did It Occur

Management at Debora Sue Schatz Station was not aware of the requirement to perform annual condition reviews for CBUs and blue collection boxes. Management at Beechnut and T W House Stations believed they were not responsible to perform the required annual condition reviews for CBUs. According to Debora Sue Schatz management, carriers report issues with CBUs to management and then management sends a letter to the HOA notifying it of the deficiencies. In addition, carriers at the Debora Sue Schatz Station report issues for blue collection boxes by informing their management via text or phone call.

At the Beechnut Station, carriers report issues regarding CBUs found during delivery to management which completes a form that notifies the HOA to repair the CBU. However, management does not submit CBU tickets to maintenance because it believes all CBUs are now HOA-owned or privately owned. At the T W House Station, carriers report issues with CBUs by informing supervisors who submit maintenance requests in RADAR.

While the Sam Houston Station carriers report issues regarding blue collection boxes for the Beechnut and T W House Stations using the handheld scanner, as well as by verbally informing management, they do not print any maintenance reports from CPMS to verify services for defective boxes because they do not know where the information on the handheld scanner goes. For management to validate if the box needs maintenance, it will go to the site to confirm the issue and take pictures of the deficiencies and send it to the maintenance team.

### What Should Have Happened

Postal Service policy states blue collection boxes must have a uniform appearance and be maintained in good condition.<sup>54</sup> Specifically, boxes identified with rusted-through holes are unrepairable, and should be replaced.<sup>55</sup> Additionally, each collection box leg must be secured with a security nut/bolt.<sup>56</sup> Postal Service policy<sup>57</sup> states that supervisors must conduct annual safety inspections on all collection boxes and CBUs; remove any defective box from service for immediate repair; and maintain a log detailing the dates and results of the inspections. Postal Service Headquarters management confirmed this policy applies to all

<sup>54</sup> Postal Operation Manual Issue 9, Section 315.1: Appearance, updated May 31, 2024.

<sup>55</sup> Maintenance Management Order (MMO-039-23), Refurbishment and Disposal Procedures for Collection Boxes, updated May 5, 2023.

<sup>56</sup> Maintenance Management Order (MMO-042-23), McGard Security Hardware for Collection Boxes, updated May 8, 2023.

<sup>57</sup> Handbook EL-801, *Supervisor's Safety Handbook*, Section 3-3.6, Street Delivery and Collection Boxes, updated July 2020.

box types to include CBUs; however, the policy did not explicitly indicate responsibility for removing defective CBUs.

Postal Service policy<sup>58</sup> also states that, at minimum, carriers/collectors must use a handheld scanner to scan and store the collection box barcode and enter maintenance needs. In addition, station management must print out the maintenance report in the CPMS for all zones serviced by its office and use this printout to request maintenance services for defective boxes. Station management will contact maintenance to coordinate repair of items on the maintenance printout report. In addition, collection boxes must be inspected and replaced as required upon receipt of the report. Local personnel will also perform routine inspections of collection boxes to determine if there is a need for maintenance, at least annually.

“Without performing annual inspections and routine maintenance of blue collection boxes and postal-owned CBUs, the Postal Service is at increased risk of mail theft due to damaged boxes.”

### Effect on the Postal Service and Its Customers

While most boxes reviewed were in good condition, without performing annual inspections and routine maintenance of blue collection boxes and postal-owned CBUs, the Postal Service is at increased risk of mail theft due to damaged boxes. Additionally, these boxes represent the Postal Service’s image and directly impact the public’s perception of the Postal Service’s reputation and branding.

#### Recommendation #10

We recommend that the **Texas 2 District Manager** address the box deficiencies identified at the Beechnut, Debora Sue Schatz, and T W House Stations.

#### Recommendation #11

We recommend that the **Chief Retail and Delivery Officer and Executive Vice President** require the **Texas 2 District Manager** to establish and provide regularly recurring training to station management on the requirement to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes and cluster box units, and track training compliance.

58 Maintenance Series Handbook MS-22, *Street Letter Box Maintenance*, updated September 2017.



### Postal Service Response

Management generally agreed with our finding and agreed with recommendations 10 and 11.

Regarding recommendation 10, management stated it will require and validate that each box identified has a current ticket number entered in the Field Maintenance System aimed at correcting box deficiencies at the three stations visited. The target implementation date is October 31, 2025.

Regarding recommendation 11, management stated it will reissue policies and requirements related to annual inspection of collection boxes and cluster box units to all managers and supervisors within the Texas 2 District. Management also stated it will track training compliance. The target implementation date is January 31, 2026.

### OIG Evaluation

The OIG considers management's comments responsive to recommendations 10 and 11, and corrective actions should resolve the issues identified in the report.

### Looking Forward

The mail theft initiatives are critical to protecting the Postal Service's employees, reputation, and brand. It is important the Postal Service achieves timely deployment of the initiatives and actively communicates these plans to station management. The OIG plans to conduct future audits of the Postal Service's mail theft mitigation and response efforts nationwide.

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# Appendix A: Additional Information

## Scope and Methodology

The scope of our audit included a review of the Postal Service's processes and procedures for reporting and responding to mail theft, carrier robberies, arrow and MAL key accountability, the physical condition of blue collection boxes and CBUs, deployment of mail theft initiatives, and mail theft complaints received from March 1, 2024, through August 31, 2024. Based on information obtained from the number of mail theft complaints in high crime ZIP Codes, we selected the Beechnut, Debora Sue Schatz, and T W House Stations for our review.

To accomplish our objective, we:

- Reviewed policies and procedures related to reporting and responding to mail theft, carrier robberies, arrow and MAL key accountability, and box condition and accountability.
- Assessed the deployment and installation of mail theft initiatives to include HSCBs and eLocks in the Houston, TX, area.
- Assessed the [REDACTED] nationwide and in the Houston, TX, area.
- Performed arrow key and MAL key accountability reviews at the three sites in the Houston, TX, area.
- Performed physical condition reviews for blue collection boxes and CBUs in the surrounding areas of the three sites in the Houston, TX, area.
- Interviewed Postal Service Headquarters, Texas 2 District, and station management to understand roles and responsibilities for reporting mail theft; carrier robberies; missing, lost, or stolen arrow keys; arrow and MAL key accountability; addressing physical conditions for blue collection boxes and CBUs; and deployment of current and future mail theft initiatives.

- Interviewed Postal Inspection Service Headquarters and Houston division management to understand roles and responsibilities for reporting, responding to, and tracking mail theft, carrier robberies, and missing, lost, or stolen arrow and MAL keys.

We conducted this performance audit from October 2024 through March 2025 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 objectives. 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 conclusions with management on February 20, 2025, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of Postal Service internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following five components were significant to our audit objective: control environment, risk assessment, control activities, information and communication, monitoring.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to information, communication, and monitoring that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of RADAR, Address Management System, Regional Intelligent Mail Server, FMO deployment dashboard, and Case Management data by performing tests for data completeness, reasonableness, accuracy, and validity. We determined that the data were sufficiently reliable for the purposes of this report.

## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Mail Theft Mitigation and Response: Sacramento, CA</i>	To assess the U.S. Postal Service's actions taken to mitigate and respond to mail theft in Sacramento, CA.	<a href="#">24-163-R25</a>	3/20/25	None
<i>Mail Theft Mitigation and Response – Chicago, IL</i>	To assess the U.S. Postal Service's actions taken to mitigate and respond to mail theft in Chicago, IL.	<a href="#">24-100-R24</a>	9/18/2024	None
<i>Mail Theft Mitigation and Response – San Francisco, CA</i>	To assess the U.S. Postal Service's actions taken to mitigate and respond to mail theft in San Francisco, CA.	<a href="#">24-099-R24</a>	8/30/2024	None
<i>Mail Theft Mitigation and Response – Queens, NY</i>	To assess the U.S. Postal Service's actions taken to mitigate and respond to mail theft in Queens, NY.	<a href="#">24-037-R24</a>	5/21/2024	None
<i>U.S. Postal Service's Response to Mail Theft</i>	To evaluate the Postal Service's efforts to respond to mail theft.	<a href="#">22-178-R23</a>	9/28/2023	\$1,008,976



# Appendix B: Management's Comments



March 12, 2025

BRIAN NEWMAN  
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Mail Theft Mitigation and Response: Houston, TX  
(25-023-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report *Mail Theft Mitigation and Response: Houston, TX*.

Management generally agrees with the findings.

Following are our comments on each of the eleven recommendations:

**Recommendation 1:** We recommend the Chief Retail and Delivery Officer and Executive Vice President develop a verification process to ensure all electronic arrow lock and high security collection box shipments, deliveries, and installations are accurately recorded.

Management Response/Action Plan:

Management agrees with this recommendation. Arrow and MAL Lock Keys are distributed via Registered Mail. Management will continue to communicate this policy to the District and direct them follow the process of recording Registered mail as required in the DMM and scanning all scans as required. Installations will likewise continue to be recorded in the Field Maintenance Ticketing Center as they occur. The ordering and tracking of keys is captured in RADAR. Standard Work Instructions (SWIs) for entering everyday workorders are available on the Field Maintenance Ticketing Center. In addition, Management will develop a verification process that focuses on accuracy for noted discrepancies.

Target Implementation Date: 02/28/2026

Responsible Official: Director, Retail Post Office Operations Field Maintenance Office

**Recommendation 2:** We recommend the Chief Retail and Delivery Officer and Executive Vice President, in coordination with Texas 2 District Manager, develop a standard operating procedure outlining steps for station management on how to generate maintenance requests for electronic arrow lock and high security collection box installations.

**Management Response/Action Plan:**

Management **disagrees** with this recommendation.

Electronic Arrow Locks and high security collection box installations are not requested by the Field. Locations are determined by the Inspection Service in high crime cities. Subsequent Work Requests are authorized and entered into the Field Maintenance Ticketing Center by Headquarters only.

**Target Implementation Date:** N/A

**Responsible Official:** N/A

**Recommendation 3:** We recommend the Texas 2 District Manager confirm all arrow keys are accurately recorded in the Retail and Delivery Analytics and Reports system and, when necessary, returned to the National Materials Customer Service, and/or reported to the Postal Inspection Service for the Beechnut, Debora Sue Schatz, and T W House Stations.

**Management Response/Action Plan:**

Management agrees with this recommendation. The Texas 2 District will ensure compliance regarding the Arrow Key Certification in RADAR for the Beechnut, Debora Sue Schatz and TW House Stations and provide updated Arrow Key inventory. When necessary, the management will ensure the return of the damaged/broken keys to the NMCS and notify Inspection Service when keys are missing or lost.

**Target Implementation Date:** 10/31/2025

**Responsible Official:** Texas 2 District Manager

**Recommendation 4:** We recommend the Texas 2 District Manager establish internal controls to verify facilities are following the 24-hour arrow key accountability process, including the establishment of barcodes for every key assigned to city routes at Tier 1 facilities, or using the PS Form 1106, as required.

Management Response/Action Plan:

Management agrees with this recommendation.

The Texas 2 District will train management on the proper 24-hour Arrow Key accountability process. In cases when electronic process cannot be followed, management will train on proper use of PS Form 1106.

Target Implementation Date: 08/31/2025

Responsible Official: Texas 2 District Manager

**Recommendation 5:** We recommend the Texas 2 District Manager provide regularly recurring training on arrow key accountability processes, security policies, and responsibilities to managers and supervisors in the Houston, TX, area, and track training compliance.

Management Response/Action Plan:

Management agrees with this recommendation.

Texas 2 District Manager will ensure annual training is re-issued relating to Arrow Key processes, policies and responsibilities to all EAS in the Texas 2 District tracking compliance at the Unit and District levels.

Target Implementation Date: 10/31/2025

Responsible Official: Texas 2 District Manager

**Recommendation 6:** We recommend the Texas 2 District Manager provide training on registry cage security policies and responsibilities to managers and supervisors in the Houston, TX, area, and track training compliance.

Management Response/Action Plan:

Management agrees with this recommendation.

Texas 2 District Manager will re-issue training related to Registry Cage policies to all EAS withing the Texas 2 District.

Target Implementation Date: 10/31/2025

Responsible Official: Texas 2 District Manager

**Recommendation 7:** We recommend the Texas 2 District Manager establish internal controls to validate that facilities are remediating arrow key deficiencies identified by the Postal Inspection Service.

Management Response/Action Plan:

Management agrees with this recommendation.  
Texas 2 District management will create a log to document Inspection Service identified arrow key deficiencies and monitor abatement of the findings.

Target Implementation Date: 1/31/2026

Responsible Official: Texas 2 District Manager

**Recommendation 8:** We recommend the Chief Retail and Delivery Officer and Executive Vice President revise Postal Operation-631 Growth and Delivery Point Management Program policy to update current roles and responsibilities.

Management Response/Action Plan:

Management agrees with this recommendation.  
Management is currently reviewing and updating PO 631- Growth and Delivery Point Management Program policy.

Target Implementation Date: 2/28/2026

Responsible Official:

Chief Retail and Delivery Officer and Executive Vice President

**Recommendation 9:** We recommend the Chief Retail and Delivery Officer and Executive Vice President complete the high security electronic locks [REDACTED] and based on criteria for future deployments, consider including Houston, TX.

Management Response/Action Plan:

Management agrees with this recommendation.  
When the [REDACTED] and approved – Houston, TX will be considered for deployment.

Target Implementation Date: 02/28/2026

Responsible Official: Vice President Delivery Operations

**Recommendation 10:** We recommend that the Texas 2 District Manager address the box deficiencies identified at the Beechnut, Debora Sue Schatz, and T W House Stations.



Management Response/Action Plan:

Management agrees with this recommendation.

Texas 2 District Manager will require and validate that each box identified has a current Ticket Number entered in the Field Maintenance System in accordance with the current SWI's aimed at correcting collection box deficiencies at Beechnut, Debora Sue Schatz and TW House Stations.

Target Implementation Date: 10/31/2025

Responsible Official: Texas 2 District Manager

**Recommendation 11:** We recommend that the Chief Retail and Delivery Officer and Executive Vice President require the Texas 2 District Manager to establish and provide regularly recurring training to station management on the requirement to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes and cluster box units, and track training compliance.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will ensure policies and SWI requirements related to Annual Inspection of Collection and Cluster Box units are re-issued to all field EAS within the Texas 2 District. Texas 2 District Manager will require all MPOO's to certify training has been completed by all units and will validate submission of validation.

Target Implementation Date: 1/31/2026

Responsible Official: Texas 2 District Manager

E-SIGNED by ELVIN MERCADO  
on 2025-03-13 08:27:47 EDT

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Elvin Mercado  
Chief Retail and Delivery Officer

E-SIGNED by DAVID.W CAMP  
on 2025-03-12 18:11:03 EDT

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David Camp  
District Manager, Texas 2 District

cc: Corporate Audit Response Management

# OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



This document contains sensitive information that has been redacted for public release. These redactions were coordinated with USPS and agreed to by the OIG.

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