

# Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC

## AUDIT REPORT

Report Number 25-079-R25 | June 17, 2025



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# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

June 17, 2025

**MEMORANDUM FOR:** STEPHEN J. HUMIN  
SOUTH ATLANTIC DIVISION DIRECTOR,  
PROCESSING OPERATIONS  
  
BETH M. BIRGE  
SOUTH ATLANTIC DIVISION DIRECTOR, LOGISTICS

A handwritten signature in black ink, reading "Joseph E. Wolski", is centered below the memorandum text.

**FROM:** Joseph E. Wolski  
Director, Field Operations, Atlantic & WestPac  
  
**SUBJECT:** Audit Report – Efficiency of Operations at the Charlotte Regional  
Processing and Distribution Center, Gastonia, NC  
(Report Number 25-079-R25)

This report presents the results of our audit of the Charlotte Regional Processing and Distribution Center.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All 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.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact Joe LoVecchio, Audit Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Chief Processing and Distribution Officer and Executive Vice President  
Chief Logistics and Infrastructure Officer and Executive Vice President  
Vice President, Processing and Maintenance Operations  
Vice President, Logistics  
Vice President, Eastern Regional Processing Operations  
Atlantic, Regional Director, Logistics  
Corporate Audit Response Management

# Results

## Background

The U.S. Postal Service needs effective and productive operations to fulfill its mission of providing prompt, reliable, and affordable mail service to the American public. It has a vast transportation network that moves mail and equipment among approximately 315 processing facilities and 31,200 post offices, stations, and branches. The Postal Service is transforming its processing and logistics networks to become more scalable, reliable, visible, efficient, automated, and digitally integrated. This includes modernizing operating plans and aligning the workforce; leveraging emerging technologies to provide world-class visibility and tracking of mail and packages in near real time; and optimizing the surface and air transportation network. The U.S. Postal Service Office of Inspector General (OIG) reviews the efficiency of mail processing operations at facilities across the country and provides management with timely feedback to further the Postal Service’s mission.

This report presents the results of our self-initiated audit of the efficiency of operations at the Charlotte Regional Processing and Distribution Center (RPDC) in Gastonia, NC (Project Number 25-079). We judgmentally selected the Charlotte RPDC because it services delivery units we identified as poor performing. This audit also responded to a hotline complaint about package processing at the Charlotte RPDC. The Charlotte RPDC is in the South Atlantic Division and processes packages. The Charlotte RPDC services multiple 3-digit ZIP Codes in urban and rural communities<sup>1</sup> (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
280	566,167	202,520	768,687
281	410,772	250,593	661,365
282	947,901	4,718	952,619
297	267,614	112,768	380,382

Source: Postal Service National Distribution Labeling List and 2020 Census Bureau data.

As of March 21, 2025, the Charlotte RPDC’s employee availability<sup>2</sup> was 80.11 percent for processing and 94.03 percent for logistics. The Postal Service’s Employee Availability goal for fiscal year (FY) 2025 was 89 percent for processing and 92.9 percent for logistics, placing the Charlotte RPDC below the processing goal.

### Delivering for America Initiatives in the Charlotte Region

As part of its ten-year plan, Delivering for America,<sup>3</sup> the Postal Service is making changes to its delivery, processing, and logistics networks. Select regions of the country have opened RPDCs, including the Charlotte RPDC, which services the Charlotte region. RPDCs manage the flow of mail and packages originating from or destined to their respective service areas. The Charlotte RPDC became fully operational on December 30, 2023, and in February 2025 it also became a Regional Transfer Hub (RTH). RTHs are facilities where mail volume is consolidated before dispatch to the network and inbound volume is sorted for distribution to other processing facilities in the region. The Charlotte RPDC primarily processes packages, while the nearby Charlotte Local Processing Center primarily processes letters and flats.

<sup>1</sup> We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.  
<sup>2</sup> Data that compares straight work hours to the work hours that would have been recorded if all employees reported to work as scheduled.  
<sup>3</sup> Delivering for America 2.0, September 30, 2024

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Charlotte RPDC. To accomplish our objective, we focused on five audit areas: mail clearance times;<sup>4</sup> delayed mail; late and canceled outbound trips; dock scanning; and security of registry items. We reviewed Surface Visibility Web (SVWeb)<sup>5</sup> data for late and canceled, trips, as well as scan compliance for the period from March 1, 2024, to February 28, 2025. Further, we identified mail clearance time goals for the Charlotte RPDC and compared them with operations shown in the Run Plan Generator report.<sup>6</sup> During our site visit the week of April 7, 2025, we interviewed RPDC management and observed mail processing and dock operations.

During this time, the OIG also audited three delivery units<sup>7</sup> serviced by the Charlotte RPDC. We will provide the results of those audits to Postal Service management in separate reports. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified deficiencies with four of the five areas we reviewed that affected the efficiency of operations at the Charlotte RPDC (see Table 2). We also identified other issues related to safety.

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Clearance Times		X
Delayed Mail	X	
Late, Canceled, and Extra Outbound Trips	X	
Scan Compliance	X	
Security of Registry Items	X	
Other Issue	X	

Source: Results of OIG data reviewed from fiscal year 2024 and 2025 and fieldwork conducted from April 8 through 10, 2025.

We analyzed mail processing schedules and data to verify the plant was meeting the scheduled clearance times. During our visit, we also observed the timely processing of mail.

4 The latest time committed mail can clear an operation for proper dispatch or delivery.  
5 A website dedicated to the Surface Visibility program, which provides real-time transportation updates and reports on the movement of trailers in the surface network. The data captured to identify early, on-time, late, or canceled trips is also used to evaluate and improve transportation schedules.  
6 An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.  
7 The three delivery units were Airport Station, Charlotte, NC (project number 25-080-1); Concord Main Post Office, Concord, NC (project number 25-080-2); and Concord Parkway Station, Concord, NC (project number 25-080-3).

# Finding #1: Delayed Mail

## What We Found

During our observations at the RPDC on April 8 through 10, 2025, we identified delayed mail daily totaling about 54,421 pieces. We identified packages in the Express Mail<sup>8</sup> operation, registry cage, and in the manual package operation that were delayed or at risk of being delayed. Some of this mail was not properly reported in the Mail Condition Visualization (MCV) system.<sup>9</sup> Specifically, we identified:

- Two trays of Express Mail, totaling approximately 90 pieces, located in the Express Mail operation on April 8, 2025 (see Figure 1). They arrived after their connecting transportation had already departed. This mail was not reported in the MCV system.

**Figure 1. Example of Delayed Mail in Priority Mail Express**



Source: OIG photo taken April 8, 2025.

- One container and two sacks of delayed registry items in the registry cage on April 9, 2025 (see Figure 2). These registry items were originally taken to the dock; however, the trucks were completely full and departed before their scheduled departure time. This mail was not reported in the MCV system.

**Figure 2. Example of Delayed Mail in Registry**



Source: OIG photos taken April 9, 2025.

- Delayed mail in the manual package operation (see Figure 3). The High Output Package Sorters<sup>10</sup> (HOPS) were not able to properly process poly bags.<sup>11</sup> We observed that many of the rejects on the machine were poly bags (see Figure 4). Management underreported the packages in MCV system.

**Figure 3. Example of Delayed Mail in the Manual Operation**



Source: OIG photo taken April 9, 2025.

<sup>8</sup> Express Mail is an expedited service for shipping any mailable matter with a money back guarantee for next-day or second day delivery in most cases.

<sup>9</sup> Mail Condition Visualization provides near real-time visibility of a facility's on-hand volume, delayed processing volume, delayed dispatch volume, and oldest mail date by mail category and processing operation and stores historical trailer information.

<sup>10</sup> A package processing machine.

<sup>11</sup> A type of bag, or plastic pouch, that is used for packaging and shipping goods.

**Figure 4. Examples of Poly Bag Rejects**



Source: OIG photos taken April 8, 2025.

In total, plant management reported 18,499 delayed packages in the MCV system during our visit. We observed approximately 54,421 delayed packages<sup>12</sup> (see Table 3).

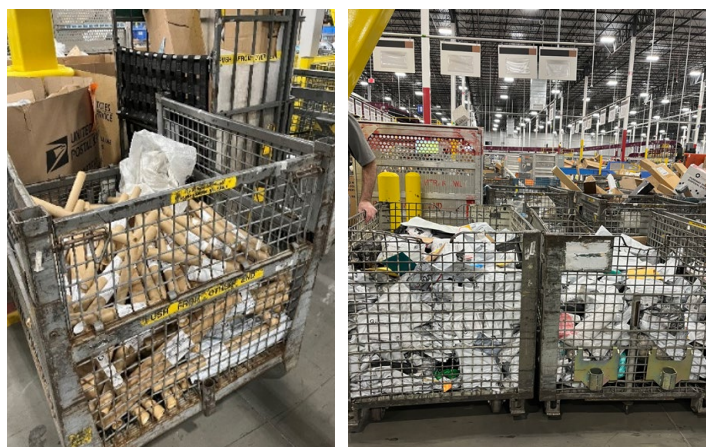
**Table 3. Delayed Mail in MCV vs. Observed**

Date	Delayed Packages Reported in MCV	Delayed Packages Observed
April 8	2,435	22,429
April 9	3,668	16,892
April 10	12,396	15,100
<b>Totals</b>	<b>18,499</b>	<b>54,421</b>

Source: MCV and OIG observations.

In addition, we identified poor placarding practices at the Charlotte RPDC. Container placards identify where mail is coming from and when it arrives. Specifically, we observed numerous containers without placards throughout the workroom floor. We were unable to determine if the mail in these containers was delayed due to the missing placards (see Figure 5).

**Figure 5. Examples of Containers Without Placards**



Source: OIG photos taken April 9 and 10, 2025.

### Why Did It Occur

Express Mail and registry items were primarily delayed due to transportation issues. Express Mail arrived late from delivery units and missed its outgoing transportation. Registry items missed the scheduled transportation due to trucks departing early.

The delayed mail in the manual mail operations was primarily due to poor staffing and machine limitations. Specifically, the Charlotte RPDC has not been properly staffed since it became fully operational on December 30, 2023. When opening, it only had 440 full-time staff and 203 part-time staff in processing. Management since hired and onboarded 46 employees on March 22, 2025, and an additional 112 employees on April 5, 2025. However, it still plans to bring on additional employees. With the limited employees they were unable to fully staff the package machines, manual operations, and other areas of the plant.

The HOPS are not set up to process small poly bags, and it is causing many errors and rejections of these packages. Due to the poly bags being easily folded and, in many instances, round, it has caused many problems with the machines not being able to read the addresses and other errors. Management stated that they are aware of the issue and are currently

<sup>12</sup> OIG estimates based on calculations made using Mail Condition Visualization, *Manual Line-Item Entry Job Aid*, dated October 26, 2020.

working on a solution to greatly reduce the number of machine rejects.

Delayed mail was either not reported or underreported in the MCV system due to a lack of management oversight and incorrect categorization in the MCV system. Although the audit team agreed with management's container counts, management did not apply the proper categorization to those containers when estimating delayed pieces. It applied a much lower package count to each container, resulting in a much lower delayed mail total. The assumptions management used for each container did not acknowledge the small size of the poly bags.

Additionally, management did not provide oversight to ensure all mail containers had a placard at the facility. Management acknowledged that containers did not always contain a placard.

### What Should Have Happened

Postal Service policy<sup>13</sup> states that management should continually gauge how well they are managing the flow of mail and have managerial control over the workload, personnel, and equipment needed for a well-run operation. As part of Postal Service practice, a delayed-mail count should be performed and accurately reported in the MCV system daily.<sup>14</sup> This practice indicates that unprocessed mail due for delivery that day should be reported as delayed mail. Managers should also use the Mail Arrival Quality/Plant Arrival Quality system<sup>15</sup> to communicate and resolve issues with Express Mail arriving late from delivery units. Additionally, Postal Service policy<sup>16</sup> addresses the importance of accurately labeling mail, as label information is used throughout the mailstream to ensure timely processing. Postal Service procedures also require placards to be printed daily.<sup>17</sup>

### Effect on the Postal Service and Its Customers

When mail is not processed in accordance with proper procedures, there is an increased likelihood of delays. When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

Inaccurate reporting of delayed mail in the MCV system provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues. In addition, incorrect or incomplete labels on mail as it moves through a processing facility makes it difficult to manage the mail flow and to correctly prioritize the processing of mail.

#### Recommendation #1

We recommend the **South Atlantic Division Director, Processing Operations**, use the Mail Arrival Quality/Plant Arrival Quality system to communicate and resolve issues with Express Mail arriving late from delivery units at the Charlotte Regional Processing and Distribution Center.

#### Recommendation #2

We recommend the **South Atlantic Division Director, Processing Operations**, in coordination with the **South Atlantic Division Director, Logistics**, ensure all registry items are dispatched timely from the Charlotte Regional Processing and Distribution Center.

#### Recommendation #3

We recommend the **South Atlantic Division Director, Processing Operations**, align staff with processing needs at the Charlotte Regional Processing and Distribution Center.

<sup>13</sup> Handbook PO-413, *Platform Operations*, Sections 2-1 and 2-4.4, dated December 2013.

<sup>14</sup> MCV Manual Line Item Entry Job Aid.

<sup>15</sup> The Mail Arrival Quality/Plant Arrival Quality system facilitates communication and resolution of issues with the movement of mail, including Express Mail, between delivery units.

<sup>16</sup> Handbook PO-441, *Rehandling of Mail Best Practices*, Section 4-8.1, dated April 2002.

<sup>17</sup> SVWeb Guide, updated July 2023.

#### Recommendation #4

We recommend the **South Atlantic Division Director, Processing Operations**, develop and implement strategies to decrease the number of poly bag rejections on package processing machines at the Charlotte Regional Processing and Distribution Center.

#### Recommendation #5

We recommend the **South Atlantic Division Director, Processing Operations**, verify delayed mail counts are fully completed and entered correctly into the Mail Condition Visualization system at the Charlotte Regional Processing and Distribution Center.

#### Recommendation #6

We recommend the **South Atlantic Division Director, Processing Operations**, verify proper placarding procedures are followed at the Charlotte Regional Processing and Distribution Center.

#### Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 1, management has established Mail Arrival Quality/Plant Arrival Quality monitoring protocols to identify trends, recurring delays, and ensure consistent communication between Processing and Delivery. The target implementation date is July 31, 2025. Regarding recommendation 2, management established a daily all-clear from

each tour verifying all items were dispatched timely as well as the oldest registry date on hand. Management will ensure all registry items are dispatched timely from the Charlotte RPDC. The target implementation date is August 31, 2025. Regarding recommendation 3, management approved an increase in both clerk and mail handler positions, which has minimized delays and increased machine utilization. The target implementation date is October 31, 2025. Regarding recommendation 4, management worked with the contractor for required modifications and retrained employees on the proper handling of polybags. The target implementation date is July 31, 2025. Regarding recommendation 5, management retrained and will continue to have stand-up talks with Processing Support employees on proper MCV reporting; additionally, management will monitor MCV reporting for daily compliance. The target implementation date is August 31, 2025. Regarding recommendation 6, management provided a stand-up talk on standard work instructions regarding correct container identification and will monitor daily to ensure consistency and compliance. The target implementation date is October 31, 2025. See [Appendix B](#) for management's comments in their entirety.

#### OIG Evaluation

The OIG considers management's comments responsive to these recommendations.

# Finding #2: Late, Canceled, and Extra Outbound Trips

## What We Found

From March 1, 2024, through February 28, 2025, there were a total of 86,572 outbound trips from the Charlotte RPDC. Of the total outbound trips, there were 13,691 late trips and 18,652 canceled trips. Late and canceled trips represented about 37.4 percent of all outbound trips (see Table 4).

Table 4. Outbound Late and Canceled Trips

Transportation Metric	Total Trips	Percentage of Total Trips
Late Trips	13,691	15.8%
Canceled Trips	18,652	21.6%

Source: SVWeb.

Late and canceled trips included freight auction,<sup>18</sup> highway contract route (HCR),<sup>19</sup> and postal vehicle service (PVS).<sup>20</sup> We did not identify systemic issues with extra trips. Many canceled freight auction and HCR trips incurred fees. Approximately 95 percent of trips that were canceled were noted as canceled by Postal management and less than 2 percent were due to contractor failure or adverse weather.

## Why Did It Occur

The major contributors to late trips are delivery units sharing dock doors and departures scheduled around the same time. We observed on April 9 and 10, 2025, that two delivery unit trips with the same departure time were scheduled at the same dock. This resulted in late trips due to the truck waiting for the other to be loaded before being able to use the dock. Management stated that transportation schedules will be changing in July 2025 and should help reduce the number of late trips.

For the recurring cancelations, the change of transportation suppliers contributed to the large number of canceled trips. The routes that are no longer being used are still in the system and are canceled regularly. For the ad hoc canceled trips, which were generally freight auction, management canceled within a few hours of their planned start time because of poor oversight.

## What Should Have Happened

According to Postal Service policy,<sup>21</sup> key elements to effective dispatch and routing include evaluating transportation performance to planned schedules and ensuring that planned dispatches are compatible with an effective mail arrival profile at the destination.

## Effect on the Postal Service and Its Customers

When there are late and canceled trips, there is an increased risk the mail will not be delivered on time, which can adversely affect Postal Service customers, harm the brand, send mailers to competitors, increase operating costs, and cause the Postal Service to lose revenue. We estimated the Postal Service paid \$157,733 in unrecoverable, supported questioned costs for requested or scheduled trips that were canceled during the period of March 2024 through February 2025.<sup>22</sup>

## Recommendation #7

We recommend the **South Atlantic Division Director, Logistics**, complete a review of transportation schedules and identify and implement actions to address transportation needs to reduce late and canceled trips at the Charlotte Regional Processing and Distribution Center.

<sup>18</sup> Freight auction trips are solicited bids for contractors to transport mail on an "as needed" basis for routes that are on-demand and operate infrequently, are generally more expensive than dedicated schedule services, and involve multiple cost segments.

<sup>19</sup> HCRs are contracted surface transportation trips that provide service between postal facilities, mailer plants, and similar facilities. These are dedicated service contracts that operate on a predetermined schedule and frequency and have an agreed upon fixed price rate.

<sup>20</sup> PVS trips include the transportation of large mail volumes across various locations, including postal facilities, inner-city delivery offices, and local businesses by uniformed postal service employees.

<sup>21</sup> Handbook M-22, *Dispatch and Routing Policies*, dated July 2013.

<sup>22</sup> Specifically, the Postal Service paid \$157,733 in supported unrecoverable questioned costs—\$106,607 for requested freight auction trips that were subsequently canceled and \$51,126 for scheduled HCRs that were repeatedly canceled—during the period of March 2024, through February 2025.

### Postal Service Response

The Postal Service agreed with this finding and associated recommendation but disagreed with the monetary impact. Regarding recommendation 7, management stated it uses the trips on-time dashboard to reduce the occurrence of late trips and proactively adjust dispatch schedules to alleviate dock congestion. By using the canceled and omitted trips dashboard, it gains valuable insight into root causes of trip cancellations and can implement strategies to reduce them and improve operational efficiency. The target implementation date is July 1, 2025.

Regarding management's disagreement with the monetary impact, it explained two routes were put in the system twice in error causing both to be canceled daily. Management stated this error was corrected by May 9, 2025.

### OIG Evaluation

The OIG considers management's comments responsive to this recommendation. Regarding our monetary impact calculations, we evaluated Transportation Management System canceled trip payment data that we obtained from the Postal Service. For the routes identified in management's comments, one did not have any cancelled trip payment data and, thus, was not part of our monetary impact calculation.

The other route was part of our analysis, and the Postal Service paid \$38,183 in cancellation fees for it. There were also cancellation fees for more than 40 other freight auction routes during our scope. Management did not question the accuracy of the monetary impact that we calculated for HCR routes that were repeatedly canceled — which represented \$51,126. Therefore, we believe the \$157,733 in monetary impact is accurate.

# Finding #3: Scan Compliance

## What We Found

The Charlotte RPDC did not meet load scan<sup>23</sup> and did not consistently meet the arrive scan<sup>24</sup> goals. From March 1, 2024, through February 28, 2025, the average compliance for load scans was 81.19 percent and arrive scans was 93.62 percent (see Figure 6). The Postal Service goal for scanning was 93.25 percent in FY 2024 and 93.69 percent in FY 2025.

## Why Did it Occur

Scanning was not performed consistently due to a lack of oversight by processing and logistics operations management. Specifically, Charlotte RPDC management acknowledged that supervisors are not always holding employees accountable. Additionally, many of the employees and supervisors are new and need additional training.

## What Should Have Happened

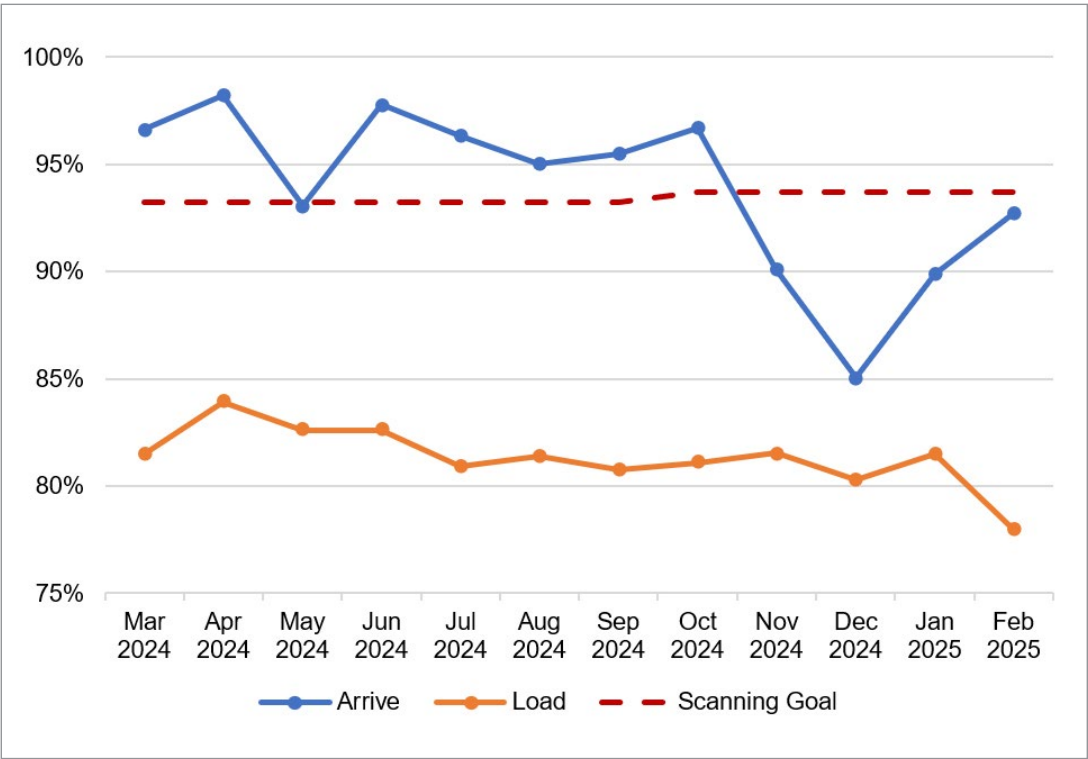
Postal Service policy<sup>25</sup> states that employees are required to perform scans of containers and trailers to ensure mail visibility.

## Effect on the Postal Service and Its Customers

Scans help the Postal Service track mail as it flows through the network. Low scanning compliance contributes to inaccurate utilization data, missent mail, and operational inefficiencies. Management uses scanning data to streamline outbound container operations, enhance dispatch quality, and increase efficiency in the use of transportation containers and trailers. When scans are not made, management may not have the information needed to make accurate operational decisions.

**Figure 6. Scanning Compliance at the Charlotte RPDC From March 2024 to February 2025**

Source: SVWeb.



<sup>23</sup> Load scans are performed when a container is loaded onto a trailer for dispatch.

<sup>24</sup> Arrive scans are performed when a truck arrives at its destination.

<sup>25</sup> Surface Visibility Program User booklet, updated January 10, 2023.

### Recommendation #8

We recommend the **South Atlantic Division Director, Processing Operations** and the **South Atlantic Division Director, Logistics**, develop and implement a plan to verify scanning is consistently completed in accordance with policy at the Charlotte Regional Processing and Distribution Center.

### Recommendation #9

We recommend the **South Atlantic Division Director, Processing Operations** and the **South Atlantic Division Director, Logistics**, provide training to employees and supervisors on proper scanning procedures at the Charlotte Regional Processing and Distribution Center.

### Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 8, management provided, and will continue to provide, service talks and training to both processing and logistics personnel to reiterate the requirement to scan; additionally, management will conduct reviews to monitor scanning consistency and compliance.

Regarding recommendation 9, training will be provided for all employees with scanning responsibilities to include proper scanning procedures and the requirement to consistently perform all required scans; further, daily reports will be distributed to reflect performance and areas of opportunity. The target implementation for both recommendations is July 1, 2025.

### OIG Evaluation

The OIG considers management's comments responsive to these recommendations.

## Finding #4: Security of Registry Items

### What We Found

Employees at the Charlotte RPDC did not consistently follow procedures for the handling and security of registry items. Specifically, we observed unattended registry items outside of the registry cage.

In addition, employees did not complete Postal Service (PS) Form 1625, *Record of Entry – Registry Section* properly. We did not observe the registry clerks signing in or out of the registry section when they left and returned, and the registry section did not have a separate PS Form 1625 for registry clerks.

### Why Did It Occur

Employees did not consistently follow procedures to safeguard Registered Mail due to a lack of management oversight. Management acknowledged that they do not provide adequate oversight to ensure registry policies and procedures are followed. Additionally, Management stated that the registry area is new and further training is needed.

### What Should Have Happened

Postal Service policy<sup>26</sup> requires employees regularly assigned to the registry section to sign in and out of the registry section using PS Form 1625 and a separate PS Form 1625 to be used for any other employees or visitors.

Additionally, registered articles are not to be held on the platform for more than 30 minutes and should be secured in the security cage while waiting for outbound transportation.<sup>27</sup>

### Effect on the Postal Service and Its Customers

Registered Mail provides added protection to the customer by providing evidence of secure mail and delivery of valuable and important items. When Registered Mail is not secured in accordance with proper procedures, there is an increased risk of loss or theft of items that customers have entrusted

the Postal Service to provide added protection for secure delivery.

### Recommendation #10

We recommend the **South Atlantic Division Director, Processing Operations**, establish and maintain registry cage logs and properly secure registry items at the Charlotte Regional Processing and Distribution Center.

### Recommendation #11

We recommend the **South Atlantic Division Director, Processing Operations**, provide training to employees on registry procedures at the Charlotte Regional Processing and Distribution Center.

### Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 10, management has provided standard work instructions on registry protocols, including the requirement to use PS Form 1625, *Record of Entry – Registry Section* and has established sign-in/sign-out sheets to verify compliance. Regarding recommendation 11, management stated it will continue to train all registry personnel on proper procedures for handling and securing registry items. The target implementation date for both recommendations is July 31, 2025.

### OIG Evaluation

The OIG considers management's comments responsive to these recommendations.

<sup>26</sup> Handbook DM-901, Registered Mail, Section 7-1.3.1, dated January 2016.

<sup>27</sup> Handbook DM-901, Registered Mail, Section 6-3.2, dated January 2016.

## Finding #5: Safety

### What We Found

During our site observations, we observed trucks and trailers parked at the docks without wheel chocks to prevent them from rolling away (see Figure 7). Specifically, on the mornings of April 9 and 10, 2025, we observed a sample of 57 trucks and trailers parked at the dock, of which 30 did not use wheel chocks. In addition, hazardous material<sup>28</sup> mail was observed comingled in the manual package operation (see Figure 8).

**Figure 7. Example of a Trailer Without Wheel Chocks**



Source: OIG photo taken April 9, 2025.

**Figure 8. Example of Hazardous Material Mail in the Manual Operation**



Source: OIG photos taken April 9, 2025.

### Why Did It Occur

Management at the Charlotte RPDC did not consistently enforce safety rules to properly secure trucks and trailers at the docks. Management acknowledged that they did not provide sufficient oversight to ensure safety rules were consistently followed. Further, plant management did not provide oversight to ensure hazardous mail is placed in its designated staging area and was not comingled in the manual package operations.

### What Should Have Happened

Postal Service policy<sup>29</sup> states that drivers must prevent trailers from rolling away from docks by using wheel chocks. Additionally, hazardous materials should be in a clearly marked hazmat staging area.<sup>30</sup>

<sup>28</sup> Any article or substance designated by the U.S. Department of Transportation as being capable of posing an unreasonable risk to health, safety, and property during transportation.

<sup>29</sup> Handbook EL-803, *Maintenance Employee's Guide to Safety*, Section 1, subsection C dated July 2020.

<sup>30</sup> Standard Work Instruction, Hazmat Staging Area Setup, Revision Date March 2025.

## Effect on the Postal Service and Its Customers

When employees do not observe safe working practices and safety rules, there is an increased risk of employee accidents and injuries. Management's attention to maintenance, safety, and security deficiencies can reduce the risk of injuries to employees; reduce related costs, such as workers' compensation claims, lawsuits, and Occupational Safety and Health Administration<sup>31</sup> penalties.

### Recommendation #12

We recommend the **South Atlantic Division Director, Logistics**, verify that all drivers are using wheel chocks at the Charlotte Regional Processing and Distribution Center.

### Recommendation #13

We recommend the **South Atlantic Division Director, Processing Operations**, conduct regular sweeps to verify all hazardous materials are properly placed in their designated staging area at the Charlotte Regional Processing and Distribution Center.

## Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 12, service talks have been conducted with all PVS drivers to reiterate the use of wheel chocks, and Logistics supervisors monitor daily for compliance. Contractors have been issued a current copy of rules of conduct and requirement to chock tires. Contractor failures are being formally addressed, and there are weekly performance reviews. Regarding recommendation 13, standard work instructions were issued to all Processing Operations employees on the requirement to perform sweeps after operations and to ensure machines are clear of mail and all other materials; additionally, management will ensure hazardous materials are staged in the appropriate areas. The target implementation date for both recommendations is August 31, 2025.

## OIG Evaluation

The OIG considers management's comments responsive to these recommendations.

<sup>31</sup> Occupational Safety and Health Act of 1970.

# Appendix A: Additional Information

We conducted this audit from April through June 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 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 conclusions with management on May 28, 2025, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the mail processing operations 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 three components were significant to our audit objective:

- 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 control activities, information and 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 MCV and SVWeb data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

# Appendix B: Management's Comments



June 5, 2025

VICTORIA SMITH  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC. (Report Number 25-079-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC.*

Management agrees with the five findings in the report on delayed mail, late, canceled, trips, scan compliance, security of registry items, and safety.

Management does not agree to the monetary impacts due to canceled and late trips. There were 2 routes, [REDACTED] put into the system twice in error causing both to be canceled daily. This error was corrected, and these contracts were removed effective May 9, 2025. There was daily offload trips scheduled to Atlanta for processing due to staffing shortages in operations, if trips were not needed, they would get cancelled to avoid cost. Most of these trips were FA and canceled in time to avoid monetary impacts.

The following are our comments on each of the thirteen recommendations.

Recommendation 1: We recommend the South Atlantic Division Director, Processing Operations, use the Mail Arrival Quality/Plant Arrival Quality system to communicate and resolve issues with Express Mail arriving late from delivery units at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management has established MAQ/PAQ monitoring protocols to identify trends, recurring delays, and ensure consistent communication between Processing and Delivery.

Target Implementation Date: 07/31/2025

Responsible Official:

South Atlantic Division Director, Processing Operations

Recommendation 2: We recommend the South Atlantic Division Director, Processing Operations, in coordination with the South Atlantic Division Director, Logistics, ensure all registry items are dispatched timely from the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management has established a daily all-clear from each tour verifying all items were dispatched timely as well as the oldest registry date on hand.

Target Implementation Date: 08/31/2025

Responsible Official:

South Atlantic Division Director, Processing  
South Atlantic Division Director, Logistics

Recommendation 3: We recommend the South Atlantic Division Director, Processing Operations, align staff with processing needs at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management approved a complement increase of 27 additional clerk positions and 246 additional mail handler positions which has minimized delays and increased machine utilization by an average of 15 percent. The site has onboarded 164 of 246 approved mail handlers.

Target Implementation Date: 10/31/2025

Responsible Official:

South Atlantic Division Director, Processing

Recommendation 4: We recommend the South Atlantic Division Director, Processing Operations, develop and implement strategies to decrease the number of poly bag rejections on package processing machines at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management has retrained all SMS employees on proper handling of polybags while working on HOPS. Management also requested additional oversight from [REDACTED] to ensure any modifications were applied.

Target Implementation Date: 07/31/2025

Responsible Official:

South Atlantic Division Director, Processing

Recommendation 5: We recommend the South Atlantic Division Director, Processing Operations, verify delayed mail counts are fully completed and entered correctly into the Mail Condition Visualization system at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Stand-up talks were given and will be ongoing to all Processing Support employees on proper MCV reporting and the requirement to record all On-Hand and Delayed volumes correctly in the Mail Condition Visualization system. Additionally, management monitors daily for compliance.

Target Implementation Date: 08/31/2025

Responsible Official:

South Atlantic Division Director, Processing

Recommendation 6: We recommend the South Atlantic Division Director, Processing Operations, verify proper placarding procedures are followed at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management provided a stand-up talk on standard work instructions regarding correct container identification and monitors daily to ensure consistency and compliance.

Target Implementation Date: 10/31/2025

Responsible Official:

South Atlantic Division Director, Processing

Recommendation 7: We recommend the South Atlantic Division Director, Logistics, complete a review of transportation schedules and identify and implement actions to address transportation needs to reduce late and canceled trips at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management utilizes Trips' On-Time Dashboard to reduce the occurrence of late trips and plans proactively by adjusting dispatch schedules to alleviate dock congestion. By utilizing cancelled and omitted trips' dashboard, we gain valuable insight into root causes of trip cancellations and are able to implement strategies to reduce them, thereby improving operational efficiency. By implementing these strategies, we can continue to enhance our on-time performance and reduction in cancelled trips.

Target Implementation Date: 7/01/2025

Responsible Official:  
South Atlantic Division Director, Logistics

Recommendation 8: We recommend the South Atlantic Division Director, Processing Operations and the South Atlantic Division Director, Logistics, develop and implement a plan to verify scanning is consistently completed in accordance with policy at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Service talks were and will continue to be conducted to reiterate the requirement to consistently perform all load and unload scans. Management will conduct reviews to monitor consistency and compliance. Dock Gembas will be done to validate drivers are scanning as required as well as performance reviews per top opportunity routes. Expeditors have been retrained on scanning. Scan training will be ongoing to ensure consistency.

Target Implementation Date: 7/01/2025

Responsible Official:  
South Atlantic Division Director, Processing  
South Atlantic Division Director, Logistics

Recommendation 9: We recommend the South Atlantic Division Director, Processing Operations and the South Atlantic Division Director, Logistics, provide training to employees and supervisors on proper scanning procedures at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Training will be provided for all employees with scanning responsibilities to include proper scanning procedures and the requirement to consistently perform all required scans. Daily reports are distributed to reflect performance and areas of opportunity.

Target Implementation Date: 07/01/2025

Responsible Official:

South Atlantic Division Director, Processing  
South Atlantic Division Director, Logistics

Recommendation 10: We recommend the South Atlantic Division Director, Processing Operations, establish and maintain registry cage logs and properly secure registry items at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management has provided standard work instructions on registry protocols including the requirement to use PS Form 1625 – Record of Entry, and has established sign-in/sign out sheets to verify compliance.

Target Implementation Date: 07/31/2025

Responsible Official:

South Atlantic Division Director, Processing

Recommendation 11: We recommend the South Atlantic Division Director, Processing Operations, provide training to employees on registry procedures at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Management will continue to train all registry personnel on proper procedures for handling and securing registry items.

Target Implementation Date: 07/31/2025

Responsible Official:

South Atlantic Division Director, Processing

Recommendation 12: We recommend the South Atlantic Division Director, Logistics, verify that all drivers are using wheel chocks at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Service talks have been conducted with all PVS drivers to reiterate mail transportation safety and the requirement to use wheel chocks. In addition, all Logistics supervisors and managers perform daily GEMBA's to monitor compliance. Contractors have been issued a current copy of rules of conduct and requirement to chock tires. Failures have been addressed by taking pictures of the truck, issuing a 5500 to the contractor, and conducting performance reviews weekly to discuss corrective action plan.

Target Implementation Date: 08/31/2025

Responsible Official:

South Atlantic Division Director, Logistics

Recommendation 13: We recommend the South Atlantic Division Director, Processing Operations, conduct regular sweeps to verify all hazardous materials are properly placed in their designated staging area at the Charlotte Regional Processing and Distribution Center.

Management Response/Action Plan: Management agrees with this recommendation.

Standard work instructions were issued to all Processing Operations employees on the requirement to perform sweeps after operations and to ensure machines are clear of mail and all other materials. More specifically, management will ensure hazardous materials are staged in the appropriate areas.

Target Implementation Date: 08/31/2025

Responsible Official:

South Atlantic Division Director, Processing

E-SIGNED by Todd.S Hawkins  
on 2025-06-05 19:00:56 EDT

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Todd S. Hawkins  
Vice President, Regional Processing Operations, (Eastern)

E-SIGNED by ROBERT CINTRON  
on 2025-06-05 16:47:27 EDT

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Robert Cintron  
Vice President, Logistics Operations

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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