

Efficiency of Operations at the St. Louis Processing and Distribution Center, St. Louis, MO

AUDIT REPORT

Report Number 25-097-R25 | August 11, 2025



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Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 11, 2025

MEMORANDUM FOR: DANIEL HIRAI
MIDWEST DIVISION DIRECTOR, PROCESSING OPERATIONS

ELIZABETH BLACKBURN
MIDWEST DIVISION DIRECTOR, LOGISTICS

A handwritten signature in black ink, reading "Sean Balduff", is centered below the memorandum recipients.

FROM: Sean Balduff
Director, Field Operations, Central & Southern

SUBJECT: Audit Report – Efficiency of Operations at the St. Louis Processing and
Distribution Center, St. Louis, MO (Report Number 25-097-R25)

This report presents the results of our audit of the Efficiency of Operations at the St. Louis 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 Jennifer Schneider, 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, Western Regional Processing Operations
Central Regional Director, Logistics
Corporate Audit Response Management

Results

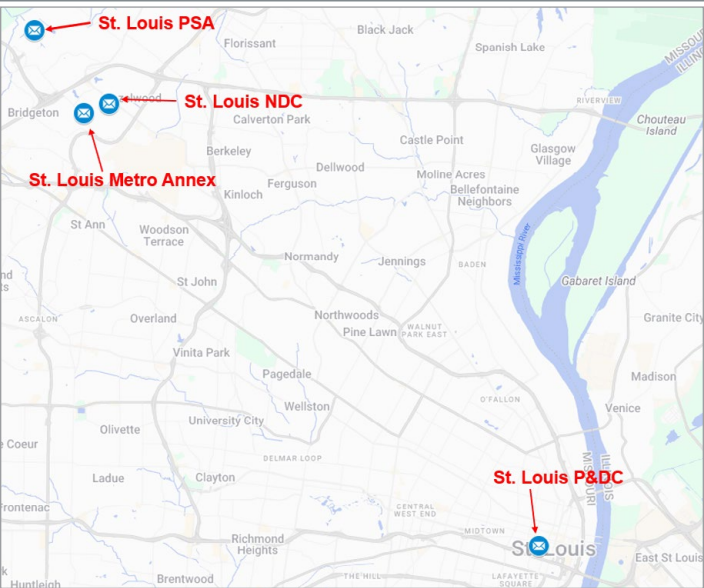
Background

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 audit of the efficiency of operations at the St. Louis Processing and Distribution Center (P&DC) in St. Louis, MO (Project Number 25-097). We selected the St. Louis area based on congressional inquiries from U.S. senators and representatives from Missouri and Illinois to conduct an audit of post offices and distribution centers in the St. Louis metro area.

The St. Louis metro area has four processing facilities. The St. Louis P&DC processes letters, flats, Priority Mail Express, and Registered Mail. The St. Louis Network Distribution Center (NDC), St. Louis Metro Annex, and the St. Louis Package Support Annex (PSA) process packages and bundled flat mail. As part of this audit cluster, we visited the St. Louis P&DC, NDC, and PSA (see Figure 1).

Figure 1. Map Showing Mail Processing Locations.



Source: OIG-created map of locations of four St. Louis mail processing facilities.

We reviewed several mail processing performance indicators during fiscal years (FY) 2024–2025, including first and last mile failures;¹ workhours; scanning compliance;² and late, canceled, and extra trips. The St. Louis P&DC is in the Midwest Processing Division. The St. Louis P&DC services multiple 3-digit ZIP Codes in urban and rural communities³ (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
620	207,051	88,721	295,772
622	306,125	145,465	451,590
628-631	1,661,365	397,933	2,059,298
633-634	426,069	175,197	601,266
636-639	181,518	270,136	451,654

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

1 First mile failures occur when a mailpiece is collected and does not receive a processing scan at the origin processing facility on the day that it was intended. Last mile failures occur after the mailpiece has been processed at a processing facility on a final processing operation and is not delivered to the customer on the day it was intended.

2 Scans include load, depart, unload, close, assign, and arrive.

3 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.

As of May 12, 2025, the St. Louis P&DC’s employee availability⁴ was 85.05 percent for processing and 89.76 percent for logistics. The Postal Service’s employee availability goal for FY 2025 was 89 percent for processing and 92.9 percent for logistics, placing the St. Louis P&DC below the processing and logistics goal.

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the St. Louis P&DC.

To accomplish our objective, we focused on five audit areas: mail clearance times;⁵ delayed mail; late, canceled, and extra outbound trips; dock scanning; and security of registry items. We reviewed Surface Visibility Web (SVWeb)⁶ data for late, canceled, and extra trips, as well as scan compliance for the period from May 1, 2024, to April 30, 2025. Further, we identified mail clearance time goals for the St. Louis P&DC and compared them with operations shown in the Run Plan Generator⁷ report. During our site visit the week of June 2, 2025, we interviewed P&DC management and observed mail processing and dock operations.

During this time, the OIG also audited seven delivery units⁸ serviced by the St. Louis P&DC and the St. Louis NDC in St. Louis, MO. 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 all areas we reviewed that affected the efficiency of operations at the St. Louis P&DC (see Table 2).

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	

Source: Results of OIG data reviewed from fiscal years 2024 and 2025 and fieldwork conducted from June 2 to 6, 2025.

4 Data that compares straight workhours to the workhours that would have been recorded if all employees reported to work as scheduled.
5 The latest time committed mail can clear an operation for proper dispatch or delivery.
6 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.
7 An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.
8 The seven delivery units were Creve Coeur Branch, St. Louis, MO (project 25-100-1); O’Fallon Main Post Office, O’Fallon, MO (project 25-100-2); St. Charles Main Post Office, St. Charles, MO (project 25-100-3); Ballwin Main Post Office, Ballwin, MO (project 25-100-4); Maryville Garden Station, St. Louis, MO (project 25-100-5); Southwest Station, St. Louis, MO (project 25-100-6); and Clayton Branch, St. Louis, MO (project 25-100-7).

Finding #1: Clearance Times and Delayed Mail

What We Found

The St. Louis P&DC did not consistently meet its clearance times for letters and flats. Specifically, from February 1, 2025, to April 30, 2025, letter processing went past the clearance time target 39 out of 75 days (52 percent) while flats processing went past the target 27 out of 82 days (33 percent). During our observations the week of June 2, 2025, letter processing went past the clearance time target two of the five days and flat processing went past the target one of the five days.

In addition, during our observations at the P&DC on June 3 and 4, 2025, we identified 2,227,085 delayed letters, 355,259 delayed flats, and 1,223 delayed packages⁹ (see Table 3). Delayed mail was found in the manual letter and flat operations, the Postal Automated Redirection System (PARS) section,¹⁰ and throughout the workroom floor (see Figure 2). Management reported delayed mail in the Mail Condition Visualization (MCV)¹¹ system, however it only reported 187,189 delayed mailpieces on June 3, 2025. We did not identify any significant reporting discrepancies for June 4, 2025.

Table 3. Delayed Letters, Flats, and Packages

Date	OIG Estimated Delayed Letters	OIG Estimated Delayed Flats	OIG Estimated Delayed Packages	Total OIG Estimated Delayed Mail	Management Entered MCV Volume
June 3	1,077,803	160,376	1,223	1,239,402	187,189
June 4	1,149,282	194,883	0	1,344,165	1,294,711
Total	2,227,085	355,259	1,223	2,583,567	1,481,900

Source: OIG counts and MCV system.

Figure 2. Delayed Mail in Manual Unit



Source: Photo taken by OIG June 3, 2025.

Why Did It Occur

We identified multiple factors that contributed to the delayed mail and inconsistent clearance times, including employee availability, insufficient management oversight, and processing inefficiencies.

During the week of May 14, 2025, the P&DC had 145 vacancies consisting of 65 clerks, 39 mail handlers, and 41 maintenance personnel. Management recently received authorization to hire 100 mail handlers and clerks and was in the process of posting and hiring for these positions during our audit.

9 Count of mail was estimated based on Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*, and Handbook M-32, *Management Operating Data Systems*, Appendix D. Although the St. Louis P&DC does not process packages, we identified some delayed packages that should have been cross docked to the delivery units.

10 The PARS section processes mail that is undeliverable as addressed. This mail includes return to sender mail and mail that needs to be forwarded to a customer's new address.

11 MCV provides near real-time visibility of a facility's on-hand volume, delayed processing volume, delayed dispatch volume, and oldest mail date and stores historical trailer information.

In addition, supervisors were not addressing employees who were not actively engaged in work or following workplace rules. We observed employees and a supervisor at the automation equipment section talking and not actively engaged in work tasks. We also observed multiple employees on their cell phones while on the workroom floor. Further, management was not holding the employees accountable for unscheduled absences. Management described unscheduled absences as a regular occurrence. Management stated that supervisors were inexperienced and uncomfortable with addressing employees to correct behaviors.

We also determined processing operations in the St. Louis metro area were not performed efficiently. Management stated that various stages of mail sorting are conducted at separate facilities, and some mail is not finalized in one building. This causes mail to be handled multiple times and unnecessarily transported between facilities. For example, the NDC sometimes processed bundles of flat mail on a machine that did not have enough capacity to complete the sortation, leading to bundles being

rejected. Instead of completing additional automated processing, the NDC sent the remaining bundles to the P&DC for manual sorting, which took significantly more time and resources.

We also found that delivery units were not properly separating PARS volume by mail type, as well as by “Forward” or “Return to Sender” status before it was sent to the St. Louis P&DC. Therefore, P&DC employees had to prepare this mail before it could be processed on automated equipment. Further, plant management did not use the Mail Arrival Quality/Plant Arrival Quality (MAQ/PAQ)¹² tool to communicate these issues with the delivery units for correction.

Additionally, a lack of equipment placarding¹³ and staging the mail in first in, first out order contributed to the delayed mail (see Figure 3). Containers were not properly placarded, making it difficult for employees to determine the age of the mail and what order it should be worked. We also observed containers on the dock that were not properly placarded which affected timely dispatch.

Figure 3. Containers Without Placards



Source: Photos taken by OIG June 3, 2025.

Note: The pieces of paper on the containers in the photos are not placards.

¹² The MAQ/PAQ system facilitates communication and resolution of issues with the movement of mail, including collection mail, between postal facilities.

¹³ A large sign or card attached to various types of mail transport equipment that provides internal information about the content, mail processing operation, or dispatch of the mail.

In addition, we observed mail in the manual operations sections that appeared to be machinable. Management stated this was due to improperly maintained machines, which led to inappropriately rejected mail. We determined preventative maintenance tasks on sorting machines were below the targeted goal of 90 percent. From May 4, 2024, to May 2, 2025, the St. Louis P&DC's average completion of preventative maintenance tasks was approximately 39 percent. Management stated maintenance was not being performed properly because of the 41 vacant maintenance positions.

The unreported delayed mail we identified June 3, 2025, was due to a lack of management oversight. Specifically, the in-plant support specialist said she was instructed to report only that the facility had delayed PARS mail in the comments section of MCV instead of reporting the actual number of pieces in the correct fields in MCV. Further, upper management did not verify the accuracy of the delayed mail reported in MCV.

What Should Have Happened

Postal Service policy¹⁴ states that management should align staffing to the workload and work with local human resources and labor relations leadership to identify necessary complement changes. Plant managers also must clearly articulate expectations for employee conduct and performance, measure the progress and status against those objectives, and intervene and correct areas where those expectations are not met.¹⁵ In addition, management is responsible for controlling unscheduled absences; including informing employees of leave regulations and discussing attendance records with individual employees when warranted.¹⁶

Postal Service policy¹⁷ also states that management should coordinate mail processing for receipt and distribution to ensure optimal service and efficiencies. Management should use the MAQ/PAQ

system to communicate and resolve issues with mail conditions. Also, policy¹⁸ states that placards are to be affixed to each container and should be placed in the order it is received to ensure first in first out treatment of the mail. Management should also verify the mail is processed timely to meet clearance times and the established service standards. In addition, Postal Service policy¹⁹ states that an effective and efficient preventative maintenance program must be in place to ensure optimum performance, minimum downtime, and appropriate service life of mail processing equipment. Finally, a delayed mail count should be performed and accurately reported in the MCV system daily.²⁰

Effect on the Postal Service and Its Customers

When there are missed clearance times and delayed mail, it could increase the risk that 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.

Management Actions

During the audit, management addressed the issue of bundled flats being sent from the NDC to the P&DC for manual sorting. Management implemented an alternative procedure for the bundled flats to be sorted at the St. Louis Metro Annex on automated equipment.

Recommendation #1

We recommend the **Midwest Division Director, Processing Operations**, develop and implement a plan to hire and retain enough employees to consistently reach and maintain authorized complement at the St. Louis Processing and Distribution Center.

¹⁴ USPS Plant Manager Handbook, Section 6.f, dated July 2024.

¹⁵ USPS Plant Manager Handbook, Section 4, dated July 2024.

¹⁶ Employee and Labor Relations Manual, Section 511.42, dated March 2024.

¹⁷ Postal Operations Manual, Section 421, dated May 2024.

¹⁸ USPS Plant Manager Handbook, Section 7, dated July 2024.

¹⁹ Maintenance Operations, Section 11.1, dated June 22, 2006.

²⁰ Mail Condition Visualization Manual Line Item Entry Job Aid, updated October 26, 2020.

Recommendation #2

We recommend the **Midwest Division Director, Processing Operations**, implement a plan to hold managers and supervisors accountable for addressing employees who do not follow workplace rules at the St. Louis Processing and Distribution Center.

Recommendation #3

We recommend the **Midwest Division Director, Processing Operations**, analyze and realign processing operations at all four St. Louis processing facilities to improve efficiency.

Recommendation #4

We recommend the **Midwest Division Director, Processing Operations**, verify mail condition issues are communicated through the Mail Arrival Quality/Plant Arrival Quality tool at the St. Louis Processing and Distribution Center.

Recommendation #5

We recommend the **Midwest Division Director, Processing Operations**, develop a plan to verify employees attach accurate placards on mail transportation equipment and follow first in, first out order at the St. Louis Processing and Distribution Center.

Recommendation #6

We recommend the **Midwest Division Director, Processing Operations**, develop a strategy to consistently conduct proper preventative maintenance on machines at the St. Louis Processing and Distribution Center.

Recommendation #7

We recommend the **Midwest Division Director, Processing Operations**, develop a process to verify all delayed mail is reported in the Mail Condition Visualization system daily at the St. Louis Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and associated recommendations. Regarding recommendation 1, management stated it has

developed a strategic complement plan and is working with Postal Service Human Resources to hire in alignment with the plan. Regarding recommendation 2, management has evaluated management staff and made strategic changes to senior leadership. In addition, the executive plant manager has set expectations for all management employees related to conduct, safety, performance, mailflow, dispatch, and scanning. The target implementation date for recommendations 1 and 2 is October 31, 2025. Regarding recommendation 3, management stated it has developed a plan to realign processing operations at the St. Louis campus. The target implementation date is January 31, 2026. Regarding recommendation 4, management stated that all management staff will be retrained on the MAQ/PAQ process, and management will ensure daily compliance. The target implementation date is October 31, 2025. Regarding recommendation 5, the executive plant manager has developed a process to identify all mail with the time and date of receipt at St. Louis P&DC. Processing support will conduct daily audits to ensure accuracy of the placards. Regarding recommendation 6, management will establish staffing and scheduling to align with the required preventative maintenance windows. In addition, the preventative maintenance completion rates will be monitored daily for compliance. Regarding recommendation 7, the executive plant manager will review, validate, and monitor MCV input daily. The target implementation date for recommendations 5, 6, and 7 is November 30, 2025. See [Appendix B](#) for management's comments in their entirety.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations. Regarding recommendation 2, management will need to provide documentation showing how managers and supervisors are held accountable when employees do not follow workplace rules. We will verify corrective actions taken are sufficient to resolve the issues identified in the report.

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

What We Found

From May 1, 2024, through April 30, 2025, there was a total of 29,930 outbound late trips, 11,814 outbound canceled trips, and 2,582 outbound extra trips at the St. Louis P&DC. These trips represented about 56 percent of all outbound trips at the facility (see Table 4).

Table 4. Outbound Transportation Metrics – St. Louis P&DC

Transportation Metric	Number	Percent of Total Trips
Late Trips	29,930	37.8%
Canceled Trips	11,814	14.9%
Extra Trips	2,582	3.3%

Source: SVWeb.

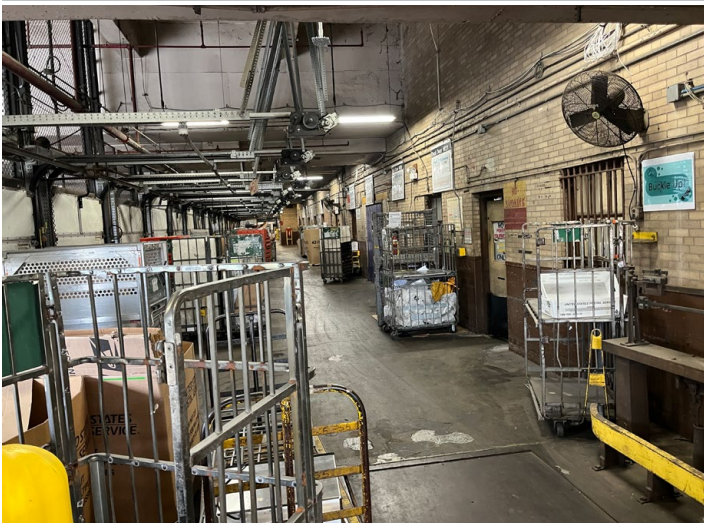
Why Did It Occur

Management stated that both late and canceled outbound trips occurred primarily due to Postal Vehicle Service (PVS)²¹ driver availability. The facility had 17 vacant PVS positions, which was worsened by drivers with duty limitations and unscheduled absences.

In addition, contract failures contributed to canceled and extra trips. Recently, some drivers for a major contractor stopped reporting for their routes after they were informed that the Postal Service was not going to renew the contract. When the drivers failed to report to work, logistics management canceled the trips and used PVS drivers to perform extra trips when they were available to get the mail to the delivery units.

Dock congestion also contributed to late trips. There was limited dock space to stage mail for dispatch, which made it difficult for drivers to locate and load their mail. In addition, we observed dock space on the west side of the building that was cluttered with unused mail transport equipment (see Figure 4).

Figure 4. West Docks



Source: Photo taken by OIG June 5, 2025.

What Should Have Happened

Management must anticipate recruitment needs to ensure that qualified people are available for appointment.²² Further, Postal Service policy²³ states that management is responsible for controlling unscheduled absences; including informing employees of leave regulations and discussing attendance records with individual employees when warranted. In addition, policy²⁴ states each postal facility must organize its platform operations to provide unloading, loading, and dock transfer to meet service requirements and eliminate delays caused by careless platform handling.

²¹ A service used by employees to transport mail between mail processing facilities, Post Offices, Post Office branches, Post Office stations, detached mail units, various postal customers, and terminals.
²² *Employee and Labor Relations Manual*, Section 321.1, dated March 2024.
²³ *Employee and Labor Relations Manual*, Section 511.42, dated March 2024.
²⁴ *Postal Operations Manual*, Section 471, dated May 2024.

Effect on the Postal Service and Its Customers

Late, canceled, and extra trips increase the risk the mail will not be delivered on time. When docks are congested, it is more difficult for drivers to locate their mail, which can lead to mail being left behind. This can adversely affect Postal Service customers, send mailers to competitors, increase operating costs, and cause the Postal Service to lose revenue.

Recommendation #8

We recommend the **Midwest Division Director, Logistics**, to fill Postal Service driver vacancies at the St. Louis Processing and Distribution Center.

Recommendation #9

We recommend the **Midwest Division Director, Logistics**, develop and implement a plan to utilize dock space efficiently at the St. Louis Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and associated recommendations. Regarding recommendation 8, management stated job postings will continue until full complement is reached. The target implementation date is January 31, 2026. Regarding recommendation 9, management will implement a plan that defines staging areas and thresholds for mail transport equipment and perform daily certifications to validate docks are free of excess equipment. The target implementation date is October 31, 2025.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations. We will verify corrective actions taken are sufficient to resolve the issues identified in the report.

Finding #3: Scan Compliance

What We Found

The St. Louis P&DC did not consistently meet the load²⁵ and unload²⁶ scanning goal. From May 1, 2024, to April 30, 2025, the average score for load scanning was 76.39 percent and the average for unload scanning was 84.07 percent (see Table 5). This was below the Postal Service’s goal of 93.69 percent in FY 2025 and 93.25 percent in FY 2024.

Table 5. Scanning Compliance at the St. Louis P&DC From May 2024 to April 2025

Month	Scan Type	
	Load	Unload
May 2024	78.98	80.78
June 2024	80.48	84.93
July 2024	80.46	83.54
August 2024	80.82	86.55
September 2024	82.00	86.91
October 2024	78.93	86.55
November 2024	77.62	79.90
December 2024	76.62	79.90
January 2025	70.35	84.27
February 2025	71.54	81.22
March 2025	70.42	84.24
April 2025	68.50	85.33

Source: SVWeb.

Why Did It Occur

Scans were not performed consistently due to network issues, overprinting of placards, and extra trips not being recorded in the system. Specifically, management stated that there are network issues in the building, especially on the ground floor where trucks are loaded and unloaded. This caused issues with scans not uploading and recording properly. In addition, management did not verify unused placards were terminated. Printing a placard generates the expectation of future scans

in the SVWeb system. If an assigned placard is not terminated, it will appear to have missed the expected scans in the system.

Further, logistics management did not always verify extra trips made by PVS drivers were entered into the SVWeb system. When extra trips are not entered, they do not appear on the driver’s scanner to link the expected scans to the correct trip. Therefore, the proper load and unload scans cannot be completed.

What Should Have Happened

Postal Service policy²⁷ states that employees are required to perform outbound and inbound scans of containers and trailers to ensure 100 percent mail visibility. Policy²⁸ also states that all placards not used should be terminated. In addition, all offices must record extra trips dispatched or received in the appropriate computer system.²⁹

Effect on the Postal Service and Its Customers

Low scanning compliance could contribute to inaccurate utilization of 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. Placards assigned but not used will negatively impact surface visibility and mail condition visualization. When scans are not made, management may not have the information needed to make accurate operational decisions.

Recommendation #10

We recommend the **Midwest Division Director, Processing Operations**, and the **Midwest Division Director, Logistics**, develop a plan to verify supervisors are monitoring scanning to improve compliance with load and unload scan goals at the St. Louis Processing and Distribution Center.

25 Performed when the container is loaded onto the trailer for dispatch.
26 Performed when the container is unloaded from a trailer.
27 Surface Visibility Program User Booklet, updated April 22, 2025.
28 Leader Standard Work Instructions: Function 1 Operations EPPS Supervisor, dated February 2019.
29 Postal Operations Manual, Section 473.9, dated May 2024.

Recommendation #11

We recommend the **Midwest Division Director, Logistics**, develop and implement a plan to verify extra trips are properly recorded in the Surface Visibility Web system at the St. Louis Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and associated recommendations. Regarding recommendation 10, management will provide a service talk to supervisors on the requirement to ensure all scans are performed. In addition, daily

reviews will be conducted to monitor compliance. Regarding recommendation 11, management implemented a process to not run extra trips unless they are recorded in SVWeb. The logistics manager will track and validate trips entered into SVWeb. The target implementation date for both recommendations is December 31, 2025.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations. We will verify corrective actions taken are sufficient to resolve the issues identified in the report.

Finding #4: Security of Registry Items

What We Found

We determined there was a lack of accountability of registry items during the transfer between the registry room on the dock and the registry room on the first floor. Specifically, mail handlers transported registry items from the registry room on the dock to a registry clerk at the elevator across the facility without following the hand-to-hand exchange procedures and completing appropriate transfer forms.

Why Did It Occur

The loss of accountability of registry items occurred due to a lack of management oversight. Management stated it was unaware of the process.

What Should Have Happened

Postal Service policy³⁰ requires hand-to-hand exchanges of registry items. In addition, the receiving individual must verify all registered information against the entries on the transfer form and legibly sign all copies of the form.

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, insurance claims, and customer dissatisfaction with the Registered Mail service, potentially impacting the brand.

Recommendation #12

We recommend the **Midwest Division Director, Processing Operations**, verify correct chain of custody procedures are followed for registry items at the St. Louis Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and associated recommendation. Management will issue standard work instructions for all registry items and support personnel to ensure proper processing and handling of Registered Mail. The target implementation date is November 30, 2025.

OIG Evaluation

The OIG considers management's comments responsive to the recommendation. Management will need to provide support showing that it is verifying proper registry mail procedures are followed. We will verify corrective actions taken are sufficient to resolve the issues identified in the report.

³⁰ Handbook DM-901, Registered Mail, Section 4-1.1, updated January, 2016.

Appendix A: Additional Information

We conducted this audit from May 2025 through August 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 July 17, 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 Surface Visibility Web³¹ 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.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Efficiency of Operations at the St. Louis, MO, Processing and Distribution Center</i>	To evaluate the efficiency of operations at the St. Louis P&DC	22-112-R22	July 13, 2022	None

³¹ A website dedicated to the Surface Visibility program. Provides real-time transportation updates and reporting 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.

Appendix B: Management's Comments



July 24, 2025

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: *Efficiency of Operations at the St. Louis Processing and Distribution Center, St. Louis, MO (25-097-DRAFT)*.

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Efficiency of Operations at the St. Louis Processing and Distribution Center*.

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

The following are our comments on each of the twelve recommendations:

Recommendation 1:

We recommend the Midwest Division Director, Processing Operations, develop and implement a plan to hire and retain enough employees to consistently reach and maintain authorized complement at the St. Louis Processing and Distribution Center

Management Response/Action Plan:

Management agrees with this recommendation.

The Midwest Division Director, Processing, along with HQ Director Processing/Insights have developed and implemented a strategic complement plan for STL P&DC. HR is currently working to hire in alignment with the stated plan. As of May 3, 2025, 56 PSEs and 46 MHAs have been hired. While still showing a short fall of 70 employees, hiring will continue until fully staffed. The Plant Manager will follow 511 guidelines for onboarding and retaining new employees.

Target Implementation Date: 10/31/2025

Responsible Official:

Midwest Division Director, Processing

Recommendation 2:

We recommend the Midwest Division Director, Processing Operations, implement a plan to hold managers and supervisors accountable for addressing employees who do not follow workplace rules at the St. Louis Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Since the outbrief, the Executive Plant Manager and Sr Division Director evaluated EAS staff and made strategic changes to senior leadership, e.g. Sr Lead MDO, Manager, Processing Support, and Maintenance Manager. With the changes, the Executive Plant Manager has set expectations related to conduct, safety, performance, mail flow, dispatch, and scanning to all EAS employees.

Target Implementation Date: 10/31/2025

Responsible Official:

Midwest Division Director, Processing Operations

Recommendation 3:

We recommend the Midwest Division Director, Processing Operations, analyze and realign processing operations at all four St. Louis processing facilities to improve efficiency.

Management Response/Action Plan:

Management agrees with this recommendation.

The Sr Director of Strategic Planning and Implementation has developed a plan to realign processing operations at the STL campus, reducing the number of facilities to three.

Target Implementation Date: 01/31/2026

Responsible Official:

Midwest Division Director, Processing Operations

Recommendation 4:

We recommend the Midwest Division Director, Processing Operations, verify mail condition issues are communicated through the Mail Arrival Quality/Plant Arrival Quality tool at the St. Louis Processing and Distribution Center

Management Response/Action Plan:

Management agrees with this recommendation.

All EAS will be retrained on the MAQ/PAQ process. The Executive Plant Manager will ensure daily compliance.

Target Implementation Date: 10/31/2025

Responsible Official:

Midwest Division Director, Processing Operations

Recommendation 5:

We recommend the Midwest Division Director, Processing Operations, develop a plan to verify employees attach accurate placards on mail transportation equipment and follow first in, first out order at the St. Louis Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

The Executive Plant Manager has developed a process to identify all mail with the time and date of receipt at STL P&DC. The Manager, Processing Support, conducts daily audits to ensure accuracy of the placards.

Target Implementation Date: 11/30/2025

Responsible Official:

Midwest Division Director, Processing Operations

Recommendation 6:

We recommend the Midwest Division Director, Processing Operations, develop a strategy to consistently conduct proper preventative maintenance on machines at the St. Louis Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

The Executive Plant Manager, Maintenance Manager, and Dir. Western Region Maintenance Implementation will establish staffing and scheduling to align with the required preventative maintenance windows. In addition, the PM completion rates will be monitored daily for compliance.

Target Implementation Date: 11/30/2025

Responsible Official:

Midwest Division Director, Processing Operations

Recommendation 7:

We recommend the Midwest Division Director, Processing Operations, develop a process to verify all delayed mail is reported in the Mail Condition Visualization system daily at the St. Louis Processing and Distribution Center

Management Response/Action Plan:

Management agrees with this recommendation.

Processing Support Manager will complete Daily Overview with the employee responsible for MCV Data Input. The IPS manager will provide training to all PSS staff on

- Mail Condition Visualization Overview
- Mail Condition Visualization Delayed Volume Qlik Report
- Mail Condition Visualization Dashboard: Manual Line Items Entry
- Mail Condition Visualization Dashboard: Piece-Level View
- Mail Condition Visualization Dashboard: Container-Level View
- Mail Condition Visualization Manual Lines & Exporting

The Executive Plant Manager will review, validate, and monitor MCV input daily.

Target Implementation Date: 11/30/2025

Responsible Official:

Midwest Division Director, Processing Operations

Recommendation 8:

We recommend the Midwest Division Director, Logistics, to fill Postal Service driver vacancies at the St. Louis Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Currently, St. Louis P&DC needs to hire 8 drivers to meet complement. Job postings will continue until full complement is reached. PTFs are converted to Full-Time as positions open.

Target Implementation Date: 01/31/2026

Responsible Official:

Midwest Division Director, Logistics

Recommendation 9:

We recommend the Midwest Division Director, Logistics, develop and implement a plan to utilize dock space efficiently at the St. Louis Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

Management is reimplementing its MTE plan with defined staging areas and thresholds. Management will perform daily Gemba certifications to validate docks are free of excess MTE.

Target Implementation Date: 10/31/2025

Responsible Official:

Midwest Division Director, Logistics

Recommendation 10:

We recommend the Midwest Division Director, Processing Operations and the Midwest Division Director, Logistics, develop a plan to verify supervisors are monitoring scanning to improve compliance with load and unload scan goals at the St. Louis Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

A Stand-Up Talk will be given to Supervisors on the requirement to ensure all load/unload scans are performed. In addition, daily reviews will be conducted to monitor compliance.

Target Implementation Date: 12/31/2025

Responsible Official:

Midwest Division Director, Processing Operations
Midwest Division Director, Logistics

Recommendation 11:

We recommend the Midwest Division Director, Logistics, develop and implement a plan to verify extra trips are properly recorded in the Surface Visibility Web system at the St. Louis Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation.

A process has been implemented to not run extra trips that are not in SV. If a trip cannot be added in SV prior to running, the issue will be escalated to the logistics manager and tracked to validate proper SV entry.

Target Implementation Date: 12/31/2025

Responsible Official:

Midwest Division Director, Logistics

Recommendation 12:

We recommend the Midwest Division Director, Processing Operations, verify correct chain of custody procedures are followed for registry items at the St. Louis Processing and Distribution Center

Management Response/Action Plan:

Management agrees with this recommendation.

Executive Plant Manager will reissue standard work instructions for all registry and support personnel to ensure proper processing and handling of registered mail.

Target Implementation Date: 11/30/2025

Responsible Official:

Midwest Division Director, Processing Operations

E-SIGNED by DANIEL T HIRAI
on 2025-07-24 15:26:22 EDT

DANIEL HIRAI
MIDWEST DIVISION DIRECTOR, PROCESSING

E-SIGNED by ELIZABETH BLACKBURN
on 2025-07-24 16:12:03 EDT

ELIZABETH BLACKBURN
MIDWEST DIVISION DIRECTOR, LOGISTICS

CC: Corporate Audit Response Management

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