Field Operations Service Review: Processing and Logistics Operations



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Highlights

Background

The U.S. Postal Service needs effective and productive operations to fulfill its mission of providing prompt, reliable, and affordable mail service. It has a vast transportation network that moves mail and equipment between approximately 315 mail processing facilities. During fiscal years 2023 and 2024, we audited 24 mail processing facilities, assessing transportation and processing operational efficiency.

What We Did

Our objective was to evaluate trends in service and operational performance at previously audited mail processing facilities to determine potential areas for improvement. For this audit, we interviewed regional and mail processing facility management, analyzed pertinent Postal Service system data for 24 previously audited mail processing facilities, and revisited six of these facilities.

What We Found

We identified persistent issues in the areas of delayed mail reporting, late and canceled outbound trips, and safety and security policies. In addition, though scanning compliance improved at some facilities, scanning scores were still generally below the goal. We also found that service performance for First-Class Mail stayed relatively consistent, but was below target, while service for Priority Mail and Ground Advantage declined. While the lack of oversight by management continues to contribute to most of the issues found, the Postal Service has opportunities to improve information accuracy and enforcement of existing policy. Specifically, facilities continued to have inaccurate reporting of delayed mail in the Mail Condition Visualization system due to a lack of training and out-of-date policy. We found incomplete scanning load and unload data was due to a lack of scanner availability and accountability. Many of these facilities continue to have high late and canceled outbound trip percentages caused by inconsistent reviews of transportation schedules. Finally, we found that facilities did not consistently follow mail safety and security policies and procedures.

Recommendations and Management's Comments

We made seven recommendations to address the identified issues, and management generally agreed with six of the recommendations. Management's comments and our evaluation are at the end of each finding and recommendation. We consider management's comments responsive to the agreed recommendations, as corrective actions should resolve the issues identified. We will work with management through the audit resolution process on the remaining recommendation. See Appendix D for management's comments in their entirety.

Transmittal Letter



September 11, 2025

MEMORANDUM FOR: ROBERT CINTRON

VICE PRESIDNET, LOGISTICS

DANE A. COLEMAN

VICE PRESIDENT, PROCESSING OPERATIONS

ANGELA D. LAWSON

VICE PRESIDNET, TECHNOLOGY APPLICATIONS

DAVID WEBSTER

EASTERN REGIONAL VICE PRESIDENT,

PROCESSING OPERATIONS

TODD S. HAWKINS

CENTRAL REGIONAL VICE PRESIDENT.

PROCESSING OPERATIONS

JOHN J. DI PERI

WESTERN REGIONAL VICE PRESIDENT,

PROCESSING OPERATIONS

SHELAINE D. SCAGGS-GRESE

ATLANTIC REGIONAL SENIOR DIRECTOR, LOGISTICS

LARRY J. BELAIR

CENTRAL REGIONAL SENIOR DIRECTOR, LOGISTICS

KARLETT E. GILBERT

SOUTHERN REGIONAL SENIOR DIRECTOR, LOGISTICS

MARC E. KERSEY

WESTPAC REGIONAL SENIOR DIRECTOR, LOGISTICS

FROM: Kelly Thresher

Deputy Assistant Inspector General

for Field Operations

SUBJECT: Audit Report – Field Operations Service Review:

Processing and Logistics Operations

(Report Number 25-067-R25)

This report presents the results of our audit of service and operational performance at previously audited mail processing facilities.

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. Recommendations 1, 3, 4, 5, 6, and 7 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 consider recommendation 2 closed with issuance of this report.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact Joseph E. Wolski, Director, Field Operations, Atlantic & WestPac, or me at 703-248-2100.

Attachment

cc: Postmaster General

Chief Processing and Distribution Officer and Executive Vice President Executive Vice President and Chief Logistics and Infrastructure Officer Executive Vice President and Chief Processing Officer Executive Vice President and Chief Information Officer Senior Vice President, Logistics
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the service and operational performance at previously audited mail processing facilities (Project Number 25-067). Our objective was to evaluate trends in service and operational performance at previously audited mail processing facilities to determine potential areas for improvement. See Appendix A for additional information about this audit.

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 packages between approximately 315 processing facilities and about 31,200 post offices, stations, and branches. The Postal Service is transforming its processing and logistics network via the 10-year Delivering for America (DFA) plan.¹

The Postal Service uses certain metrics to track its efficiency of transportation and processing performance. Performance and the metrics used to measure it have changed over time, especially with new DFA implementations to the network. For example, on-time scores have been heavily impacted in specific delivery regions implementing Local Transportation Optimization (LTO), which was designed to reduce the number of transportation trips to and from select post offices from two or three trips per day to one trip per day. As part of this program, the Postal Service will no longer transport originating mail to the processing facilities the same day it is collected at the LTO offices; instead, the mail will remain at the affected offices until the next day for morning pickup.

In addition, as part of the DFA plan, the Postal Service has begun making major network changes, including the introduction of several new types of processing facilities:

- Regional Processing and Distribution Center (RPDC) – These large facilities process all originating mail and package volume in a region and serve as go-betweens for national and regional transportation.
- Local Processing Center (LPC) These facilities process destination mail for their service area and transfer mail and packages for delivery.
- Originating Transfer Hub These facilities process mail and packages that are entering the USPS network, including sorting, scanning, and potentially transferring them to other facilities for further processing.
- Regional Transfer Hub These facilities are designed to handle the aggregation and disaggregation of mail and packages, acting as a transfer point from other regional transfer hubs.

See Figure 1 for a summary of how mail flows through the Postal Service network from collection to delivery.

As part of our localized reviews, the U.S. Postal Service Office of Inspector General (OIG) assessed the efficiency of transportation and mail processing operations at facilities across the country and provided management with timely feedback to further the Postal Service's mission. During fiscal years (FY) 2023 and 2024, we audited operations at 24 mail processing facilities. These previously audited facilities are located throughout the Postal Service's Eastern and Western Processing regions, as well as the Atlantic, Central, Southern, and WestPac Logistics regions. During these reviews, we identified issues related to delayed mail, scanning compliance, and late and canceled outbound trips at 23 of the 24 facilities. Additional details about these previously audited facilities can be found in Appendix B.

^{1 10-}year plan outlining the Postal Service blueprint to streamline its network and cut costs to become fiscally sustainable and achieve service excellence. USPS_Delivering-For-America.pdf.

² This initiative has since evolved into Regional Transportation Optimization to be rolled out nationwide

Figure 1. Postal Service Mail Cycle

Source: U.S. Postal Service Office of Inspector General (OIG) Delivering for America: First-Class Mail and Priority Mail Service Performance, Report Number 25-028-R25, dated May 7, 2025.



Service Performance

The Postal Service has service standards against which it measures its performance so it can track how timely it is delivering mail. These standards, which establish timeframes for delivering mail after receiving it from the customer, are different for each type of mail and are one of the primary operational goals, or benchmarks, against which the Postal Service measures its performance. Service targets, which are established by Postal Service management, are the percentage of mail expected to make the service standard.

We evaluated destinating service performance for First-Class Mail, Priority Mail, and Ground Advantage³ products for the 24 facilities between FY 2024 Q2, and FY 2025 Q2. Compared to the same period last year, First-Class Mail performance stayed relatively steady, but was below target in both FY 2024 Q2 and FY 2025 Q2. Ground Advantage and Priority Mail performance both decreased compared to the same period last year, and both were below target. Additional details about each of the 24 facilities' destinating service performance by mail type can be found in Appendix C.

The audits conducted within our scope were completed while the Postal Service's processing and logistics networks were in transition. Many plants we visited have undergone significant network changes since our initial audit, making comparison difficult. For example, out of the 24 facilities we previously audited:

- 19 facilities began receiving their destinating mail via a regional transfer hub.
- Four facilities were within regions that were among the first to pilot the LTO initiative.
- Three facilities became LPCs.
- One facility became an RPDC.

In addition to these changes, there are more facilities with planned changes in the near future.

There have been challenges implementing changes to the network that have negatively impacted service performance. The Postal Service lengthened some service standards and lowered some targets to support its DFA initiatives. Even with these changes, the previously audited facilities have struggled to achieve targets. For example, we conducted audits in four regions that implemented the LTO pilot program, and we observed service performance generally declined. Specifically, the two previously

³ A new package product introduced in FY 2023 as an affordable way to send packages within two to five business days inside the U.S.

audited facilities with package processing within LTO pilot regions experienced declines in service performance for Priority Mail and Ground Advantage. Additionally, three of four previously audited facilities in LTO pilot regions experienced declines in destinating First-Class Mail service performance, and the only facility that improved its destinating service performance score was still below target by 12.2 percentage points.

Findings Summary

We found continued issues in the areas of delayed mail reporting; scan compliance; late and canceled outbound trips; and safety and security. The facilities had inaccurate reporting of delayed mail in the Mail Condition Visualization (MCV) system and incomplete scan load and unload data. We found opportunities to improve the accuracy of reporting in MCV and scanner accountability.

Many of these facilities also had high late and canceled outbound trip percentages. This is caused by the Postal Service not always conducting reviews of transportation schedules to ensure they are operating efficiently. Finally, we found that Postal Vehicle Service (PVS) and Highway Contract Route (HCR) drivers⁴ did not always consistently follow safety policies and procedures.

We revisited six (25 percent) of the 24 facilities to reevaluate conditions identified in our previous audit work.5 We judgmentally selected facilities from both the Eastern and Western Processing regions and the Atlantic, Central, Southern, and WestPac Logistics regions. Our observations and discussions with local management focused on how these facilities were performing in the areas of delayed mail, scan compliance, and late and canceled outbound trips, as shown in Table 1.

Table 1. Summary of the Revisited Mail Processing Facility Findings

Processing Region	Mail Processing Facility	Logistics Region	Delayed Mail Reporting	Scan Compliance	Late & Canceled Outbound Trips
Eastern	Delaware Processing & Distribution Center (P&DC)	Atlantic	Yes	Yes	No
	Miami P&DC	Southern	Yes	Yes	Yes
	Denver P&DC	WestPac	Yes	Yes	Yes
Western	Kansas City P&DC	Central	No	Yes	Yes
vvestern	New Orleans P&DC	Southern	Yes	Yes	Yes
	North Houston RPDC*	Southern	Yes	Yes	Yes
To	otal Facilities With Deficiencies		5	6	5

Source: OIG observations and discussions at the Miami P&DC and the New Orleans P&DC with local management during the week of February 24, 2025, and the other facilities during the week of March 11, 2025.

* Since we conducted our original audit, the North Houston P&DC transitioned to an RPDC.

⁴ PVS moves the mail between facilities, delivery offices, and local businesses and mailers using Postal Service employee drivers and vehicles. HCR drivers are the contractors' employees, who also move the mail between facilities, delivery offices, and local businesses and mailers, using the contractors' vehicles.

Within Prior Audit Coverage, we provide links to these reports.

Finding #1: Delayed Mail Reporting

The proper reporting of delayed mail continues to be an issue at processing facilities previously audited. In the 24 reports from FYs 2023 and 2024, we found delayed mail was misreported at nine facilities; and at two facilities, we found that delayed Priority Mail Express was not properly reported. During revisits to six facilities, we found all six facilities had delayed mail, and five of those six facilities had not accurately reported delayed mail in MCV in accordance with Postal Service policy. Two of the facilities had unreported, delayed Priority Mail Express.

The inaccurately reported delayed mail we identified was primarily due to a lack of management oversight and training. Headquarters processing management stated that local periodic reviews and trainings for reporting mail conditions are conducted throughout the field, but there is no annual training required for personnel responsible for reporting mail conditions. In our site visits for this report, as well as previous reporting, we found instances of management not understanding its reporting responsibilities for delayed mail in the plant.

Managers at the two facilities where delayed Priority Mail Express was found all stated they were not aware of how to record this mail in MCV but agreed it should be recorded there. Senior postal management agreed Priority Mail Express should be reported in MCV; however, we determined there is no specific line item for facilities to record this volume. Priority Mail Express, a product with a guaranteed service commitment of 1–3 days,⁷ can be better identified in mail condition reporting by establishing a new manual line item in the system. Additionally, the Postal Service has modified the MCV system to reflect recent mailflow changes; however, instructions for reporting mail conditions in the new categories have not been updated.⁸

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. Further, when delayed mail is not correctly reported in MCV, management at the local, district, area, and headquarters levels do not have an accurate status of mail delays, which can result in improper actions taken to address issues. An inaccurate understanding of delays could ultimately impact service performance in a specific market.

Recommendation #1

We recommend the **Vice President, Processing Operations,** require annual training for personnel responsible for reporting mail conditions to improve mail condition reporting accuracy.

Recommendation #2

We recommend the **Vice President, Processing Operations,** in coordination with the **Vice President, Technology Applications,** create a line item for recording Priority Mail Express in the Mail Condition Visualization system.

Recommendation #3

We recommend the **Vice President, Processing Operations,** in coordination with the **Vice President, Technology Applications,** update policies and manuals related to condition reporting to include newly established categories and mail conversion rates in the Mail Condition Visualization system and Handbook M-32.

Postal Service Response

Management agreed with finding 1 and recommendations 1, 2, and 3.

Regarding recommendation 1, management will require annual training for personnel responsible for reporting mail conditions. The target date is January 31, 2026.

Regarding recommendation 2, management stated new line items for Priority Express originating and destinating were activated in the Mail Condition Visualization system on August 26, 2025, and it requested this

⁶ MCV Job Aid, updated October 26, 2020, provides guidance on how to report on mail conditions within a facility.

⁷ As announced in the April 1, 2025, Industry Alert, the service guarantee provided by the Postal Service for Priority Mail Express comes with a revised 1-3 day service

⁸ Management Operating Data System (MODS) Handbook M-32, updated September 2022, contains the conversion rates of mail for reporting purposes. There are currently no conversion rates for Priority Mail Express.

recommendation to be closed upon report issuance.

Regarding recommendation 3, management acknowledged that the policies and manuals needed to be updated. The target implementation date is April 30, 2026.

OIG Evaluation

We consider management's comments responsive to the finding and associated recommendations, and corrective action should resolve the issues identified in the report. The Postal Service provided documentation supporting the closure of recommendation 2. Based on our review of the support provided, the OIG agrees to close recommendation 2 upon issuance of this report.

Finding #2: Scanning Compliance

We reviewed load and unload scan data for the period from April 2024 through March 2025 for the 24 previously audited facilities and found most were still not meeting the goal. Specifically:

- 20 of the 24 facilities were still below the scanning compliance goal.9
- 11 of the 24 facilities improved in load scan compliance.
- Seven of 24 facilities improved in unload scan compliance.

During site observations in February and March of 2025, we heard from multiple local management teams that facilities did not have enough scanners. Scanner accountability was also an issue; management acknowledged that sometimes scanners were signed out and not returned, requiring the purchase of replacement scanners.

Based on interviews with management that indicated there might be systemic scanner availability issues, we evaluated the scanner inventory for all 24 previously audited facilities on and found that scanner availability and accountability are an issue. Specifically, we found that of the 3,847 scanners assigned to these facilities, 774 (20.1 percent) had not been used since prior to June 1, 2024, based on the last time the scanner was active. Additionally, we found that 874 (22.7 percent) of the 3,847 scanners were last used in locations that did not match their assigned inventory location, indicating a lack of accountability.

Facility management is responsible for ensuring scanners are in good working condition, located in a secure area, and that controls are used to manage device inventory. When scanners assigned to one facility are being used at another, it could lead to inaccurate assumptions about which facilities need additional scanners. We also question the availability and operability of the 774 unused scanners, as well as management's accountability of these devices.¹¹

Scans help the Postal Service track mail as it flows through the network. Low scanning compliance contributes to inaccurate data about how full trailers are, 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.

Recommendation #4

We recommend Central Regional Vice President,
Processing Operations; Eastern Regional
Vice President, Processing Operations;
Western Regional Vice President, Processing
Operations; and Senior Regional Directors,
Logistics reinforce inventory controls to ensure
scanners are signed out and returned.

Recommendation #5

We recommend Central Regional Vice
President, Processing Operations; Eastern
Regional Vice President, Processing
Operations; Western Regional Vice President,
Processing Operations; and Senior Regional
Directors, Logistics develop and implement
periodic reviews of scanner inventory.

Postal Service Response

Management generally agreed with finding 2 and recommendations 4 and 5.

However, management disagreed with the other impacts valuation, stating it could not agree that the scanners were missing or lost based solely on the OIG's methodology.

Regarding recommendation 4, management stated it will prepare and issue a joint letter reinforcing the requirement that all scanners must be signed in and out. Regarding recommendation 5, management stated it will

⁹ We used the FY 2024 mail processing goal of 93.25 percent, which is lower than the current goal.

¹⁰ To do this, we used Ethos, a Postal Service application used to enter and submit requests for excessing equipment.

¹¹ The OIG considers these 774 scanners assets or accountable items at risk. Using the dashboard's \$575 replacement cost for each device, this represents \$445,050.

send policy to the field units on how to implement periodic reviews of scanner inventory. The target implementation date for both recommendations is January 31, 2026.

OIG Evaluation

We consider management's comments responsive to the finding and recommendations, and corrective action should resolve the issues identified in the report. Regarding our assessment of other impacts, the status of the scanners was unknown. Once management has implemented recommendations 4 and 5, management will be able to determine how many of these 774 scanners are operable and available for use.

Finding #3: Late and Canceled Trips

During our previous audits, we identified issues with late and canceled trips at 20 of the 24 facilities we visited. We reviewed late and canceled outbound trip data for the period from October 2024 to March 2025 to determine if transportation remained an issue at these 24 mail processing facilities.

Late Trips

Late trips, as a percentage of total trips, increased at 12 of the 24 facilities, decreased at 10 facilities, and remained relatively unchanged at two facilities (see Table 2). From October 1, 2024, to March 30, 2025, 23.2 percent of total trips were late at the previously audited mail processing facilities.

Table 2. Change in Late Trips as a Percentage of Total Trips

Facility	Late Trips as % of Total Trips - Original Audit Scope	Late Trips as % of Total Trips October 2024 - March 2025	Percent Change
St. Paul P&DC	24.1%	11.7%	-12.4%
Memphis Mail Processing Annex (MPA)	45.0%	37.1%	-7.9%
North Houston RPDC*	20.7%	13.6%	-7.1%
Dominick V. Daniels P&DC	17.3%	10.8%	-6.5%
San Juan MPA 2	15.8%	11.5%	-4.3%
Delaware P&DC	16.4%	12.7%	-3.7%
Curseen-Morris P&DC	14.0%	10.9%	-3.1%
Eastern Shore Processing and Distribution Facility (P&DF)	7.2%	5.1%	-2.1%
Philadelphia P&DC	29.4%	27.3%	-2.1%
Denver P&DC	18.6%	17.4%	-1.2%
Atlanta LPC*	42.8%	42.3%	-0.5%
San Juan MPA 3	9.3%	9.9%	0.6%
Los Angeles P&DC	15.5%	16.8%	1.3%
Charleston P&DC	16.5%	19.5%	3.0%
Tallahassee LPC*	9.6%	13.1%	3.5%
Chicago LPC*	12.1%	18.0%	5.9%
Bismarck P&DC	10.9%	19.9%	9.0%
Kansas City P&DC	27.1%	36.4%	9.3%
Miami P&DC	20.4%	30.0%	9.6%
Birmingham MPA	26.8%	36.6%	9.8%
Birmingham P&DC	26.8%	36.6%	9.8%
Memphis P&DC	30.3%	41.2%	10.9%
Southern Maine P&DC	7.2%	20.0%	12.8%
New Orleans P&DC	22.6%	41.9%	19.3%

Source: OIG analysis of Surface Visibility (SV).

* Since we conducted our original audits, North Houston P&DC transitioned to an RPDC, Atlanta P&DC transitioned to an LPC, Tallahassee P&DF transitioned to an LPC, and Chicago P&DC transitioned to an LPC.

When a late trip occurs, the Postal Service must assign a reason for the late trip. The reason can fall under processing or logistics. For example, mail processing is responsible for late trips with reasons such as late processing or mail not on the dock. Similarly, logistics is responsible for late trips with reasons such as traffic or PVS schedule failure — meaning the schedule in the system does not reflect the schedule the driver is operating. Late trips repeatedly caused by traffic or schedule failures can be an indication that a transportation review is in order.

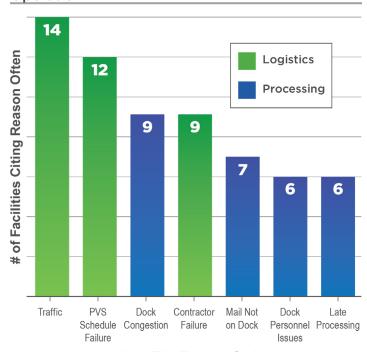
We reviewed data from October 2024 to March 2025 to determine the top reasons for late trips for the previously audited mail processing facilities. The most common reason trips departed late that were attributed to mail processing were dock congestion and mail not on dock (see Figure 2). Specifically, nine out of 24 facilities (37.5 percent) had dock congestion in their top three reasons for late trips.

The most common reason trips departed late due to logistics were traffic, PVS schedule failure, and contractor failure (see Figure 2). In fact, traffic appeared as one of the top three reasons for late trips in 58.3 percent of the 24 facilities, and PVS Schedule Failure¹² appeared in the top three reasons in 50 percent of the facilities.

In addition, DFA network changes implemented by the Postal Service impacted late trips. For example, the method by which mail is moved from air to surface was changed as part of DFA network changes at some of these previously audited facilities. Transportation mode changes can directly impact the timeliness of transportation at a facility, as mail for these transportation modes are prepared differently. When mail is prepared for the air network, it is put into sacks, and a single container can have

multiple destinations mixed into it. For surface transportation, however, mail processing facilities generate more containers for the destinating facility, which contain only the ZIP Codes they process. This increase in containers may cause dock congestion and result in late transportation if mail cannot be loaded timely.

Figure 2. Most Common Late Trip Reasons by Operation



Late Trip Reason Code

Source: OIG analysis of SV.

Canceled Trips

Results for canceled trips were mixed at the 24 previously audited mail processing facilities. From October 2024 through March 2025, canceled trips, as a percentage of total trips, increased at nine of the 24 facilities, decreased at eight facilities, and remained relatively unchanged at seven facilities (see Table 3).

¹² PVS Schedule Failure is used when the schedule in the Postal Service's Vehicle Information Transportation Analysis and Logistics does not match the schedule being run.

Table 3. Change in Canceled Trips as a Percentage of Total Trips

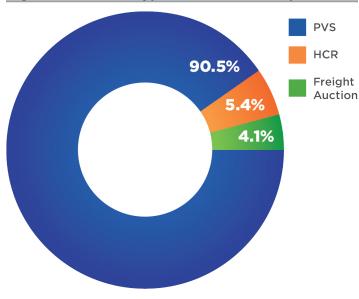
Facility	Canceled Trips as % of Total Trips - Original Audit Scope	Canceled Trips as % of Total Trips October 2024 - March 2025	Percent Change
Dominick V. Daniels P&DC	18.1%	2.2%	-15.9%
San Juan MPA 2	12.2%	3.4%	-8.8%
St. Paul P&DC	11.5%	3.8%	-7.7%
San Juan MPA 3	8.0%	1.3%	-6.7%
Chicago LPC	10.5%	5.7%	-4.8%
Delaware P&DC	5.5%	2.9%	-2.6%
Philadelphia P&DC	14.7%	13.2%	-1.5%
Southern Maine P&DC	5.9%	4.7%	-1.2%
Curseen-Morris P&DC	7.6%	7.1%	-0.5%
Miami P&DC	10.2%	9.7%	-0.5%
Eastern Shore P&DF	1.2%	0.9%	-0.3%
Bismarck P&DC	3.0%	3.0%	0.0%
Birmingham MPA	5.2%	5.3%	0.1%
Birmingham P&DC	5.2%	5.3%	0.1%
Denver P&DC	17.5%	18.0%	0.5%
Memphis MPA	15.7%	17.5%	1.8%
Tallahassee LPC	1.2%	3.2%	2.0%
Charleston P&DC	4.1%	6.2%	2.1%
Los Angeles P&DC	9.4%	12.6%	3.2%
New Orleans P&DC	13.2%	20.6%	7.4%
North Houston RPDC	13.7%	29.1%	15.4%
Memphis P&DC	8.9%	26.2%	17.3%
Kansas City P&DC	24.0%	45.1%	21.1%
Atlanta LPC	7.7%	38.5%	30.8%

Source: OIG analysis of SV.

From October 1, 2024, to March 30, 2025, 13 percent of total trips were canceled at the previously audited mail processing facilities. About 91 percent of these canceled trips were PVS trips (see Figure 3).

The process for recording canceled trips is similar to that for recording late trips. We determined that 91 percent of canceled trips at previously audited facilities between October 2024 and March 2025 were canceled by Postal Service management. The most common reasons for canceled PVS trips at the six facilities we revisited, according to logistics management, were the implementation of LTO and facility closures. Logistics management also stated it did not always have enough employees to complete scheduled trips, necessitating cancelation.

Figure 3. Percent Types of Canceled Trips



Source: OIG analysis of SV.

Transportation Reviews

The Postal Service uses multiple transportation review methods to evaluate and adjust PVS operations. Out of the nine facilities that had an increase in the number of late outbound trips, eight facilities could have completed a comprehensive transportation review for their PVS scheduled trips. 13 Six of those eight facilities had not completed a comprehensive transportation review since FY 2023, which is recommended to be conducted annually. These reviews have not been conducted annually with the ongoing network changes. Areas with the most significant network changes have been prioritized for these reviews. Additionally, Postal Service management should review travel times on schedules that are frequently late due to traffic. They should also determine what transportation needs to operate between these facilities, so trips that are not needed can be eliminated.

Network changes are a contributing factor to the increase in late and canceled transportation, as some of our previously audited facilities had changes to the types of mail they processed. Specifically, at the time of our prior audit, the Atlanta P&DC was processing originating and destinating mail. However, when the Atlanta RPDC opened in February 2024, this facility changed to an LPC, processing only destinating mail for the delivery units it services. This change in processing meant that mail going to other facilities was now processed and dispatched from the Atlanta RPDC, impacting transportation performance. Specifically, between October 2024 and March 2025, approximately 41.3 percent of the Atlanta LPC's total canceled trips were destined for the Atlanta RPDC. The lag in schedule changes caused the Atlanta LPC's overall canceled trips to increase by 30.8 percent (see Table 3). The OIG has conducted several audits on Atlanta RPDC, and its impact on the local service area, due to extensive delays with mail processing and transportation.14

The Postal Service has not always conducted reviews of transportation schedules when implementing network changes. According to Postal Service policy,¹⁵ key elements to effective transportation management include evaluating performance of planned schedules and ensuring that planned dispatches arrive timely at the destination.

Additionally, at the Kansas City P&DC, Postal Service management stated that HCR trips were being canceled, even though they were dispatched as scheduled. This occurred because there was a lack of scanners available at the time of departure, but canceling a trip prompts payment. These trips were inaccurately recorded as canceled, increasing the number of canceled trips on the record at this facility, which could potentially portray a contractor accountability issue instead of a plant management issue.

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. Specifically, out of the eight facilities that had a decline in destinating First-Class Mail service performance, six also had an increase in late trips.

Recommendation #6

We recommend the **Senior Regional Directors, Logistics,** require a documented transportation review that tracks the root cause and planned mitigation tactics for facilities not meeting their transportation goals.

Postal Service Response

Management agreed with finding 3 and disagreed with recommendation 6.

Regarding the recommendation, management believes current metrics sufficiently address the

¹³ The remaining facility had only HCR operations.

¹⁴ The Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA, Report Number 24-074-R24, The OlG's Oversight of the U.S. Postal Service's Delivering for America Plan – Volume 2, Report Number 25-034-R25, and Network Changes – Progress on Improvements at Atlanta, GA Regional Processing and Distribution Center, Report Number 25-039-R25.

¹⁵ Handbook M-22, Dispatch and Routing Policies, dated July 2013.

concerns the OIG identified regarding late and canceled trips. Management said the Transit Team is working to reduce transit time delays and improve performance in underperforming lanes through root cause analysis and mitigation strategies identified during cross-functional meetings. Management also stated its efforts are further supported by comprehensive data visualization tools that provide continuous monitoring and insights.

OIG Evaluation

We consider management's comments responsive to finding 3 and nonresponsive to recommendation 6.

Regarding recommendation 6, senior regional directors are ultimately responsible for facilities under their purview that are not meeting transportation goals. Mail processing facilities with significant and persistent increases in late

and canceled trip percentages should undergo comprehensive transportation reviews. For example, the New Orleans P&DC had three consecutive months (January – March 2025) where the percentage of late trips exceeded 42 percent. During the same period, the New Orleans P&DC's canceled trip percentage exceeded 24 percent. Further, the Memphis P&DC had six consecutive months (October 2024 – March 2025) where the percentage of late trips exceeded 30 percent, and during this same period the canceled trip percentage exceeded 15 percent. Requiring a comprehensive transportation review that tracks the root cause and planned mitigation tactics would improve late and canceled trips at these facilities. We will pursue this recommendation with management through the formal audit resolution process.

Finding #4: Safety and Security

During our initial audits, we found safety and security issues at 20 of the 24 facilities. During this audit, we found safety and security issues at all six of the facilities we revisited. Specifically, PVS and HCR drivers did not always consistently follow the safety policies and procedures for securing vehicles and mail

containers. Additionally, we found vehicles without the appropriate number of cargo straps to secure mail containers, trailer wheels not chocked, and trailer doors not locked. In addition, we saw trailers not being properly loaded (see Table 4).

Table 4. Observations of Unsafe Practices

Facility Name	Insufficient Straps	Wheels Not Chocked	Trailer Doors Not Locked	Improper Loading
Delaware P&DC	X	-	X	X
Denver P&DC	-	X	-	-
Kansas City P&DC	X	X	-	-
Miami P&DC	X	X	X	X
New Orleans P&DC	X	X	-	-
North Houston RPDC	X	-	-	-
Total:	5	4	2	2

Source: OIG observations.

For example, we observed a load arriving from West Palm Beach, FL, at the Miami P&DC that was not sufficiently strapped, causing packages to become loose in the vehicle (see Figure 4).

Figure 4. Unsecured Load



Source: OIG observation at Miami P&DC, February 26, 2025.

Postal Service policy¹⁶ requires employees to use wheel chocks to prevent trailers from rolling away, straps to secure mail, and locks on trailer doors. Additionally, Postal Service policy requires that mail is properly loaded onto trailers to avoid shifts during transportation. The Postal Service is not consistently directing local management to enforce and monitor compliance of using wheel chocks, straps, and locks to secure trailers and mail being transported.

Securing containers properly is critical to public safety and protection of mail. When employees do not observe safe working practices and safety rules, there is an increased risk of employee accidents and injuries. Additionally, management's attention to maintenance, safety, and security deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims, lawsuits, and OSHA penalties; and enhance the customer experience and Postal Service brand.

¹⁶ Dock and Yard Safety Guide for Logistics Employees, dated February 2021.

Recommendation #7

We recommend **Vice President, Processing Operations** and **Vice President, Logistics**reiterate processes to ensure accountability
over staff and contractors responsible for safety
policies regarding wheel chocks, strapping
of loads, and securing and locking mail being
transported in trailers and cargo vans.

Postal Service Response

The Postal Service agreed with finding 4 and recommendation 7. Regarding the recommendation, management stated it will issue memorandums to both employees and contractors reiterating safety and security policies. The target implementation date is November 30, 2025.

OIG Evaluation

The OIG considers management's comments responsive to finding 4 and recommendation 7, and corrective action should resolve the issues identified in the report.

Looking Forward

The Postal Service's success hinges on balancing timely and efficient mail delivery in a consistently changing environment. The Postal Service has an opportunity to use recurring findings in audit reviews as an indication of issues that might be systemic, which could negatively impact its ability to implement key DFA initiatives. We will continue to conduct localized audits to assess the Postal Service's efficiency of operations and make recommendations to improve those operations in processing facilities nationwide.

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Appendix A: Additional Information

Scope and Methodology

Our objective was to evaluate trends in service and operational performance at previously audited mail processing facilities to determine potential areas for improvement. The scope of this audit focused on delayed mail, scanning compliance, and late and canceled outbound trips of the 24 facilities that were previously audited during FYs 2023 and 2024, for primarily the same issues for the period of April 1, 2024, through March 31, 2025. To accomplish our objective, we:

- Analyzed service (on-time performance) and the operational trends (associated with delayed mail, late and canceled outbound trips, and scanning) data obtained from Postal Service systems and management for the 24 facilities.
- Reviewed applicable laws; regulations; and Postal Service policies, procedures, and service standards.
- Revisited six facilities, unannounced, to conduct on-site observations and reevaluate the conditions identified in our previous audit work and interview local management.
- Interviewed processing and logistics senior management.

We conducted this performance audit from February through September 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 August 11, 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 four components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring
- Control Environment

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, monitoring, and the control environment that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of SV, Ethos and Service Performance Measurement from IV 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

Objective	Report Number	Final Report Date	Monetary Impact
Evaluate the efficiency of operations at the Denver P&DC.	24-136-R24	September 24, 2024	N/A
Evaluate the efficiency of operations at the Birmingham P&DC and MPA.	24-129-R24	September 9, 2024	N/A
Evaluate the efficiency of operations at the Charleston P&DC.	24-116-R24	August 13, 2024	N/A
Evaluate the efficiency of operations at the Kansas City P&DC.	24-106-R24	July 15, 2024	N/A
Evaluate the efficiency of operations at the Tallahassee P&DF.	24-084-R24	June 7, 2024	N/A
Evaluate the efficiency of operations at the San Juan MPAs.	24-078-R24	May 22, 2024	N/A
Evaluate the efficiency of operations at the Curseen-Morris P&DC.	24-063-R24	April 11, 2024	N/A
Evaluate the efficiency of operations at the Bismarck P&DC.	24-060-R24	March 3, 2024	N/A
Evaluate the efficiency of operations at the Los Angeles P&DC.	24-026-R24	January 29, 2024	N/A
Evaluate the efficiency of operations at the Saint Paul P&DC.	24-031-R24	January 22, 2024	N/A
Evaluate the efficiency of operations at the North Houston P&DC.	23-150-R24	November 28, 2023	N/A
Evaluate the efficiency of operations at the Eastern Shore P&DF.	23-155-R24	November 20, 2023	N/A
Evaluate the efficiency of operations at the Chicago P&DC.	23-138-R24	October 11, 2023	N/A
Evaluate the efficiency of operations at the New Orleans P&DC.	23-112-R23	August 17, 2023	N/A
Evaluate the efficiency of operations at the Memphis P&DC and MPA.	23-099-R23	June 27, 2023	N/A
Evaluate the efficiency of operations at the Southern Maine P&DC.	23-075-R23	May 10, 2023	N/A
	Evaluate the efficiency of operations at the Denver P&DC. Evaluate the efficiency of operations at the Birmingham P&DC and MPA. Evaluate the efficiency of operations at the Charleston P&DC. Evaluate the efficiency of operations at the Kansas City P&DC. Evaluate the efficiency of operations at the Tallahassee P&DF. Evaluate the efficiency of operations at the San Juan MPAs. Evaluate the efficiency of operations at the Curseen-Morris P&DC. Evaluate the efficiency of operations at the Bismarck P&DC. Evaluate the efficiency of operations at the Los Angeles P&DC. Evaluate the efficiency of operations at the Saint Paul P&DC. Evaluate the efficiency of operations at the North Houston P&DC. Evaluate the efficiency of operations at the Eastern Shore P&DF. Evaluate the efficiency of operations at the Eastern Shore P&DC. Evaluate the efficiency of operations at the Chicago P&DC. Evaluate the efficiency of operations at the North Houston P&DC. Evaluate the efficiency of operations at the Eastern Shore P&DC. Evaluate the efficiency of operations at the North Houston P&DC. Evaluate the efficiency of operations at the New Orleans P&DC. Evaluate the efficiency of operations at the New Orleans P&DC and MPA. Evaluate the efficiency of operations at the New Orleans P&DC and MPA.	Evaluate the efficiency of operations at the Denver P&DC. Evaluate the efficiency of operations at the Birmingham P&DC and MPA. Evaluate the efficiency of operations at the Charleston P&DC. Evaluate the efficiency of operations at the Kansas City P&DC. Evaluate the efficiency of operations at the Tallahassee P&DF. Evaluate the efficiency of operations at the San Juan MPAs. Evaluate the efficiency of operations at the Curseen-Morris P&DC. Evaluate the efficiency of operations at the Bismarck P&DC. Evaluate the efficiency of operations at the Bismarck P&DC. Evaluate the efficiency of operations at the Los Angeles P&DC. Evaluate the efficiency of operations at the Saint Paul P&DC. Evaluate the efficiency of operations at the North Houston P&DC. Evaluate the efficiency of operations at the Eastern Shore P&DF. Evaluate the efficiency of operations at the Eastern Shore P&DC. Evaluate the efficiency of operations at the Chicago P&DC. Evaluate the efficiency of operations at the New Orleans P&DC and MPA. Evaluate the efficiency of operations at the New Orleans P&DC and MPA. Evaluate the efficiency of operations at the New Orleans P&DC and MPA. Evaluate the efficiency of operations at the New Orleans P&DC and MPA. Evaluate the efficiency of operations at the New Orleans P&DC and MPA. Evaluate the efficiency of operations at the SDC and MPA. Evaluate the efficiency of operations at the New Orleans P&DC and MPA.	Evaluate the efficiency of operations at the Evaluate the efficiency of operations at the Birmingham P&DC and MPA. Evaluate the efficiency of operations at the Evaluate the efficiency of operations at the Charleston P&DC. Evaluate the efficiency of operations at the Kansas City P&DC. Evaluate the efficiency of operations at the Kansas City P&DC. Evaluate the efficiency of operations at the Tallahassee P&DF. Evaluate the efficiency of operations at the San Juan MPAs. Evaluate the efficiency of operations at the Curseen-Morris P&DC. Evaluate the efficiency of operations at the Esimarck P&DC. Evaluate the efficiency of operations at the Curseen-Morris P&DC. Evaluate the efficiency of operations at the Los Angeles P&DC. Evaluate the efficiency of operations at the Saint Paul P&DC. Evaluate the efficiency of operations at the Saint Paul P&DC. Evaluate the efficiency of operations at the Esimarch P&DC. Evaluate the efficiency of operations at the Esim P&DC. Evaluate the efficiency of operations at the Esim P&DC. Evaluate the efficiency of operations at the Esim P&DC. Evaluate the efficiency of operations at the Esim P&DC. Evaluate the efficiency of operations at the Esimen Shore P&DF. Evaluate the efficiency of operations at the Eastern Shore P&DC. Evaluate the efficiency of operations at the Chicago P&DC. Evaluate the efficiency Of operations at the Eastern Shore P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC. Evaluate the efficiency Of operations at the New Orleans P&DC.

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
Efficiency of Operations at the Miami Processing and Distribution Center, Miami, FL	Evaluate the efficiency of operations at the Miami P&DC.	23-049-R23	April 10, 2023	N/A
Efficiency of Operations at the Delaware Processing and Distribution Center, Wilmington, DE	Evaluate the efficiency of operations at the Delaware P&DC.	22-206-R23	January 10, 2023	N/A
Efficiency of Operations at the Philadelphia Processing and Distribution Center, Philadelphia, PA	Evaluate the efficiency of operations at the Philadelphia P&DC.	22-207-R23	January 10, 2023	N/A
Efficiency of Operations at the Atlanta, GA Processing and Distribution Center	Evaluate the efficiency of operations at the Atlanta P&DC.	22-179-R23	November 1, 2022	N/A
Efficiency of Operations at the Dominick V. Daniels Processing and Distribution Center, Kearny, NJ	Evaluate the efficiency of operations at the DV Daniels P&DC.	22-169-R23	October 19, 2022	N/A

Appendix B: Past Audit Results

See Table 5 for an overview of specific deficiencies at these facilities. After we audited each facility, we made recommendations to address any deficiencies, or, in some cases, the facility was able to address what we found before we issued recommendations. Overall, we made 51 recommendations regarding delayed mail, 19 regarding scanning compliance, and 25 regarding late and canceled outbound trips.

Table 5. Summary of Mail Processing Facility Findings From Audits

Processing Region	Mail Processing Facility	Logistics Region	Delayed Mail	Scan Compliance	Late & Canceled Outbound Trips
	Charleston P&DC	Atlantic	Yes	Yes	Yes
	Curseen-Morris P&DC	Atlantic	Yes	Yes	Yes
	Delaware P&DC	Atlantic	Yes	Yes	No
	Dominick V. Daniels P&DC	Atlantic	No	Yes	Yes
	Eastern Shore P&DF	Atlantic	Yes	No	No
	Memphis P&DC	Atlantic	Yes	Yes	Yes
	Memphis MPA	Atlantic	No	Yes	Yes
Eastern	Philadelphia P&DC	Atlantic	Yes	Yes	Yes
Processing	Southern Maine P&DC	Atlantic	No	No	No
Region	Chicago LPC	Central	Yes	No	No
	Atlanta LPC	Southern	Yes	Yes	Yes
	Birmingham MPA	Southern	Yes	Yes	Yes
	Birmingham P&DC	Southern	Yes	Yes	Yes
	Miami P&DC	Southern	Yes	Yes	Yes
	San Juan MPA 2	Southern	No	Yes	Yes
	San Juan MPA 3	Southern	Yes	Yes	Yes
	Tallahassee LPC	Southern	Yes	Yes	Yes
	Bismarck P&DC	Central	Yes	No	Yes
	Kansas City P&DC	Central	Yes	Yes	Yes
Western	Saint Paul P&DC	Central	Yes	No	Yes
Processing	New Orleans P&DC	Southern	Yes	Yes	Yes
Region	North Houston RPDC	Southern	Yes	Yes	Yes
	Denver P&DC	WestPac	Yes	Yes	Yes
	Los Angeles P&DC	WestPac	Yes	Yes	Yes
Total Facilities	otal Facilities with Deficiencies			19	20

Source: OIG Audits.

* During February and March 2025, we conducted revisits to the facilities with bolded text.

^{**} Due to reorganizational changes, some facilities switched between Processing and/or Logistics Regions. These mail processing facilities are categorized in their current regions, not where they were during the initial audits.

Appendix C: 24 Facilities' Destinating Service Performance

We reviewed destinating service performance scores for our previously audited facilities that process First-Class Mail, Priority Mail, and Ground Advantage. Not all mail processing facilities will have scores for each mail product, depending on what the facility processes. Out of the 24 facilities we previously audited, 22 processed destinating First-Class Mail (see Table 6), and 16 facilities processed Priority Mail (see Table 7) and Ground Advantage (see Table 8).

Table 6. First-Class Mail Composite Service Performance Scores by Facility

Facility	FY 2024 Q2	FY 2025 Q2	Percent Change
Atlanta LPC	65.36%	75.76%	10.40%
Birmingham P&DC	78.01%	74.93%	-3.08%
Birmingham MPA*	50.72%	43.33%	-7.39%
Bismarck P&DC	80.19%	84.63%	4.44%
Charleston P&DC	81.57%	78.55%	-3.02%
Chicago LPC	84.93%	75.65%	-9.28%
Curseen-Morris P&DC	80.99%	77.33%	-3.66%
Delaware P&DC	80.66%	82.16%	1.50%
Denver P&DC	83.90%	88.46%	4.55%
Dominick V. Daniels P&DC	88.93%	91.22%	2.29%
Eastern Shore P&DF	84.40%	83.38%	-1.02%
Kansas City P&DC	55.87%	58.75%	2.88%
Los Angeles P&DC	88.13%	92.42%	4.29%
Memphis P&DC	65.39%	71.79%	6.40%
Miami P&DC*	88.39%	91.99%	3.60%
New Orleans P&DC	69.33%	49.93%	-19.40%
North Houston RPDC	76.44%	86.31%	9.87%
Philadelphia P&DC	88.63%	89.84%	1.20%
Saint Paul P&DC	81.66%	87.98%	6.31%
San Juan MPA2	91.34%	90.48%	-0.87%
Southern Maine P&DC	85.60%	88.32%	2.72%
Tallahassee LPC	80.55%	77.42%	-3.13%
Quarter Average:	78.68%	79.12%	0.44%

Source: OIG analysis of Service Performance Measurement data; *processes Flats only.

Table 7. Priority Mail Composite Service Performance Scores by Facility

Facility	FY 2024 Q2	FY 2025 Q2	Percent Change
Birmingham MPA			
Bismarck P&DC			
Charleston P&DC			
Chicago LPC			
Curseen-Morris P&DC			
Delaware P&DC			
Denver P&DC			
Dominick V. Daniels P&DC			
Eastern Shore P&DF			
Los Angeles P&DC			
Miami P&DC			
New Orleans P&DC			
North Houston RPDC			
Philadelphia P&DC			
Saint Paul P&DC			
Southern Maine P&DC			
Quarter Average:			

Source: OIG analysis of Service Performance Measurement data.

Table 8. Ground Advantage Composite Service Performance Scores by Facility

Facility	FY 2024 Q2	FY 2025 Q2	Percent Change
Birmingham MPA			
Bismarck P&DC			
Charleston P&DC			
Chicago LPC			
Curseen-Morris P&DC			
Delaware P&DC			
Denver P&DC			
Dominick V. Daniels P&DC			
Eastern Shore P&DF			
Los Angeles P&DC			
Miami P&DC			
New Orleans P&DC			
North Houston RPDC			
Philadelphia P&DC			
Saint Paul P&DC			
Southern Maine P&DC			
Quarter Average:			

Source: OIG analysis of Service Performance Measurement data.

Appendix D: Management's Comments



August 28, 2025

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Field Operations Service Review: Processing and Logistics Operations (25-067-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, *Field Operations Service Review: Processing and Logistics Operations (25-067-DRAFT)*

Finding #1: Delayed Mail Reporting

Management agrees that there are opportunities for improvement in the accurate reporting of delayed mail. Separate line items have been added to MCV for Priority Mail Express. Instructions have been distributed to all mail processing facilities to clarify correct reporting.

Finding #2: Scanning Compliance

Management generally agrees with the concerns stated regarding the inventory of scanners and will implement countermeasures to align with the recommendations stemming from this finding.

Finding #3: Late and Canceled Trips

Management agrees with this finding.

Finding #4: Safety and Security

Management agrees with this finding and will reiterate processes.

Monetary Impact - For the alleged monetary impact, we generally agree with the formula used in the analysis. However, we do not agree that the scanners are missing or lost based solely on the methodology used.

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

<u>Recommendation 1:</u> We recommend the Vice President, Processing Operations, require annual training for personnel responsible for reporting mail conditions to improve mail condition reporting accuracy.

Management Response/Action Plan:

Management agrees with this recommendation. Management will require annual training.

Target Implementation Date: 1/31/26

Responsible Official: Sr Director Strategic Planning & Implementation

<u>Recommendation 2</u>: We recommend the Vice President, Processing Operations, in coordination with the Vice President, Technology Applications, create a line item for recording Priority Mail Express in the Mail Condition Visualization system.

Management Response/Action Plan:

Management agrees with this recommendation. New line items were activated 8/26/25 for Priority Express Originating and Destinating. Management requests closure at issuance of the final report.

Target Implementation Date: 10/31/25

Responsible Official: Sr Director Processing Operations

Recommendation 3: We recommend the Vice President, Processing Operations, in coordination with the Vice President, Technology Applications, update policies and manuals related to condition reporting to include newly established categories and mail conversion rates in the Mail Condition Visualization system and Handbook M-32.

Management Response/Action Plan:

Management agrees with this recommendation. Policies and procedures will be updated as necessary.

Target Implementation Date: 4/30/26

Responsible Official: Sr Director Processing Operations

Recommendation 4: We recommend Central Regional Vice President, Eastern Regional Vice President, Western Regional Vice President, Processing Operations; and Senior Regional Directors, Logistic, reinforce inventory controls to ensure scanners are signed out and returned.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will prepare a joint letter which will go to all field units reinforcing the requirement that all scanners must be signed in and out, subject to supervisory verification.

Target Implementation Date: 1/31/26

Responsible Official: Central Regional Vice President, Eastern Regional Vice President & Western Regional Vice President

<u>Recommendation 5</u>: We recommend Central Regional Vice President, Eastern Regional Vice President, Western Regional Vice President, Processing Operations; and Senior Regional Directors, Logistics develop and implement periodic reviews of scanner inventory.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will send out a policy to the field units on how to implement periodic reviews of inventory.

Target Implementation Date: 1/31/26

Responsible Official:

Central Regional Vice President, Eastern Regional Vice President & Western Regional Vice President

<u>Recommendation 6:</u> We recommend Senior Regional Directors, Logistics, require a documented transportation review that tracks the root cause and planned mitigation tactics for facilities not meeting their transportation goals.

Management Response/Action Plan:

Management disagrees with this recommendation as current metrics sufficiently address the relevant concerns. The Transit Team is actively working to reduce transit time delays and improve performance in underperforming lanes through root cause analysis and mitigation strategies identified during cross-functional meetings. Our efforts are further supported by comprehensive data visualization tools, including Qlik, SV, and IV dashboards, which provide continuous monitoring and insights

Target Implementation Date: N/A

Responsible Official:

Executive Manager Surface Policy & Performance

<u>Recommendation 7</u>: We recommend Vice President, Processing Operations and Vice President, Logistics, reiterate processes to ensure accountability over staff and contractors responsible for safety policies regarding wheel chocks, strapping of loads, and securing and locking mail being transported in trailers and cargo vans.

Management Response/Action Plan:

Management agrees with this recommendation. Logistics and Processing Operations will issue a joint memorandum reiterating safety and security policies. Logistics will issue a separate memorandum for contractors.

Target Implementation Date: 11/30/25

Responsible Official: Sr Director Surface Logistics, Sr Director Strategic Planning & Implementation

E-SIGNED by DANE.A COLEMAN on 2025-08-28 16:38:00 EDT

DANE COLEMAN
VICE PRESIDENT, PROCESSING

E-SIGNED by ROBERT CINTRON on 2025-08-28 13:34:18 EDT

ROBERT CINTRON VICE PRESIDENT, LOGISTICS

> E-SIGNED by ALISON TURNER on 2025-08-28 12:43:08 EDT

ALISON TURNER for ANGELA LAWSON VICE PRESIDENT, TECHNOLOGY APPLICATIONS

E-SIGNED by Todd.S Hawkins on 2025-08-28 18:08:24 EDT

TODD HAWKINS
REGIONAL VICE PRESIDENT, PROCESSING (CENTRAL)

E-SIGNED by VERNAL.D WEBSTER JR on 2025-08-28 12:23:30 EDT

DAVID WEBSTER
REGIONAL VICE PRESIDENT, PROCESSING (EASTERN)





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1735 North Lynn Street, Arlington, VA 22209-2020 (703) 248-2100

For media inquiries, please email press@uspsoig.gov or call (703) 248-2100