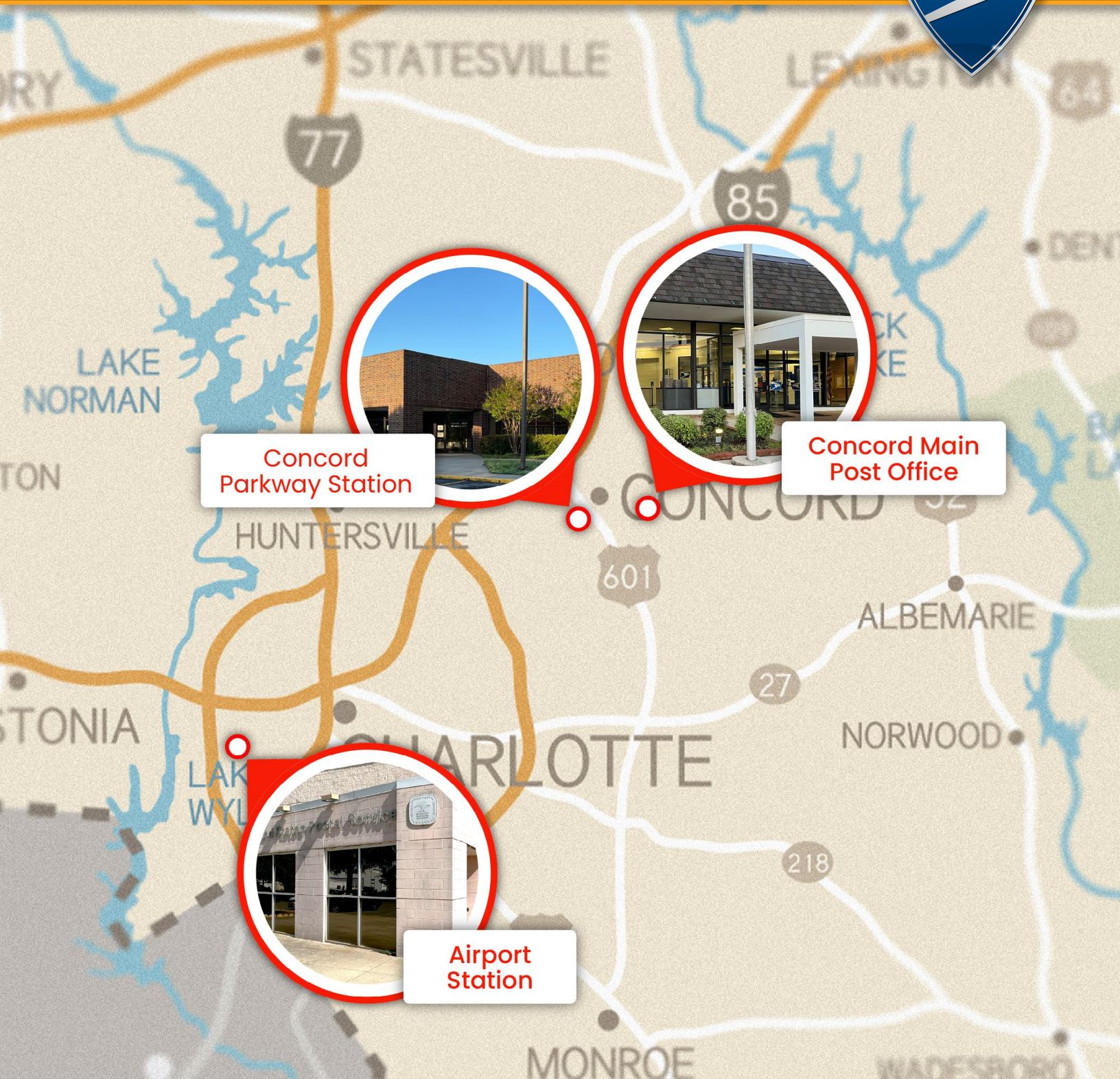


North Carolina District: Delivery Operations

AUDIT REPORT

Report Number 25-080-R25 | September 4, 2025



Concord
Parkway Station

Concord Main
Post Office

Airport
Station

Table of Contents

Cover

Transmittal Letter	1
---------------------------------	---

Results	2
----------------------	---

Background	2
------------------	---

Objective, Scope, and Methodology	4
-----------------------------------------	---

Results Summary	5
-----------------------	---

Finding #1: Service Performance in the North Carolina District	6
----------------------------------------------------------------------	---

Recommendation # 1.....	9
-------------------------	---

Recommendation # 2.....	9
-------------------------	---

Postal Service Response.....	9
------------------------------	---

OIG Evaluation.....	9
---------------------	---

Finding #2: Package Scanning and Handling	10
-------------------------------------------------	----

Finding #3: Arrow Keys	12
------------------------------	----

Finding #4: Property Conditions.....	13
--------------------------------------	----

Finding #5: Separation of Packages for Dispatch.....	15
------------------------------------------------------	----

Finding #6: Unattempted Delivery	16
----------------------------------------	----

Recommendation # 3.....	17
-------------------------	----

Postal Service Response.....	17
------------------------------	----

OIG Evaluation.....	17
---------------------	----

Finding #7: Contractor Badges.....	18
------------------------------------	----

Appendix A: Additional Information	19
-------------------------------------------------	----

Appendix B: Management's Comments	20
------------------------------------------------	----

Contact Information	22
----------------------------------	----

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 4, 2025

MEMORANDUM FOR: SCOTT MANIER
MANAGER, NORTH CAROLINA DISTRICT

A handwritten signature in black ink, reading "Joseph E. Wolski", is centered below the "MEMORANDUM FOR" section.

FROM: Joseph E. Wolski
Director, Field Operations, Atlantic & WestPac

SUBJECT: Audit Report – North Carolina District: Delivery Operations
(Report Number 25-080-R25)

This report presents the results of our audits of delivery operations and property conditions in the North Carolina District in the Atlantic Area.

All recommendations require U.S. Postal Service Office of Inspector General's (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendation 1 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. We consider recommendations 2 and 3 closed with the 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 Valeta Bradford, Audit Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Chief Retail & Delivery Officer & Executive Vice President
Vice President, Delivery Operations
Vice President, Retail & Post Office Operations
Vice President, Atlantic Area Retail & Delivery Operations
Director, Retail & Post Office Operations Maintenance
Corporate Audit and Response Management

Results

Background

The U.S. Postal Service's mission is to provide timely, reliable, secure, and affordable mail and package delivery to over 160 million residential and business addresses across the country. To fulfill this role, the Postal Service is committed to ensuring its delivery platform and services are always a trusted, visible, and valued part of America's social and economic infrastructure. This includes leveraging people, technology, and systems to provide world-class visibility of mail and packages as they move through the Postal Service's integrated system. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

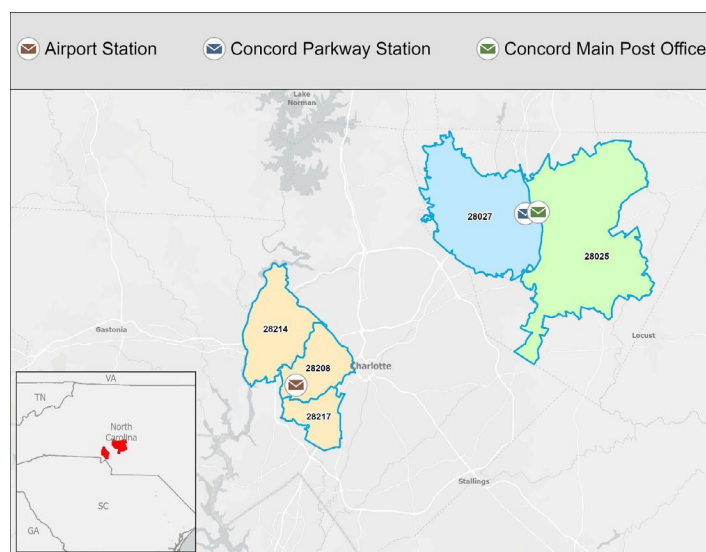
This report presents a summary of the results of our self-initiated audits of delivery operations and property conditions at three delivery units, as well as district-wide delivery operations in the North Carolina District in the Atlantic Area (Project Number 25-080). The delivery units included the Airport Station in Charlotte, NC, as well as Concord Main Post Office (MPO) and Concord Parkway Station, both in Concord, NC.

We previously issued interim reports¹ to district management for each of the three delivery units regarding the conditions we identified. In addition, we issued a report on the efficiency of operations at the Charlotte Regional Processing and Delivery Center (RPDC), which services these delivery units.² We

judgmentally selected the three delivery units based on the number of Customer 360 (C360)³ inquiries related to delivery,⁴ Informed Delivery⁵ contacts associated with the unit, and stop-the-clock (STC)⁶ scans performed away from the delivery point and compared them to the district average. The units were also chosen based on first and last mile failures⁷ and undelivered routes.

These three delivery units had 81 city routes and 75 rural routes that served about 246,140 people in several ZIP Codes (see Figure 1). Specifically, of the people living in these ZIP Codes, 229,399 (93 percent) live in urban communities and 16,741 (7 percent) live in rural areas⁸ (see Table 1).

Figure 1. ZIP Codes for the Three Delivery Units Visited



Source: OIG analysis of ZIP Code data.

¹ *Airport Station, Charlotte, NC: Delivery Operations* (Report Number 25-080-1-R25, dated June 17, 2025); *Concord MPO, Concord, NC: Delivery Operations* (Report Number 25-080-2-R25, dated June 17, 2025), and the *Concord Parkway Station: Concord, NC: Delivery Operations* (Report Number 25-080-3-R25, dated June 17, 2025).

² *Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC* (Report Number 25-079-R25, dated June 17, 2025).

³ A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

⁴ A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.

⁵ Informed Delivery is a free and optional notification service that gives residential customers the ability to digitally preview their letter-sized mail and submit inquiries for mailpieces that were expected for delivery but have not arrived.

⁶ A scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pickup," and "Delivery Attempted-No Access to Delivery Location."

⁷ First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the plant on a final processing operation and is not delivered to the customer on the day it was intended.

⁸ We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.

Table 1. Service Area and Population

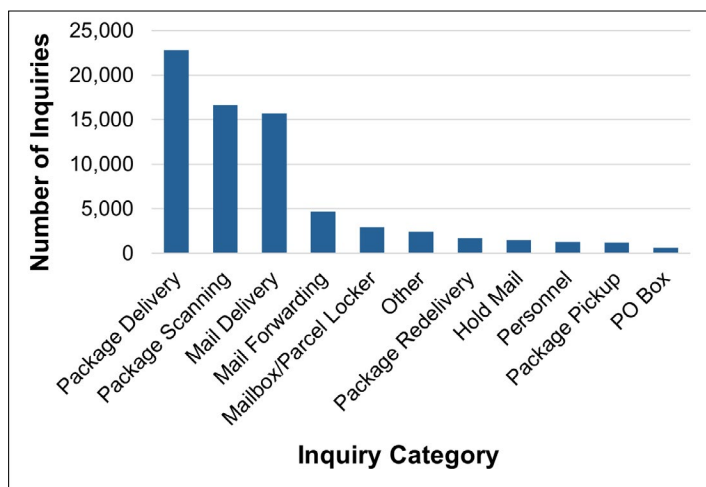
Delivery Units	Service Area and ZIP Codes	Population	City Routes	Rural Routes
Airport Station, Charlotte, NC	28208, 28214, 28217, and 28219*	111,915	52	18
Concord MPO, Concord, NC	28025 and 28256*	58,398	20	23
Concord Parkway Station, Concord, NC	28027	75,827	9	34
Total		246,140	81	75

Source: OIG analysis of Postal Service National Labeling List and Census data.

*Airport station and Concord MPO also service ZIP Codes 28219 and 28026, respectively, for Post Office Boxes.

We conducted a text analysis of C360 inquiries for the entire North Carolina District between February 1 and June 30, 2025. In total, we reviewed and categorized the customer notes for 71,372 inquiries.⁹ See Figure 2 for the results.

Figure 2. C360 Inquiry Analysis



Source: OIG analysis of C360 inquiries.

Package delivery, packaging scanning, and mail delivery issues made up the majority of the C360 comments. Specifically:

- Within Package Delivery, the most common subcategories included package delivery delays,

inquiries about delivery timing, complaints about packages being delivered to incorrect addresses, and return to sender issues.

- Within Package Scanning, the most common subcategories were about incorrect or false delivery scans, missing parcel locker keys, and inaccurate delivery scans showing in Informed Delivery.
- Within Mail Delivery, the most common subcategories were complaints of no mail delivery, outgoing mail pickup issues, and mail being shown as delivered in Informed Delivery.

We also analyzed the Postal Service's Triangulation Report¹⁰ to determine how the North Carolina District performed for mail and package delivery in relation to all 50 Postal Service districts. The Postal Service provides an opportunity ranking that lists all 50 districts from 1 through 50, where 1 indicates the lowest performing district and 50 is the top performing district. For the period from April 1 through June 30, 2025, the North Carolina District had an average rank of 10 for mail delivery and 15 for package delivery, placing this district as significantly below average for mail delivery and below average for package delivery. See [Table 2](#) for the results of our analysis.

⁹ We analyzed 74,728 inquiries and excluded 3,356 outliers -- resulting in 71,372 records with at least 40 characters used to create the model by category.

¹⁰ The Triangulation Report is designed to provide the health of operations within a delivery unit regarding mail and package delivery. The report includes an analysis of several key performance indicators including C360 inquiries, first and last mile failures, route coverage, employee availability, and scanning integrity.

Table 2. North Carolina District Average Ranking Compared to All 50 Districts

Month	Mail Delivery Opportunity Rank	Package Delivery Opportunity Rank
April	8	14
May	10	17
June	12	14
Average	10	15

Source: Postal Service Triangulation Report.

We reviewed employee retention data obtained from Workforce¹¹ for the North Carolina District. From June 1, 2024, through May 31, 2025, the North Carolina District hired a total of 3,402 carriers and clerks. Of those hired during this time, 746 (21.9 percent) were no longer employed in the district as of July 15, 2025. Overall, the North Carolina District had a better employee retention record when compared to other districts we recently audited (see Table 3). In addition, the district had 1,099 authorized Executive and Administrative Schedule (EAS)¹² positions, of which 958 employees (5.1 percent vacancy rate) were on the rolls as of August 12, 2025.

Table 3. District Turnover Information

District Audited	Turnover Percent for Carriers & Clerks	One-Year Hiring Time Period
GA	35.1	Jan. 2024 – Dec. 2024
AZ-NM	22.8	Mar. 2024 – Feb. 2025
KY-WV	26.1	Apr. 2024 – Mar. 2025
NC	21.9	June 2024 – May 2025

Source: Postal Service Workforce.

The district manager stated the district encourages effective communication from the first-line

supervisors, reducing the number of consecutive workdays, and following up with new employees formally every 30, 60, and 80 days to improve employee retention levels.

Delivering for America Initiatives in the Charlotte Region

As part of its ten-year plan, Delivering for America,¹³ the Postal Service is making changes to its delivery, processing, and logistics networks. Select regions of the country have opened RPDCs, including the Charlotte RPDC in Gastonia, NC, which services the Charlotte region. RPDCs manage the flow of mail and packages originating from or destined to their respective service areas. The OIG audited this facility the week of April 7, 2025.¹⁴ The Charlotte RPDC became fully operational on December 30, 2023, and in February 2025 it also became a Regional Transfer Hub (RTH). RTHs are facilities where mail volume is consolidated before dispatch to the network and inbound volume is sorted for distribution to other processing facilities in the region. The Charlotte RPDC primarily processes packages, while the nearby Charlotte Local Processing Center primarily processes letters and flats. Both facilities service the three sites visited during this audit.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations in the North Carolina District of the Atlantic Area.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,¹⁵ carrier separations and transfers, property safety and security conditions, and package separations. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and carrier complement. During our site visits we observed mail conditions; package scanning procedures; arrow key security procedures; carrier separation and transfer

11 Workforce is a centralized hub that links to staff planning, insights, and analytics.
12 EAS is a salary structure that applies to most managerial and administrative employees.
13 Delivering for America 2.0, September 30, 2024.
14 Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC, Report Number: 25-079-R25, June 17, 2025.
15 A distinctively shaped key carriers use to open mail-receiving receptacles, such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow keys are accountable property and are subject to strict controls.

procedures; package separation procedures; and unit safety and security conditions. We also analyzed the scan status of mailpieces at the carrier cases and interviewed unit management and employees.

In addition to summarizing our findings at the three delivery units, we analyzed service performance scores for First-Class Mail, Marketing Mail,¹⁶ Priority Mail,¹⁷ and Ground Advantage¹⁸ products, and reviewed carrier and clerk retention levels within the North Carolina District. We discussed our observations and conclusions, as summarized in Table 4, with management on August 21, 2025, and included its comments, where appropriate. See

[Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues related to service performance across the North Carolina District, and issues affecting delivery operations and property conditions at the delivery units audited (see Table 4). Specifically, we found delayed mail, arrow key management, and property condition issues at all three units, deficiencies related to the separation of packages for dispatch to the Charlotte RPDC at two units, and package scanning issues at one unit. In addition, we identified issues with unattempted mail delivery and contractor badges at one unit.

Table 4. Summary of Issues Identified

Audit Area	Deficiencies Identified - Yes or No		
	Airport Station	Concord MPO	Concord Parkway Station
Delayed Mail	Yes	Yes	Yes
Package Scanning	Yes	No	No
Arrow Keys	Yes	Yes	Yes
Carrier Separations and Transfers	No	No	No
Property Conditions	Yes	Yes	Yes
Package Separations	Yes	Yes	N/A
Other Issues: Unattempted Mail Delivery & Contractor Badges	No	No	Yes

Source: Interim reports from select units.

We analyzed employee data from February 1 through March 14, 2025. All carriers assigned to the unit either reported to work or were accounted for by management during this time, indicating no issues with carrier separations and transfers.

¹⁶ A mail matter not required to be mailed as First-Class Mail or Periodical Class Mail, which mailers can use to send specific types of mail such as flyers, circulars, and advertisements.
¹⁷ An expedited service for shipping mailable matter, subject to certain standards, such as size and weight limits, that includes tracking and delivery in one to four expected business days.
¹⁸ A service providing an affordable and reliable way to send packages inside the U.S. Packages under 70 pounds arrive in two to five business days.

Finding #1: Service Performance in the North Carolina District

What We Found

We visited three delivery units in the North Carolina District on the morning of April 8, 2025, and identified about 19,833 pieces of delayed mail from the prior day.¹⁹ See Table 5 for the number of pieces of each mail type and the locations found and Figure 3 for examples of delayed mail found at these units. Management at the Concord Parkway Station reported delayed mail in the Delivery Condition

Visualization (DCV)²⁰ system, but it only reported 425 of the 3,629 delayed mail pieces (12 percent) that we identified. Management at the Airport Station and Concord MPO did not report any delayed mail in DCV. In addition, some of the carriers at the Airport Station, Concord MPO, and Concord Parkway Station did not complete Postal Service (PS) Form 1571, *Undelivered Mail Report*,²¹ to document any undelivered mail brought back to the delivery unit.

Table 5. Type of Delayed Mail

Type of Mail	Airport Station	Concord MPO	Concord Parkway Station	Total Count of Delayed Mail
Carrier Cases				
Letters	13,474	609	771	14,854
Flats	466	396	140	1,002
Packages	30	16	22	68
Other Areas*				
Letters	767	53	2,514	3,334
Flats	0	2	182	184
Packages	391	0	0	391
Totals	15,128	1,076	3,629	19,833

Source: OIG count of delayed mailpieces identified during our visit April 8, 2025.
*Other areas include hot cases (an area designated for final withdrawal of mail as carriers leave the office) at two units, the bulk mail area, the P.O. Box section, and the dock area.

19 Count of mail included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.
20 A tool used for unit management to manually self-report delayed mail, which provides a snapshot of daily mail conditions at the point in time when carriers have departed for the street.
21 PS Form 1571 lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

Figure 3. Examples of Delayed Packages/Mail

Loading Dock at Airport Station



Source: OIG photos taken April 8, 2025.

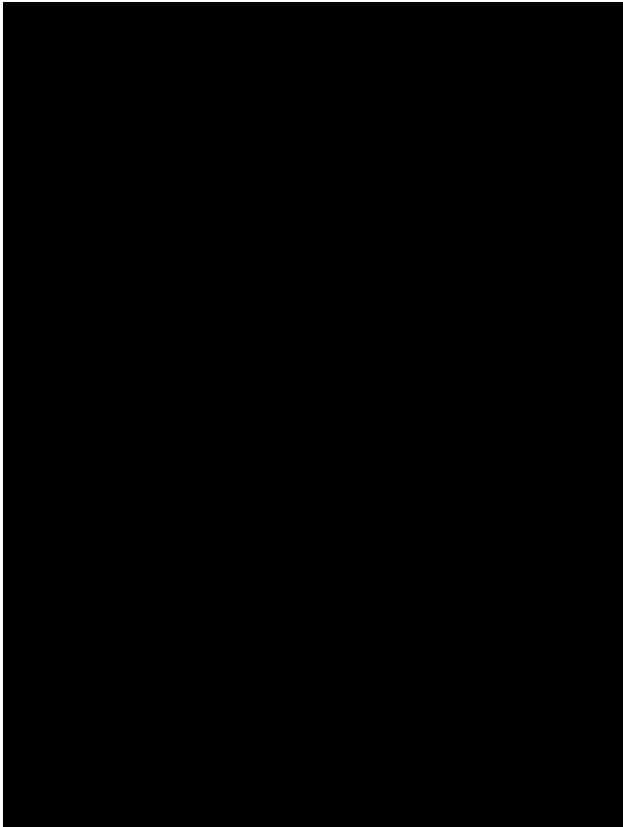
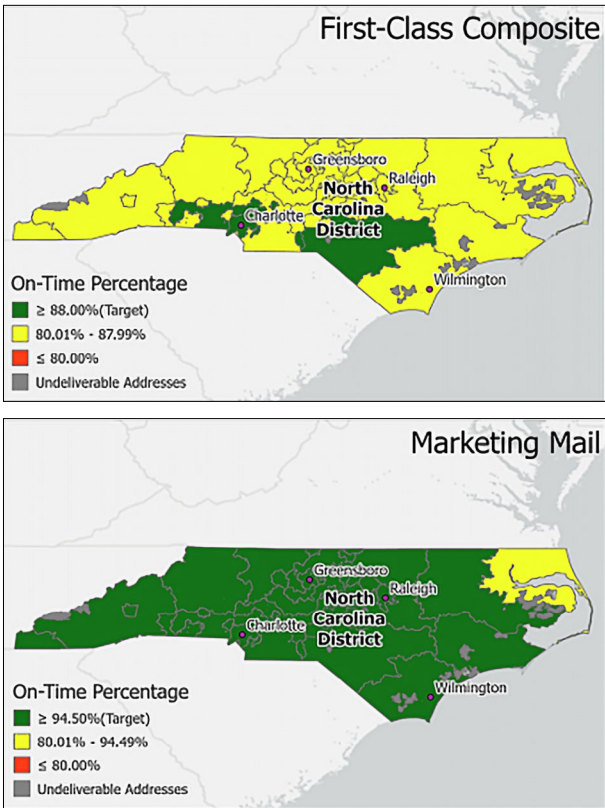
We analyzed service performance scores in the district for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the North Carolina District between January 1 and June 30, 2025, and found that Marketing Mail and

Carrier Case at Concord Parkway Station



Ground Advantage products met the targets in most of the district. However, First-Class Mail and Priority Mail missed the targets in much of the district. See Figure 4 for heat maps showing the performance for each product in the North Carolina District.

Figure 4. Service Performance Heat Maps by 3-Digit ZIP Code in the North Carolina District Between January 1 and June 30, 2025



Source: OIG analysis of Postal Service Informed Visibility (IV) and Enterprise Data Warehouse (EDW) data. IV provides comprehensive and integrated capabilities for data-driven real-time service performance measurement and diagnostics of market-dominant products, mail inventory and predictive workloads of all mail to include packages, and end-to-end tracking and reporting for mail. EDW is a repository intended for all data and the central source for information on retail, financial, and operational performance.

We also analyzed service performance scores for the same period for mail being sent from the district to other locations in the nation and mail coming into the district from other locations in the nation. Overall, we found about half of the district met its established target for inbound and outbound First-Class Mail. In addition, most of the district met the established target for inbound Marketing Mail, but it missed the target for outbound Marketing Mail. Further, most of the district did not meet established targets for inbound and outbound Priority Mail and Ground Advantage products during this period. Although service performance failures for this type of mail could be attributed to a plant or delivery unit outside the district, the failures may negatively affect customer perceptions within the district. The district manager stated the district holds meetings with plant and logistics management a few days each week to discuss and evaluate any service performance issues in detail.

The district had a significantly below average mail delivery and below average package delivery opportunity ranking in the Triangulation Report. We also found 19,408 unreported delayed mail pieces at the three units we audited. Based on our observations and analyses, we would expect to see a significant amount of reported delayed mail across the district. However, we reviewed DCV data for the entire district on April 7, 2025. Of the 485 units listed in the DCV system for the district, we determined only 41 units (8.5 percent) reported 71,126 total pieces of delayed mail. This could indicate issues with delayed mail reporting are more widespread within the district.

Why Did It Occur

The delayed mail identified at the Airport Station, Concord MPO, and Concord Parkway Station occurred because unit management did not enforce the Redline²² process, including the requirements to verify carriers complete PS Forms 1571 and conduct

an adequate walkthrough of the units to check for delayed mail. In addition, the Airport Station management had limited employee availability. The unit complement is 93 full-time city carriers, but they only had 76 carriers on the rolls because they had trouble filling positions. Also, some carriers were on medical restrictions.

Further, management at the Airport Station and Concord MPO did not report delayed mail in the DCV system due to management being unfamiliar with delayed mail reporting requirements. Also, the PM supervisor at the Concord Parkway Station did not have access to the DCV system.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily. Postal Service policy²³ states that all types of First-Class Mail, Priority Mail, and Ground Advantage products are always committed for delivery on the day of receipt. Management should have also addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy²⁴ states that managers must review all communications that may affect the day's workload, be sure that replacements are available for unscheduled absences, and develop contingency plans for situations that may interfere with normal delivery service.

Postal Service policy²⁵ also states that when carriers have ended their tour of duty, management should review the carrier work areas for delayed mail. Policy²⁶ states delivery units must follow the Redline process, which includes carriers completing a PS Form 1571 for any undelivered mail brought back to the delivery unit. Management should have instructed and verified carriers completed PS Form 1571 for undelivered mail.²⁷

Further, managers are required²⁸ to report all mail in the delivery unit after the carriers have left for their

22 A standardized framework encompassing manager and carrier responsibilities after carriers return to the delivery unit upon completion of delivery assignments, ensuring that any mail returned from the street is identified with a signed completed PS Form 1571 and that no mail is taken back to the carrier case.

23 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

24 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.

25 Handbook M-39, *Management of Delivery Services*, TL-14, Section 127.d, June 2019.

26 *Standard Operating Procedures*, Redline Policy.

27 Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, paragraph 44.4422, June 2019.

28 *DCV Learn and Grow*, August 1, 2024.

street duties as either delayed or curtailed in DCV. In addition, management must update DCV if volumes have changed prior to the end of the business day.

Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. For example, in our analysis of the C360 inquires detailed in the [Background](#), we found instances of customers stating mail and packages were not delivered for multiple days in a row. In addition, inaccurate delayed mail reporting provides management at the local, district, area, and headquarters levels with an unreliable status of mail delays and can result in improper actions taken to address issues.

Management Actions

During our audit, district management provided evidence demonstrating management at the three units received training on proper delivery practices and reporting of delayed mail. It also provided evidence that management at the three units were following the Redline process. In addition, district management monitored for proper delayed mail reporting at the units we visited.

Recommendation # 1

We recommend the **District Manager, North Carolina District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail.

Recommendation # 2

We recommend the **District Manager, North Carolina District**, provide adequate staff to the Airport Station to process and deliver all committed mail daily.

Postal Service Response

The Postal Service agreed with this finding and its associated recommendations.

Regarding recommendation 1, management stated it would hold a virtual training session with all non-bargaining employees in the district on the proper handling of delayed mail. The target implementation date is October 31, 2025.

Regarding recommendation 2, management stated it would continue to hire through job fairs, as well as other advertising platforms. In addition, district management stated it implemented new hiring strategies. The target implementation date is October 31, 2025.

See [Appendix B](#) for management's comments in their entirety.

OIG Evaluation

The OIG considers management's comments responsive to recommendations 1 and 2.

Regarding recommendation 1, we will verify corrective actions taken are sufficient to resolve the issues identified in the report.

Regarding recommendation 2, we reviewed the Airport Station employee complement and determined the unit increased staffing by more than 10 percent. Based on the new hiring strategies and subsequent increase in employee staffing, we will close this recommendation upon issuance of the final report.

Finding #2: Package Scanning and Handling

What We Found

We identified packages with missing and improper scans or improper handling at the Airport Station. On the morning of April 8, 2025, before carriers arrived for the day, we selected all 30 packages from the carrier cases to review and analyze scanning and tracking history. Of the 30 sampled packages, 10 (33.3 percent) had improper scans or handling issues, including:

- Four packages were scanned “Delivery Attempted – No Access to Delivery Location,” between 2.3 and 5.6 miles away from the delivery point. Scans should be made as close to the delivery point as possible. See Figure 5 for an example.
- Three packages were scanned “Insufficient Address” and should have been returned to the sender.
- Two packages were scanned “No Such Number” and should have been returned to the sender.
- One package was scanned “Delivered” which should only be performed when a package is successfully left at the customer’s delivery address.

Figure 5. Package Scanned 5.6 Miles Away From the Delivery Point in Charlotte, NC



Source: Postal Service Single Package Look Up.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. For instance, management was not properly reviewing scan data on undelivered packages returned by carriers after they completed their street duties. Management also did not conduct an adequate walkthrough of the workroom to identify undelivered packages with scanning or handling issues. Further, the carriers acknowledged that the packages we identified in the carrier cases were incorrectly scanned “Delivery Attempted – No Access to Delivery Location” and should have been scanned “Business Closed.”

What Should Have Happened

Management should have monitored scan performance daily and enforced compliance. The Postal Service’s goal is to ensure proper delivery attempts for mailpieces to the correct address,²⁹ which includes scanning packages at the time and location of delivery.³⁰ Undeliverable packages with an insufficient address should be endorsed accordingly and given to clerks for daily dispatch to the processing plant.³¹

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. Package scanning inquiries were the second most common C360 inquiry type in the district, as demonstrated in Figure 1. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

²⁹ *Delivery Done Right the First Time* stand-up talk, March 2020.

³⁰ *Deliver and Scan Accurately*, July 2017.

³¹ Handbook PO-441, *Rehandling of Mail Best Practices*, April 2002.

Management Actions

During our audit, district management provided evidence showing Airport Station management was trained in the standard operating procedures governing package scanning and handling, as well as the tracking of scanning performance. District management also verified that unit managers were properly monitoring package scanning at the Airport Station.

Due to district management taking these actions, we are not making a recommendation for tracking and reducing inaccurate scans.

Finding #3: Arrow Keys

What We Found

Management at the three delivery units did not properly manage and safeguard arrow keys. On the morning of April 9, 2025, we reviewed all three units' arrow key certification lists in the Retail and Delivery Applications and Reports (RADAR)³² system and conducted a physical inventory of keys at the units. The RADAR lists contained a combined 182 keys at the three units; however, we found discrepancies during our observations. Specifically, management could not find 10 of the 182 keys during our observations. In addition, we found one key was listed as "Lost." None of these missing keys were reported to the U.S. Postal Inspection Service. We also found 18 keys at the three sites that were not reported in RADAR.

Further, management at Concord Parkway Station did not properly secure arrow keys. For example, we found the key to the arrow key case was kept on a [REDACTED] that was sometimes left unattended.

Why Did It Occur

Management at the three delivery units did not provide sufficient oversight to properly manage and secure arrow keys. Specifically, management at all three units did not properly reconcile the key list in the RADAR system with the physical keys on hand before certifying the inventory. In addition, Concord MPO manager, who was new and not trained on arrow key procedures, did not verify the carriers returned the keys daily.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,³³ management

must keep an accurate inventory of all arrow keys. Any missing arrow keys must be immediately reported to the Postal Inspection Service.³⁴

In addition, policy states arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must verify employees are signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location, and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items, such as arrow keys, there is an increased risk of mail theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail.

Management Actions

During our audit, management at all three facilities provided evidence showing the district was monitoring arrow key procedures and that management received arrow key security training. Management at the three units also updated its key logs, and Concord Parkway Station management properly secured its keys. In addition, district management provided evidence showing the lost keys were reported to the Postal Inspection Service. Further, management at the Concord MPO provided evidence showing the unit found a missing key and placed it in the vault.

Due to management taking these corrective actions, we are not making a recommendation for these arrow key issues.

³² The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

³³ *Arrow/Modified Arrow Key (MAL) Key Accountability*, Standard Work Instruction, dated May 2024.

³⁴ *Requesting Arrow/MAL Locks and Keys in RADAR CRDO Field Users guide*, dated February 2025.

Finding #4: Property Conditions

What We Found

We found safety and security issues at all three units. Examples include:

Property Safety:

- At the Airport Station, fire extinguishers were missing monthly inspections. In addition, there were two low-hanging wires on the workroom floor and an uneven metal surface in the lobby area, causing a potential trip hazard (see Figure 6).
- At the Concord Parkway Station, there was a missing electrical outlet cover near the customer

parking area and two cracked electrical cover plates near the dock and admin offices.

Property Security:

- There were no signs posted in the employee parking area at the Airport Station and Concord MPO stating that vehicles may be subject to search.
- At the Concord Parkway Station, a camera cover on the dock was attached with tape (see Figure 6) and a cover was missing on one of the dock lights.

Figure 6. Examples of Safety Issues at the Airport and Concord Parkway Stations

Low Hanging Wires on the Workroom Floor



Camera Cover Held on with Tape



Source: OIG photos taken April 9, 2025.

Why Did It Occur

Management at the three units did not provide sufficient oversight or take the necessary actions to verify property condition issues were corrected because other duties, such as staffing carrier routes, took priority over addressing the issues. In addition, management at the two were unaware of the requirement for the “subject to search” sign.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and security issues as they arose, and followed up for completion. The Postal Service requires management to maintain a safe environment for employees and customers.³⁵ In addition, according to Postal Service policy,³⁶ management must post signage stating that vehicles are subject to search.

³⁵ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

³⁶ Postal Service Handbook RE-5, *Building and Site Security Requirements*, September 2009.

Effect on the Postal Service and Its Customers

Management's attention to safety and security deficiencies can reduce the risk of injuries to employees and customers; reduce related costs, such as workers' compensation claims, lawsuits, and penalties; reduce the risk of employee theft; and enhance the customer experience and Postal Service brand.

Management Actions

During our audit, management addressed all property condition issues identified at the three units. Due to management taking these corrective actions, we are not making a recommendation for property conditions.

Finding #5: Separation of Packages for Dispatch

What We Found

Employees at the Airport Station and Concord MPO did not properly separate packages destined for the Charlotte RPDC. Specifically, on April 9, 2025, during each unit's evening operations, we observed Priority Mail and Ground Advantage packages commingled in the same container for dispatch to the Charlotte RPDC (see Figure 7 for an example).

Figure 7. Commingled Packages at the Airport Station



Source: OIG photo taken April 9, 2025.

Why Did It Occur

Management at two units did not provide oversight to ensure that employees properly separated packages for dispatch to the Charlotte RPDC. Specifically:

- At the Airport Station, the PM supervisor stated that he had instructed carriers several times

to separate the packages and provided two containers for them. However, he had not verified carrier compliance. Also, unit management acknowledged that supervisors and craft employees needed more training on separation of packages.

- At the Concord MPO, the clerk who was assigned to separate the packages was not always available to do so because his retail window duties took priority. As a result, the clerk did not always have time to separate the packages that the carriers brought back from the street.

What Should Have Happened

The Postal Service requires all level 22 and above units to separate Priority Mail from non-Priority Mail packages and use a specific placard when dispatching to the processing facility.³⁷

Effect on the Postal Service and Its Customers

Proper mail preparation is required for visibility throughout the Postal Service network. When mail is not properly separated for dispatch to the processing facility, in accordance with procedures, there is an increased likelihood that mail will require additional processing steps. Furthermore, this can result in delays and service failures and an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

Management Actions

During our audit, district management provided documentation showing it was verifying employees at the Airport Station and Concord MPO were properly separating packages for dispatch to the Charlotte RPDC. Due to management taking this corrective action, we are not making a recommendation for the package separation issue.

³⁷ Learn and Grow RDC/RSC Updates, May 2024.

Finding #6: Unattempted Delivery

What We Found

Management at the Concord Parkway Station did not properly ensure that Marketing Mail³⁸ was delivered to customers. We found discarded advertisement mailpieces that were scheduled for delivery during March 2025. The mailpieces were in a hamper and in two containers of undeliverable bulk business mail (UBBM)³⁹ staged for transport to the plant for recycling (see Figure 8). The mailpieces were from several carrier routes and were in sequential address order, the order in which a mail carrier delivers mail for a route.

Figure 8. Undelivered Advertisement Mail Found in Containers at the Concord Parkway Station



Source: OIG photos taken April 9, 2025.

Why Did It Occur

Managers did not verify the UBBM containers included deliverable advertising mail. They instructed clerks to verify the UBBM containers did not contain First-Class Mail but had not instructed them to verify that the UBBM did not contain deliverable advertising mail.

What Should Have Happened

Management should have checked⁴⁰ the UBBM container for deliverable mail and enforced delivery of these items.⁴¹

Effect on the Postal Service and Its Customers

When mail is not delivered, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. Also, there is a risk that the mailer may discontinue using the Postal Service for such mailings, which would result in lost revenue. Additionally, discarding deliverable mail is against the Postal Service's mission to service the American people through providing frequent, reliable, safe, and secure delivery of mail, packages and other communications to all Americans.

³⁸ Marketing Mail is mail matter not required to be mailed as First-Class Mail or Periodicals, which mailers can use to send specific types of mail such as flyers, circulars, and advertising.

³⁹ Mail the Postal Service cannot deliver because of an expired change of address; or an incorrect, incomplete, or illegible address. By agreement, the Postal Service does not return UBBM to the business mailer but recycles it. UBBM includes mail types such as flyers, newsletters, circulars, advertising, bulletins, and catalogs.

⁴⁰ Standard Work Instruction: *Backhaul Recycling UMM and Paper*.

⁴¹ Standard Work Instruction: *Saturation Mailings*, updated December 20, 2022.

Management Actions

During our audit, management provided evidence of training at the Concord Parkway Station to help reinforce the requirement for proper delivery of all marketing mail. Management also provided documentation showing the unit sorted through the UBBM containers for multiple delivery days looking for deliverable mail and distributed it to the carriers for delivery.

Recommendation # 3

We recommend the **District Manager, North Carolina District**, implement a process to verify live, deliverable bulk marketing mailpieces are not placed into undeliverable bulk business mail at the Concord Parkway Station.

Postal Service Response

The Postal Service agreed with this finding and its associated recommendation.

Management reiterated the requirement of discarding UBBM to Concord Parkway Station employees and the responsibility of overseeing UBBM before discarding to ensure it does not contain live mail. The target implementation date is October 31, 2025.

OIG Evaluation

The OIG considers management's comments responsive to recommendation 3. We reviewed the corrective actions taken by management and agreed to close recommendation 3 upon issuance of the final report.

Finding #7: Contractor Badges

What We Found

At the Concord Parkway Station, a contract delivery service (CDS)⁴² carrier who had been at the unit for over 15 years did not have a photo identification (ID) badge. An ID badge indicates that a background check has been completed, and that clearance has been granted to enter the facility and access the mail. The ID is also used to log onto a delivery scanner. Instead, the CDS carrier was using the ID of other employees to log into the scanner to deliver the mail.

Why Did It Occur

Management did not follow policy or provide oversight to verify that the CDS carrier had a valid ID badge. Instead, the AM supervisor facilitated the improper scanner logon by giving the CDS carrier an ID barcode to use. When that stopped working, the CDS carrier started using ID barcodes belonging to other employees to log into the package scanners. During our audit, the acting postmaster stated he was recently made aware of this issue and provided the CDS carrier the paperwork needed to complete the required background check.

What Should Have Happened

The Postal Service requires⁴³ that management obtain screening information from highway transportation suppliers and their contractor personnel to verify their eligibility. Highway

transportation suppliers, suppliers' personnel, and subcontractors' personnel who transport mail or who are allowed access to Postal Service operational areas must receive nonsensitive clearances. Pending clearance, a temporary photo ID badge PS Form 5139, *Non-Postal Service Temporary Employee*, must be obtained, which allows access to mail and mail processing facilities. A barcode for an ID badge PS Form 5140, *Non-Postal Service Contract Employee*, is provided once the contract driver has been granted a nonsensitive clearance.

Effect on the Postal Service and Its Customers

When CDS carriers do not have an appropriate Postal ID badge, management is unable to determine if the carrier is allowed access to Postal Service operational areas or deliver mail. In addition, CDS carriers using barcodes from another person causes inaccurate package scanning data, which makes it difficult for management to hold these carriers responsible for inaccurate scanning.

Management Actions

During our audit, district management provided documentation showing the CDS carrier at the Concord Parkway Station obtained a current photo identification badge. Due to management taking this corrective action, we are not making a recommendation for the contractor badges issue.

⁴² A contractual agreement between the U.S. Postal Service and an individual or company for the delivery and collection of mail.

⁴³ Management Instruction PO-530-2009-4, *Screening Highway Transportation Contractor Personnel*, section 122, September 2009.

Appendix A: Additional Information

We conducted this audit from July 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.

In planning and conducting the audit, we obtained an understanding of the delivery 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 all three components that were significant within the context of our objectives.

We assessed the reliability of IV, EDW, and Workforce data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Appendix B: Management's Comments



August 21, 2025

LAURA LOZON
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: North Carolina District: Delivery Operations
(Report Number 25-080-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit capping report *North Carolina District: Delivery Operations*.

Management generally agrees with the findings in the capping report.

Following are our comments on each of the three recommendations.

Recommendation 1: We recommend the **District Manager, North Carolina District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail.

Management Response/Action Plan: Management agrees with this recommendation. Management will hold a virtual training session with all non-bargaining employees in the North Carolina district to train on the proper handling of delayed mail.

Target Implementation Date: 10/31/2025

Responsible Official: **District Manager, North Carolina District**

Recommendation 2: We recommend the **District Manager, North Carolina District**, provide adequate staff to the Airport Station to process and deliver all committed mail daily.

Management Response/Action Plan: Management agrees with the recommendation. Management continues efforts to hire through job fairs, as well as other advertising platforms. Management has also implemented new hiring strategies in the district.

Target Implementation Date: 10/31/2025

Responsible Official: **District Manager North Carolina District**

Recommendation 3:

We recommend the **District Manager, North Carolina District**, implement a process to verify live, deliverable bulk marketing mailpieces are not placed into UBBM at the Concord Parkway Station.

Management Response/Action Plan: Management agrees with this recommendation. As acknowledged in the report, management has reiterated the requirement to discard UBBM (Undeliverable Bulk Business Mail) to staff at Concord Parkway Station. Management also reiterated to non-bargaining employees at Concord Parkway Station the responsibility for oversight of UBBM before discarding to ensure it does not contain live mail. Management requests closure of this recommendation at issuance of final report.

Target Implementation Date: 10/31/2025

Responsible Official: **District Manager, North Carolina District**

E-SIGNED by Robert.S Manier
on 2025-08-22 07:31:49 EDT

Scott Manier
District Manager, North Carolina District

cc: *Vice President, Area Retail & Delivery Operations (Atlantic)*
Corporate Audit Response Management

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



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