Fremont Administrative Post Office, Fremont, NE: Delivery Operations

AUDIT REPORT

Report Number 25-115-3-R25 | September 19, 2025

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 19, 2025

MEMORANDUM FOR: LISEE GARRETT
MANAGER, IOWA-NEBRASKA-SOUTH DAKOTA DISTRICT

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

SUBJECT: Audit Report – Fremont Administrative Post Office, Fremont, NE:
Delivery Operations (Report Number 25-115-3-R25)

This report presents the results of our audit of delivery operations and property conditions at the Fremont Administrative Post Office in Fremont, NE.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact Ramona Gonzalez, 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, Central 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 more than 160 million residential and business addresses across the country. 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 interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Fremont Administrative Post Office (APO) in Fremont, NE (Project Number 25-115-3). The Fremont APO is in the Iowa-Nebraska-South Dakota District of the Central Area and serves about 31,176 people in ZIP Code 68025, which is considered a predominantly urban area (see Figure 1). Specifically, 28,262 (90.7 percent) live in urban communities and 2,914 (9.3 percent) live in rural communities.[1]

This delivery unit has 18 city routes and nine rural routes. From June 14 through July 11, 2025, the delivery unit had three supervisors assigned.[2] During our site visit, the delivery unit had one postmaster, one supervisor, and one acting supervisor. As of June 13, 2025,[3] the year-to-date employee availability rate for the Fremont APO was 92.6 percent, which is under the Postal Service's retail and delivery operations employee availability goal of 93.7 percent for fiscal year 2025. The Fremont APO is one of three delivery units[4] the OIG reviewed during the week of July 21, 2025, that is serviced by the Omaha Processing and Distribution Center (P&DC).

Figure 1. ZIP Code Serviced by the Fremont APO
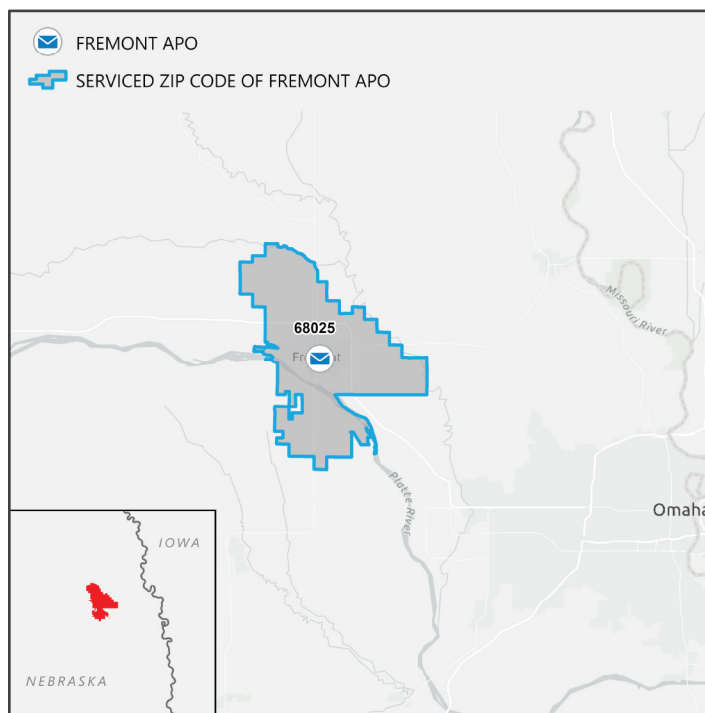
Source: OIG analysis of ZIP Code data.

We assessed all units serviced by the Omaha P&DC based on the number of Customer 360 (C360)[5] delivery-related inquiries.[6] Informed Delivery[7] contacts, stop-the-clock (STC)[8] scans performed away from the delivery point and at the unit, undelivered route information, and first and last mile failures[9] between March 1 and May 31, 2025.

We judgmentally selected the Fremont APO primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. The unit was also chosen based on first and last mile failures and undelivered routes. See Table 1 for a comparison of some of these metrics between the unit and the rest of the district.

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1   We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
2   According to the Postal Service's Time and Attendance Collection system (TACS). TACS is the system used by the Postal Service to automate the collection of employee time and attendance information.
3   The last day of Pay Period 13.
4   The other two units were the Benson Station, Omaha, NE (Project Number 25-115-1) and the Boystown Station, Omaha, NE (Project Number 25-115-2).
5   A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
6   A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
7   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.
8   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 "No Access."
9   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 P&DC on a final processing operation and is not delivered to the customer on the day it was intended.

Table 1. Delivery Metric Comparison Between March 1 and May 31, 2025

Delivery Metric	Unit Average per Route	District Average per Route
C360s Related to Delivery	3.4	3.3
Informed Delivery Contacts	10.3	8.0

Source: OIG analysis of Postal Service's C360 and Informed Delivery data extracted June 23, 2025.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Fremont APO in Fremont, NE.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,[10] carrier separations and transfers, and property safety and security conditions. 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 visit July 22–24, 2025, we observed mail conditions, package scanning procedures, arrow key security procedures, carrier separation and transfer 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. We discussed our observations and conclusions as summarized in Table 2 with management on September 5, 2025, and included its comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Fremont APO. We will issue a separate capping report[11] that provides the Postal Service with the overall findings and recommendations for all three delivery units, as well as the district. The capping report will include actions taken by management to address the issues identified in this interim report. See Appendix A for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations at the Fremont APO. Specifically, we found issues with three of the areas we reviewed (see Table 2).

Table 2. Summary of Results

Audit Area	Deficiencies Identified	
	Yes	No
Delayed Mail	X	
Package Scanning	X	
Arrow Keys	X	
Carrier Separations and Transfers		X
Property Conditions		X

Source: Results of our fieldwork during the week of July 21 2025.

- We analyzed employee data from April 19 through May 30, 2025. All carriers assigned to the unit either reported to work or were accounted for by management during this time, indicating no issues with employee separations and transfers.

- We observed property conditions related to safety and security at the unit and did not identify any significant issues.

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10   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.
11   Project Number 25-115.

Finding #1: Delayed Mail

What We Found

On the morning of July 22, 2025, we identified about 1,469 delayed mailpieces[12] at the hot case,[13] in collections, and at 10 carrier cases. Specifically, we identified 1,409 letters, 17 flats, and 43 packages. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)[14] system. See Table 3 for the number of pieces for each mail type and Figures 2 and 3 for examples of delayed mail found at the unit. Further, the carriers did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report,*[15] to document undelivered mailpieces.

Figure 2. Delayed Mail in Hot Case
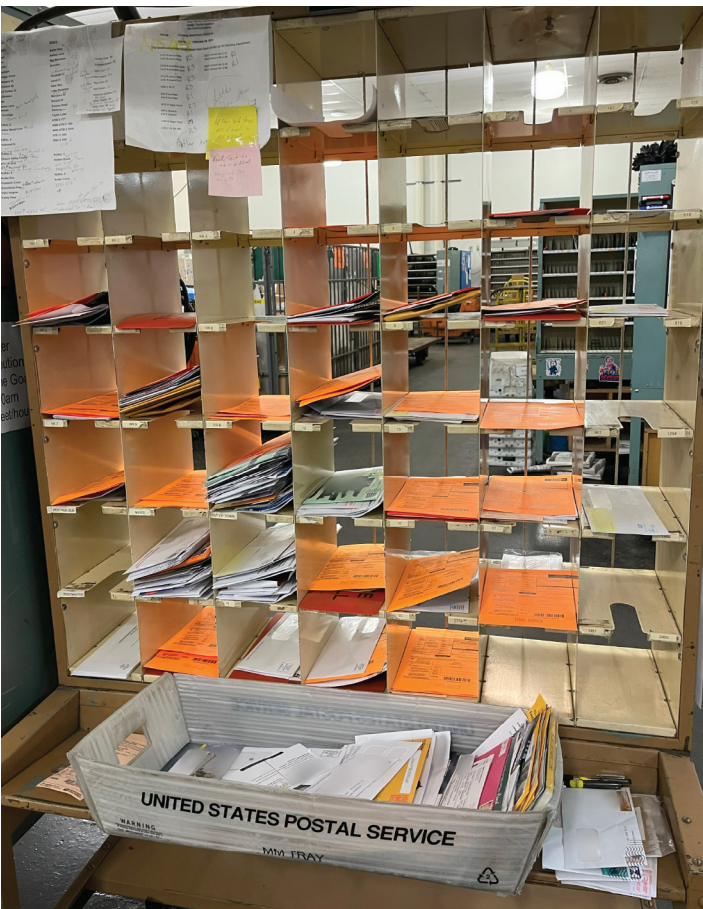
Source: OIG photo taken before carriers arrived on the morning of July 22, 2025.

Figure 3. Delayed Collection Mail

Source: OIG photos taken before carriers arrived the morning of July 22, 2025.

Table 3. Types of Delayed Mail Identified

Type of Mail	Hot Case	Collection Mail	Carrier Cases	Total Count of Delayed Mail
Letters	647	416	346	1,409
Flats			17	17
Packages		43		43
Totals	**647**	**459**	**363**	**1,469**

Source: OIG count of delayed mailpieces identified during our visit July 22, 2025.

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12   Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*, and Handbook M-32, *Management Operating Data Systems,* Appendix D.
13   A case designated for final withdrawal of mail as carriers leave the office.
14   A tool 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.
15   PS Form 1571, *Undelivered Mail Report,* lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

Why Did It Occur

The delayed mail we identified was due to a lack of management oversight. Specifically, the acting supervisor stated that they have been receiving a higher volume of machinable mail that was not sorted to the correct route, which increased the amount of working mail in the hot case. The postmaster stated he did not report any of this in the Mail Arrival Quality/Plant Arrival Quality (MAQ/PAQ)[16] tool to correct the issue because he believed the purpose of MAQ/PAQ was to report mail that was sent to an incorrect unit. In addition, management was not always verifying that carriers were taking mail from the hot case out for delivery.

Further, management was not transporting collection mail to the P&DC that carriers brought back after the last truck left the unit. The postmaster stated it was not part of their process to transport this mail to the P&DC. Instead, management held the mail until the next dispatch truck came the following day. The postmaster was unable to provide documentation allowing them to hold the collection mail until the following day.

The postmaster stated the unit did not report delayed mail in the DCV system because the supervisors were not trained to report it. The postmaster also stated they did not complete PS Forms 1571 because he was not aware of the requirement.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily. Postal Service policy[17] states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Postal Service policy[18] also states management should use the MAQ/PAQ system to communicate and resolve issues with mail conditions. In the event collection mail does not make it on the final dispatch truck to the plant, management must initiate procedures for ensuring the mail is transported to the processing plant.[19] Managers are required[20] to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. In addition, policy[21] 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.

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. In addition, inaccurate reporting of delayed mail in DCV provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues.

> **Postal Service Response**
> The Postal Service agreed with this finding. See Appendix B for management's comments in their entirety.

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16   The MAQ/PAQ system facilitates communication and resolution of issues with the movement of mail, including collection mail, between postal facilities.
17   *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
18   *MAQ/PAQ Discrepancy Process – Standard Work Instruction.*
19   *Dispatch Deviation Policy, Standard Operating Procedure,* July 19, 2024.
20   *DCV Learn and Grow,* August 1, 2024.
21   *Redline Policy,* Standard Operating Procedures.

Finding #2: Package Scanning

What We Found

Employees improperly scanned packages away from the intended delivery point and handled packages incorrectly at the unit. On the morning of July 22, 2025, before carriers arrived for the day, we selected all 20 packages from the carrier cases to review and analyze scanning and tracking history. Of the 20 packages, five (25 percent) had improper scans or handling issues, including:

- Two packages were missing an "Arrival-at-Unit" scan, which is necessary to provide complete visibility.

- One package was scanned "Return to the Sender," although the package was delivered to the customer later that day.

- One package was scanned "Delivery Attempted – No Access to Delivery Location" 13 miles away from the delivery point (see Figure 4). Scans should be made as close to the delivery point as possible.

- One package was returned to the carrier by the apartment manager because the customer no longer lived in the building. However, the package remained in the carrier's case instead of being placed in the "Return to Sender" area.

Figure 4. Scan Away From the Delivery Point in Fremont, Nebraska

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. Management stated it confirmed that packages received an STC scan, but it was not part of their daily process to check the integrity of the scans. The PM supervisor stated he did not interact with carriers bringing back packages because he had competing priorities, such as answering phone calls.
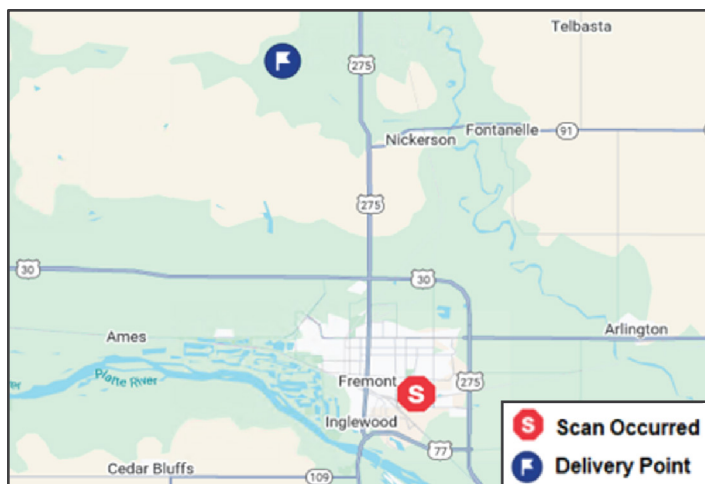
What Should Have Happened

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,[22] which includes scanning packages at the time and location of delivery.[23]

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. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

> **Postal Service Response**
> The Postal Service agreed with this finding.

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22 *Delivery Done Right the First Time* stand-up talk, March 2020.
23 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Arrow Keys

What We Found

Unit management did not properly update the arrow key inventory log and safeguard arrow keys. On the morning of July, 24, 2025, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)[24] system and conducted a physical inventory of keys at the unit. Unit management reported 48 keys in RADAR as "In-Use" or "In-Vault." Based on our physical review of arrow keys at the unit, two of the 48 keys were missing, and an additional four keys found at the unit were not recorded in RADAR.

In addition, arrow keys were not always kept secure. Specifically, one key was kept in ███████████ ████████████████, and one key was █████████ ███████████████████████████████████ ███████.

Why Did It Occur

The postmaster relied on another supervisor to conduct the monthly arrow key certification but did not provide the proper oversight to validate that the certification was conducted accurately. The postmaster also stated he was not aware the ██████████████████████████████ and that it was not secured in the vault. Further, the postmaster said he received the █████████████ from the prior postmaster and decided to ██████████████████ ██ instead of ████████████ securing it.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[25] management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the U.S. Postal Inspection Service. In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items, such as arrow keys, there is 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.

> **Postal Service Response**
> The Postal Service agreed with this finding.

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24   The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
25   *Arrow/Modified Arrow Lock (MAL) Key Accountability Standard Work Instruction*, dated May, 2024.

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 will issue a separate report that provides the Postal Service with the overall findings and recommendations for the Benson Station, Boystown Station, and the Fremont APO, as well as the district.

We assessed the reliability of the Product Tracking and Reporting system[26] and DCV 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.

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26   The system of record for all delivery status information for mail and packages with trackable services and barcodes.

UNITED STATES POSTAL SERVICE

September 5, 2025

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Fremont Administrative Post Office, Fremont, NE: Delivery
Operations (Report Number 25-115-3-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Fremont Administrative Post Office, Fremont, NE: Delivery Operations.*

Management generally agrees with the three findings in the report on delayed mail, arrow keys, and package scanning.

Management has begun taking steps to address the three findings.

Delayed Mail: Management will conduct a service talk on proper handling and recording of delayed mail in DCV. Management will also reiterate the requirement to use PS Form 1571 *Undelivered Mail Report* and follow the *Redline process*. Additionally, the use of the Mail Arrival Quality/Plant Arrival Quality (MAQ/PAQ) discrepancy process will be reiterated to management. Reviews will be conducted to monitor for compliance.

Package Scanning: Management will provide a service talk on proper scanning procedures and conduct reviews to monitor compliance.

Arrow Keys: Management will update the inventory log to reflect all arrow keys on hand and report all missing keys to the US Postal Inspection Service. Management will also conduct training on proper management and security of arrow keys. Additionally, reviews will be conducted to monitor for compliance.

E-SIGNED by LISSE.A GARRETT
on 2025-09-07 17:07:54 EDT

Lisse Garrett
District Manager, IA-NE-SD District

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

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

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