Efficiency of Operations at the Santa Clarita Processing and Distribution Center, Santa Clarita, CA

AUDIT REPORT

Report Number 25-123-R26 | October 14, 2025

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 14, 2025

MEMORANDUM FOR: VINCENT MAHONEY
SOUTHERN CALIFORNIA SENIOR DIVISION DIRECTOR,
PROCESSING OPERATIONS

PEDRO ORTIZ
SOUTHERN CALIFORNIA DIVISION DIRECTOR,
LOGISTICS

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

SUBJECT: Audit Report – Efficiency of Operations at the Santa Clarita Processing and Distribution Center, Santa Clarita, CA (Report Number 25-123-R26)

This report presents the results of our audit of the Efficiency of Operations at the Santa Clarita Processing and Distribution Center.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

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

Attachment

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

Results

Background

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

This report presents the results of our self-initiated audit of the efficiency of operations at the Santa Clarita Processing and Distribution Center (P&DC) in Santa Clarita, CA (Project Number 25-123). We judgmentally selected the Santa Clarita P&DC based on delivery unit performance scores at the district level. After selecting the delivery and retail district, we reviewed several performance indicators for the Santa Clarita P&DC during fiscal years (FY) 2024-2025, including Leg 1 and Leg 3 failures;[1] mail clearance times; workhours, mail volume, and productivity; scanning compliance;[2] scanner accountability;[3] and late, canceled, and extra trips. The Santa Clarita P&DC is in the Southern California Division and processes letters, flats, and packages. The Santa Clarita P&DC services multiple 3-digit ZIP Codes in urban and rural communities[4] (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
910-916	2,704,365	26,081	2,730,446

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

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Santa Clarita P&DC.

To accomplish our objective, we focused on six audit areas: mail clearance times;[5] delayed mail; late, canceled, and extra outbound trips; dock scanning; scanner accountability; and security of registry items. We reviewed Surface Visibility Web (SVWeb)[6] data for late, canceled, and extra trips, as well as scan compliance for the period from July 1, 2024, to June 30, 2025. Further, we identified mail clearance time goals for the Santa Clarita P&DC and compared them with operations shown in the Run Plan Generator report.[7] During our site visit the week of August 11, 2025, we interviewed P&DC management and observed mail processing and dock operations.

During this time, the OIG also audited four delivery units[8] serviced by the Santa Clarita P&DC. We will provide the results of those audits to Postal Service management in separate reports. See Appendix A for additional information about our scope and methodology.

1 Leg 1 failures occur when a mailpiece is collected and does not receive a processing scan at the origin processing facility on the day that it was intended. Leg 3 failures occur after the mailpiece has been processed at a processing facility on a final processing operation and is not delivered to the customer on the day it was intended.
2 Scans include load, depart, unload, close, assign, and arrive.
3 If a scanner becomes lost, plant management is responsible for retrieving the scanner from the last signed user, or to retrieve them if lost to another site.
4 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
5 The latest time committed mail can clear an operation for proper dispatch or delivery.
6 A Postal Service website which provides real-time transportation updates and reports on the movement of trailers in the surface network. The data captured to identify early, on-time, late, or canceled trips is also used to evaluate and improve transportation schedules.
7 An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.
8 The four delivery units were the Chandler Station, North Hollywood, CA (Project Number 25-124-1); the Encino Branch, Encino, CA (Project Number 25-124-2); the Sherman Oaks Branch, Sherman Oaks, CA (Project Number 25-124-3); and the Woodland Hills Main Post Office, Woodland Hills, CA (Project Number 25-124-4).

Results Summary

We identified deficiencies with three of the six areas we reviewed that affected the efficiency of operations at the Santa Clarita P&DC. We also identified other issues related to safety and security (see Table 2).

Table 2. Summary of Results

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

Source: Results of OIG data reviewed from FYs 2024-2025 and fieldwork conducted from August 11 to 15, 2025.

For the audit areas where issues were not identified, we performed the following:

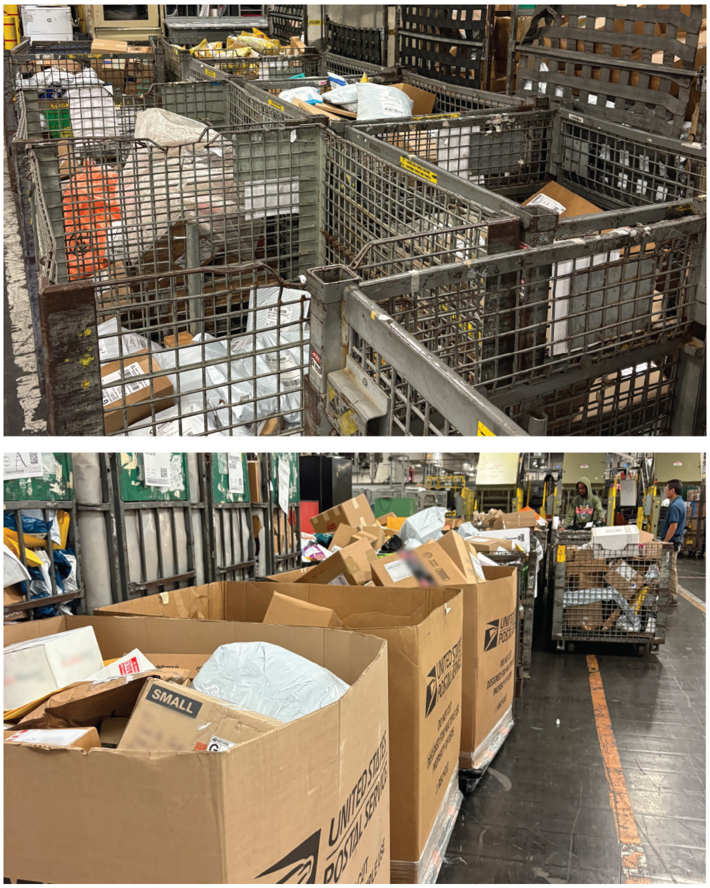
- Clearance Times – We analyzed mail processing schedules and data to verify the plant was meeting the scheduled clearance times. During our visit, we also observed the timely processing of mail.
- Scan Compliance – We analyzed scan data and observed employees scanning the mail before loading it onto trucks. Our observations confirmed the data reported in SVWeb was accurate.
- Security of Registry Items – We observed registry cage conditions and interviewed personnel to determine if procedures over the handling and security of registered mail were being followed. We did not find any systemic issues.

Finding #1: Delayed Mail

What We Found

During our observations at the Santa Clarita P&DC from August 12 through 14, 2025, we identified about 18,574 delayed packages (see Figure 1). These packages were staged for processing and had arrived prior to the facility's critical entry time[9] the night before.

Figure 1. Delayed Packages at the Santa Clarita P&DC



Source: OIG photos taken August 13, 2025.

The estimated number of delayed packages we counted did not match the counts provided by the plant. Specifically, plant management reported 185,847 delayed packages in the Mail Condition Visualization (MCV) system[10] during our visit (see Table 3).

Table 3. Delayed Packages Reported in MCV

Date	Delayed Packages
August 12	74,738
August 13	59,802
August 14	51,307
Total	**185,847**

Source: MCV.

Additionally, we identified delayed letters and flats on the workroom floor and generally agreed with management counts. From August 12 to 14, 2025, the plant reported 18,939 delayed letters and 2,025 delayed flats in MCV. During the same scope period, the plant processed more than 13.4 million letters and flats; delayed letters and flats were less than 0.2 percent of the total letters and flats processed.

Why Did It Occur

The delayed packages occurred due to machine breakdowns and staffing shortages. While the plant met its preventative maintenance goals, plant management stated that one of the package sorting machines often breaks down, affecting the processing and throughputs of packages. Plant management stated that obtaining replacement parts for this machine is difficult, as it is an older machine.

Additionally, plant management indicated that staffing shortages contributed to the delayed mail. During the week of August 11, 2025, the P&DC had 34 vacancies consisting of 26 mail handlers or processing clerks, six postal support employees, and two mail handler assistants.

Further, the Postal Service has made several changes to its products and mailflow in the past few years; however, instructions for reporting mail conditions for these newer products, such as Ground Advantage,[11]

9 The latest time that committed mail can be received in an operation and still be processed before clearance time to meet the service standard.
10 MCV provides near real-time visibility of a facility's on-hand volume, delayed processing volume, delayed dispatch volume, and oldest mail date by mail category and processing operation and stores historical trailer information.
11 A package product introduced in FY 2023 as an affordable way to send packages within two to five business days inside the U.S.

have not been updated.[12] The plant used the conversion rate of a category of mail that no longer exists since most of the delayed packages were Ground Advantage. Due to the volume of packages, we used a conservative conversion rate based on the way the mail was labeled, which was mixed Priority Mail. As a result, the plant's delayed mail counts for packages were much higher.

What Should Have Happened

Postal Service policy[13] states that management should continually gauge how well it is managing the flow of mail and have managerial control over the workload, personnel, and equipment needed for a well-run operation. As part of Postal Service practice, a delayed mail count should be performed and accurately reported in the MCV system daily.[14]

Postal Service policy[15] also states that management should align staffing to the workload and work with local human resources and labor relations leadership to identify necessary complement changes.

Effect on the Postal Service and Its Customers

When mail is not processed in accordance with proper procedures, there is an increased likelihood of delays. When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. Inaccurate reporting of delayed mail in the MCV system provides management at the local, division, region, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address the issue.

We recently published an audit report[16] on trends in service and operational performance at previously audited mail processing facilities. In this audit, we found opportunities to improve the accuracy of reporting in the MCV system and determined that the instructions for reporting mail conditions have not been updated in three years. As a result of the findings and recommendations in our recently published audit report, we are not making a recommendation regarding the conversion rates in this report. Additionally, management is currently working on replacing the package sorting machine; therefore, we are not making a recommendation on machine maintenance.

Recommendation #1

We recommend the **Southern California Division Director, Processing Operations,** develop and implement a plan to fill the vacant positions needed at the Santa Clarita Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding[17] and disagreed with the recommendation. Regarding recommendation 1, management stated that headquarters is in the process of replacing the older package machine in the Santa Clarita P&DC with a machine from Memphis. Management stated that the removal of the package machine currently at the Santa Clarita P&DC is scheduled to start October 6, 2025. See Appendix B for management's comments in their entirety.

OIG Evaluation

The OIG does not consider management's comments responsive to recommendation 1.

Management acknowledged that delayed mail was caused by machine breakdowns, and it is currently working on replacing the package sorting machine. However, management at the plant indicated that staffing shortages also contributed to the delayed mail. Management should implement a plan to fill the vacant positions needed at the plant in addition to replacing the package machine. We will pursue closure of this recommendation through the formal audit resolution process.

12 *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 Ground Advantage.
13 *Plant Manager Handbook*, dated July 2024.
14 MCV Manual Line-Item Entry Job Aid, updated October 26, 2020.
15 *Plant Manager Handbook,* Section 6.f, dated July 2024.
16 *Field Operations Service Review Processing and Logistics Operations,* Report Number 25-067-R25.
17 The Postal Service agreed with all findings in subsequent communication.

Finding #2: Late, Canceled, and Extra Trips

What We Found

From July 1, 2024, through June 30, 2025, there were a total of 101,025 outbound trips from the Santa Clarita P&DC. Of the total outbound trips, there were 21,110 late trips, 7,630 canceled trips, and 4,502 extra trips.[18] These trips collectively represent about 33 percent of all outbound trips at the facility (see Table 4).

Table 4. Outbound Transportation Metrics

Transportation Metric	Number	Percentage of Total Outbound Trips
Late Trips	21,110	20.9
Canceled Trips	7,630	7.6
Extra Trips	4,502	4.5

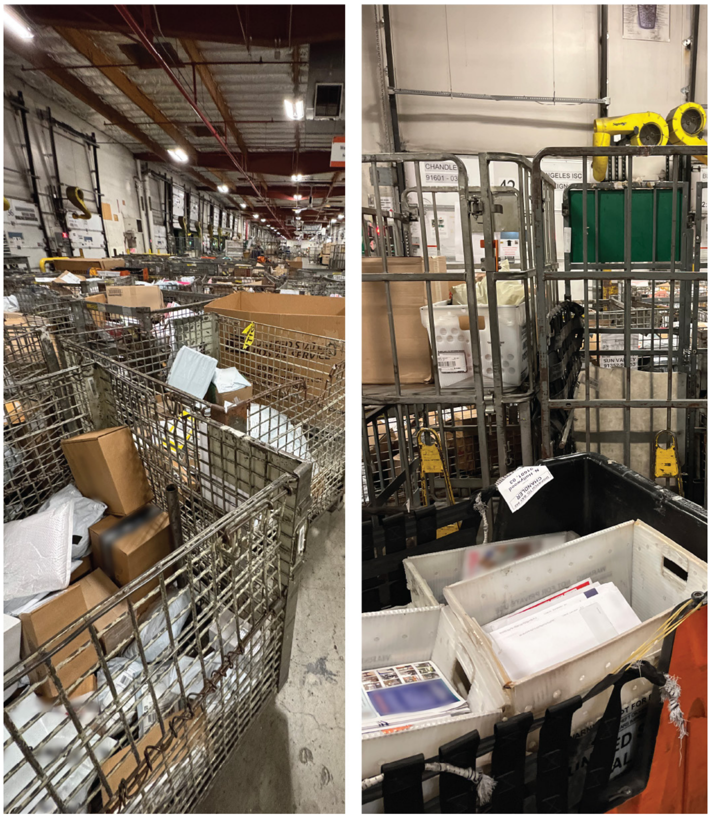
Source: SVWeb.

From August 12 to 14, 2025, we observed three late trips, one extra trip, and two pivoted trips.[19] Specifically, we observed a truck depart at the scheduled departure time. Four minutes later, containers of packages arrived at the dock that should have been on that trip. We observed space on the departed truck for this mail volume.

Shortly after, logistics management made an announcement for all trips to depart on time. Then, we observed another driver scanning a trip departed and loaded two more containers of mail onto the truck before leaving the facility. Even after loading those two additional containers, the driver left approximately three containers of mail on the dock. There was space on the departed truck for this mail volume. As a result, an extra trip was called for this volume.

Additionally, we observed dock congestion during peak dispatch hours. There was limited dock space to stage mail for dispatch. The dock space was cluttered with empty mail transport equipment (MTE)[20] (see Figure 2).

Figure 2. Dock Congestion at the Santa Clarita P&DC



Source: OIG photos taken August 12 and August 13, 2025.

We did not identify systemic issues with canceled trips.

Why Did It Occur

Late and extra outbound trips occurred due to a lack of communication between mail processing and logistics during peak dispatch times and dock congestion. Specifically, we did not observe any communication between mail processing employees and expeditors or other logistics employees when mail was brought to the dock for dispatch. Management also stated that there is not

18 The number of extra trips did not include freight auctions. The Postal Service implemented freight auction to solicit bids to transport mail on an "as needed" basis with the flexibility to schedule trips without requiring contractual changes.
19 Pivots in trips can be created when one or more stops are added to a run that were not previously scheduled for that day.
20 MTE is a system of containers, including sacks and pouches, trays, wheeled containers, pallets, etc., used to contain mail during processing or transportation within or between facilities by the Postal Service, its customers, or contractors.

a shared method of communication to expedite the movement of mail from staging areas to the dock.

Additionally, the empty equipment was brought from delivery units and the Terminal Handling Service (THS).[21] The THS started sending empty excess MTE back to the surrounding plants. These trips with the empty MTE from the THS were coming into the facility and being unloaded during peak dispatch hours.

What Should Have Happened

Postal Service policy,[22] states dock and yard operations rely on close coordination between mail processing and logistics. Meeting service requirements and minimizing unnecessary transportation expenses, like extra trips or underutilized trailers, requires cooperation and clear hand-offs of material from the dock to the processing machines, and back to the dock.

In addition, Postal Service policy[23] states that management is responsible for maintaining and enforcing a clear, safe, and organized processing floor with defined and followed processes for managing MTE. Management should confirm that everything has a designated place on the floor, and all employees should work together to maintain a clean working environment. Further, Postal Service policy[24] states that each facility must organize its platform operations to provide unloading, loading, and dock transfer to meet service requirements and eliminate delays caused by careless platform handling.

Effect on the Postal Service and Its Customers

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

Recommendation #2

We recommend the **Southern California Division Director, Processing Operations**, in coordination with **Southern California Division Director, Logistics,** develop and implement a plan to confirm mail processing and logistics employees effectively communicate, especially during peak dispatch hours, at the Santa Clarita Processing and Distribution Center.

Recommendation #3

We recommend the **Southern California Division Director, Processing Operations,** and the **Southern California Division Director, Logistics,** develop a plan to remove excess mail transport equipment from the docks and verify these are removed timely to maximize capacity at the Santa Clarita Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 2, logistics management has purchased radios compatible with mail processing radios. Management will validate that both sets of radios are set up to communicate between the two groups. The target implementation date is March 31, 2026.

Regarding recommendation 3, logistics management has created a process to reduce and remove excess MTE from the docks, trailers, and yard during peak dispatch times. The process includes the timely unload from a designated area in the yard to drop trailers of MTE from the THS. These trailers will be brought back up to the docks after peak dispatch times. The target implementation date is January 31, 2026.

OIG Evaluation

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

21 The Terminal Handling Service providers are the ground handlers responsible for the hand off of mail between the Postal Service and the aviation supplier.
22 *Plant Manager Handbook,* Section 6d.ii., Processing and Logistics, dated July 2024.
23 *Plant Manager Handbook,* Section 6.c., Organized Processing Floor, dated July 2024.
24 Postal Operations Manual Issue 9, Section 471, dated May 2024.

Finding #3: Scanner Accountability

What We Found

Prior to our site visit, there were 16 scanners assigned to the facility that had not been used since April 2025 or longer. Specifically, one Postal Vehicle Service (PVS) scanner[25] and 15 Surface Visibility (SV) scanners[26] were last used prior to April 2025. Additionally, one PVS scanner and 10 SV scanners did not match their assigned location (see Table 5).

During our site visit the week of August 11, 2025, management confirmed that all 16 scanners were lost.

In addition, we identified two PVS scanner serial numbers that did not match the correct postal identification number in Ethos.

Table 5. Scanner Accountability at the Santa Clarita P&DC

Scanner Type	Total Scanners	Last Used Prior to April 2025	Percent Last Used Prior to April 2025	Sanner Location Not Matched to Facility	Percent Scanner Location Not Matched
PVS	70	1	1.4%	1	1.4%
SV	94	15	16.0%	10	10.6%
Total	**164**	**16**	**9.8%**	**11**	**6.7%**

Source: OIG analysis of Ethos.[27]

We also identified the following issues related to SV scanners:

- The Santa Clarita P&DC did not have a formal process for signing in and out SV scanners. While it had a binder for signing in and out SV scanners, one for each tour, the last date recorded on the sign-in and sign-out sheet was June 26, 2025. Additionally, we observed an employee return a flat tub filled with scanners to the room and randomly place the scanners into the charging cradles.
- The room where the scanners are stored is locked and requires badge access. The signage on the door stated employees need a supervisor or lead to enter the room, but we observed an expeditor with access.
- The SV scanners are not physically and uniquely numbered on the workroom floor, unlike PVS scanners, to match the Ethos inventory (see Figure 3 and Figure 4).
- Four SV scanners with serial numbers not listed in the plant's inventory list in Ethos and belonged to other facilities.

Figure 3. SV Scanners Not Physically Numbered

Source: OIG photo taken on August 12, 2025.

25 PVS scanners enable PVS drivers to scan and track mail across the network via a cellular connection.
26 SV scanners enable facilities to scan trays, tubs, and sacks of mail into containers and onto trailers and to track the mail across the surface network via wi-fi.
27 Ethos is a collection of applications that help track deployments, surveys, and other field communications for the deployment of major equipment programs.

Figure 4. Example of a Physically Numbered PVS Scanner

Source: OIG photos taken on August 12, 2025.

Why Did it Occur

The scanner accountability issues at the Santa Clarita P&DC are due to a lack of management oversight and a lack of internal controls. Specifically, management did not properly manage the device inventory, and it was not aware some scanners were not currently located at the facility.

Additionally, while the SV scanners are in a room which requires badge access, management did not consistently manage employees' access to the room in accordance with signage posted on the scanner room door. Further, management provided several inconsistent responses about which employees should have access. Supervisors also did not monitor the scanner inventory daily or the sign in and out process. Further, management was unaware of the required naming conventions for SV scanners.

What Should Have Happened

Postal Service policy[28] states facility management is responsible for ensuring scanners are in good working condition, organized and located in a secure area, and that controls are used to manage device inventory.

Postal Service policy[29] also states if a scanner becomes lost, site management is responsible for retrieving the scanner from the last signed in user, or to retrieve them if lost to another site. Site management is required to retrieve the scanner from the site the scanner has pinged.

Additionally, Postal Service policy[30] states that existing scanners should be numbered in Ethos as the site has them physically numbered on the workroom floor for easy identification.

Effect on the Postal Service and Its Customers

Lack of controls and oversight of scanner accountability could lead to lost or stolen scanners. This could result in unrecoverable questioned costs[31] because lost scanners are not generally replaced. In addition, a lack of scanner accountability could impact scanning compliance. If there are not enough scanners for employees to perform load and unload scans, especially during peak dispatch hours, it could contribute to inaccurate trip utilization data, missent mail, and operational inefficiencies.

Management Actions

Management took corrective actions shortly after our site visit. Management corrected the PVS scanners with serial numbers that did not match their postal identification numbers to reflect the information in Ethos. Additionally, management provided documentation to show that it exhausted all options attempting to retrieve the one PVS scanner that had not pinged since at least April 2025. As a result of these corrective actions, we are not making recommendations related to PVS scanner accountability.

28 *SV Supervisor Booklet*, dated October 18, 2023.
29 *Surface Visibility Lost Scanner Recovery Quick Reference Guide*, updated May 21, 2025.
30 *SV & PVS Scanner and Ethos FAQ*, updated June 2025.
31 Scanners that have not been used in over three months are likely lost or need replacement. We estimated the cost to replace the unused scanners at the Santa Clarita P&DC to be $9,040.

Recommendation #4

We recommend the **Southern California Division Director, Processing Operations,** properly reconcile the Surface Visibility scanners in Ethos and at the facility and take measurable actions to retrieve all lost scanners at the Santa Clarita Processing and Distribution Center.

Recommendation #5

We recommend the **Southern California Division Director, Processing Operations,** provide oversight and verify employees sign in and out Surface Visibility scanners at the Santa Clarita Processing and Distribution Center.

Recommendation #6

We recommend the **Southern California Division Director, Processing Operations,** secure scanners and verify only authorized employees can enter the Surface Visibility scanner room at the Santa Clarita Processing and Distribution Center.

Postal Service Response

The Postal Service agreed with this finding, recommendations, and monetary impact. Regarding recommendation 4, management will schedule and perform locker checks to search for scanners that have not been returned. Management will also review Ethos data to identify scanners with no activity in at least two months and remove those scanners to accurately reflect the scanner inventory. Additionally, management will purchase scanners, as necessary, to fill gaps in availability. The target implementation date is July 31, 2026.

Regarding recommendations 5 and 6, management will review scanner accountability practices used at other facilities to determine the best practice for the Santa Clarita P&DC to implement. The target implementation date is April 30, 2026.

OIG Evaluation

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

Finding #4: Safety and Security

What We Found

During our site observations, we observed several safety and security issues. Specifically, on the morning of August 12 and 13, 2025, we observed the following:

- Ten of 56 trucks and trailers parked at the dock did not have wheel chocks placed next to the tire to prevent them from rolling away (see Figure 5).
- Two of six PVS drivers did not secure the vehicle doors with pad locks when departing from the facility (see Figure 6).

Figure 5. Example of a Trailer Without Wheel Chocks

Source: OIG photo taken on August 13, 2025.

Figure 6. Example of a PVS Vehicle Without a Pad Lock

Source: OIG photo taken on August 13, 2025.

Why Did It Occur

Management at the Santa Clarita P&DC did not consistently enforce safety rules to properly secure trucks and trailers at the docks. The inconsistent use of wheel chocks and locks was due to a lack of management oversight. Specifically, we observed supervisors were not verifying that drivers were using wheel chocks or locks.

What Should Have Happened

The Postal Service must preserve the security of the mail and ensure drivers comply with security policies regarding the transportation of mail in trailers. Postal Service policy[32] states that all doors to the cargo compartment must be equipped with locks and kept locked while in route. Further, Postal Service policy[33] states that drivers must prevent trailers from rolling away from docks by using wheel chocks. In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe and healthy workplace free of recognized hazards.[34]

Effect on the Postal Service and Its Customers

When employees do not observe safe working practices and safety rules, there is an increased risk of employee accidents and injuries. Also, when the Postal Service does not preserve and protect the security of the mail in its custody there is an increased risk of unauthorized opening, inspection, reading, tampering, delaying, or committing other unauthorized acts.

Recommendation #7

We recommend the **Southern California Division Director, Logistics,** verify all drivers are securing trailer cargo and are using wheel chocks at the Santa Clarita Processing and Distribution Center.

32 Postal Operations Manual Issue 9, *Sealing Program and Procedures,* Section 476.2, Item H, updated August 31, 2023, and Handbook PO-515, *Highway Contractor Safety,* Section 448.2, dated July 2010.
33 Handbook PO-803, *Maintenance Employee's Guide to Safety,* Section 1, subsection C dated July 2020.
34 OSHA Act of 1970.

Postal Service Response

The Postal Service agreed with this finding and recommendation. Regarding recommendation 7, management has provided stand-up talks to all drivers to reiterate dock and yard safety, including the required use of wheel chocks and locks to secure trucks and trailers. The target implementation date is March 31, 2026.

OIG Evaluation

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

Appendix A: Additional Information

We conducted this audit from July through October 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 September 22, 2025, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the mail processing operations and logistics 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 Environment
- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to control environment, control activities, information and communication, and monitoring that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of MCV, SVWeb, and Ethos 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

UNITED STATES
POSTAL SERVICE

September 30, 2025

LAURA LOZON
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: *Efficiency of Operations at the Santa Clarita Processing and Distribution Center (25-123-DRAFT)*

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Efficiency of Operations at the Santa Clarita Processing and Distribution Center (25-123-DRAFT)*

Finding #1: Delayed Mail
Finding #2: Late, Canceled, and Extra Trips
Finding #3: Scanner Accountability
Finding #4: Safety and Security

Management agrees with the monetary impact.

Following, are our comments on each of the seven recommendations.

Recommendation 1: We recommend the Southern California Division Director, Processing Operations, develop and implement a plan to fill the vacant positions needed at the Santa Clarita Processing and Distribution Center.

Management Response/Action Plan:
Management disagrees with this recommendation.
HQ is replacing the ailing APBS machine with an APBS from Memphis. The APBS in Santa Clarita is scheduled for removal starting 10/06, with the replacement APBS scheduled approximately 1 week later.

Target Implementation Date: N/A

Responsible Official:
N/A

Recommendation 2: We recommend the Southern California Division Director, Processing Operations, in coordination with Southern California Division Director, Logistics, develop and implement a plan to confirm mail processing and logistics employees effectively communicate, especially during peak dispatch hours, at the Santa Clarita Processing and Distribution.

Management Response/Action Plan:
Management agrees with this recommendation.
Logistics has purchased radios compatible with the one's operations utilize to have a direct line of communication with operations. New radios will be configured in order

to be able to communicate with operation's current radios. Logistics staff will now be able to request operations to bring out mail to the dock to meet dispatch times. Will validate that both sets of radios are set up to cross-communicate with the other functional group.

Target Implementation Date: 03/31/2026

Responsible Official:
Southern California Division Director, Processing
Southern California Division Director, Logistics

Recommendation 3: We recommend the Southern California Division Director, Processing Operations, and the Southern California Division Director, Logistics, develop a plan to remove excess mail transport equipment from the docks and verify these are removed timely to maximize capacity at the Santa Clarita Processing and Distribution Center.

Management Response/Action Plan:
Management agrees with this recommendation.
Logistics has formulated a process to verify the reduction and removal of excess mail transport equipment from the docks, trailers, and yard which by design will maximize capacity at the Santa Clarita Processing and Distribution Center. This process will include timely unload from trailers reducing the need to stage mail transport equipment on trailers in the yard beyond processing operations' daily required need and mailer orders in the MTEOR system. A designated area in the yard has been identified for contractors to drop trailers of mail transport equipment from all THS return trips. This will eliminate the need to offload the empty equipment onto the docks during peak hours. These trailers will be brought back up to the docks after 07:00 (non-peak hours) and offloaded for the following night's THS trips. The Dispatch Coordinator will update Logistics management every 2 hours with progress on the unloading as well as track the trailers on a tracking sheet. Trailers will not be moved from the dock until fully unloaded, thus preventing storage of excess mail transport equipment on trailers. Manager of Logistics/Manager of Logistics Operations will validate this process with the Dispatch Coordinators (DCs) to include trailer moves, load/unload using the Surace Visibility (SV) scanners.

Target Implementation Date: 01/31/2026

Responsible Official:
Southern California Division Director, Processing
Southern California Division Director Logistics

Recommendation 4: We recommend the Southern California Division Director, Processing Operations, properly reconcile the Surface Visibility scanners in Ethos and at the facility and take measurable actions to retrieve all lost scanners at the Santa Clarita Processing and Distribution Center.

Management Response/Action Plan:
Management agrees with this recommendation.
Local Management will schedule/perform a locker check to identify any scanners that have not been returned. Local Management will also review Ethos/SV data to identify scanners that have not shown activity in 2 months or more, at which time, those

scanners will be removed from the Ethos system to accurately reflect what is in inventory. Additionally, local management will purchase additional scanners as necessary to fill any gaps in availability.

Target Implementation Date: 07/31/2026

Responsible Official:
Southern California Division Director, Processing

Recommendation 5: We recommend the Southern California Division Director, Processing Operations, provide oversight and verify employees sign in and out Surface Visibility scanners at the Santa Clarita Processing and Distribution Center.
Management Response/Action Plan:
Management agrees with this recommendation.
The Division Director, Processing along with Local Management, will review systems/methodologies used at other facilities to determine the best fit for Santa Clarita. Implementation will occur once the best practice has been determined.

Target Implementation Date: 04/30/2026

Responsible Official:
Southern California Division Director, Processing

Recommendation 6: We recommend the Southern California Division Director, Processing Operations, secure scanners and verify only authorized employees can enter the Surface Visibility scanner room at the Santa Clarita Processing and Distribution Center.

Management Response/Action Plan:
Management agrees with this recommendation.
The Division Director, Processing along with Local Management, will review systems/methodologies used at other facilities to determine the best fit for Santa Clarita. Implementation will occur once the best practice has been determined.

Target Implementation Date: 04/30/2026

Responsible Official:
Southern California Division Director, Processing

Recommendation 7: We recommend the Southern California Division Director, Logistics, verify all drivers are securing trailer cargo and are using wheel chocks at the Santa Clarita Processing and Distribution Center.

Management Response/Action Plan:
Management agrees with this recommendation.
The Logistics Manager has provided Stand-Up Talks to all HCR suppliers and PVS drivers to reiterate dock/yard safety and the requirement to use wheel chocks and locks to secure mail trucks and trailers.

Target Implementation Date: 03/31/2026

Responsible Official:
Southern California Division Director, Logistics

E-SIGNED by LAWRENCE.W ENGLER
on 2025-09-30 18:36:59 EDT

LAWRENCE W. ENGLER *for* VINCE MAHONEY
SOUTHERN CALIFORNIA SENIOR DIVISION DIRECTOR,
PROCESSING OPERATIONS

E-SIGNED by Pedro Ortiz
on 2025-09-30 18:54:33 EDT

PEDRO ORTIZ
SOUTHERN CALIFORNIA DIVISION DIRECTOR, LOGISTICS

cc: *Corporate Audit & Response Management*

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