Chandler Station, North Hollywood, CA: Delivery Operations

AUDIT REPORT

Report Number 25-124-1-R26 | October 14, 2025

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 14, 2025

MEMORANDUM FOR: AL SANTOS
MANAGER, CALIFORNIA 3 DISTRICT

Joseph E. Wolski

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

SUBJECT: Audit Report – Chandler Station, North Hollywood, CA: Delivery Operations (Report Number 25-124-1-R26)

This report presents the results of our audit of delivery operations and property conditions at the Chandler Station in North Hollywood, CA.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact Ricardo Martinez, 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, WestPac Area Retail & Delivery Operations
Director, Retail & Post Office Operations Maintenance
Corporate Audit 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.

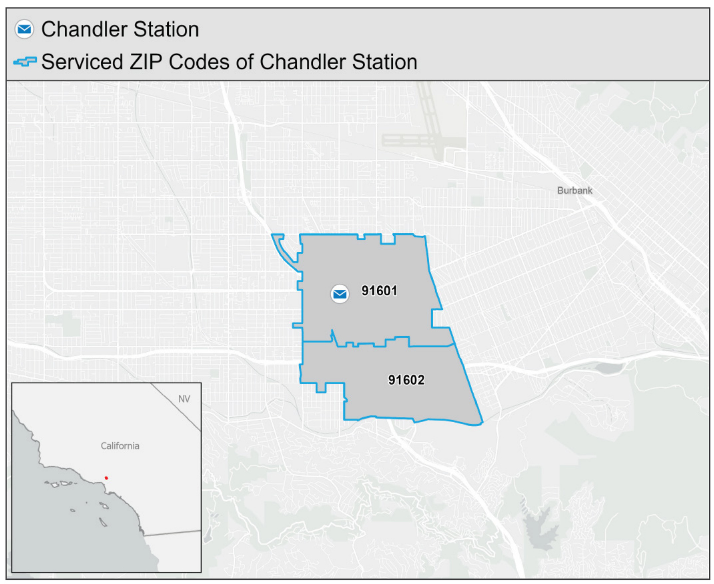
This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Chandler Station in North Hollywood, CA (Project Number 25-124-1). The Chandler Station is in the California 3 District of the WestPac Area and serves about 58,983 people in ZIP Codes 91601 and 91602, which are considered predominantly urban communities[1] (see Figure 1). The unit also services ZIP Code 91603 for PO Box routes.

This delivery unit has 36 city routes. From June 14 through July 11, 2025, the delivery unit had three supervisors assigned.[2] During our visit, the unit management team working at this facility consisted of the postmaster, two supervisors, and one employee that was acting in a higher-level supervisor detail. The Chandler Station falls under the North Hollywood Post Office for employee availability[3] measurement. As of July 11, 2025,[4] the year-to-date employee availability rate for the North Hollywood Post Office was 91.9 percent, which is under the Postal Service's retail and delivery operations employee availability goal of 93.7 percent for fiscal year 2025. The Chandler Station is one of four delivery units[5] the OIG reviewed during the week of August 11, 2025, that are serviced by the Santa Clarita Processing and Distribution Center (P&DC).

We assessed all units serviced by the Santa Clarita P&DC based on the number of Customer 360 (C360)[6] delivery-related inquiries,[7] stop-the-clock (STC)[8] scans performed away from the delivery point and at the unit, undelivered route information, and Leg 1 and Leg 3 failures[9] between March 18 and June 18, 2025.

We judgmentally selected the Chandler Station primarily based on the number of C360 inquiries related to delivery. Specifically, the unit had an average of 8.5 inquiries per route compared to the district average of 4.7. The unit also had 14 Leg 3 failures.

Figure 1. ZIP Codes Serviced by the Chandler Station



Source: OIG analysis of ZIP Code data.

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 Postal Service calculates employee availability by dividing straight time hours worked by potential straight time hours. Potential straight time hours generally include actual straight time hours worked, sick leave taken, and leave without pay.
4 The last day of Pay Period 15.
5 The other three units were 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).
6 A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
7 A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
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 Leg 1 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. Leg 3 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.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Chandler Station in North Hollywood, CA.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,[10] carrier separations and transfers, Voyager card[11] transactions, 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 visit August 12-14, 2025, we reviewed mail conditions, package scanning procedures, arrow key security procedures, carrier separation and transfer procedures, Voyager card premium fuel transactions, unit safety and security conditions, and package separation procedures. 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 1 with management on September 24, 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 Chandler Station. We will issue a separate capping report[12] that provides the Postal Service with the overall findings and recommendations for all four 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 and property conditions at the Chandler Station. Specifically, we found issues with two of the areas we reviewed (see Table 1).

Table 1. Summary of Results

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

Source: Results of our fieldwork during the week of August 11, 2025.

- On the morning of August 12, 2025, we observed carrier cases and other areas in the unit for delayed mail and found only 94 delayed mailpieces comprised of 56 letters and 38 flats.
- We analyzed package scanning data between April and June 2025, and for nine packages found at carrier stations on the morning of August 12, 2025. We did not identify any significant issues with package scanning.
- We analyzed employee data from June 7 through July 18, 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 reviewed Voyager card premium fuel transactions from February 4 through July 31, 2025, and identified only two premium fuel transactions. We did not identify any recurring systemic issues.
- We observed package separation procedures on August 13, 2025, and determined the unit properly separated Priority Mail from non-Priority Mail packages.

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 The U.S. Postal Service uses credit cards, called Voyager cards, to pay for the commercially purchased fuel, oil, and routine maintenance for its vehicles.
12 Project Number 25-124.

Finding # 1: Arrow Keys

What We Found

Unit management did not properly update the arrow key inventory log and safeguard arrow keys. On the morning of August 13, 2025, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)[13] system and conducted a physical inventory of keys at the unit. Unit management reported 159 keys in RADAR as "In-Use," In-Vault," or "Damaged."

Based on our physical review of arrow keys at the unit, 99 of the 159 keys listed in RADAR were missing, and an additional 93 keys, including 75 damaged keys found at the unit, were not recorded in RADAR. Management had not reported any of the missing keys to the U.S. Postal Inspection Service.

In addition, arrow keys were not always kept secure. Specifically, arrow keys were kept inside the registry cage, which was often left open and unattended throughout our visit (see Figure 2).

Figure 2. Unattended Arrow Keys

Source: OIG photo taken August 13, 2025.

Why Did It Occur

Management did not provide sufficient oversight to properly manage and safeguard the arrow keys. Specifically, management was unaware of the missing or extra keys because it certified the arrow key list in RADAR without properly reconciling it to the physical keys on hand. Also, management did not properly secure the arrow keys because the clerk who normally hands out the keys was out, and no replacement was assigned.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[14] management must keep an accurate inventory of all arrow keys, including damaged 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 in the Registry section or locked area until they are individually assigned to personnel. 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.

Postal Service Response

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

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

Finding # 2: Property Conditions

What We Found

We found a property safety and a security issue at the Chandler Station.

Property Safety:

- A roof leak resulted in severe floor damage in the manager's office. The floorboards had warped, which created a trip hazard (see Figure 3).

Figure 3. Damaged Floor in Manager's Office

Source: OIG photo taken August 14, 2025.

Property Security:

- There was no sign posted entering the employee parking lot stating that vehicles may be subject to search.

Why Did It Occur

Management did not provide sufficient oversight of property conditions. Management reported the floor leak and warped floor in the Electronic Facilities Management System (eFMS)[15] on January 17, 2025, but had not effectively followed up when the repairs were not made timely. In addition, management was not aware of the requirement to have a "subject to search" sign posted in the employee parking lot.

What Should Have Happened

Management should have followed up when the roof and floor were not repaired timely. Also, according to policy,[16] the Postal Service is required to provide signage that vehicles may be subject to search.

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; and enhance the customer experience and Postal Service brand.

Postal Service Response

The Postal Service agreed with this finding.

15 The eFMS program is the official record for property inventory and the management system for all property related projects including repairs, health and safety mitigation, and property inspections.

16 Handbook RE-5, *Building and Site Security Requirements, Site Security*, 2-2.4 – Site Signage, September 2009.

Appendix A: Additional Information

We conducted this audit from August 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.

In planning and conducting the audit, we obtained an understanding of the Chandler Station internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to control activities, information and communication, and monitoring that were significant within the context of our objectives. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for the Chandler Station, Encino Branch, Sherman Oaks Branch, the Woodland Hills Main Post Office, as well as the district.

We assessed the reliability of eFMS 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 25, 2025

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Chandler Station, North Hollywood, CA: Delivery Operations (Report Number 25-124-1-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Chandler Station, North Hollywood, CA: Delivery Operations.*

Management generally agrees with the two findings related to arrow keys, and property conditions.

Management has begun taking steps to address the two findings.

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.

Property Conditions: Management has abated the security issue and is working to abate the safety issue found during the audit, which requires the submission of workorders for assistance from other resources.

E-SIGNED by ALFRED SANTOS JR
on 2025-10-02 09:51:47 EDT

Al Santos
District Manager, California 3 District

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

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

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