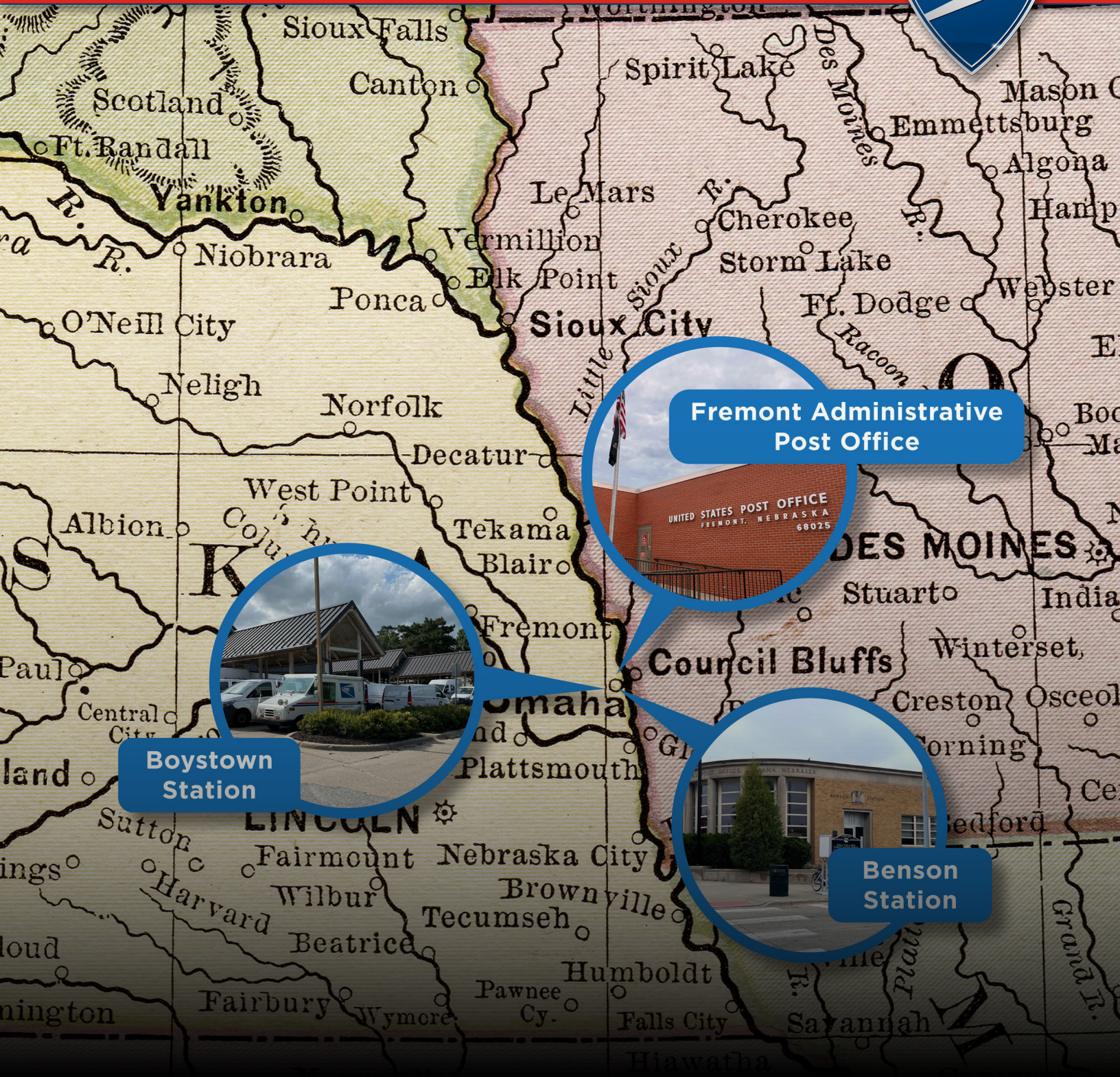


# Iowa-Nebraska-South Dakota District: Delivery Operations

## AUDIT REPORT

Report Number 25-115-R26 | December 30, 2025



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# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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December 30, 2025

MEMORANDUM FOR: SAM S. REED  
MANAGER, IOWA-NEBRASKA-SOUTH DAKOTA DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is positioned above the "FROM:" line.

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

SUBJECT: Audit Report – Iowa-Nebraska-South Dakota District: Delivery  
Operations (Report Number 25-115-R26)

This report presents the results of our audits of mail delivery operations in the Iowa-Nebraska-South Dakota District in the Central 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. Recommendations 1 and 2 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 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, 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 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 at approximately 300 processing facilities and 31,100 post offices, stations, and branches in the nation 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.

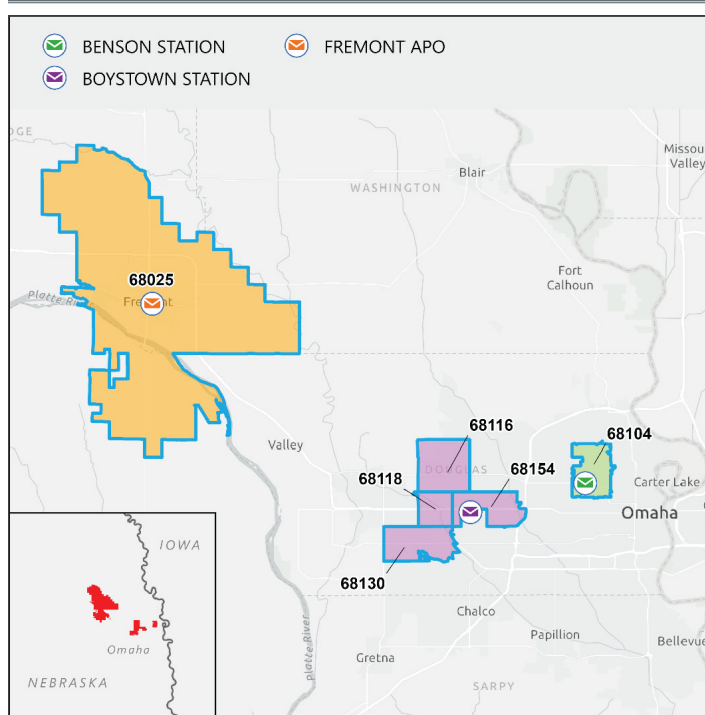
This report presents a summary of the results of our self-initiated audits of delivery operations and property conditions at three delivery units, as well as district-wide delivery operations in the Iowa-Nebraska-South Dakota (IA-NE-SD) District in the Central Area (Project Number 25-115). The delivery units included the Benson and Boystown stations in Omaha, NE, and the Fremont Administrative Post Office (APO) in Fremont, NE (see Figure 1).

We previously issued interim reports<sup>1</sup> to district management for each of the three delivery units regarding the conditions we identified. We also issued a report on the efficiency of operations at the Omaha Processing and Distribution Center (P&DC)<sup>2</sup> which services these delivery units. We judgmentally selected the three delivery units based on the

number of Customer 360 (C360)<sup>3</sup> inquiries related to delivery,<sup>4</sup> Informed Delivery<sup>5</sup> contacts associated with the unit, and stop-the-clock (STC)<sup>6</sup> scans performed away from the delivery point and compared them to the district average. We also chose the units based on first and last mile failures<sup>7</sup> and undelivered routes.

These three delivery units had 59 city routes and 53 rural routes that served over 155,000 people in six ZIP Codes (see Figure 1). Specifically, of the people living in these ZIP Codes, about 152,000 (98 percent) live in urban communities and 3,000 (2 percent) live in rural areas<sup>8</sup> (see Table 1).

**Figure 1. ZIP Codes for the Three Delivery Units Visited**



Source: OIG analysis of ZIP Code data.

- 1 The reports were *Benson Station, Omaha, NE: Delivery Operations* (Report Number 25-115-1-R25, dated September 19, 2025); *Boystown Station, Omaha, NE: Delivery Operations* (Report Number 25-115-2-R25, dated September 19, 2025); and *Fremont Administrative Post Office, Fremont, NE: Delivery Operations* (Report Number 25-115-3-R25, dated September 19, 2025).
- 2 This report was *Efficiency of Operations at the Omaha Processing & Distribution Center: Omaha, NE* (Report Number 25-119-R25, dated September 19, 2025).
- 3 C360 is a cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
- 4 Delivery-related inquiries include 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 An STC scan is a scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. 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 P&DC 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.

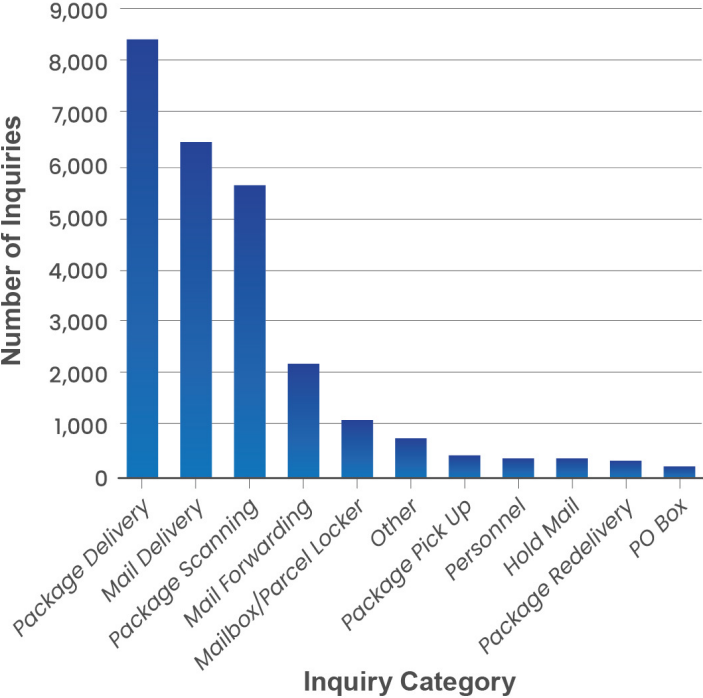
Table 1. Service Area and Population

| Delivery Units   | Service Area and ZIP Codes | Population (rounded) | City Routes | Rural Routes |
|------------------|----------------------------|----------------------|-------------|--------------|
| Benson Station   | 68104                      | 37,000               | 27          | 0            |
| Boystown Station | 68116, 68118, 68130, 68154 | 87,000               | 14          | 44           |
| Fremont APO      | 68025                      | 31,000               | 18          | 9            |
| Total            |                            | 155,000              | 59          | 53           |

Source: OIG analysis of Postal Service Address Management System and Census data.

We conducted a text analysis of C360 inquiries for the entire IA-NE-SD District between May 1 and September 30, 2025. In total, we reviewed and categorized the customer notes for 26,565 inquiries.<sup>9</sup> See Figure 2 for the results.

Figure 2. C360 Inquiry Analysis



Source: OIG analysis of C360 inquiries.

<sup>9</sup> We analyzed 28,053 inquiries and excluded 1,488 outliers — resulting in 26,565 records with at least 40 characters used to create the model by category.  
<sup>10</sup> 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.

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

- Within Package Delivery, the most common subcategories included delayed package deliveries and missing parcel locker keys.
- Within Mail Delivery, the most common subcategory was missing mail.
- Within Package Scanning, the most common sub-categories included false delivery scans, delivery scan discrepancies, and false delivery confirmations.

We also analyzed the Postal Service’s Triangulation Report<sup>10</sup> to determine how the IA-NE-SD 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 July 1 through September 30, 2025, the district had an average ranking of 21 for mail delivery and 35 for package delivery, placing this district as average for mail delivery and above average for package delivery. See Table 2 for the results of our analysis.

Table 2. IA-NE-SD District Average Ranking Compared to All 50 Districts

| Month     | Mail Delivery Opportunity Rank | Package Delivery Opportunity Rank |
|-----------|--------------------------------|-----------------------------------|
| July      | 22                             | 31                                |
| August    | 19                             | 36                                |
| September | 22                             | 37                                |
| Average   | 21                             | 35                                |

Source: Postal Service Triangulation Report.

We reviewed employee retention data obtained from Workforce<sup>11</sup> for the IA-NE-SD District. From October 1, 2024, through September 30, 2025, the district hired a total of 1,943 carriers and clerks. The district lost 802 (41.3 percent) carriers and clerks during this period. Overall, the IA-NE-SD district had a lower employee retention record when compared to other districts we recently audited (see Table 3). In addition, the district had 633 authorized Executive and Administrative Schedule (EAS)<sup>12</sup> positions, of which 605 employees (4.4 percent vacancy rate) were on the rolls as of October 6, 2025.

Table 3. District Turnover Information

| District Audited | Turnover Percent for Carriers & Clerks | One-Year Hiring Time Period |
|------------------|--|-----------------------------|
| KY-WV            | 26.1                                   | Apr. 2024 - Mar. 2025       |
| NC               | 21.9                                   | June 2024 - May 2025        |
| KS-MO            | 32.3                                   | Aug. 2024 - July 2025       |
| IA-NE-SD         | 41.3                                   | Oct. 2024 - Sept. 2025      |

Source: Postal Service Workforce.

Both the district and human resources managers stated that the district holds weekly complement meetings, engages in the typical hiring events/ job fairs, and uses targeted mailings to recruit employees. Once onboarded, the district follows the New Employee Experience and Retention Program (NEERP)<sup>13</sup> and New Employee Mentoring Program (NEMP)<sup>14</sup> to coach and retain employees. The Postal Service uses these programs to help the

district retain employees by acclimating them to their jobs while sustaining a work-life balance. The district manager also stated that it is challenging to retain rural carriers because of the requirement to use their own vehicles. Lastly, the district manager said that the district, like the rest of the Postal Service, witnessed a higher turnover rate in April 2025, due to the Voluntary Early Retirement Authority (VERA) offered<sup>15</sup> to career clerk craft employees.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations in the IA-NE-SD District of the Central Area.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,<sup>16</sup> carrier separations and transfers, property safety and security conditions, and package separations. Specifically, we analyzed key delivery metrics, including the number of carriers and routes, delayed mail volume, mail arrival times, package scanning compliance, and carrier staffing levels. During our site visits, we observed and assessed the operations and procedures within these categories and consulted with unit personnel regarding the issues we identified.

In addition to summarizing our findings at the three delivery units, we analyzed service performance scores for First-Class Mail, Marketing Mail,<sup>17</sup> Priority Mail,<sup>18</sup> and Ground Advantage<sup>19</sup> products, and reviewed carrier and clerk retention levels within the IA-NE-SD District. We discussed our observations and conclusions, as summarized in Table 4, with management on December 10, 2025, and included its comments, where appropriate. See Appendix A

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 NEERP, implemented nationally July 1, 2025, was designed to improve communication between new letter carriers and their managers and co-workers. The program provides work experience that gives new letter carriers the ability to learn their jobs at a more moderate pace and provides them with continuing education beyond the Carrier Academy and the on-the-job instruction stages.  
14 NEMP, implemented nationally July 1, 2025, provides a formal mentoring relationship and training program between the mentors and mentees. Mentors and mentees meet regularly to discuss and address concerns, provide encouragement and advice, conduct performance-related discussions and evaluations, and identify potential training needs.  
15 VERA is an authority granted by the Office of Personnel Management allowing agencies that are undergoing substantial restructuring, reshaping, downsizing, transferring of functions, or reorganization to temporarily lower the retirement age and service requirements to increase the number of employees who are eligible for retirement. The authority encourages more voluntary separations and helps the agency complete the needed organizational change with minimal disruption to the workforce.  
16 An arrow key is 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.  
17 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 advertisements.  
18 Priority Mail is 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.  
19 Ground Advantage is a service that provides an affordable and reliable way to send packages under 70 pounds inside the U.S. within two to five business days.

for additional information about our scope and methodology.

Results Summary

We identified service performance issues across the IA-NE-SD District, and delivery operations and property condition issues at the delivery units audited (see Table 4). Specifically, we found delayed mail and arrow key management deficiencies at all three units, and package scanning and property condition issues at two units.

For Carrier Separations and Transfers, we analyzed employee data from April 19 to June 13, 2025. All carriers assigned to the units either reported to work or were accounted for by management during this time, indicating no issues with carrier separations and transfers.

Table 4. Summary of Issues Identified

| Audit Area                      | Deficiencies Identified – Yes or No |                  |             |
|---------------------------------|-------------------------------------|------------------|-------------|
|                                 | Benson Station                      | Boystown Station | Fremont APO |
| Delayed Mail                    | Yes                                 | Yes              | Yes         |
| Package Scanning                | Yes                                 | No               | Yes         |
| Arrow Keys                      | Yes                                 | Yes              | Yes         |
| Carrier Separations & Transfers | No                                  | No               | No          |
| Property Conditions             | Yes                                 | Yes              | No          |
| Package Separations*            | N/A                                 | N/A              | N/A         |

Source: Interim reports from select units.  
\* Benson Station, Boystown Station, and Fremont APO do not fall under the package separation requirements. Only level 22 and above delivery units are required to make package separations.

# Finding #1: Service Performance in the IA-NE-SD District

## What We Found

We visited three delivery units in the IA-NE-SD District on the morning of July 22, 2025, and identified about 11,936 pieces of delayed mail left from the prior day.<sup>20</sup> See Table 5 for the number of pieces by mail type and location and Figure 3 for examples of delayed

mail found at the units. Management did not report this mail as delayed in the Delivery Condition Visualization (DCV) system<sup>21</sup> nor did carriers complete Postal Service (PS) Form 1571, *Undelivered Mail Report*,<sup>22</sup> to document any undelivered mail brought back to the delivery unit.

Table 5. Type of Delayed Mail

| Type of Mail  | Benson Station | Boystown Station | Fremont APO | Total Count of Delayed Mail |
|---------------|----------------|------------------|-------------|-----------------------------|
| Carrier Cases |                |                  |             |                             |
| Letters       | 275            | 915              | 346         | 1,536                       |
| Flats         | 893            | 136              | 17          | 1,046                       |
| Other Areas*  |                |                  |             |                             |
| Packages      | 0              | 0                | 43          | 43                          |
| Letters       | 0              | 8,248            | 1,063       | 9,311                       |
| Totals        | 1,168          | 9,229            | 1,469       | 11,936                      |

Source: OIG count of delayed mailpieces identified during our visit July 22, 2025.  
\*Other areas included the hot cases (an area designated for the final withdrawal of mail by carriers before they leave the office) at two units, and the collection mail area at one unit.

Figure 3. Examples of Delayed Mail

Carrier Case at Benson Station



Hot Case at Boystown Station



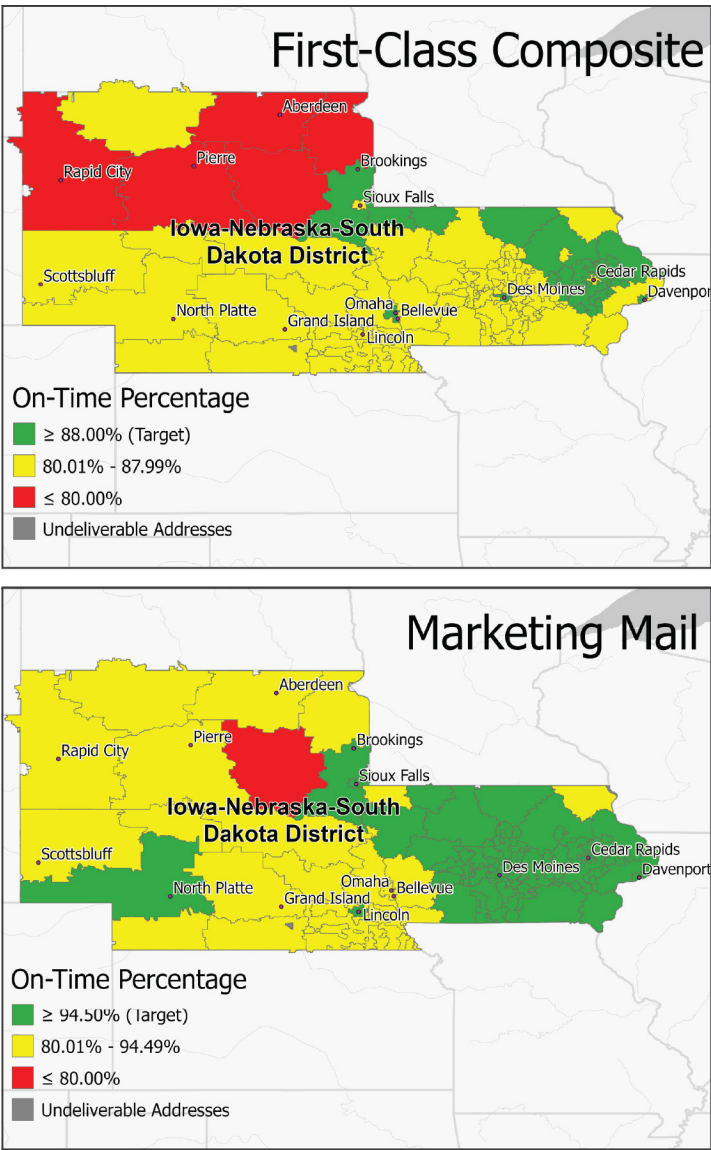
Source: OIG photos taken the morning of July 22, 2025.

20 The delayed mail we identified included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, *Piece Count Recording System*.  
21 The DCV system is 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.  
22 PS Form 1571 lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

We analyzed service performance scores in the district for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the IA-NE-SD District between April 1 and September 30, 2025. We found that First-Class

Mail did not meet the target in most of the district. However, Marketing Mail, Priority Mail, and Ground Advantage products met the targets in some of the district. See Figure 4 for heat maps showing the performance for each product in the IA-NE-SD District.

Figure 4. Service Performance Heat Maps by 3-Digit ZIP Code in the IA-NE-SD District Between April 1 and September 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 40 percent of all inbound and outbound First-Class Mail, outbound Marketing Mail, and inbound Ground Advantage products met their established targets. In addition, about half of inbound Marketing Mail met its target. However, the inbound and outbound Priority Mail and outbound Ground Advantage products generally did not meet their targets. Although service performance failures for these types 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 that he meets regularly with plant and district personnel to discuss mailflow issues.

The district had an average mail delivery and an above average package delivery opportunity ranking in the Triangulation Report. We found 11,936 delayed mailpieces at the units; however, none of the units reported them in the DCV system. We also reviewed DCV data for the entire district on June 21, 2025, and found, of the 1,112 units listed in the DCV system, only 185 units (17 percent) reported 21,749 total pieces of delayed mail. Based on our observations and analyses, we would expect to see a significant amount of reported delayed mail across the district.

### Why Did It Occur

The delayed mail we found at the three units on July 22, 2025, occurred due to a lack of management oversight. For example, management did not verify that the redline process<sup>23</sup> was followed or that supervisors were reporting delayed mail in the DCV system. In addition, limited employee availability and increased package volume also contributed to the delayed mail issues. Specifically:

- The Benson Station was understaffed due to 10 carriers on scheduled leave and three

on unscheduled leave. Although district management provided six part-time carriers, the unit delayed 776 standard mailpieces so the part-time staff could complete their other deliveries. Additionally, the station manager did not know that a 3M case<sup>24</sup> was needed, so one was not available for returning carriers. Management did not report delayed mail in the DCV system because the closing supervisor did not perform a review of the workroom floor to identify undelivered mail. Further, management did not enforce the redline process.

- The Boystown Station experienced limited staff availability and an increase in package volume. The unit did not have a station manager for approximately three weeks prior to our visit. During this time, the supervisors overseeing operations stated that they did not communicate any issues or request additional personnel from the manager of Customer Service Operations.<sup>25</sup> In addition, the unit received an increase in package volume due to a sales promotion from a commercial mailer the week prior to our visit. The supervisors stated that they used all their clerks to prioritize processing these packages. As a result, there had not been a dedicated clerk consistently assigned to sort the mail in the hot case since July 16, 2025. Lastly, management stated that some mail at the hot case contained trays of letters and flats received from the plant that were machinable and should have been sorted on automated equipment at the plant. However, management did not report any of this in the Mail Arrival Quality/Plant Arrival Quality (MAQ/PAQ)<sup>26</sup> tool to correct the issue.
- The Fremont APO's acting supervisor stated that they had 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 that he did not report any of this in the

<sup>23</sup> The redline process is 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.

<sup>24</sup> The 3M case is an area in the delivery unit where carriers place their missent, missorted, and missequenced mail.

<sup>25</sup> A manager of Customer Service Operations manages the daily activities at multiple post office stations and branches.

<sup>26</sup> The MAQ/PAQ system facilitates communication and resolution of issues with the movement of mail, including collection mail, between postal facilities.

MAQ/PAQ 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 did not always verify that carriers were taking mail from the hot case out for delivery.

Further, management did not transport collection mail to the P&DC that carriers brought back after the last truck left the unit. The postmaster stated that it was not part of the unit's 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. Lastly, the postmaster stated that the unit did not report delayed mail in the DCV system because supervisors were not trained to do so. He also said that he was unaware of the requirement for employees to complete PS Forms 1571.

### What Should Have Happened

Management should have ensured that all mail was processed and delivered daily. Postal Service policy<sup>27</sup> states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Policy also states that delivery units must follow the redline process,<sup>28</sup> which includes carriers completing a PS Form 1571 for any undelivered mail brought back to the delivery unit. Management should have verified that all mail was cleared from the workroom floor<sup>29</sup> and that carriers completed PS Forms 1571 for undelivered mail.<sup>30</sup> Additionally, management should have conducted a thorough walkthrough of the workroom to identify delayed mail and ensure that all outgoing mail was dispatched from the facility and delivered.

Management should have also addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy<sup>31</sup> 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 policy<sup>32</sup> also states that management should use the MAQ/PAQ system to communicate and resolve issues with mail conditions. Further, managers are required<sup>33</sup> to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in the DCV system. In addition, management must update the DCV system 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 inquiries detailed in the [Background](#), we found multiple instances of mail and package delivery delays. 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 that management at the three facilities received training on proper delivery practices and the reporting of delayed mail. It also provided evidence that management at the three units are now following the redline process and monitoring the reporting of delayed mail at the units we visited, which should improve mail visibility.

#### Recommendation # 1

We recommend the **District Manager, Iowa-Nebraska-South Dakota District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail.

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

28 Standard Operating Procedures, Redline Policy.

29 Handbook M-39, Management of Delivery Services, June 2019.

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

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

32 MAQ/PAQ Discrepancy Process – Standard Work Instructions.

33 DCV Learn and Grow, August 1, 2024.

## **Recommendation # 2**

We recommend the **District Manager, Iowa-Nebraska-South Dakota District**, provide adequate staff to the Benson and Boystown stations 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 that it will hold a virtual training session with delivery unit managers in the IA-NE-SD District on the proper procedures for reporting delayed mail. The target implementation date is February 28, 2026.

Regarding recommendation 2, management stated prior to the audit that district management was in the process of assigning an acting station manager to the Boystown Station. This resource is now on-site to oversee

delivery operations and ensure mail is delivered and recorded in accordance with policy, and clerk assignments include coverage of the hot case. At the Benson Station, management followed established processes to report staffing challenges and brought in temporary assistance to help with mail delivery. In addition, management stated that it will conduct reviews to ensure committed mail is delivered daily. The target implementation date is March 31, 2026.

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

## **OIG Evaluation**

The OIG considers management's comments responsive to recommendations 1 and 2. We will verify that corrective actions taken in the future are sufficient to resolve the issues identified in the report.

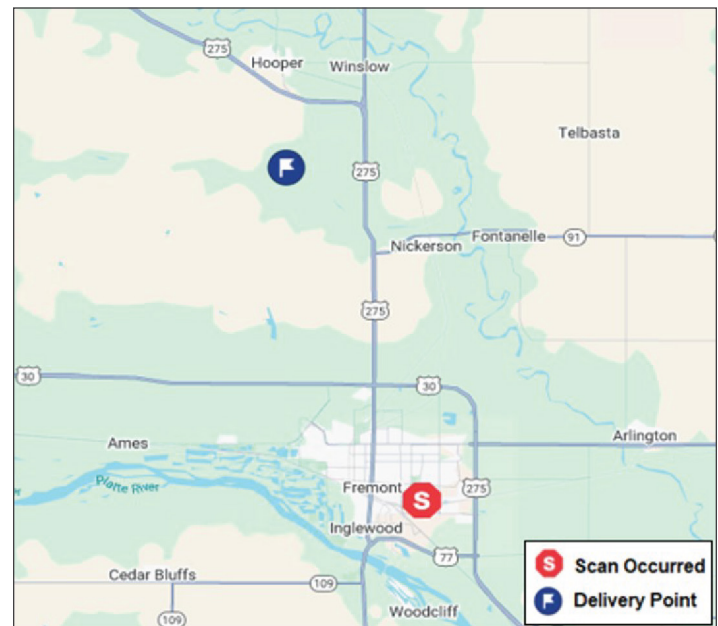
## Finding #2: Package Scanning and Handling

### What We Found

We identified package scanning and handling issues at the Benson Station and Fremont APO. On the morning of July 22, 2025, before carriers arrived for the day, we selected all 54 packages from the carrier cases<sup>34</sup> to review and analyze the scanning and tracking history at all three units. Of the 54 packages from the carrier cases, 10 (19 percent) had missing or improper scans or improper handling, including:

- Three packages were scanned “Mis-Shipped.” This scan indicates that the shipper misrouted the mailpiece. However, all three addresses were assigned to routes at the unit.
- Two packages were missing an “Arrival-at-Unit” scan, which is necessary to provide complete visibility.
- One package was scanned “Delivery Attempted – No Access to Delivery Location” 13 miles away from the delivery point (see Figure 5). Scans should be made as close to the delivery point as possible.
- One package was missing an STC scan on the expected day of delivery to let the customer know the status of the package.
- One package was scanned “No Such Number.” Although the address was correct, the carrier assisting on the route could not locate it while conducting their deliveries.
- One package was scanned “Return to the Sender,” although the package was delivered to the customer later that day.
- 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 5. Package Scanned 13 Miles Away From the Delivery Point in Fremont, NE**



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, were unfamiliar with some of the scanning reports that monitor where scans occurred, or had competing priorities.

Specifically, Benson Station management stated that it monitors scans daily; however, it focuses on scan failure reports and not the scan integrity reports that show improper scans and scans made away from the delivery point. Further, the supervisor stated that she was unable to complete a walkthrough of the unit to identify packages and verify the scan status due to other responsibilities, such as responding to carrier calls, reviewing unit operating reports, and coordinating the redistribution of mail to carriers for route assistance. Although Fremont APO management confirmed that packages received an STC scan, it was not part of its daily process to check the integrity of the scans. The PM supervisor stated that he did not interact with carriers bringing back

<sup>34</sup> On the morning of July 22, 2025, we sampled all 24 packages found in carrier cases at the Boystown Station and did not identify any issues with package scanning at the unit.

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,<sup>35</sup> which includes scanning packages at the time and location of delivery.<sup>36</sup>

### 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 third most common C360 inquiry type in the district, as demonstrated in [Figure 2](#). By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

### Management Actions

During this audit, district management provided evidence showing that managers and supervisors at the Benson Station and Fremont APO were trained on the standard operating procedures governing package scanning and handling and tracking scanning performance. District management also provided evidence showing that unit managers are now properly monitoring package scanning at the units.

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

### Postal Service Response

The Postal Service agreed with this finding.

<sup>35</sup> *Delivery Done Right the First Time* stand-up talk, March 2020.

<sup>36</sup> *Carriers Delivering the Customer Experience* Stand-up Talk, July 2017.

## Finding #3: Arrow Keys

### What We Found

Management at the three units did not properly manage and/or safeguard its arrow key inventory. On the morning of July 24, 2025, we reviewed all three units' arrow key certifications listed in the Retail and Delivery Applications and Reporting (RADAR)<sup>37</sup> system and conducted a physical inventory of keys at the units. The RADAR system listed a combined 138 keys as "In-Use" or "In-Vault" at these three units; however, we found discrepancies during our observations. For example, management could not find six of the 138 keys, and we found 12 additional keys that were not reported in RADAR. Specifically:

- At the Benson Station, unit management reported 27 keys in RADAR as "In-Use" or "In-Vault." Based on our physical review of arrow keys at the unit, one of the 27 keys was missing, and an extra key was found but not recorded in RADAR. Unit management had not reported the missing key to the U.S. Postal Inspection Service. In addition, arrow keys were kept [REDACTED], which was often left open and unattended during our visit.
- At the Boystown Station, unit management reported 63 keys in RADAR as "In-Use." Based on our physical review of the keys at the unit, three of the 63 keys were missing, and seven additional keys were not recorded in RADAR. In addition, management had not reported the three missing keys to the Postal Inspection Service at the time of our visit.
- At the Fremont APO, unit management reported 48 keys in RADAR as "In-Use" or "In-Vault." Based on our physical review of the keys at the unit, two of the 48 keys were missing, and four additional keys were not recorded in RADAR. In addition, one key was kept in [REDACTED], and one key was [REDACTED].

### Why Did It Occur

Management did not provide sufficient oversight to properly manage arrow keys, had competing priorities, or were unaware of policy/procedural requirements. Specifically:

- Benson Station management did not properly manage arrow keys because it prioritized other duties such as assisting with staff training and coverage, coordinating the redistribution of mail to carriers for route assistance, and monitoring unit operating reports. In addition, management stated that its delay in reporting the missing arrow key resulted from time spent confirming if the key was lost. Further, management stated that not entering the additional key we found in RADAR was an oversight.
- The Boystown Station relief PM supervisor stated that she conducted the arrow key certification on July 1, 2025, by verifying that keys listed as "In Use" in RADAR were in the accountability cart. However, she did not account for any extra keys at the unit. The PM supervisor also stated that she was not aware of the procedures for adjusting keys listed in RADAR or reporting lost/missing arrow keys.
- The Fremont APO 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 that he was not aware that the [REDACTED]. Further, the postmaster said that he received [REDACTED] from the prior postmaster and decided to [REDACTED] 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,<sup>38</sup> management must keep an accurate inventory of all arrow keys. Any missing arrow keys must be immediately

<sup>37</sup> The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

<sup>38</sup> *Arrow/Modified Arrow Lock (MAL) Key Accountability Procedures*, Standard Work Instruction, dated May 2024.

reported to the Postal Inspection Service.<sup>39</sup> Further, damaged keys must be returned to the vendor, and the RADAR inventory log should record the status of the returned keys.<sup>40</sup>

In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must verify that 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 that 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 provided evidence showing that the district was monitoring arrow key procedures and unit management had received arrow key security training. The units also provided evidence showing that management updated its key logs and properly secured the keys. In addition, district management provided evidence showing that the lost keys were reported to the Postal Inspection Service.

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

#### **Postal Service Response**

The Postal Service agreed with this finding.

<sup>39</sup> *Requesting Arrow/MAL Locks and Keys in RADAR CRDO Field Users guide*, dated February 2025.

<sup>40</sup> *Arrow Key Guidebook*, Standard Work Instructions, updated August 2023.

## Finding #4: Property Conditions

### What We Found

We found safety and security issues at the Benson and Boystown stations. Examples include:

#### Property Safety:

- Eleven fire extinguishers were missing monthly inspections.
- Two electrical panels and one fire extinguisher were blocked.

#### Property Security:

- An employee parking area did not have signage stating that vehicles may be subject to search.

### Why Did It Occur

Management at the two delivery units did not provide sufficient oversight or take the necessary actions to identify and address property safety and security conditions at the locations. Specifically:

- The Benson Station manager indicated that other duties, such as coordinating staff coverage, addressing customer inquiries, and getting the mail out for delivery were given priority over monitoring property safety and security conditions. During our audit, the unit manager removed items that were blocking the fire extinguisher once we brought it to his attention.
- The Boystown Station manager stated that it was her first week detailed to the unit and she was not aware of the safety issues. During our audit, management took corrective action and unblocked the electrical panel.

### 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.<sup>41</sup> In addition, according to Postal Service policy,<sup>42</sup> management must post signage stating that vehicles are 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; reduce the risk of employee theft; and enhance the customer experience and Postal Service brand.

### Management Actions

During this audit, management addressed all property condition issues that we identified at the Benson and Boystown stations. Due to management taking these corrective actions, we are not making a recommendation for property conditions.

### Postal Service Response

The Postal Service agreed with this finding.

<sup>41</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

<sup>42</sup> Postal Service Handbook RE-5, *Building and Site Security Requirements*, September 2009.

# Appendices

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# Appendix A: Additional Information

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We conducted this audit from September through December 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



December 11, 2025

LAURA LOZON  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Capping Report: Iowa-Nebraska-South Dakota  
District: Delivery Operations (25-115-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report titled *Capping Report: Iowa-Nebraska-South Dakota District: Delivery Operations*.

Management generally agrees with the findings in the report.

Following are our comments on the two recommendations:

Recommendation 1: We recommend the District Manager, Iowa-Nebraska-South Dakota 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 delivery unit managers in the Iowa-Nebraska-South Dakota district on the proper procedures for reporting delayed mail.

Target Implementation Date: 02/28/2026

Responsible Official: Manager, Iowa-Nebraska-South Dakota District

Recommendation 2: We recommend the District Manager, Iowa-Nebraska-South Dakota District, provide adequate staff to the Benson and Boystown stations to process and deliver all committed mail daily.

Management Response/Action Plan:

Management agrees with this recommendation. Prior to the audit, district management was in the process of assigning an acting station manager to Boystown Station. This resource is now on site to oversee delivery operations and ensure mail is delivered and recorded in accordance with policy, and clerk assignments include coverage of the hot case. At Benson Station, management followed established processes to report staffing challenges and bring in temporary assistance to assist with mail delivery. Additionally, reviews will be conducted to ensure committed mail is delivered daily.

Target Implementation Date: 03/31/2026

Responsible Official: Manager, Iowa-Nebraska-South Dakota District

E-SIGNED by SAMARN.S REED  
on 2025-12-16 09:40:40 EST

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Sam S. Reed  
A/Manager, Iowa-Nebraska-South Dakota District

Cc: Vice President, Area Retail and Delivery (Central)  
Corporate Audit & Response Management

# OFFICE OF INSPECTOR GENERAL UNITED STATES POSTAL SERVICE



This document contains sensitive information that has been redacted for public release. These redactions were coordinated with USPS and agreed to by the OIG.

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