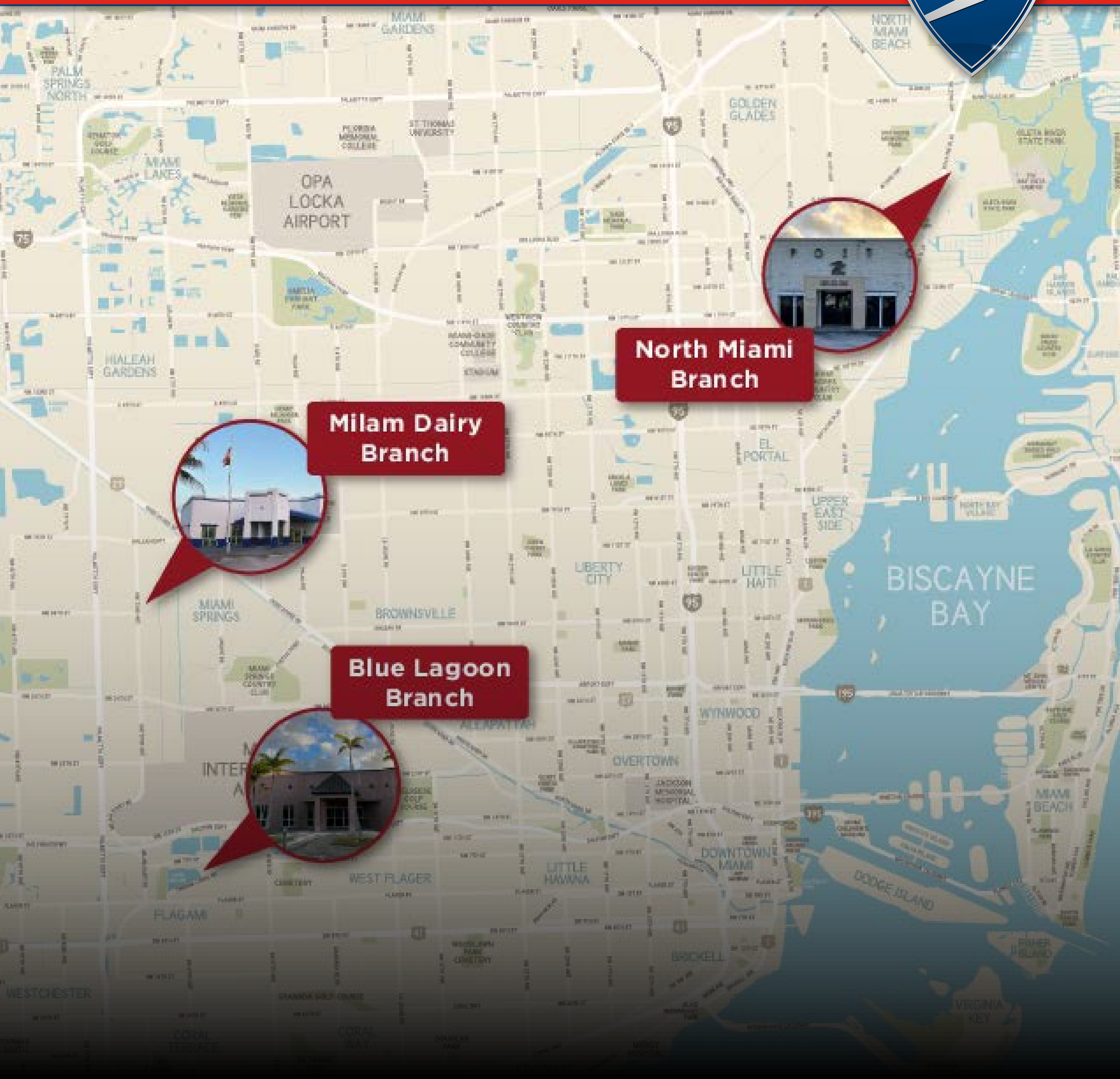
OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

# Florida 3 District: Delivery Operations

## AUDIT REPORT

Report Number 26-066-R26 | August 4, 2026



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# Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 4, 2026

**MEMORANDUM FOR:** LISSE A. GARRETT
MANAGER, FLORIDA 3 DISTRICT

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

**SUBJECT:** Audit Report – Florida 3 District: Delivery Operations
(Report Number 26-066-R26)

This report presents the results of our audits of mail delivery operations in the Florida 3 District in the Southern 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, 3, and 4 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 consider recommendation 2 closed with the issuance of this report.

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

Attachment

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

# Results

## Background

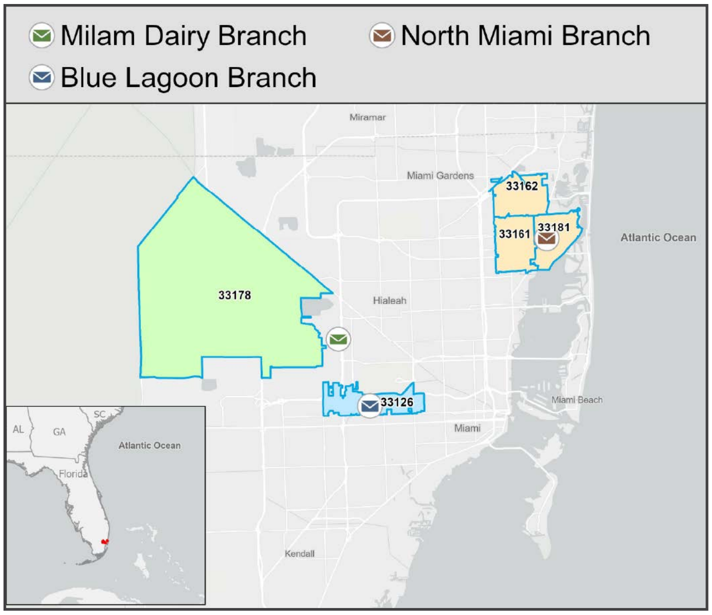
The U.S. Postal Service's mission is to provide timely, reliable, secure, and affordable mail and package delivery to over 160 million residential and business addresses across the country. To fulfill this role, the Postal Service is committed to ensuring its delivery platform and services are always 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 Florida 3 District in the Southern Area (Project Number 26-066). The delivery units included the Blue Lagoon and Milam Dairy branches in Miami, FL and the North Miami Branch in North Miami, FL (see Figure 1).

We previously issued interim reports[1] 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 Royal Palm Processing and Distribution Center (P&DC)[2] that services these delivery units. We judgmentally selected the three delivery units based on the number of Customer 360 (C360)[3] inquiries related to delivery,[4] Informed Delivery[5] contacts associated with the unit, and stop-the-clock (STC)[6] scans performed away from the delivery point and compared them to the district average. The units were also chosen based on Leg 1 and Leg 3 failures[7] and undelivered routes.

These three delivery units had one rural and 139 city routes that served about 231,930 people across five ZIP Codes (see Figure 1). Specifically, of the 231,930 people living in these ZIP Codes, 231,056 (99.6 percent) live in urban communities and 874 (4 percent) live in rural communities (see Table 1).

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




Source: OIG analysis of ZIP Code data.

1 The reports were *Blue Lagoon Banch, Miami, FL: Delivery Operations* (Report Number 26-066-1-R26, dated May 4, 2026); *Milam Dairy Branch, Miami, FL: Delivery Operations* (Report Number 26-066-2-R26, dated May 4, 2026); and *North Miami Branch, North Miami, FL: Delivery Operations* (Report Number 26-066-3-R26, dated May 4, 2026).
2 This report was *Efficiency of Operations at the Royal Palm Processing and Distribution Center, Opa Locka, FL* (Report Number 26-065-R26, dated May 4, 2026).
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 A STC scan is a scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mailpiece. Examples of STC scans include "Delivered," "Available for Pickup," and "Delivery Attempted-No Access to Delivery Location."
7 Leg 1 failures occur when a mailpiece is collected and there is a delay from the time it was collected to initial processing. Leg 3 failures occur after the mailpiece has been processed at the processing and distribution center on a final processing operation and is not delivered to the customer on the day it was intended.

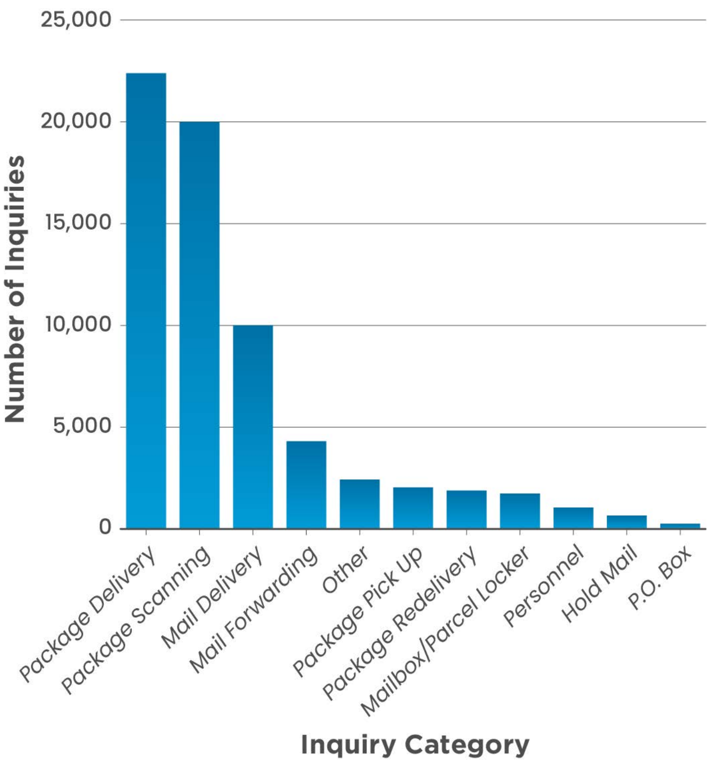
### Table 1. Service Area and Population

| Delivery Units | Service Area and ZIP Codes | Population | City Routes | Rural Routes |
|---|---|---|---|---|
| Blue Lagoon Branch | 33126 | 48,884 | 33 | 0 |
| Milam Dairy Branch | 33178 | 64,064 | 35 | 1 |
| North Miami Branch | 33161, 33162, 33181 | 118,982 | 71 | 0 |
| **Total** | **5** | **231,930** | **139** | **1** |

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

We conducted a text analysis of C360 inquiries for the entire Florida 3 District between December 1, 2025, and April 30, 2026. In total, we reviewed and categorized the customer notes for 67,448 inquiries.[8] See Figure 2 for the results.

### Figure 2. C360 Inquiry Analysis




Source: OIG analysis of C360 inquiries.

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

- Within Package Delivery, the most common subcategories included late or delayed package delivery, and missing package issues.
- Within Package Scanning, the most common subcategories included parcel locker key, false delivery scans, and insufficient address scanning issues.
- Within Mail Delivery, the most common subcategories included lack of mail delivery, outgoing mail pickup, and missing mail issues.

We also analyzed the Postal Service's Triangulation Report[9] to determine how the Florida 3 District performed for mail and package deliveries when compared 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 February 1 through April 30, 2026, the Florida 3 District had an average opportunity ranking of 34 (68th percentile) for mail delivery and a significantly below average opportunity ranking of three (6th percentile) for package delivery. See Table 2 for the results of our analysis.

8 We analyzed 70,621 inquiries and excluded 3,173 outliers — resulting in 67,448 records with at least 40 characters used to create the model by category.
9 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, Leg 1 and Leg 3 failures, route coverage, employee availability, and scanning integrity.

### Table 2. Florida 3 District Average Ranking Compared to All 50 Districts

| Month | Mail Delivery Opportunity Ranking | Package Delivery Opportunity Ranking |
|---|---|---|
| February 2026 | 36 | 5 |
| March 2026 | 34 | 3 |
| April 2026 | 31 | 2 |
| **Average** | **34** | **3** |

Source: Postal Service Triangulation Report.

We reviewed Postal Service employee retention data for the Florida 3 District from May 1, 2025, through April 30, 2026. During this period, the district hired 1,610 new carriers and clerks and retained 981 (60.9 percent) of them. Overall, the Florida 3 District had a higher retention rate when compared to other districts we recently audited (see Table 3). In addition, the district had 504 authorized Executive and Administrative Schedule (EAS)[10] positions, of which 488 employees (3.2 percent vacancy rate) were on the rolls as of May 12, 2026.

### Table 3. District Retention Information For Carriers and Clerks

| District Audited | Retention Percent | One-Year Hiring Time Period |
|---|---|---|
| NY 3 | 41.7 | Jan. 2025 – Dec. 2025 |
| LA | 51.8 | Mar. 2025 – Feb. 2026 |
| VA | 43.9 | Apr. 2025 – Mar. 2026 |
| FL 3 | 60.9 | May 2025 – April 2026 |

Source: Postal Service Workforce System.

Florida 3 District management stated that the district holds meetings regularly to discuss employee complement, engages in hiring events/job fairs, uses targeted mailings[11] to recruit employees, and follows the 511 National Initiative ("*Improving the Employee Experience — First 90 Days*").[12] Once employees are onboarded, district management stated that it follows the New Employee Experience and Retention Program (NEERP)[13] and the New Employee Mentoring Program (NEMP)[14] to coach and retain employees. The Postal Service uses these programs to help the district retain employees by acclimating them to their jobs while supporting a work-life balance.

Despite implementing these programs, the district continues to experience difficulties in attracting and retaining staff in tourist-heavy areas, which are typically more costly. District management pointed out that living expenses in the Florida Keys are considerably above the national average. Additionally, the Postal Service struggles to match the higher salaries offered by other employers in these wealthy, high-cost regions. Furthermore, management noted that recruiting individuals willing to work outdoors in Florida's intense heat and humidity remains a significant challenge.

## Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations in the Florida 3 District of the Southern Area.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,[15] carrier separations and transfers, Voyager card[16] transactions, property safety and security conditions, and package separations. Specifically, we reviewed delivery

10 EAS is a salary structure that applies to most managerial and administrative employees.
11 The Postal Service uses Every Door Direct Mail to target potential recruits in nearby neighborhoods by identifying delivery routes of interest without actually knowing names and addresses.
12 This is a Postal Service program that focuses on recruiting and hiring non-career workforce and standardizing onboarding processes within the first 90 days to improve the employee experience.
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 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 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.
16 The U.S. Postal Service uses credit cards, called Voyager cards, to pay for commercially purchased fuel, oil, and routine maintenance for its vehicles.

metrics that included the number of routes and carriers, mail arrival times, reported delayed mail volumes, STC scan data, and carrier complement records. 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,[17] Priority Mail,[18] and Ground Advantage[19] products, and reviewed carrier and clerk retention levels within the Florida 3 District. We discussed our observations and conclusions, as summarized in Table 4, with management on July 16, 2026, and included its comments, where appropriate. See Appendix A for additional information about our scope and methodology.

## Results Summary

We identified service performance issues across the Florida 3 District and delivery operations and property condition issues at the delivery units audited (see Table 4). Specifically, we found delayed mail, package scanning, arrow key, Voyager card transaction, and property condition issues at all three units. In addition, we found issues with package separations at two units. Further, the Postal Service generally met its service performance targets for First Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products within the district. Our findings and recommendations provide opportunities for the Postal Service to remedy systemic issues and improve field operations, ultimately improving service to the customer.

### Table 4. Summary of Issues Identified

| Audit Area | Deficiencies Identified – Yes or No | | |
|---|---|---|---|
| | Blue Lagoon Branch | Milam Dairy Branch | North Miami Branch |
| Delayed Mail | Yes | Yes | Yes |
| Package Scanning | Yes | Yes | Yes |
| Arrow Keys | Yes | Yes | Yes |
| Voyager Card Transactions | Yes | Yes | Yes |
| Property Conditions | Yes | Yes | Yes |
| Package Separations | No | Yes | Yes |
| Carrier Separations & Transfers | No | No | No |

Source: Interim reports from select units.

17 Marketing Mail is mail matter not required to be mailed as First-Class Mail or Periodicals that 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.

# Finding #1: Service Performance in the Florida 3 District

## What We Found

We visited three delivery units in the Florida 3 District on the morning of March 3, 2026, and identified about 17,706 pieces of delayed mail left from the prior day.[20] See Table 5 for the number of pieces by mail type and location and Figure 3 for examples of delayed mail found in carrier cases, a hot case, and a collection area. At the time of our visit, the North Miami Branch underreported[21] and the Blue Lagoon and Milam Dairy branches did not report any of this delayed mail in the Delivery Condition Visualization (DCV) system.[22] Further, carriers at all three units did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report*,[23] to document undelivered mail brought back to the delivery unit.

### Table 5. Type of Delayed Mail

| Type of Mail | Blue Lagoon Branch | Milam Dairy Branch | North Miami Branch | Total Count of Delayed Mail |
|---|---|---|---|---|
| Carrier Cases | | | | |
| Letters | 560 | 974 | 2,895 | 4,429 |
| Flats | 782 | 49 | 1,046 | 1,877 |
| Packages | 0 | 4 | 60 | 64 |
| Other Areas* | | | | |
| Letters | 4,531 | 0 | 4,682 | 9,213 |
| Flats | 189 | 0 | 1,379 | 1,568 |
| Packages | 0 | 0 | 555 | 555 |
| **Totals** | **6,062** | **1,027** | **10,617** | **17,706** |

Source: OIG count of delayed mailpieces identified during our visit March 3, 2026.
*Other areas included hot cases (an area designated for the final withdrawal of mail by carriers before they leave the office), workroom floors, and spaces designated for business reply mail and collection mail.

### Figure 3. Examples of Delayed Mail

Blue Lagoon Branch
Carrier Case

Milam Dairy Branch
Carrier Case

Blue Lagoon Branch
Hot Case

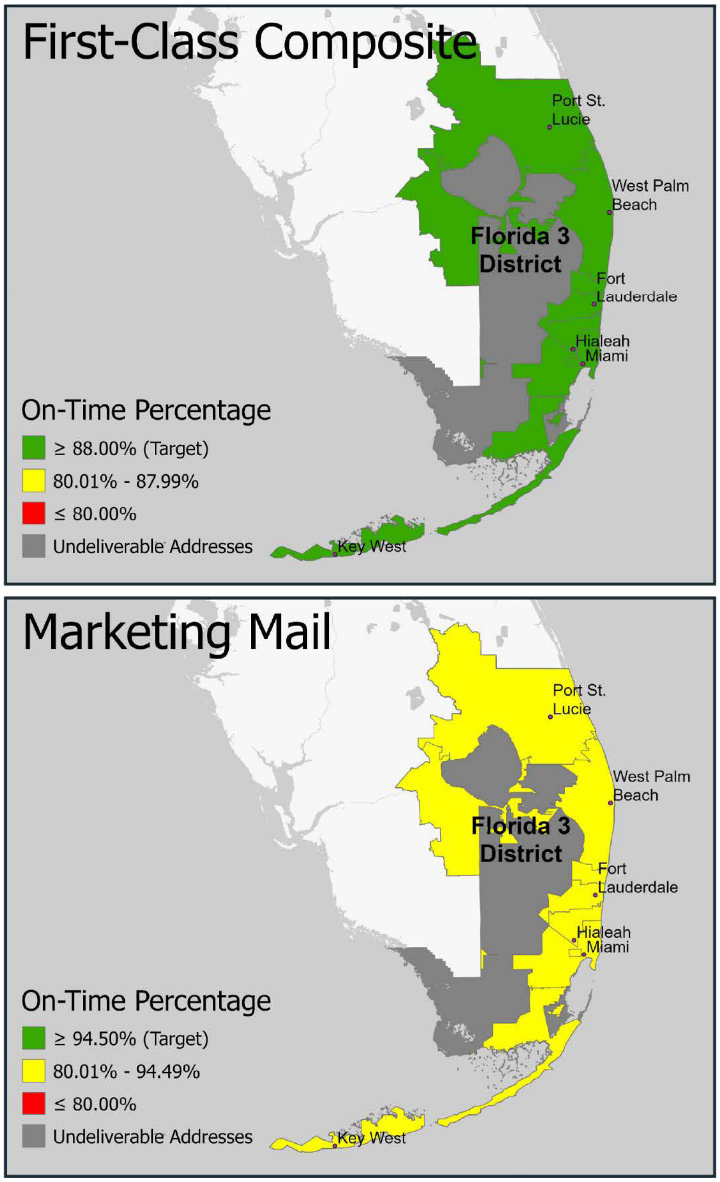
North Miami Branch
Collection Area


Source: OIG photos taken before carriers arrived on the morning of March 3, 2026.

20 The delayed mail we identified included individual piece counts and estimates based on conversion factors in the Management Instruction PO-610-2007-1, *Piece Count Recording System*.
21 The North Miami Branch reported only 50 out of 10,617 delayed mailpieces.
22 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.
23 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 for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the Florida 3 District between October 1, 2025, and March 31, 2026. We found that First-Class Mail, Priority Mail, and Ground Advantage products met their targets for most of the district; however, Marketing Mail did not meet its target. See Figure 4 for heat maps showing the performance of each product in the Florida 3 District.

**Figure 4. Service Performance Heat Maps by 3-Digit ZIP Code in the Florida 3 District Between October 1, 2025, and March 31, 2026**




[redacted]

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 (outbound) in the nation and mail coming into the district from other locations (inbound) in the nation. Overall, we found that inbound and outbound Marketing Mail, Priority Mail, and Ground Advantage products did not meet established targets for most of the district. In addition, although the district's inbound First-Class Mail met its target for more than half of the district, it did not for outbound mail.

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. District management stated that it holds daily Integrated Operations and Planning meetings with plant and logistics personnel to discuss mailflow issues. Management also stated that it uses various resources and tools to identify and monitor service performance and operational deficiencies. These include Package Backlog reports, Leg 1 and Leg 3 data, Triangulation reports, the DCV system, Power BI[24] data visualization dashboards, internal reviews, Mail Arrival Quality/Plant Arrival Quality (MAQ/PAQ),[25] and C360 inquiries.

Further, of the 125 delivery units listed in the DCV system for the Florida 3 District on March 2, 2026, we found that 53 units (42.4 percent) reported 47,962 total pieces of delayed mail that day.

### Why Did It Occur

Management at the three units did not provide sufficient oversight to verify that mail was delivered timely or that it followed required procedures to check for and report delayed mail. Specifically, supervisors at these facilities:

- Failed to consistently apply the redline process.[26]
- Did not perform thorough walkthroughs to ensure that all mail was cleared.
- Did not require carriers to fill out PS Forms 1571 for undelivered mail.
- Focused on other tasks instead of these essential duties.

### What Should Have Happened

Management should have verified that all mail was processed and delivered daily. Postal Service policy[27] states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. In addition, management should verify that all mail is cleared from the workroom floor.[28]

In addition, managers are required[29] 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. Further, management must update the DCV system if volumes have changed prior to the end of the business day. Finally, policy[30] states that delivery units must follow the redline process, which includes carriers completing a PS Form 1571 for any undelivered mail brought back to the delivery unit.

### Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. For example, in our analysis of the C360 inquiries detailed in the Background, we found multiple instances of customers reporting 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.

24 Microsoft Power BI is a suite of business intelligence and data visualization tools.
25 The MAQ/PAQ system facilitates communication and resolution of issues with the movement of mail, including mail between postal facilities.
26 The redline process is a standardized framework encompassing manager and carrier responsibilities after carriers return to the delivery unit upon completion of delivery assignments.
27 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
28 Handbook M-39, *Management of Delivery Services*, June 2019.
29 *DCV User Guide*, October 2025.
30 *Redline Policy Standard Operating Procedures.*

### Management Actions

During our audit, district management provided evidence showing 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, which should improve mail visibility.

**Recommendation #1:**

We recommend the **District Manager, Florida 3 District**, train management at all delivery units in the district on the proper procedures for checking and reporting delayed mail.

### Postal Service Response

The Postal Service agreed with this finding and the associated recommendation. Management stated that it would hold a virtual training session with delivery unit management in the district on the proper procedures for checking and reporting delayed mail. The target implementation date is October 31, 2026. See Appendix B for management's comments in their entirety.

### OIG Evaluation

The OIG considers management's comments responsive to recommendation 1, and corrective actions should resolve the issues identified.

# Finding #2: Package Scanning and Handling

## What We Found

We identified package scanning and handling issues at the three delivery units. In total, employees scanned 6,616 packages between November 2025 and January 2026 at the delivery units instead of at the recipients' delivery point (see Table 6). Further analysis of STC scan data for these packages showed that about 97 percent were scanned "Delivered." This data did not include scans that could properly be made at a delivery unit such as "Delivered – PO Box" and "Customer (Vacation) Hold," but rather represented scans that should routinely be made at the point of delivery.

### Table 6. STC Scans at Delivery Units

| STC Scan Type | Blue Lagoon Branch | Milam Dairy Branch | North Miami Branch | Total | Percent |
|---|---|---|---|---|---|
| Delivered | 32 | 5,880 | 524 | 6,436 | 97.28 |
| Delivery Attempted - No Access to Delivery Location | 11 | 38 | 47 | 96 | 1.45 |
| Refused | 2 | 2 | 47 | 51 | 0.77 |
| Return to Sender | 1 | 17 | 7 | 25 | 0.38 |
| No Secure Location Available | 1 | 0 | 4 | 5 | 0.07 |
| Receptacle Full/Item Oversized | 0 | 0 | 3 | 3 | 0.05 |
| **Total** | **47** | **5,937** | **632** | **6,616** | **100** |

Source: OIG analysis of Postal Service's Product Tracking and Reporting (PTR) System data between November 2025 and January 2026. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

We also reviewed 91 scans occurring away from the Blue Lagoon Branch and more than 1,000 feet[31] from the intended delivery point between November 1, 2025, and January 31, 2026 (see Table 7). We removed scans that could have been performed within policy, such as "Animal Interference" and "Unsafe conditions." Our analysis of the STC scan data for these packages showed that about 68 percent were scanned as "Delivered."

On the morning of March 3, 2026, before carriers arrived for the day, we selected 74 packages from the carrier cases to review and analyze the scanning and tracking history at all three units. Of the 74 packages, 41 (55.4 percent) had improper scans or handling issues at the delivery units, including:

- Nine packages were scanned "Delivery Attempted – No Access to Delivery Location," away from the delivery points. Scans should be made as close to the delivery point as possible.
- Seven packages were scanned "Delivered," which should only be performed when a package is successfully left at the customer's delivery address.
- Five packages were missing a STC scan on the expected day of delivery, which provides the customer the status of the package.
- Four packages were scanned with an in-office scanner, all for different routes, and within one minute of each other.
- Four packages scanned "Delivered, In/At Mailbox" or "Delivered, Front Door/Porch" were scanned between 0.2 and 1.5 miles away from the delivery point (see Figure 5 for an example).

31 Packages are expected to be scanned within a designated buffer distance from the delivery point. The OIG evaluates any package that was scanned more than 1,000 feet from the delivery point.

- Four packages were missing an "Arrival-at-Unit" scan, which is necessary to provide complete visibility.
- Four packages were scanned "Insufficient Address" or "Addressee Unknown" but were held at the carrier case instead of being returned to the sender.
- Two packages were scanned "Available for Pickup, for Caller Service" but were held at the carrier cases.
- One package was scanned "No Such Number" between 0.2 and 1.6 miles away from the delivery point.
- One package was scanned "Held per Customer's Request" incorrectly by an inexperienced carrier. The package was later delivered.

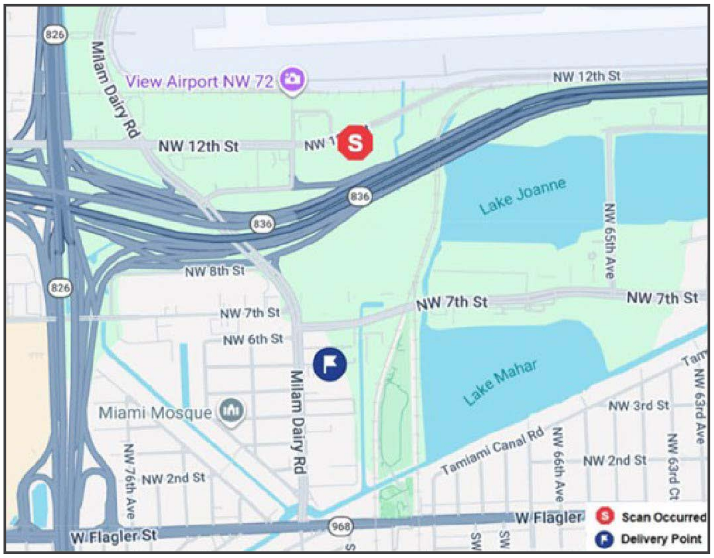
### Table 7. STC Scans Over 1,000 Feet Away From the Delivery Point

| STC Scan Type | Count | Percent |
|---|---|---|
| Delivered | 62 | 68.1 |
| Delivery Attempted - No Access to Delivery Location | 15 | 16.5 |
| Unable to Forward/Forward Order Expired | 10 | 11.0 |
| Return to Sender | 4 | 4.4 |
| **Total** | **91** | **100** |

Source: OIG analysis of the Postal Service's PTR System data.

Further, we identified containers of packages for customers or addresses that were assigned to firm sheets[32] due to the large volume at the Blue Lagoon and Milam Dairy branches. These firm sheets were scanned "Delivered to Agent – Left With Individual" or "Tendered to Authorized Agent" at the unit in order for the packages to receive an STC scan instead of waiting until the packages were delivered to the customer. These packages accumulated in containers until they were taken to the customer or picked up.

### Figure 5. Scan Made 1.5 miles Away From the Delivery Point in Miami, FL




Source: Postal Service Single Package Look Up.

### Why Did It Occur

Management at the three units did not adequately monitor and enforce proper package scanning and handling procedures.

Blue Lagoon Branch management stated that:

- It did not review packages that carriers brought back from their routes to verify accurate scans.
- It prioritized other responsibilities.
- It scanned packages with firm sheets to stop the clock because it was unsure when the packages would be delivered and Postal Service truck drivers did not always have scanners to perform a STC scan.

Milam Dairy Branch management stated that:

- It scanned packages as "Delivered" and "Tendered to Authorized Agent" at the unit to ensure each package received a STC scan on the day it arrived at the unit.

32 When delivering 25 or more trackable items to a single address, Postal Service personnel create a firm sheet. Firm sheets expedite the delivery process by eliminating the need to scan each item at the time of delivery.

- It routinely requested Postal Service transportation to help deliver many of these packages to high volume customers; however, transportation did not always come on the requested day, and the truck drivers did not have the capability to perform a STC scan. Management did not report the transportation-related issues in MAQ/PAQ because it thought the system was used for reporting issues related to scheduled trucks versus unscheduled trucks.

North Miami Branch management stated that:

- It allowed carriers to scan packages as "Delivered" at the unit instead of the delivery point due to convenience and it was not concerned with this practice.
- It confirmed packages received a STC scan; however, checking where the scan was made was not part of management's daily process.
- It only had one closing supervisor and she could not always interact with every carrier returning packages or conduct a thorough nightly walkthrough of the unit. She stated that on the day prior to our visit, she was attending to several issues and could not greet each carrier when they returned from their deliveries.

### 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,[33] which includes scanning packages and firm sheets at the time and location of delivery.[34] In addition, management should verify that all mail is cleared from the workroom floor.[35] Postal Service policy also states that management should use the MAQ/PAQ system to communicate and resolve issues with mail conditions.[36]

### 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 that employees and management at the three units were trained on the standard operating procedures governing package scanning and handling and tracking scanning performance. District management also provided evidence that unit managers are now properly monitoring package scanning at the units.

Due to management taking these corrective actions, we are not making a recommendation for the package scanning and handling issues.

#### Postal Service Response

The Postal Service agreed with this finding.

33 *Delivery Done Right the First Time* stand-up talk, March 2020.
34 *Carriers Delivering the Customer Experience* stand-up talk, July 2017 and *Work Instruction: Delivering Firm Sheets with SV Scanners*, dated February 3, 2025.
35 Handbook M-39, *Management of Delivery Services*, June 2019.
36 MAQ/PAQ Discrepancy Process – Standard Work Instruction.

# Finding #3: Arrow Keys

## What We Found

Management at the three units did not properly manage or safeguard its arrow keys. On the morning of March 5, 2026, we reviewed all three units' arrow key certifications listed in the Retail and Delivery Applications and Reporting (RADAR)[37] system and conducted a physical inventory of keys at the units. The RADAR system listed a combined 146 keys as "In-Use," "In-Vault," or "Damaged" at the units. Based on our physical review at the units, we found that 39 of the 146 keys were missing/lost, and 95 additional keys found were not recorded in the system (see Table 8). Unit management at the Blue Lagoon and North Miami branches did not report the 39 missing/lost keys to the U.S. Postal Inspection Service and management at the North Miami Branch did not return the 13 damaged keys to National Materials Customer Service (NMCS).

In addition, arrow keys were not always securely kept at the Blue Lagoon and Milam Dairy branches. Specifically, arrow keys were kept [redacted], which was often left open and unattended throughout our visit. We also found that management at the three units did not require carriers to sign for their arrow keys upon receipt and did not verify that all keys were returned at the end of the day.

**Table 8. Arrow Keys at the Delivery Units**

| Unit Name | In Use/In Vault | Damaged | Missing/Lost | Additional Keys, Not Listed in RADAR |
|---|---|---|---|---|
| Blue Lagoon Branch | 18 | 0 | 3 | 39 |
| Milam Dairy Branch | 68 | 0 | 0 | 31 |
| North Miami Branch | 47 | 13 | 36 | 25 |
| **Total** | **133** | **13** | **39** | **95** |

Source: OIG count of arrow keys identified during our visit on March 5, 2026.

## Why Did It Occur

Management at the three units did not provide sufficient oversight to properly manage arrow keys. For example, management at one or more units:

- Did not take the time to physically verify each key when completing the monthly certification due to other priorities.
- Was not aware that keys stored in a vault and not being used needed to be entered into the RADAR system.
- Was recently assigned to the unit and had not addressed key accountability issues prior to our visit but took corrective action while we were at the unit.
- Signed the monthly certifications without correcting any known discrepancies such as notifying the Postal Inspection Service of lost/missing keys.
- Sent pictures of damaged keys to the area manager instead of mailing the keys to NMCS as required.
- Was aware that employees should sign out keys on the log each morning but could not provide an explanation for why the policy was not enforced.

## What Should Have Happened

Management should have verified that arrow key security and accountability procedures were properly followed. According to Postal Service policy,[38] management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the Postal Inspection Service, and damaged keys must be returned to NMCS.

37 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
38 *Standard Work Instruction: U.S. Postal Service Arrow Key Guidebook*, dated March 2025.

In addition, policy states that arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location, and a supervisor or clerk must verify all keys have been returned and accounted for daily. Unassigned keys must also be secured in a location accessible only by the postmaster or the postmaster's designee. To ensure individual accountability daily, the carrier and a supervisor or clerk must sign their name for each key distributed or returned.

### 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 of the following corrective actions:

- Blue Lagoon Branch – Unit management received arrow key security training; reported missing/lost keys to the Inspection Service; returned damaged keys to NMCS; and properly secured the keys as required.
- Milam Dairy Branch – Unit management received arrow key security training; properly secured the keys; and updated the arrow key listing in the RADAR system.
- North Miami Branch – Unit management received arrow key security training; reported missing/lost keys to the Inspection Service; returned damaged keys to NMCS; and updated the arrow key listing in the RADAR system.

### Recommendation # 2:

We recommend the **District Manager, Florida 3 District**, verify that management at the Blue Lagoon Branch updated its arrow key listing in the Retail and Delivery Applications and Reporting system correctly.

### Postal Service Response

The Postal Service agreed with this finding and the associated recommendation. Management at the Blue Lagoon Branch stated that it updated its arrow key inventory in the RADAR system. Management requested closure of the recommendation upon issuance of the final report.

### OIG Evaluation

The OIG considers management's comments responsive to recommendation 2. Management provided documentation confirming the updated arrow key inventory and certification in the RADAR system for the Blue Lagoon Branch. Based on the actions taken, we will close the recommendation upon issuance of the final report.

# Finding #4: Voyager Card Transactions

### What We Found

Management at the three units did not always reconcile Voyager card transactions correctly or prevent unauthorized premium fuel purchases. We reviewed the Fuel Asset Management System (FAMS) reconciliation exception report for premium fuel transactions, which are considered high-risk transactions, from August 9, 2025, through January 31, 2026, and identified 629 unauthorized premium fuel transactions valued at $27,511.17. Although the transaction exceptions were marked as reconciled by unit management, 62 of the 629 comments did not properly address the unauthorized premium fuel purchases (see Table 9). We found that multiple employees at the Blue Lagoon and North Miami branches made these prohibited fuel purchases repeatedly. While unit management was aware that premium fuel should not be used for Postal Service vehicles, the FAMS reconciliation comments did not indicate that the matter was addressed.

**Table 9. Voyager Card Transactions at the Units**

| Unit Name | Reconciled High-Risk Transactions | Reconciled High-Risk Transactions Without Proper Comments | Total Value of High-Risk Transactions |
|---|---|---|---|
| Blue Lagoon Branch | 10 | 10 | $545.00 |
| Milam Dairy Branch | 11 | 11 | $554.67 |
| North Miami Branch | 608 | 41 | $26,411.50 |
| **Total** | **629** | **62** | **$27,511.17** |

Source: OIG review of FAMS Voyager card data from August 9, 2025, through January 31, 2026.

### Why Did It Occur

These premium fuel purchases were not properly reconciled due to a lack of training and insufficient management oversight. Specifically:

- The Blue Lagoon Branch officer in charge (OIC) stated that city carrier assistants may not be aware that premium fuel should not be purchased because most were new. In addition, the OIC stated that he had not completed the required Voyager card training and was not aware of the option to enter a comment if none of the prepopulated reasons apply.
- The Milam Dairy Branch supervisor did not maintain any documentation showing that he communicated this requirement to the carriers who purchased the premium fuel. Management also did not know how to properly add comments in FAMS for premium fuel exceptions. Specifically, the supervisor stated that he was not aware that he could add his own comments to the reconciliation, so he selected the most relevant comment on the system screen.
- The North Miami Branch station manager stated that she just clicked the "Reconcile" button in FAMS instead of reviewing the premium fuel transactions. As a result, nine carriers repeatedly purchased premium fuel, ranging from 21 to 49 transactions each. Although unit management stated that it communicated to carriers during stand-up talks that premium fuel should not be purchased, it could not provide any documentation to support that corrective action was taken. According to the manager, incorrect comments were selected for the FAMS reconciliation.

### What Should Have Happened

According to Postal Service policy,[39] at least once per month, the site manager is responsible for ensuring

39 *Voyager Fleet Card Standard Operating Procedure (SOP)*, Section 4.2 Responsibilities, October 2023.

that their driver receipts are reconciled in the FAMS eFleet "Reconciliation Exception Report" module. In addition, if there is a problem with an individual charge, the site manager has 60 days from the transaction posting date to dispute the transaction. According to Postal Service policy,[40] all high-risk transactions must be fully reconciled with a comment that explains the reason for the transaction.

### Effect on the Postal Service and Its Customers

When high-risk Voyager card transactions are not properly reconciled, there is an increased risk that the Postal Service will not identify unauthorized purchases, may not have the ability to dispute transactions, and may pay higher prices for questionable and unnecessary purchases. The unreconciled high-risk transactions at the three units totaled $27,511.17.[41]

### Management Actions

During our audit, management at the three branches provided evidence that employees received training on the proper procedures for reconciling vehicle fuel card purchases.

**Recommendation # 3:**

We recommend the **District Manager, Florida 3 District**, enforce the requirement for management at the three units to monitor fuel card purchases and verify that all high-risk fuel transactions have an appropriate comment.

### Postal Service Response

The Postal Service agreed with this finding, recommendation, and monetary impact. Management stated that it will monitor high-risk transactions at the Blue Lagoon, Milam Dairy, and North Miami branches to ensure that appropriate comments are entered. The target implementation date is November 30, 2026.

### OIG Evaluation

The OIG considers management's comments responsive to recommendation 3, and corrective actions should resolve the issues identified.

40 *FAMS User Guide*, Reconciliation by Exception Process, March 5, 2013.
41 We consider the $27,511.17 as unsupported, unrecoverable, questioned costs due to management not properly reconciling transactions as required.

# Finding #5: Property Conditions

## What We Found

We found various safety and security issues related to property conditions at all three branches.

Property Safety:

- Various electrical panels, extinguishers, alarm pulls, and doors were blocked or locked at all three units.
- Multiple extinguishers observed were missing monthly and annual inspections at all three units—management corrected these during our audit (see Figure 6).
- Several roof leaks were found throughout the Blue Lagoon Branch.
- Two poles in the dock area were loose and leaning from their base and the customer parking lot had a pothole that was 36" x 29" x 5" in size, which was a tripping hazard at the Milam Dairy Branch—management repaired the pothole during our audit (see Figure 7).
- The awning covering Postal Service vehicles was damaged and falling and four exit signs were not illuminated at the North Miami Branch.

### Figure 6. Annual Fire Extinguisher Inspections at the Blue Lagoon Branch

Before | Corrected


Source (before): OIG photos taken on March 4, 2026.
Source (corrected): Postal Service photo taken on May 13, 2026.

### Figure 7. Pothole in the Customer Parking Lot at the Milam Dairy Branch

Before

Source: OIG photo taken on March 3, 2026.

Repaired

Source: Postal Service photo taken on May 12, 2026.

Property Security: We found the following at the North Miami Branch:

- The employee parking lot did not have signage indicating that vehicles may be inspected.
- Customers could access the workroom floor from the retail lobby area during retail hours through an open door—management corrected the door access issue during our audit (see Figure 8).

- Customers dropped off packages at the dock during various times of day without an employee present.

**Figure 8. Workroom Floor Accessible to Customer Lobby at the North Miami Branch**

Before Corrected

Source (before): OIG photo taken on March 4, 2026.
Source (corrected): Postal Service photo taken on May 13, 2026.

### Why Did It Occur

Management at all three sites did not provide sufficient oversight of property conditions or take the necessary actions to verify that certain property conditions were corrected. For example, the Blue Lagoon Branch maintenance employee stated that the active roof leak was previously reported and provided examples of work orders from September 2022, but the work that was completed did not remediate the issue. Management also stated that its daily walkthroughs did not focus on some of these items, so they were overlooked. In addition, the manager at the Milam Dairy Branch was new and focused on maintenance-related issues such as plumbing fixtures and landscaping needs instead of the safety issues we identified.

Lastly, the North Miami Branch custodian stated that he did not complete the monthly fire extinguisher inspections because he did not receive sufficient training. The station manager stated that she did not verify that the inspections were being conducted because she believed the custodian was completing them. The manager also stated that she paid for the annual fire inspections; however, she did not follow up when the inspections were not completed. She also stated that she was aware of the ongoing air conditioning issues, and she attempted multiple times to have it repaired; however, it continued to break down.

### 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.[42] Door locks must not be disabled, or doors propped open, and the Postal Service is required to provide signage that vehicles may be subject to search.[43]

### Effect on the Postal Service and Its Customers

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

### Management Actions

During our audit, management provided support showing that it took corrective actions to address all the property condition issues we identified except for the leaky roof at the Blue Lagoon Branch and the damaged awning at the North Miami Branch.

**Recommendation # 4:**

We recommend the **District Manager, Florida 3 District**, confirm that management at the Blue Lagoon Branch repaired the leaky roof and management at the North Miami Branch repaired the damaged awning.

42 Postal Service Handbook EL-801, *Supervisor's Safety Handbook,* July 2020.
43 Postal Service Handbook RE-5, *Building and Site Security Requirements,* September 2009.

### Postal Service Response

The Postal Service agreed with this finding and the associated recommendation. Management stated that it is working with other resources to abate the safety issues related to the leaky roof at the Blue Lagoon Branch and the damaged awning at the North Miami Branch. The target implementation date is April 30, 2027.

### OIG Evaluation

The OIG considers management's comments responsive to recommendation 4, and corrective actions should resolve the issues identified.

# Finding #6: Separation of Packages for Dispatch

## What We Found

Employees at the Milam Dairy and North Miami branches did not properly separate packages destined for the Royal Palm P&DC. Specifically, on March 4, 2026, during the units' evening operations, we observed that Ground Advantage packages and Priority Mail were commingled in the same containers (see Figure 9).

### Figure 9. Commingled Mail

Milam Dairy Branch

North Miami Branch


Source: OIG photos taken on March 4, 2026.

## Why Did It Occur

Management did not provide oversight to ensure that employees properly separated packages for dispatch to the Royal Palm P&DC. Specifically, the Milam Dairy Branch manager stated that the dispatch clerk was on unscheduled leave. The manager further stated that in the absence of a clerk, the PM supervisor should have verified that the packages were sorted correctly. However, the supervisor stated that she was occupied with closeout responsibilities including monitoring carriers as they returned to the unit, verifying package statuses, and responding to an emergency call regarding a carrier vehicle breakdown.

The North Miami Branch station manager stated that employees previously separated packages but received guidance from the Royal Palm P&DC to stop separating Priority Mail from non-Priority Mail. However, the manager was unable to provide any documentation to support the change in guidance.

## What Should Have Happened

The Postal Service requires all level 22 units and above to separate Priority Mail from non-Priority Mail packages and use a specific placard when dispatching to the processing facility.[44]

## Effect on the Postal Service and Its Customers

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

## Management Actions

During our audit, district management provided documentation showing that employees were trained on properly preparing and separating packages being dispatched to the Royal Palm P&DC. Due to management taking this corrective action, we are not making a recommendation for the package separation issue.

### Postal Service Response

The Postal Service agreed with this finding.

44 *Learn and Grow RDC/RSC Updates*, May 2024.

# Appendices

# Appendix A: Additional Information

We conducted this audit from June through August 2026 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

UNITED STATES
POSTAL SERVICE

July 17, 2026

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Capping Report: Florida 3 District: Delivery Operations (26-066-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 *Florida 3 District: Delivery Operations*.

Management generally agrees with the findings and monetary impact in the report.

Following are our comments on the four recommendations:

Recommendation 1: We recommend the District Manager, Florida 3 District, train management at all delivery units in the district on the proper procedures for checking and reporting delayed mail.

Management Response/Action Plan:
Management agrees with this recommendation. Management will hold a virtual training session with delivery unit management in the Florida 3 district on the proper procedures for checking and reporting delayed mail.

Target Implementation Date: 10/31/2026

Responsible Official: Manager, Florida 3 District

Recommendation 2: We recommend the District Manager, Florida 3 District, verify that management at the Blue Lagoon Branch updated its arrow key listing in the Retail and Delivery Applications and Reporting system correctly.

Management Response/Action Plan:
Management agrees with this recommendation. Management at Blue Lagoon branch has updated its arrow key inventory in the Retail and Delivery Applications and Reporting system (RADAR).
Management requests closure with issuance of the final report.

Target Implementation Date: 8/31/2026

Responsible Official: Manager, Florida 3 District

Recommendation 3: We recommend the District Manager, Florida 3 District, enforce the requirement for management at the three units to monitor fuel card purchases and verify that all high-risk fuel transactions have an appropriate comment.

Management Response/Action Plan:
Management agrees with this recommendation. Management will monitor high risk transactions at Blue Lagoon, Milam Dairy and North Miami branches to ensure appropriate comments are entered.

Target Implementation Date: 11/30/2026

Responsible Official: Manager, Florida 3 District

Recommendation 4: We recommend the District Manager, Florida 3 District, confirm that management at the Blue Lagoon Branch repaired the leaky roof and management at the North Miami Branch repaired the damaged awning.

Management Response/Action Plan:
Management agrees with this recommendation. Management is working to abate the safety issues found during the audit at Blue Lagoon and North Miami branches, which require assistance from other resources.

Target Implementation Date: 04/30/2027

Responsible Official: Manager, Florida 3 District

E-SIGNED by LISSE.A GARRETT
on 2026-07-17 11:25:46 EDT

Lisse A. Garrett
a/District Manager, Florida 3 District

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

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