

Southside Station, Eugene, OR: Delivery Operations

AUDIT REPORT

Report Number 26-103-3-R26 | August 18, 2026



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Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 18, 2026

MEMORANDUM FOR: ERIC D. GILBERT
MANAGER, IDAHO-MONTANA-OREGON DISTRICT

A handwritten signature in black ink, reading "Monica J. Brym", is positioned below the "MEMORANDUM FOR" section.

FROM: Monica J. Brym
Director, Field Operations, Atlantic & WestPac

SUBJECT: Audit Report – Southside Station, Eugene, OR: Delivery Operations
(Report Number 26-103-3-R26)

This report presents the results of our audit of delivery operations and property conditions at the Southside Station in Eugene, OR.

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

Attachment

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

Results

Background

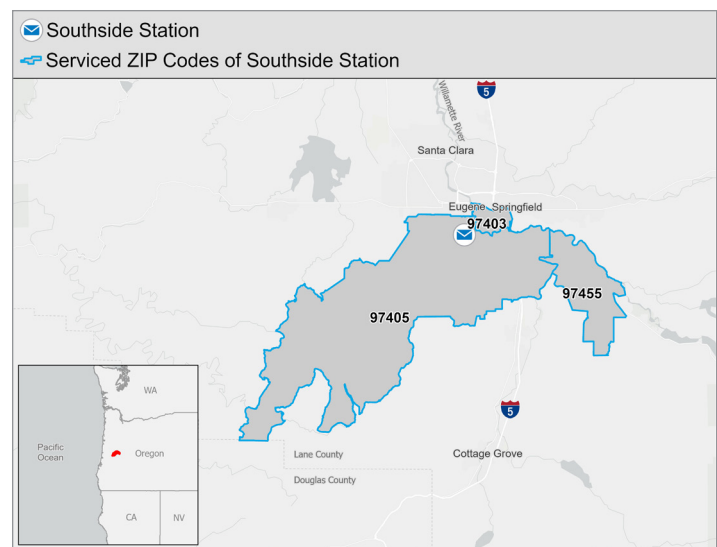
The U.S. Postal Service's mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across the country and provides management with timely feedback in furtherance of this mission.

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Southside Station in Eugene, OR (Project Number 26-103-3). The Southside Station is in the Idaho-Montana-Oregon District of the WestPac Area and serves about 64,481 people in ZIP Codes 97403, 97405, and 97455, which are considered a predominantly urban area (see Figure 1). Specifically, 56,205 (87.2 percent) live in urban communities and 8,276 (12.8 percent) live in rural communities.¹

This delivery unit has 45 city routes and eight rural routes. From May 2 through May 29, 2026, the delivery unit had one manager and three supervisors assigned.² Two of these supervisors were not present during the week of our visit; one was detailed to a different facility, and another one was suspended. In their place, the facility had two supervisors from another facility of which one employee was acting on a higher-level detail. The Southside Station falls under the Eugene Post Office for employee availability³ measurement. As of May 31, 2026, the year-to-date employee availability rate for the Eugene Post Office was 91.27 percent, which is less than the Postal Service's retail and delivery operations employee availability goal of 93.95 percent for fiscal year 2026. The Southside Station is one of three

delivery units⁴ the OIG reviewed during the week of June 22, 2026, that are serviced by the Eugene Local Processing Center (LPC).

Figure 1. ZIP Codes Serviced by the Southside Station



Source: OIG analysis of ZIP Code data.

We assessed all units serviced by the Eugene LPC based on the number of Customer 360 (C360)⁵ delivery-related inquiries,⁶ stop-the-clock (STC)⁷ scans performed away from the delivery point and at the unit, undelivered route information, and Leg 1 and Leg 3 failures⁸ between February 1 and April 30, 2026.

We judgmentally selected the Southside Station primarily based on the number of C360 inquiries related to delivery, STC scans performed away from the delivery point, and Leg 3 failures. See [Table 1](#) for a comparison of some of these metrics between the unit and the rest of the district.

¹ We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.

² Assignments based on the Postal Service's Time and Attendance Collection System (TACS). TACS is the system used by the Postal Service to automate the collection of employee time and attendance information.

³ The Postal Service calculates employee availability by dividing straight time hours worked by potential straight time hours. Potential straight time hours generally include actual straight time hours worked, sick leave taken, and leave without pay.

⁴ The other two units were the River Road Station, Eugene, OR (Project Number 26-103-1) and the Roseburg Main Post Office, Roseburg, OR (Project Number 26-103-2).

⁵ Customer 360 is a cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

⁶ Delivery-related inquiries include a compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.

⁷ An 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 "No Access."

⁸ Leg 1 failures occur when there is a delay from the time a mailpiece was collected to the initial processing. Leg 3 failures occur after the mailpiece has been processed at the final processing facility on a final processing operation and is not delivered to the customer on the day it was intended.

Table 1. Delivery Metric Comparison From February 1 Through April 30, 2026

Delivery Metric	Unit	District
C360 Delivery Inquiries (average per route)	4.1	3.7
Scans More Than 1,000 Feet From Delivery Point (average per route)	10.9	10.8
Leg 3 Failures (percent of sampled pieces)	2.1	0.8

Source: OIG analysis of Postal Service's C360, Informed Visibility, and Product Tracking and Reporting (PTR) System data extracted May 28, 2026. Informed Visibility provides service performance measurement and diagnostics of market-dominant products, mail inventory, and predictive workloads of all mail. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Southside Station in Eugene, OR.

To accomplish our objective, we combined preliminary data analyses with an on-site inspection performed June 23 through 25, 2026. Prior to the visit, we analyzed staffing levels, mail arrival times, package scanning performance, reported mail delays and arrow key⁹ inventories, Voyager card¹⁰ exceptions, and property safety and security issues. While on-site, we reviewed operational compliance focusing on mail conditions, package scanning procedures, arrow key accountability, carrier separation and transfer documentation, Voyager card exception justifications, property safety and security conditions, and package separation procedures. We discussed our observations and conclusions with management on August 3, 2026, and included its comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Southside Station. We will issue a separate capping report¹¹ that provides

the Postal Service with the overall findings and recommendations for all three delivery units, as well as the district. The capping report will include actions taken by management to address the issues identified in this interim report. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations and property conditions at the Southside Station. Specifically, we found issues with three of the areas we reviewed (see Table 2).

Table 2. Summary of Results

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

Source: Results of our fieldwork during the week of June 22, 2026.

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

- Delayed Mail - On the morning of June 23, 2026, we observed carrier cases and other areas in the unit for delayed mail and found under 200 delayed mailpieces but did not identify any systemic issues.
- Carrier Separations and Transfers - We analyzed employee data from April 18 through May 29, 2026. All carriers assigned to the unit either reported to work or were accounted for by management

9 Arrow keys are distinctively shaped keys that 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.
10 The Postal Service uses credit cards, called Voyager cards, to pay for commercially purchased fuel, oil, and routine maintenance for its vehicles.
11 The capping report project number is 26-103.

during this time, indicating no issues with employee separations and transfers.

- Voyager Card Transactions – We analyzed Voyager card premium fuel transactions from December 1, 2025, through May 28, 2026, and identified five premium fuel purchases. We did not identify any recurring systemic issues.
- Package Separations – We observed package separation procedures on June 24, 2026, and determined that the unit was properly separating Priority Mail¹² from non-Priority Mail packages.

¹² Priority Mail is an expedited service that may contain any mailable matter weighing no more than 70 pounds.

Finding #1: Package Scanning

What We Found

Employees scanned packages improperly at the delivery unit, scanned packages away from the intended delivery point, and handled packages incorrectly at the unit.

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.¹³ In total, employees improperly scanned 332 packages at the delivery unit between March 1 and May 31, 2026 (see Table 3). Further analysis of the STC scan data for these packages showed that 77.7 percent of them were scanned “Delivered.”

Table 3. STC Scans at Delivery Unit

Scan Type	Count	Percent of Scans
Delivered	258	77.7
Delivery Attempted - No Access	43	13.0
Receptacle Full / Item Oversized	14	4.2
Return to Sender	6	1.8
Refused	5	1.5
No Secure Location Available	5	1.5
No Authorized Recipient Available	1	0.3
Total	332	100

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

We also reviewed 851 scans occurring away from the delivery unit and more than 1,000 feet¹⁴ from the intended delivery point between March 1 and May 31, 2026 (see Table 4). We removed scans that could have been performed within policy, such as “Animal Interference” and “Unsafe Conditions.” Further analysis of the STC scan data for these packages

showed that 99.3 percent of them were scanned “Delivered.”

Table 4. STC Scans More Than 1,000 Feet Away From the Delivery Point

Scan Type	Count	Percent of Scans
Delivered	845	99.3
Delivery Attempted - No Access	4	0.5
No Secure Location Available	1	0.1
Return to Sender	1	0.1
Total	851	100

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

On the morning of June 23, 2026, before carriers arrived for the day, we selected all 22 packages from the carrier cases to review and analyze scanning and tracking history. Of the 22 packages, 10 (45.5 percent) had improper scans or handling issues, including:

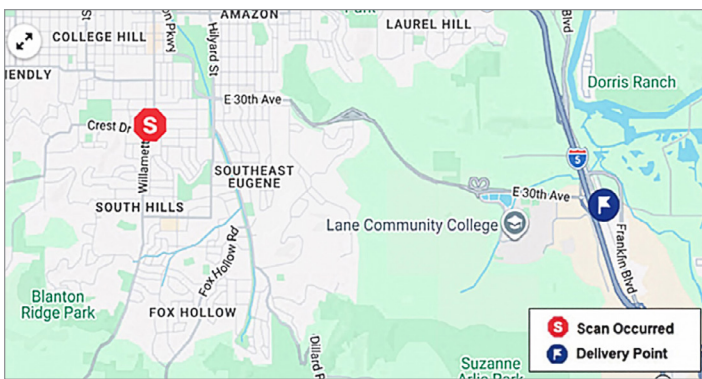
- Four packages were scanned “Delivered,” which should only be performed when a package is successfully left at the customer’s delivery address. One was scanned 1.6 miles away from the delivery location.
- Three packages were scanned “Held at Post Office at Customer Request” and were scanned between 2.5 and 2.6 miles away from the delivery location. These packages received double scans within a minute apart, one for “Hold” and then “Delivered.” Scans should be made as close to the delivery point as possible and “Delivered” scans only be performed when a package is successfully left at the customer’s delivery address.

¹³ This data does not include scans that could properly be made at a delivery unit, such as “Delivered - PO Box” and “Customer (Vacation) Hold.” Additionally, PO Box scans at the unit were only counted when the delivery point was an address away from the unit. This category does not include mail addressed for a PO Box.

¹⁴ 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.

- One package was scanned “Delivery Attempted – No Access to Delivery Location” 4.4 miles away from the delivery point (see Figure 2). This package was scanned at the unit. Scans should be made as close to the delivery point as possible.
- One package was scanned “Addressee Unknown” and should have been returned to sender.
- One package was missing an “Arrival-at-Unit” scan, which is necessary to provide complete visibility.

Figure 2. Scan Away From the Delivery Point in Eugene, Oregon



Source: Postal Service Single Package Look Up.

Why Did It Occur

These scanning issues occurred because management and carriers were not aware of proper scanning procedures. For example, both the station manager and supervisors stated that they instructed

carriers to scan packages to be held at customers' requests as "Delivered" to stop the clock, rather than scanning "Vacation Hold," because they thought that was the proper procedure. Unit management also believed that if the business was closed or the mailboxes were damaged, it was proper to scan the packages at the unit as "Delivery Attempted – No Access to the Delivery Location," rather than scanning it at the delivery location.

What Should Have Happened

Management should have instructed carriers on the proper scanning procedures. The Postal Service's goal is to ensure proper delivery attempts for mailpieces to the correct address,¹⁵ which includes scanning packages at the time and location of delivery.¹⁶

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

Postal Service Response

The Postal Service agreed with this finding. See [Appendix B](#) for management's comments in their entirety.

¹⁵ *Delivery Done Right the First Time* stand-up talk, March 2020.

¹⁶ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #2: Arrow Keys

What We Found

Unit management did not properly update the arrow key inventory log and safeguard arrow keys. On the morning of June 24, 2026, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)¹⁷ system and conducted a physical inventory of keys at the unit. Unit management reported 68 keys in RADAR as "In-Use," "In-Vault," or "Damaged." Based on our physical review of arrow keys at the unit, six of the 68 keys were missing, and an additional 57 keys found at the unit were not recorded in RADAR. In addition, unit management recorded six keys in RADAR as "Lost." However, unit management had not reported one of the six lost keys, nor the six keys we identified as missing, to the U.S. Postal Inspection Service.

In addition, arrow keys were not always kept secure. Specifically, we observed several instances where

██████████ arrow keys were left unattended ██████████. We also found that the arrow key sign-out/sign-in process was unmanaged, with no clerk or supervisors distributing keys or signing the daily log to acknowledge distribution and return of each assigned key.

Why Did It Occur

Management did not properly manage and safeguard arrow keys because it was unfamiliar with Postal's arrow key accountability policies and process requirements. In addition, the station manager was unaware of missing keys because he relied on supervisors to certify the arrow key list in RADAR but did not verify that the supervisors properly reconciled RADAR inventory to physical keys at the unit each month—including damaged keys. Additionally, the station manager did not record arrow keys received in advance of anticipated lock replacements because he thought he could wait

until the locks were installed and the keys were put in use. Further, management did not report lost keys to the Inspection Service because it believed that the RADAR entry was sufficient and was unaware some of the keys were missing. In addition, management stated that competing priorities, such as getting mail ready for the carriers in the mornings, contributed to its decision not to assign staff to manage arrow key distribution.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,¹⁸ management must keep an accurate inventory of all arrow keys, including in-vault and damaged keys. Any missing keys must be immediately reported to the U.S. Postal Inspection Service and damaged keys must be sent to USPS National Materials Customer Service.

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.

Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items, such as arrow keys, there is increased risk of mail theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail.

Postal Service Response

The Postal Service agreed with this finding.

¹⁷ The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

¹⁸ *Standard Work Instruction: U.S. Postal Service Arrow Key Guidebook*, dated March 2025.

Finding #3: Property Conditions

What We Found

We found two safety issues related to property conditions at the Southside Station.

- The workroom floor air conditioning unit was not working.
- An internal Inspection Service door was blocked.

Why Did It Occur

Unit management did not take sufficient action to address the non-operational workroom floor air conditioning because it was unaware of actions it could take to elevate the air conditioning issue for resolution. Management stated that the air conditioning and heating issues have been ongoing, and it has submitted five maintenance requests from November 2023 through October 2025 to fix the HVAC system. However, the station manager has not followed up with district maintenance to resolve the issue because he was unaware of what subsequent steps could be taken to address the problem.

Management overlooked the safety concern posed by the blocked Inspection Service door.

What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities and followed up on reported issues for completion. The Postal Service requires management to maintain a safe environment for employees and customers.¹⁹

Effect on the Postal Service and Its Customers

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

Management Action:

During our visit, the station manager immediately removed the cart that was blocking the internal Inspection Service door after the audit team brought the issue to his attention.

Postal Service Response

The Postal Service agreed with this finding.

¹⁹ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

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

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to control activities, information and communication, and monitoring that were significant within the context of our objectives. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for the River Road Station, Roseburg MPO, and Southside Station, as well as the district.

We assessed the reliability of PTR and TACS 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



August 5, 2026

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Southside Station, Eugene, OR: Delivery Operations
(Report Number 26-103-3-DRAFT)

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

Management generally agrees with the three findings related to package scanning, arrow keys, and property conditions.

Management has begun taking steps to address the three findings.

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

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

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

E-SIGNED by ERIC D GILBERT
on 2026-08-06 11:42:14 EDT

Eric D. Gilbert
District Manager, ID-MT-OR District

cc: Vice President, Area Retail & Delivery Operations (WestPac)
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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