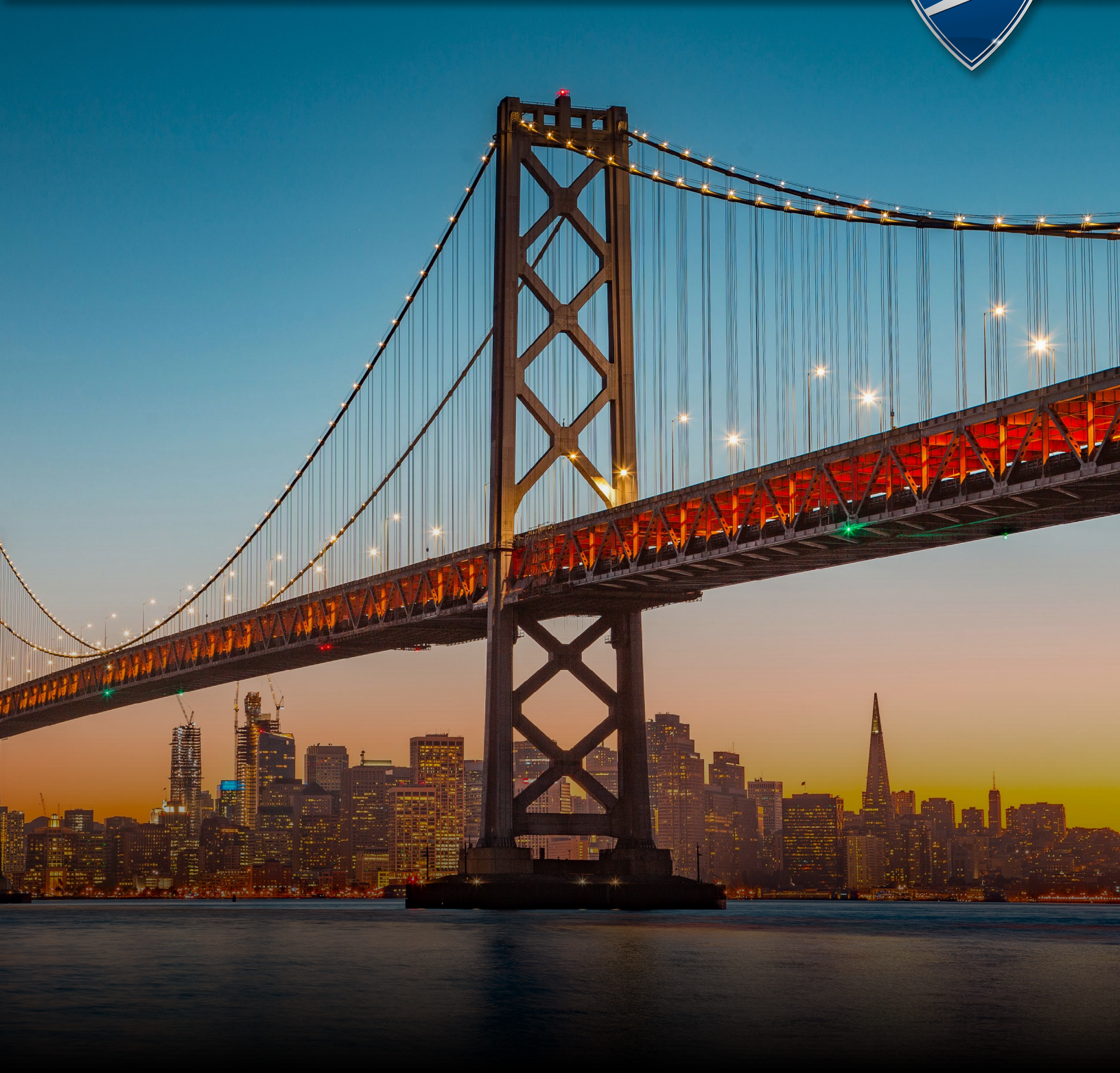# Mail Theft Mitigation and Response – San Francisco, CA

AUDIT REPORT

Report Number 24-099-R24 | August 30, 2024

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 30, 2024

MEMORANDUM FOR: JOSHUA D. COLIN, PHD
CHIEF RETAIL AND DELIVERY OFFICER AND EXECUTIVE VICE PRESIDENT

EDUARDO H. RUIZ
VICE PRESIDENT, RETAIL AND DELIVERY OPERATIONS, WESTERN-PACIFIC AREA

FROM: Wilvia Espinoza
Deputy Assistant Inspector General
For Inspection Service, Technology, and Services

SUBJECT: Audit Report – Mail Theft Mitigation and Response – San Francisco, CA (Project Number 24-099-R24)

This report presents the results of our audit of the Mail Theft Mitigation and Response – San Francisco, CA.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1-4 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 appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Laura Lozon, Director, Inspection Service, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management
Secretary of the Board of Governors

Results

Background

This report presents the results of our audit of Mail Theft Mitigation and Response at the Parkside Station, Rincon Finance Center Station, and Townsend Carrier Annex Station in San Francisco, CA (Project Number 24-099). The stations are in the California 1 District of the Retail and Delivery Operations, Western-Pacific Area. Our objective was to assess the U.S. Postal Service's actions taken to mitigate and respond to mail theft in San Francisco, CA. See Appendix A for additional information about this audit.

The Postal Service's mission is to provide the nation with trusted, safe, and secure mail services, including for the more than 1.5 billion pieces of mail collected and delivered in San Francisco, CA, in fiscal year (FY) 2023. Unfortunately, mail theft occurs in various ways. Individuals use stolen universal keys — called arrow keys[1] — to access collection boxes, outdoor parcel lockers, cluster box units, and apartment panels. Mail theft can also occur by individuals fishing[2] or breaking into collection boxes with force, residential mailbox break-ins, package theft, and carrier robberies. It is imperative for the Postal Service to address mail theft issues to protect the Postal Service and its employees and earn the public's trust.

> "The Postal Service and U.S. Postal Inspection Service announced a joint initiative called Project Safe Delivery to combat the rise in mail theft and carrier robberies."

Concerns about how the Postal Service prevents and responds to mail theft frequently appear in the media and have been a topic of congressional hearings[3] and inquiries received by the U.S. Postal Service Office of Inspector General (OIG). News articles[4] have highlighted theft from blue collection boxes and green relay boxes[5] in the San Francisco area, which included customers' credit cards and checks.

Mail Theft Prevention Efforts

In a news release on May 12, 2023, the Postal Service and U.S. Postal Inspection Service announced a joint initiative called Project Safe Delivery to combat the rise in mail theft and carrier robberies. Prevention efforts in this initiative include the rollout of high security collection boxes (HSCB), electronic arrow locks (eLocks), and modified arrow lock (MAL)[6] keys in areas with high incidents of mail theft. As of May 2024, the Postal Service installed 21,191 HSCBs and 34,143 eLocks in select cities, including San Francisco, CA, across the country.

High Security Collection Boxes

The Postal Service uses blue collection boxes for mail collection at postal facilities, residential neighborhoods, businesses, and other locations. Blue collection boxes have been targeted by individuals by pulling mail out of the drop slot, prying open with a crowbar, and opening with stolen or counterfeit arrow keys. The HSCB has a narrow mail slot without the lever/door, finger rakes to deter mail fishing, and reinforced steel. As a result, the Postal Service announced in May 2023, the new HSCB will replace the regular blue collection box.

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1 Arrow keys are used in conjunction with arrow locks to access collection boxes, cluster box units, outdoor parcel lockers, apartment panels, and other secure postal access points.
2 Mail fishing is a scheme where criminals use a handmade tool to pull envelopes out of collection boxes.
3 Tracking the Postal Service: An Update on the Delivering for America Plan, House Committee on Oversight and Accountability 118th Cong., May 17, 2023; Delivering for Pennsylvania: Examining Postal Service Delivery and Operations from the Cradle of Liberty | House Committee on Oversight and Reform 117th Cong., September 7, 2022; The Holiday Rush: Is the Postal Service Ready? | House Committee on Oversight and Reform, 117th Congress, November 16, 2022.
4 CNN Newsource - New year, same problem: Sacramento County residents are reporting widespread mail theft (KTVZ.com) January 10, 2024. San Francisco Chronicle - Thousands of S.F. residents could be missing mail after postal carrier robbery (www.sfchronicle.com) April 2, 2023. The San Francisco Standard - Mission District Residents at Risk After Mail Boxes Ransacked (sfstandard.com) March 31, 2023.
5 Green relay boxes are lockable receptacles where carriers can leave mail along their routes for later pickup and delivery.
6 A MAL is a newer version of the standard arrow lock. The MAL has a higher security cylinder for use in areas that sustain or are subject to high incidents of mail attacks or losses. MALs are designed to deter counterfeiting of keys.

Electronic Arrow Locks

Traditional arrow keys have been a target of thieves, looking to steal a key to gain access to collection and relay boxes, as well as cluster boxes along a carrier's route. These eLocks, initially announced in May 2023, can replace existing locks and provide a safer environment for postal employees to collect and deliver mail by eliminating the utility of a single key for those looking to steal mail. The eLocks add an extra layer of security by requiring dual authentication — for example, ███████████████████████ ███████████████████████████████████

The eLocks also provide added transparency to the Postal Service through a report that details the employee identification, date, and time when a collection box was accessed.

High Security Electronic Locks

In January 2024, the Postal Service ███████ ███████████████████████████████████ ███████████████████████████████████ ███████████████████████████████████ ███████████████████████████████████ ███████████████████████████████████ ███████████████████████████████████ ███████████████████████████████████ ███████████████████████████████████ ███████ The HSEL is also suitable for all types of mailboxes. Postal facilities store the HSEL keys in a secure cabinet and must validate the keys daily. The keys contain technology allowing them to be deactivated and rendered useless if lost or stolen. The Postal Service planned to prioritize the deployment of new HSELs while completing the installation of remaining eLocks purchased in select cities.

Mail Theft Inquiries and Case Data in San Francisco, CA

The Postal Service and the Postal Inspection Service share responsibility for the deployment of the mail theft initiatives. The Postal Service receives customer inquiries related to delivery and other mail service

issues using Customer 360 (C360).[8] For all mail theft initiatives, the Postal Inspection Service reviews C360 data, along with inquiries from other sources,[9] and compiles postal-related complaints alleging criminal conduct and lost/stolen arrow key data to identify target areas at risk for mail theft. The Postal Inspection Service then communicates high mail theft target areas to the Postal Service's Innovative Business Technology and Delivery Operations groups to determine deployment locations for certain initiatives.

From October 1, 2023, to March 31, 2024, customers submitted 1,844 inquiries to the Postal Service related to missing mail or potential mail theft in San Francisco, CA. We identified 311 of 1,844 (17 percent) inquiries for San Francisco, CA, were directly related to stolen mail and packages (see Figure 1).

**Figure 1. Customer Inquiries From October 1, 2023, Through March 31, 2024**
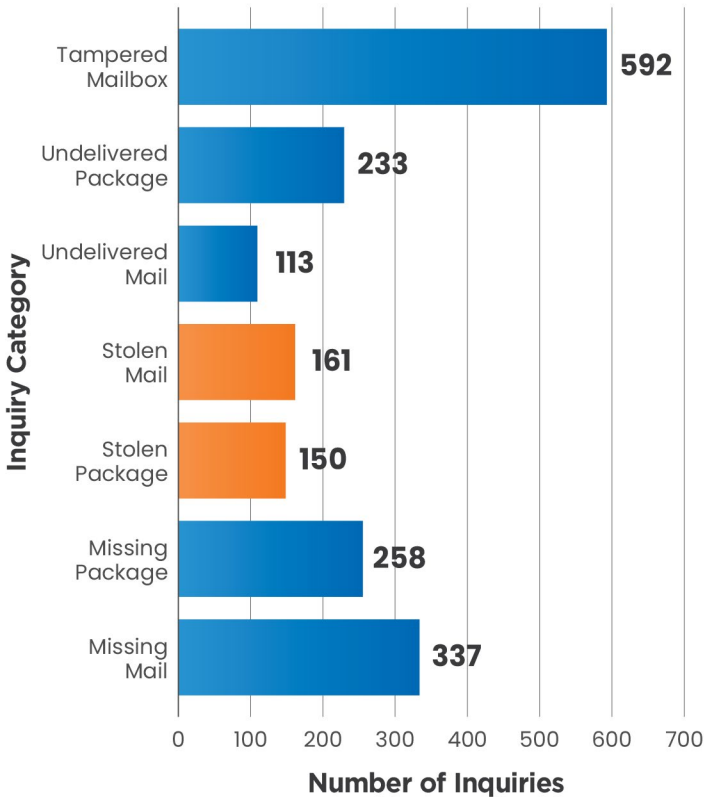
Source: OIG analysis based on C360 data.

The Postal Inspection Service's efforts to prioritize mail theft investigations and customer complaints are key to addressing mail theft. Postal inspectors[10] accept and review customer complaints about alleged mail theft, conduct investigations, and submit cases for prosecution. Postal police officers are responsible for Postal Service facility and perimeter security, where assigned; not all Postal Service facilities have postal police officers assigned to secure them.[11]

When certain complaints made through the Postal Service's website appear to fall within the Postal Inspection Service's jurisdiction, they are sent from the Postal Service's C360 platform to the Postal Inspection Service's Financial Crimes Database (FCD). Complaints that come in through other means, are manually entered into the FCD. Postal inspectors use the FCD to retain and review complaints related to mail theft, financial crimes, and other issues. Between October 1, 2023, and March 31, 2024, the Postal Inspection Service received 802 mail theft complaints,[12] from all sources, for San Francisco, CA.[13] During the same timeframe, the Postal Inspection Service had one active area case,[14] 14 active carrier robbery cases, and three active mail theft cases in San Francisco, CA. Once an inspector determines they have enough information to conduct a full investigation during an area case, they may jacket a case.[15] In that same period, the Postal Inspection Service closed one area case, 10 robbery cases, and five mail theft cases in San Francisco, CA (see Figure 2).

Figure 2. Postal Inspection Service Active and Closed Cases – San Francisco, CA
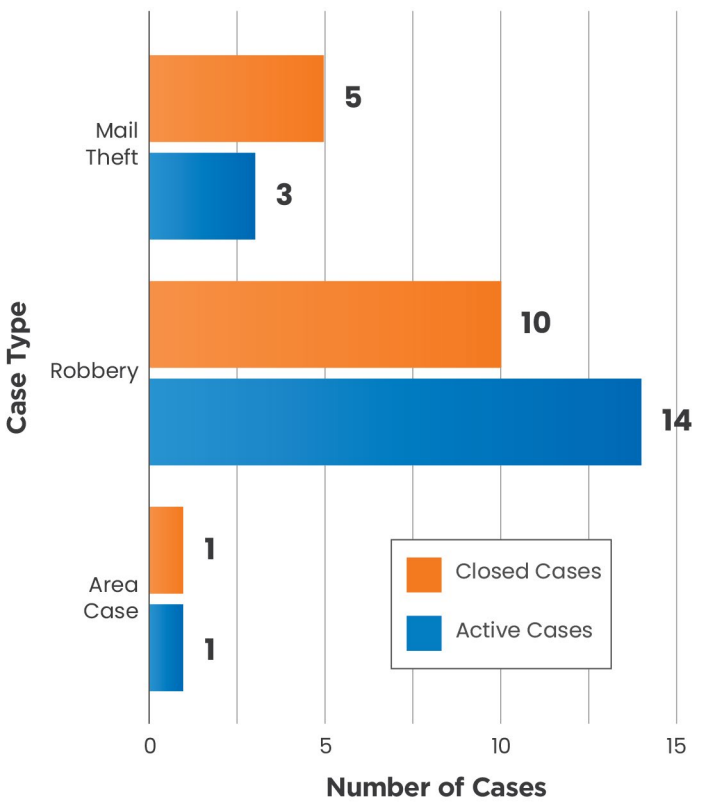
Source: Postal Inspection Service analysis of Case Management data for the period of October 2023 – March 2024.

Findings Summary

The Postal Service properly managed the installation of HSCBs; however, they did not properly manage the installation of eLocks in our three selected stations in San Francisco, CA. Management at the three stations we visited did not properly track their arrow and MAL key inventories. In addition, California 1 District management did not maintain or record the physical condition of blue collection and green relay boxes and could not track any information for the green relay boxes.

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10   As of May 2024, there were five postal inspectors in San Francisco, CA.
11   As of May 2024, there were six postal police officers who supported one postal facility in San Francisco, CA.
12   We used the complainant's ZIP Code to identify mail theft complaints within San Francisco, CA.
13   The Postal Inspection Service uses the FCD to retain and review complaints related to mail theft, financial crimes, and other issues to include C360 inquiries.
14   Area cases are used for preliminary investigations in a particular program area.
15   A jacketed case is used to document investigative tasks.

Finding #1: Management of Mail Theft Initiatives

What We Found

Generally, Postal Service Headquarters management properly managed the installation of HSCBs in San Francisco, CA. However, district management did not have the ability to track which collection boxes were HSCBs. Additionally, they did not timely install eLocks in San Francisco, CA.

Regarding the HSCBs, while Postal Service Headquarters management successfully installed 176 of 179 (98 percent) HSCBs deployed to the three stations in San Francisco, CA, the HSCBs were not identifiable in the Collection Point Management System (CPMS).[16] By not properly identifying HSCBs in CPMS, Postal Service management is unable to

determine which postal facilities need HSCBs. This may continue to delay the deployment of their mail theft initiatives.

Regarding the eLocks, as of May 2024, only 167 of the 232 (72 percent) eLocks that had been shipped to the three sites in San Francisco, CA, between August and September 2023 had been installed. Specifically, during our site visits in May 2024, there were still 26 eLocks at the Parkside Station, 22 eLocks at the Rincon Finance Center Station, and 17 eLocks at the Townsend Carrier Annex Station pending installation. See Table 1 for a breakdown of eLock deployment for the three sites. Additionally, see Figure 3 for eLocks pending installation.

Table 1. eLock Status for Selected Sites in San Francisco, CA

Station	Shipped	Installed	Pending Installation	
			Count	Percentage
Parkside	47	21	26	55%
Rincon Finance Center	54	32	22	41%
Townsend Carrier Annex	131	114	17	13%
Total	**232**	**167**	**65**	**28%**

Source: OIG analysis of the Postal Service FMO Deployment Dashboard as of May 28, 2024.

Figure 3. eLocks Awaiting Installation at the Rincon Finance Center Station

Source: OIG picture taken May 15, 2024.

When eLocks are received, facility personnel perform a delivery receipt scan,[17] which automatically creates a Field Maintenance Operations (FMO) installation request ticket. Postal management stated they closed the FMO tickets for the 65 eLocks pending installation because the collection box intended for installation was reassigned to the new HSEL program. According to the Postal Service's ████████ dated January 2024, remaining eLocks that have not been installed would be re-directed to other high collection box crime locations.

According to FMO management, an eLock takes approximately 20 to 30 minutes to install. Based on

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16   The Collection Point Management System (CPMS) is a management tool to identify the placement and status of blue collection boxes and manage collection schedules.
17   Postal facilities must perform an acceptable delivery event scan to initiate installation request ticketing.

this, the installations should have been completed within two months after they were received at the stations. Every delayed installation of these eLocks leaves carriers and older collection boxes vulnerable to theft.

During our observations at the Parkside Station, the audit team found six eLocks stored in unlocked locations throughout the facility awaiting installation.[18] These eLocks were sent as registered mail; therefore, per postal policy, they should have been kept in a secure place with limited access.[19]

Why Did It Occur

HSCBs were not properly tracked because CPMS does not have the functionality to specify whether the blue collection boxes are HSCBs. Furthermore, the eLocks were ineffectively managed and tracked, and not timely installed because Postal Service management did not have a comprehensive plan — including a communication strategy, deployment schedule, defined locations, timeframes, and processes — for the installations. Additionally, the FMO installation tickets indicated the pending 65 eLocks were not installed to collection boxes because the boxes were reassigned to the new HSEL initiative. Postal Service Headquarters management stated that the HSELs will be ███████████████

What Should Have Happened

Postal Service policy[20] states district managers are required to enter all collection points in CPMS accurately and completely. District managers are required to review the information annually.

Additionally, according to the decision analysis reports,[21] Postal Service Headquarters management

> **"HSCBs were not properly tracked because CPMS does not have the functionality to specify whether the blue collection boxes are HSCBs."**

planned to deploy a total of 99,809 eLocks nationwide as part of Project Safe Delivery by August 2024. The Postal Service's ███████████ dated January 2024, outlines its transition from eLocks to HSELs for FY 2024. However, as of July 2024, Postal Service management stated that they were ██████ ██████ for the HSEL initiative and ███████████ ███████████

Effect on the Postal Service and Its Customers

Without a comprehensive plan and communication strategy to timely implement mail theft initiatives, or the tools and resources to effectively track and manage the deployment and installation of the initiatives, the Postal Service and its customers will continue to be at risk of known mail theft issues in San Francisco, CA. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system.

In our previous report, Mail Theft Mitigation and Response - Queens, NY,[22] we recommended the functionality be added to CPMS to differentiate between blue collection and high security collection boxes. The Postal Service agreed with this recommendation, targeting October 31, 2024, for implementation. We also recommended in that report the implementation of a plan for the timely deployment and installation of mail theft initiatives nationwide. The Postal Service also agreed with this recommendation, targeting April 30, 2025, for implementation. Therefore, we will not be making recommendations concerning the changes to CPMS functionality in this report.

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18 We could not confirm these six eLocks were part of the 65 pending installation at the three stations because the shipment tracking number is not directly associated with a specific collection box.
19 Handbook DM 901, *Registered Mail*, Section 3-3.3 Safeguarding Registered Mail, dated January 2016.
20 Postal Operations Manual (POM) Issue 9, Section 314: Collection Point Management System, Collection Tests, and Density Tests (Volume Reviews), dated July 2002, last updated May 31, 2024.
21 Decision Analysis Report: Electronic Arrow (eArrow) Lock Program dated November 3, 2022; and Decision Analysis Report: Electronic Lock (eLock) Phase 2 Program dated August 28, 2023.
22 *Mail Theft Mitigation and Response - Queens, NY* (Report Number 24-037-R24, dated May 21, 2024).

Recommendation #1

We recommend the **Chief Retail and Delivery Officer and Executive Vice President**, when the functionality is available, direct the **Vice President, Delivery Operations**, to update the Collection Point Management System to differentiate between blue collection and high security collection boxes to accurately reflect inventories for all stations nationwide.

Postal Service Response

The Postal Service generally agreed with this finding, along with recommendation 1. Management will implement CPMS system functionality to distinguish between blue collection and high security collection boxes and disseminate the information to the field for use. Regarding the recommendation, management provided a target implementation date of April 30, 2025.

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 in the report.

Finding #2: Arrow Keys Not Properly Accounted For

What We Found

Postal Service management conducted arrow key inventories for two of the three stations, however, a small number of arrow keys were still missing or could not be validated. At the third station, Postal Service management did not properly manage their arrow key inventory. On May 15, 2024, we performed a physical inventory of the arrow keys at all three stations and compared the results to the required Retail and Delivery Analytics and Reports (RADAR)[23] arrow key certification report from May 2024. We found deficiencies at all three stations (see Table 2). Specifically:

- Of the 181 arrow keys recorded in RADAR for Parkside Station, two (1 percent) were missing or could not be verified. Additionally, we observed two arrow keys that were not recorded in RADAR.

- Of the 47 arrow keys recorded in RADAR for Rincon Finance Center Station, three (6 percent) were missing or could not be verified. Additionally, we observed one arrow key that was not recorded in RADAR.

- Of the 305 arrow keys recorded in RADAR for Townsend Carrier Annex Station, 88 (29 percent) were missing or could not be verified. Additionally, we observed one arrow key that was not recorded in RADAR.

Table 2. Arrow Key Inventory

Station	Listed in RADAR	Verified Keys	Missing / Not Verified Keys	Additional Keys Verified But Not Recorded in RADAR
Parkside	181	179	2	2
Rincon Finance Center	47	44	3	1
Townsend Carrier Annex	305	217	88	1
Total	**533**	**440**	**93**	**4**

Source: OIG analysis based on observations and reviews of RADAR.

Why Did It Occur

Management did not provide sufficient oversight to properly safeguard and manage arrow keys per Postal Service policy. Specifically, managers and supervisors at the three stations we visited were unaware of the requirement to certify all arrow keys in RADAR and could not provide documentation showing missing or damaged keys had been reported to the Postal Inspection Service and/or the Postal Service's National Material Customer Service help desk.[24] Additionally, the Townsend Carrier Annex Station manager stated he became the manager in May 2022 but did not begin certifying arrow keys until June 2024, and prior supervisors did not keep supporting documentation on the missing keys. Lastly, the Rincon Finance Center Station supervisor stated they did not report lost keys to the Postal Inspection Service because they were not aware of the requirement to report them.

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23 RADAR is used for Retail and Delivery Operations reporting and visibility.
24 The National Material Customer Service is responsible for receiving and returning damaged arrow keys to the vendor.

> **"**When there is insufficient oversight and supervision of accountable items, such as arrow keys, there is an increased risk of lost or stolen keys.**"**

What Should Have Happened

Postal Service policy[25] states that arrow keys must remain secured until they are individually assigned to personnel. Supervisors assign arrow keys, generally one per route, to carriers for use on delivery and collection routes each day. Carriers must keep arrow keys secured while on duty and return them at the end of each workday. 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.

In June 2023, the Postal Service began requiring monthly and semi-annual arrow key certifications in RADAR, the authoritative source for the arrow key inventory.[26] Delivery management completes the semi-annual[27] certification — which consists of comparing the physical inventory of keys to the RADAR system — a questionnaire related to arrow key standard operating procedures and required trainings. For the monthly certification, the station manager certifies the physical inventory of keys.

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 lost or stolen keys. Because arrow keys open mailboxes, lost or damaged keys can result in mail theft or the inability to collect or deliver mail. This may damage the Postal Service's reputation and diminish public trust in the nation's mail system.

Recommendation #2

We recommend the **Vice President, Area Retail and Delivery Operations, Western Pacific Area**, in coordination with the **California 1 District Manager,** reiterate arrow key security policies and responsibilities to managers and supervisors in San Francisco, CA.

Recommendation #3

We recommend the **Vice President, Area Retail and Delivery Operations, Western Pacific Area**, require the **California 1 District Manager**, to confirm all arrow keys are added to the inventory in the Retail and Delivery Analytics and Reports system and, when necessary, reported to the Postal Inspection Service.

Postal Service Response

The Postal Service generally agreed with this finding, along with recommendations 2 and 3. Regarding recommendation 2, management will distribute the Arrow Key Security Policy to field offices and remind managers and supervisors of their arrow key security responsibilities. Regarding recommendation 3, management will ensure Arrow Key Certification compliance is recorded in RADAR each month and stress the importance of accuracy. Management provided a target implementation date of November 30, 2024, for both recommendations.

OIG Evaluation

The OIG consider management's comments responsive to recommendations 2 and 3, and corrective actions should resolve the issues identified in the report.

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25 *USPS Arrow Key Standard Work Instructions*, updated August 2023.
26 *USPS Arrow Key Standard Work Instructions*, updated August 2023.
27 The semi-annual certifications are done in April and October.

Finding #3: No Oversight of Boxes

What We Found

District management did not maintain or record the physical condition of blue collection and green relay boxes for the stations we visited in accordance with Postal Service policy.

Blue Collection Boxes

We sampled 45 of 173 (26 percent) of the blue collection boxes assigned to the Parkside Station, Rincon Finance Center Station, and Townsend Carrier Annex Station. Of those, we observed 12 (27 percent) blue collection boxes that had at least one of the following conditions: corrosion, cracks, or missing leg bolts, some of which were missing all four bolts (see Table 3 and Figure 4).

Figure 4. San Francisco, CA, Blue Collection Boxes With Corrosion and Missing Bolts

Source: Left photo: OIG photograph taken at the Parkside Station area May 16, 2024. Right photo: OIG photograph taken at the Rincon Finance Center Station area May 15, 2024.

Table 3. Blue Collection Box Observations

Deficiency	Total Boxes Observed	Number of Boxes With Observed Deficiency	Percentage
Corrosion		5	11%
Cracks		2	4%
Door Gap	45	0	0%
Missing Leg Bolts		9	20%

Source: OIG observations from May 15-16, 2024. Note: Some boxes had more than one deficiency.

Green Relay Boxes

We also reviewed a sample of 15 of 172 (9 percent) green relay boxes[28] assigned to the Parkside Station. We observed 13 (87 percent) green relay boxes had at least one of the following conditions: corrosion, cracks, or door gaps (see Table 4 and Figure 5).

Table 4. Green Relay Box Observations

Deficiency	Total Boxes Observed	Number of Boxes With Observed Deficiency	Percentage
Corrosion		13	87%
Cracks		4	27%
Door Gap	15	3	20%
Missing Leg Bolts		0	0%

Source: OIG observations from May 15-16, 2024. Note: Some boxes had more than one deficiency.

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28 Green relay boxes are lockable receptacles where carriers can leave mail along their routes for later pickup and delivery.

Figure 5. San Francisco, CA, Green Relay Boxes With Corrosion, Cracks, and Door Gap

Source: Left and middle photos: OIG photographs taken at the Parkside Station area May 16, 2024. Right photo: OIG photograph taken at the Parkside Station area May 15, 2024.

What Should Have Happened

Postal Service policy states blue collection and green relay boxes must have a uniform appearance and be maintained in good condition.[29] Specifically, boxes identified with rusted-through holes are unrepairable and should be replaced.[30] Additionally, each collection box leg must be secured with security bolts.[31] Lastly, Postal Service policy states supervisors must conduct annual safety inspections on all collection boxes and remove any defective box from service for immediate repair, and maintain a log detailing the dates and results of the inspections.[32]

Why Did It Occur

These mailboxes fell into disrepair because Parkside Station management was unaware of the requirement to perform annual inspections of blue collection[33] and green relay boxes.[34]

Effect on the Postal Service and Its Customers

Without performing annual inspections and routine maintenance of blue collection and green relay boxes, the Postal Service is at increased risk of mail theft due to damaged boxes. Additionally, these boxes represent the Postal Service's image and directly impacts the public's perception of the Postal Service's reputation and branding.

In our previous report, Mail Theft Mitigation and Response - Queens, NY,[35] we recommended establishing a process to define responsibilities and frequency for inspecting green relay boxes, and track box location and condition. The Postal Service agreed with this recommendation, targeting April 30, 2025, for implementation. Therefore, we are not making a recommendation about this issue.

> **Recommendation #4**
>
> We recommend that the **Chief Retail and Delivery Officer** and **Executive Vice President** require the **California 1 District Manager** to establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection and green relay boxes.

Postal Service Response

The Postal Service generally agreed with this finding, along with recommendation 4. Management stated that safety inspection procedures are established for blue collection boxes. Management also asserts that green relay boxes are not defined as collection boxes and therefore do not follow the same requirement for inspection. However, management will explore the feasibility of establishing a process for safety inspections and remediate deficiencies for green relay boxes. Regarding the recommendation, management provided a target implementation date of September 30, 2025.

OIG Evaluation

We consider management's comments responsive to recommendation 4, and corrective actions should resolve the issues identified in the report.

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29   POM Issue 9, Section 315.1: Appearance, dated July 2002, last updated May 31, 2024.
30   Maintenance Management Order (MMO-039-23), *Refurbishment and Disposal Procedures for Collection Boxes*, dated May 5, 2023.
31   Maintenance Management Order (MMO-042-23), *McGard Security Hardware for Collection Boxes*, dated May 8, 2023.
32   Handbook EL-801, *Supervisor's Safety Handbook*, Section 3-3.6, Street Delivery and Collection Boxes, dated July 2020.
33   The Rincon Finance Center and Townsend Carrier Annex stations did not have carriers that collect mail, and thus, were not responsible for conducting safety inspections of blue collection boxes in their areas.
34   The Rincon Finance Center and Townsend Carrier Annex stations did not use green relay boxes in their area.
35   *Mail Theft Mitigation and Response - Queens, NY* (Report Number 24-037-R24, Issued date May 21, 2024).

Looking Forward

The mail theft initiatives are critical to protecting the Postal Service's employees, reputation, and brand. It is important the Postal Service achieves timely deployment of the initiatives and actively communicates these plans to local management. The OIG plans to conduct future audits of the Postal Service's mail theft mitigation and response efforts nationwide.

Appendices

Appendix A: Additional Information

Scope and Methodology

The scope of our audit included a review of the Postal Service's processes and procedures for reporting and responding to mail theft, carrier robberies, arrow and MAL key accountability, the physical condition of blue collection and green relay boxes, deployment of mail theft initiatives, and mail theft complaints received from October 1, 2023, through March 31, 2024. Using factors that included the number of mail theft complaints, HSCBs and eLocks shipped, and eLocks pending installation for San Francisco, CA, we selected the Parkside Station, Rincon Finance Center Station, and Townsend Carrier Annex Station for our review.

To accomplish our objective, we:

- Reviewed policies and procedures related to reporting and responding to mail theft, carrier robberies, arrow key accountability, and box condition and accountability.

- Assessed the deployment and installation of mail theft initiatives to include HSCBs and eLocks in San Francisco, CA.

- Performed arrow key and MAL key accountability reviews at the three stations in San Francisco, CA.

- Performed physical condition reviews for blue collection and green relay boxes in the surrounding areas of the three stations in San Francisco, CA.

- Interviewed Postal Service Headquarters and station management to understand roles and responsibilities for reporting mail theft, carrier robberies, missing, lost, or stolen arrow keys, arrow and MAL key accountability, and deployment of current and future mail theft initiatives.

- Interviewed Postal Inspection Service Headquarters and San Francisco division management to understand roles and responsibilities for reporting, responding to, and tracking mail theft, carrier robberies, and missing, lost, or stolen arrow keys.

We conducted this performance audit from April 2023 through August 2024 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 6, 2024, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of Postal Service 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 five components were significant to our audit objective: control environment, risk assessment, control activities, information and communication, and monitoring.

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

We assessed the reliability of RADAR, FMO deployment dashboard, and CPMS data by performing tests for data completeness, reasonableness, accuracy, and validity. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
Mail Theft Mitigation and Response – Queens, NY	To assess the U.S. Postal Service's actions taken to mitigate and respond to mail theft in Queens, NY.	24-037-R24	5/21/2024	None
U.S. Postal Service's Response to Mail Theft	To evaluate the Postal Service's efforts to respond to mail theft.	22-178-R23	9/28/2023	$1,008,976

Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

August 22, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Mail Theft Mitigation and Response –
             San Francisco, CA (24-099-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report titled: *Mail Theft Mitigation and Response - San Francisco, CA.*

Management generally agrees with the findings in the report.

Following are our comments on each of the four recommendations:

<u>Recommendation 1:</u> We recommend the Chief Retail and Delivery Officer and Executive Vice President, when the functionality is available, direct the Vice President, Delivery Operations, to update the Collection Point Management System to differentiate between blue collection and high security collection boxes to accurately reflect inventories for all stations nationwide.

<u>Management Response/Action Plan:</u>
Management agrees with this recommendation. Upon implementation of the functionality in the CPMS system, Headquarters will disseminate the information to the field for use. Because Headquarters is responsible for updates to CPMS, there is no need to direct the field to implement.

<u>Target Implementation Date</u>: 04/30/2025

<u>Responsible Official:</u>
Chief Retail and Delivery Vice President of Delivery Operations

Recommendation 2: We recommend the Vice President, Area Retail and Delivery Operations, Western Pacific Area, in coordination with the California 1 District Manager, reiterate arrow key security policies and responsibilities to managers and supervisors in San Francisco, CA.

Management Response/Action Plan:
Management agrees with this recommendation. The California 1 District will send out the Arrow Key Security Policy to all field offices and remind all managers and supervisors of their responsibilities as it relates to arrow key security.

Target Implementation Date: 11/30/2024

Responsible Official:
California 1 District Manager

Recommendation 3: We recommend the Vice President, Area Retail and Delivery Operations, Western Pacific Area, require the California 1 District Manager, to confirm all arrow keys are added to the inventory in the Retail and Delivery Analytics and Reports system and, when necessary, reported to the Postal Inspection Service.

Management Response/Action Plan:
Management agrees with this recommendation. The district will ensure compliance regarding the Arrow Key Certification in RADAR each month and stress the importance of accuracy on this important certification.

Target Implementation Date: 11/30/2024

Responsible Official:
California 1 District Manager

Recommendation 4: We recommend that the Chief Retail and Delivery Officer and Executive Vice President require the California 1 District Manager to establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection and green relay boxes.

Management Response/Action Plan:
Management agrees with this recommendation. Procedures to complete safety inspections and remediate deficiencies are established and in place for blue collections boxes. Green relay boxes are not defined as collection boxes and there is no requirement for the inspection of green relay boxes. That said, management will explore

the feasibility of establishing a process for safety inspections and remediate deficiencies for green relay boxes.

Target Implementation Date: 09/30/2025

Responsible Official:
California 1 District Manager

E-SIGNED by JOSHUA.D COLIN
on 2024-08-23 10:15:24 EDT
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Joshua Colin, PhD
Chief Retail and Delivery Officer

Eduardo H. Ruiz Jr.
Digitally signed by Eduardo H. Ruiz Jr.
Date: 2024.08.22 12:17:11 -07'00'
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Eduardo Ruiz
Area Vice President, Retail and Delivery Operations, Western Pacific

cc: Corporate Audit Response Management

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

1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsoig.gov or call (703) 248-2100