

Scottsdale Airpark Station, Scottsdale, AZ: Delivery Operations

AUDIT REPORT

Report Number 25-046-4-R25 | April 1, 2025



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 1, 2025

MEMORANDUM FOR: TINA M. SWEENEY
MANAGER, ARIZONA-NEW MEXICO DISTRICT

A handwritten signature in black ink, reading "Sean Balduff", is centered below the memorandum header.

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

SUBJECT: Audit Report – Scottsdale Airpark Station, Scottsdale, AZ: Delivery
Operations (Report Number 25-046-4-R25)

This report presents the results of our audit of delivery operations and property conditions at the Scottsdale Airpark Station in Scottsdale, AZ.

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

Attachment

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

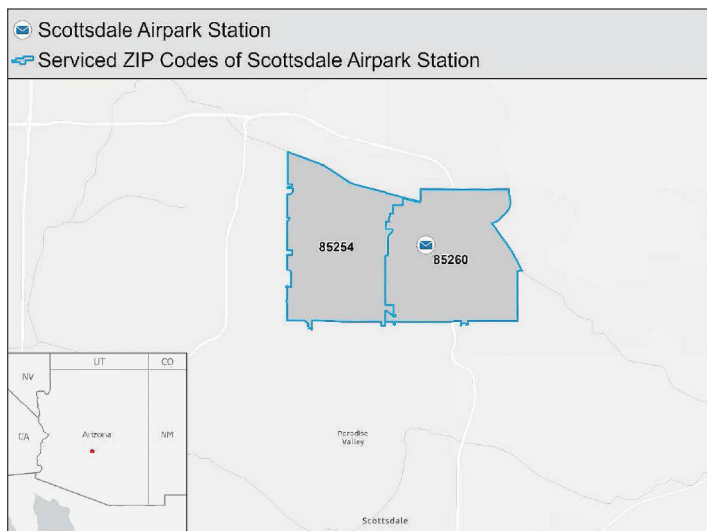
Results

Background

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

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Scottsdale Airpark Station in Scottsdale, AZ (Project Number 25-046-4). The Scottsdale Airpark Station is in the AZ-NM District of the Westpac Area and services ZIP Codes 85254 and 85260. These ZIP Codes serve about 84,344 people in urban areas¹ (see Figure 1).

Figure 1. ZIP Codes Served by the Scottsdale Airpark Station



Source: OIG analysis of ZIP Code data.

This delivery unit has 65 city routes. From November 2 through November 29, 2024, the delivery unit had four supervisors assigned.² Of these supervisors, one was detailed to a different facility during the week of our site visit. The unit also utilizes one relief supervisor.³ In addition, the unit manager was scheduled to be transferred to another facility the week after our site visit. The Scottsdale Airpark Station falls under the Scottsdale Post Office for employee availability measurement. As of November 29, 2024,⁴ the employee availability rate for the Scottsdale Post Office was 92.4 percent, which is lower than the Postal Service's retail and delivery operations employee availability goal of 93.6 percent for fiscal year 2024. The Scottsdale Airpark Station is one of five delivery units⁵ the OIG reviewed during the week of January 13, 2025, that are serviced by the Phoenix Processing and Distributions Center (P&DC) and the West Valley P&DC.

We assessed all units serviced by the Phoenix and West Valley P&DCs based on the number of Customer 360⁶ (C360) delivery-related inquiries,⁷ Informed Delivery⁸ contacts, stop-the-clock⁹ (STC) scans performed away from the delivery point or at the delivery unit, undelivered route information, and first and last mile failures between September 1 and November 30, 2024.

We judgmentally selected the Scottsdale Airpark Station primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. The unit was also chosen based on first and last mile failures and undelivered routes. 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 According to the Postal Service's Time and Attendance Collection system (TACS). TACS is the system used by the Postal Service to automate the collection of employee time and attendance information.

³ Relief supervisors cover for regular supervisors during their scheduled days off and annual leave.

⁴ The last day of Pay Period 25.

⁵ The other four units were the Boulder Hills Station, Phoenix, AZ (Project Number 25-046-1); the Mesa Four Peaks Station, Mesa, AZ (Project Number 25-046-2); Avondale Goodyear Main Post Office, Goodyear, AZ (Project Number 25-046-3), and the Sunnyslope Carrier Annex, Phoenix, AZ (Project Number 25-046-5).

⁶ A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

⁷ A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.

⁸ 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.

⁹ 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."

Table 1. Delivery Metric Comparison Between September 1 and November 30, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360 Delivery Inquiries	10.1	8.4
Informed Delivery Contacts	17.8	14.6

Source: OIG analysis of Postal Service's C360 and Informed Delivery data extracted December 4, 2024.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Scottsdale Airpark Station in Scottsdale, AZ.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,¹⁰ carrier separations and transfers, and property safety and security conditions. Specifically, we reviewed delivery metrics, including the number of routes and carriers, mail arrival time, amount of reported delayed mail, package scanning, and carrier complement. During our site visit we observed mail conditions; package scanning procedures; arrow key security procedures; employee separation procedures; and unit safety and security conditions. We also analyzed the scan status of mailpieces at the carrier cases and interviewed unit management and employees. We discussed our observations and conclusions as summarized in Table 2 with management on March 7, 2025, and included its comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Scottsdale Airpark Station. We will issue a separate report¹¹ that provides the Postal Service with the overall findings and recommendations for all five delivery units, as well as the district. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations at the Scottsdale Airpark 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
Property Conditions		X

Source: Results of our fieldwork during the week of January 13, 2025.

- We analyzed employee data and did not identify any issues with employee separations and transfers.
- We reviewed property conditions and did not identify any safety or security issues.

¹⁰ A distinctively shaped key carriers use to open mail-receiving receptacles, such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock. Arrow keys are accountable property and are subject to strict controls.

¹¹ Project Number 25-046.

Finding #1: Delayed Mail

What We Found

On the morning of January 14, 2025, we identified 560 delayed mailpieces at 25 carrier cases. Specifically, we identified 248 letters and 312 flats. Management did not report any of this mail as undelivered in the Delivery Condition Visualization (DCV)¹² system. In addition, the carriers did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report*,¹³ to document the undelivered mailpieces. See Figure 2 for examples of delayed mail found at carrier cases.

Figure 2. Examples of Delayed Mail in the Carrier Cases



Source: OIG photos taken January 14, 2025.

Why Did It Occur

The delayed mail we identified was due to management not enforcing the Redline process.¹⁴ Specifically, management did not verify carriers identified and placed mail brought back from their routes into the appropriate area or completed a PS Form 1571 to document the reason why the mail could not be delivered. In addition, supervisors did not consistently conduct a walkthrough of the workroom floor, which would have included reviewing the carrier cases for mail brought back to the unit. The delayed mail was not reported in the DCV system because the unit manager did not provide the new relief supervisor with proper instructions and expectations regarding the unit's Redline process and the reporting of delayed mail in the DCV system.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily and that any mail returned from a route was properly identified. Postal Service policy¹⁵ states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. In addition, policy¹⁶ states delivery units must follow the Redline process, which includes carriers properly depositing mail in the 3M case and completing a PS Form 1571 for other undelivered mail brought back to the delivery unit. Managers are also required 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.¹⁷ Further, management must update the DCV system if volumes have changed prior to the end of the business day.

Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. In addition, inaccurate reporting of delayed mail in the DCV system

¹² A tool 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.

¹³ PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

¹⁴ A standardized framework encompassing manager and carrier responsibilities after carriers return to the delivery unit upon completion of delivery assignments, ensuring that any mail returned from the street is identified with a signed completed PS Form 1571 and that no mail is taken back to the carrier case.

¹⁵ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁶ Standard Operating Procedures, Redline Policy.

¹⁷ *DCV Learn and Grow*, August 1, 2024.

provides management at the local, district, area, and headquarters levels with an inaccurate status of mail delays and can result in improper actions taken to address issues.

Postal Service Response

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

Finding #2: 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.¹⁸ In total, employees improperly scanned 876 packages at the delivery unit between September 1 and November 30, 2024 (see Table 3). Further analysis of the STC scan data for these packages showed that about 46 percent of them were scanned “Delivered.”

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percentage
Delivered	402	45.9
Receptacle Full / Item Oversized	243	27.7
No Secure Location Available	124	14.2
Delivery Attempted – No Access to Delivery Location	71	8.1
No Authorized Recipient Available	36	4.1
Total	876	100

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

We also reviewed 304 scans occurring away from the delivery unit and over 1,000 feet¹⁹ from the intended delivery point between September 1 through November 30, 2024 (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 about 65 percent of them were scanned “Delivered.”

¹⁸ 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.

¹⁹ 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.

Table 4. STC Scans Over 1000 Feet Away from the Delivery Point

STC Scan Type	Count	Percentage
Delivered	198	65.1
Receptacle Full / Item Oversized	44	14.5
Delivery Attempted – No Access to Delivery Location	41	13.5
No Secure Location Available	15	4.9
No Authorized Recipient Available	6	2.0
Total	304	100

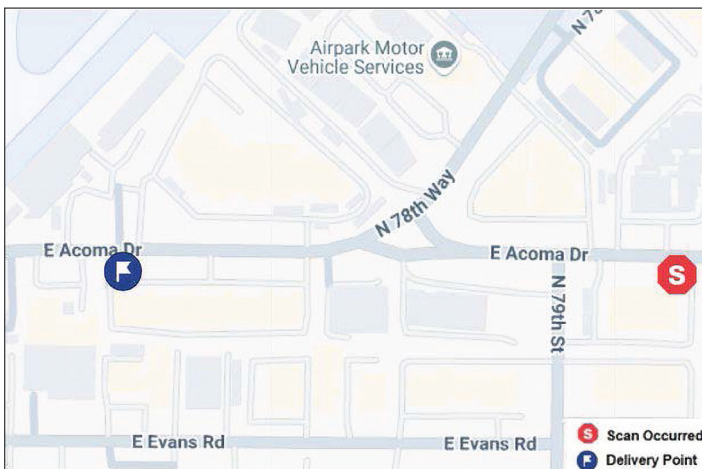
Source: OIG analysis of the Postal Service’s PTR System data.

We also found issues with scanning and handling of packages in the unit. On the morning of January 14, 2025, before carriers arrived for the day, we selected 30 packages from the carrier cases to review and analyze scanning and tracking history. Of the 30 sampled packages, 11 (37 percent) had improper scans or handling issues, including:

- Four packages were scanned “Delivery Attempted, No Access to Delivery Location.” Two of these packages were scanned 0.7 miles from the delivery address. See Figure 3 for an example. The other two did not have location data but the carrier stated he scanned them once he realized he passed the delivery address. Scans should be made as close to the delivery point as possible.
- Three packages were scanned “Delivered,” which should only be performed when a package is successfully left at the customer’s delivery address.
- One package that was scanned “Forward Expired” was not placed in the “Return to Sender” area.

- One package that was scanned "Vacant" was not placed in the "Return to Sender" area.
- One package that was scanned "Held at Post Office at the Customer's Request" did not have a hold request on file.
- One package that was scanned "Delivered" on December 3, 2024, was brought back to the unit on December 26, 2024, because the receptacle was full. However, the carrier did not place the package in the unit's "Return to Sender," area after the 10-day hold period.

Figure 3. Scan Away From the Delivery Point



Source: Postal Service Single Package Look Up.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. The unit manager stated that two regular supervisors were out for an extended period, and this affected management's ability to properly monitor scanning activities. Specifically, one was on extended leave and the other was on an assignment to a position at a different unit. The unit manager explained that they did not have time to monitor scanning reports or enforce proper package scanning because they prioritized the completion of other duties, such as daily mail delivery.

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 with proper service,²⁰ which includes scanning packages at the time and location of delivery.²¹

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.

²⁰ *Delivery Done Right the First Time* stand-up talk, March 2020.

²¹ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Finding #3: Arrow Keys

What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of January 16, 2025, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)²² system and conducted a physical inventory of keys at the unit. Unit management reported 252 keys in RADAR as "In-Use," "In-Vault," or "Damaged." Based on our physical review of arrow keys at the unit, 38 of the 252 keys were missing, and an additional 64 keys found at the unit were not recorded in RADAR. Further, unit management did not record any keys in RADAR as "Lost" or report any missing keys to the U.S. Postal Inspection Service.

In addition, we reviewed the arrow key accountability log to determine if arrow keys were properly accounted for at the unit daily. We determined that unit management did not always verify that keys were being signed out on the daily log or returned at the end of the day.

Why Did It Occur

Management did not properly manage arrow keys due to competing responsibilities. Specifically, the unit manager stated that he spent most of his time focusing on mail delivery operations, such as sorting mail and dispatching carriers to the street. As a result, the unit manager stated he used the data for the certification from the prior month instead of

conducting a physical inventory count of the arrow keys for the January 2025 certification. Further, the unit's practice is to account for all arrow keys each morning that were deposited in the accountability cage the previous night by the carriers. As a result, there was no verification that all keys were being collected and accounted for each night.

What Should Have Happened

Management should have verified that arrow key procedures were properly followed. According to Postal Service policy,²³ management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the Postal Inspection Service. In addition, a supervisor or clerk must supervise employees signing out keys on the inventory log. Upon return, 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.

²² The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

²³ *Arrow/Modified Arrow Lock (MAL) Key Accountability Standard Work Instruction*, dated May, 2024.

Appendix A: Additional Information

We conducted this audit from January through April 2025 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three 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 Boulder Hills Station, Mesa Four Peaks Station, Avondale Goodyear Main Post Office, Scottsdale Airpark Station and the Sunnyslope Carrier Annex, as well as the district.

We assessed the reliability of PTR and DCV 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



March 14, 2025

BRIAN NEWMAN
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: *Scottsdale Airpark Station, Scottsdale, AZ: Delivery Operations* (Report Number 25-046-4-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report, *Scottsdale Airpark Station, Scottsdale, AZ: Delivery Operations*.

Management generally agrees with the three findings in the report on delayed mail, package scanning, and arrow keys.

Management has begun taking steps to address the three findings.

Delayed Mail: Management will conduct a service talk on proper handling and recording of delayed mail in DCV. Management will also reiterate the requirement to use PS Form 1571 *Undelivered Mail Report* and follow the *Redline process*. Reviews will be conducted to monitor for compliance.

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.

E-SIGNED by TINA M SWEENEY
on 2025-03-14 16:44:02 EDT

Tina M. Sweeney
a/District Manager, AZ-NM District

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

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



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