Arizona-New Mexico District: Delivery Operations

AUDIT REPORT
Report Number 25-046-R25 | June 11, 2025

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

June 11, 2025

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

Joseph E. Wolski

FROM: Joseph E. Wolski
Director, Field Operations, Atlantic & WestPac

SUBJECT: Audit Report – Arizona-New Mexico District: Delivery Operations (Report Number 25-046-R25)

This report presents the results of our audits of delivery operations and property conditions in the Arizona-New Mexico District in the WestPac Area.

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 and 5 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 recommendations 2, 3, and 4 closed with 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, 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 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 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 five delivery units, as well as district-wide delivery operations in the Arizona-New Mexico (AZ-NM) District in the WestPac Area (Project Number 25-046). The delivery units included the Boulder Hills Station, Mesa Four Peaks Station, Avondale Goodyear Main Post Office (MPO), Scottsdale Airpark Station, and Sunnyslope Carrier Annex in Arizona.

We previously issued interim reports[1] to district management for each of the five delivery units regarding the conditions we identified. In addition, we issued a report on the efficiency of operations at the West Valley Processing and Distribution Center (P&DC) and the Phoenix P&DC,[2] which services these delivery units. We judgmentally selected the five delivery units based on the number of Customer 360[3] (C360) 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 first and last mile failures[7] and undelivered routes.

These five delivery units had 180 city routes, 102 rural routes, and three highway contract routes that served about 515,044 people in several ZIP Codes (see Table 1). Specifically, of the people living in these ZIP Codes, 509,514 (99 percent) live in urban communities and 5,530 (1 percent) live in rural communities.[8]

We conducted a text analysis of C360 inquiries for the entire Arizona-New Mexico District between October 1, 2023, and March 31, 2025. In total, we reviewed and categorized the customer notes for 254,729 inquiries.[9] See Figure 1 for the results.

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1. *Boulder Hills Station, Phoenix, AZ: Delivery Operations* (Report Number 25-046-1-R25, dated April 1, 2025); *Mesa Four Peaks Station, Mesa, AZ: Delivery Operations* (Report Number 25-046-2-R25, dated April 1, 2025); *Avondale Goodyear Main Post Office, Goodyear, AZ: Delivery Operations* (Report Number 25-015-3-R25, dated April 1, 2025); *Scottsdale Airpark Station, Scottsdale, AZ: Delivery Operations* (Report Number 25-046-4-R25, dated April 1, 2025), and the *Sunnyslope Carrier Annex, Phoenix, AZ: Delivery Operations* (Report Number 25-046-5-R25, dated April 1, 2025).
2. *Efficiency of Operations at the West Valley Processing and Distribution Center, Phoenix, AZ* (Report Number 25-044-R25, dated April 1, 2025) and the *Efficiency of Operations at the Phoenix Processing and Distribution Center, Phoenix, AZ* (Report Number 25-045-R45, dated April 1, 2025).
3. A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
4. 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 scan event that indicates the Postal Service has completed its commitment to deliver or attempt to deliver the mail piece. Examples of STC scans include "Delivered," "Available for Pickup," and "Delivery Attempted-No Access to Delivery Location."
7. First mile failures occur when a mailpiece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the plant on a final processing operation and is not delivered to the customer on the day it was intended.
8. We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
9. We analyzed 371,196 inquiries and excluded 79,834 voice messages, 25,236 text messages with less than or equal to 40 characters, and 11,397 outliers — resulting in 254,729 records used to create the model by category.

Table 1. Service Area and Population

Delivery Units	Service Area and ZIP Codes	Population	City Routes	Rural Routes	Highway Contract Routes
Boulder Hills Station	85204, 85050, and 85054	67,624	32	3	0
Mesa Four Peaks Station	85208, 85209, and 85212	129,269	17	45	3
Avondale Goodyear MPO	85323, 85338, 85392, and 85395	182,071	34	54	0
Scottsdale Airpark Station	85254 and 85260	84,344	65	0	0
Sunnyslope Carrier Annex	85022	51,736	32	0	0
Total		**515,044**	**180**	**102**	**3**

Source: OIG analysis of Postal Service National Labeling List and Census data.

Figure 1. C360 Inquiry Analysis
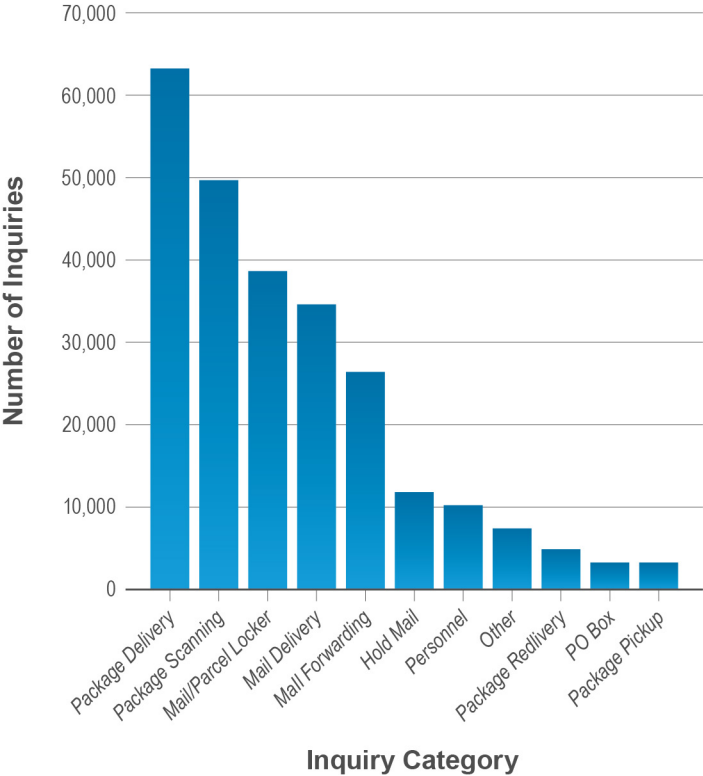
Source: OIG analysis of C360 inquiries.

Package delivery, package scanning, mailbox/parcel locker, and mail delivery issues made up the majority of the C360 comments. Examples of customer comments from these categories included:

- Packages delivered to incorrect addresses.

- Received "delivered" scans for packages that were not delivered.

- Mailbox is broken and unable to retrieve my package. Need assistance to open the cluster box.

- Received "delivered to parcel locker" scan but no key for the parcel locker was left in the cluster box to retrieve the package.

- Mail not received for multiple days in a row.

We also analyzed the Postal Service's Triangulation Report[10] to determine how the Arizona–New Mexico District performed for mail and package delivery in relation to all 50 Postal Service districts. The Postal Service provides an opportunity ranking that lists all 50 districts from 1 through 50, where 1 indicates the lowest performing district and 50 is the top performing district. For the period from January 1 through March 31, 2025, the AZ–NM District had an average rank of 30 for mail delivery and 11 for package delivery, placing this district as average for mail delivery and below average for package delivery. See Table 2 for the results of our analysis.

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10   The Triangulation Report is designed to provide the health of operations within a delivery unit regarding mail and package delivery. The report includes an analysis of several key performance indicators including C360 inquiries, first and last mile failures, route coverage, employee availability, and scanning integrity.

Table 2. AZ-NM District Average Ranking Compared to All 50 Districts

Month	Mail Delivery Opportunity Rank	Package Delivery Opportunity Rank
January	31	12
February	36	12
March	24	9
Average	**30**	**11**

Source: Postal Service Triangulation Report.

We reviewed employee retention data obtained from Workforce[11] for the AZ-NM District. From March 1, 2024, through February 28, 2025, the AZ-NM District hired a total of 2,626 carriers and clerks. Of those hired during this period, 600 (22.8 percent) were no longer employed in the district as of April 21, 2025. Overall, the AZ-NM District had a better employee retention record when compared to other districts we recently audited (see Table 3). In addition, the district had 753 authorized Executive and Administrative Schedule (EAS)[12] positions, of which 725 employees (3.7 percent vacancy rate) were on the rolls as of April 21, 2025.

Table 3. District Turnover Information

District Audited	Turnover Percent for Carriers & Clerks	One-Year Hiring Time Period
OH-2	32.3	Oct. 2023 – Sept. 2024
MA-RI	28.9	Dec. 2023 – Nov. 2024
GA	35.1	Jan. 2024 – Dec. 2024
AZ-NM	**22.8**	**Mar. 2024 – Feb. 2025**

Source: Postal Service Workforce.

The district manager stated the district holds job fairs at strategic locations for positions that are difficult to fill. In addition, the district uses the Postal Service's 511 National Initiative, *Improving the Employee Experience – First 90 Days*,[13] to improve the craft employee experience and increase retention of non-career employees.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations in the AZ-NM District of the WestPac Area.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,[14] 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 visits 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.

In addition to summarizing our findings at the five delivery units, we analyzed service performance scores for First-Class Mail, Marketing Mail[15], Priority Mail,[16] and Ground Advantage[17] products, and reviewed carrier and clerk retention levels within the AZ-NM District. We discussed our observations and conclusions, as summarized in Table 4, with management on May 29, 2025, and included its comments, where appropriate. See Appendix A for additional information about our scope and methodology.

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11 Workforce is a centralized hub that links to staff planning, insights, and analytics.
12 EAS is a salary structure that applies to most managerial and administrative employees.
13 This initiative focuses on stabilizing the workforce by reducing separation rates and improving retention through such efforts as limiting employee workhours, having a scheduled day off, coaching throughout this process, etc.
14 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.
15 A mail matter not required to be mailed as First-Class Mail or periodicals, which mailers can use to send specific types of mail such as flyers, circulars, and advertisements.
16 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.
17 A service providing an affordable and reliable way to send packages inside the U.S. Packages under 70 pounds arrive in two to five business days.

Results Summary

We identified issues related to service performance across the AZ-NM District, and issues affecting delivery operations and property conditions at the delivery units audited (see Table 4). Specifically, we found delayed mail, issues with package scanning, and deficiencies with arrow key management at all five units. In addition, we found property condition issues at four units and issues with unattempted deliveries at two units.

We analyzed employee data from October 26 through December 6, 2024. All carriers assigned to the units either reported to work or were accounted for by management during this time, indicating no issues with employee separations and transfers.

Table 4. Summary of Issues Identified

Audit Area	Deficiencies Identified – Yes or No				
	Boulder Hills Station	Mesa Four Peaks Station	Avondale Goodyear MPO	Scottsdale Airpark Station	Sunnyslope Carrier Annex
Delayed Mail	Yes	Yes	Yes	Yes	Yes
Package Scanning	Yes	Yes	Yes	Yes	Yes
Arrow Keys	Yes	Yes	Yes	Yes	Yes
Carrier Separations and Transfers	No	No	No	No	No
Property Conditions	Yes	Yes	Yes	No	Yes
Other Issue: Unattempted Deliveries	Yes	Yes	No	No	No

Source: Interim reports for selected units.

Finding #1: Service Performance in the AZ-NM District

What We Found

We visited five delivery units in the AZ–NM District on the morning of January 14, 2025, and identified about 48,432 pieces of delayed mail from the prior day.[18] Of the delayed mail identified, 27,680 pieces (57 percent) consisted of 173 containers of unprocessed postage due[19] packages staged around the exterior of the Avondale Goodyear MPO dating back to December 2023. Because of the quantity and age of the packages, we made a recommendation regarding these packages in a prior report.[20] See Table 5 for the number of pieces of each mail type

and the locations found and Figure 2 for examples of delayed mail found at these units.

Management at the Mesa Four Peaks Station, Avondale Goodyear MPO, and Sunnyslope Carrier Annex reported delayed mail in the Delivery Condition Visualization (DCV)[21] system, but the units only reported 300 of the 47,052 pieces (1 percent) that we identified. Management at the Boulder Hills and Scottsdale Airpark Stations did not report any delayed mail in the DCV system. In addition, carriers at all five units did not complete Postal Service (PS) Form 1571, *Undelivered Mail Report,*[22] to document undelivered mailpieces.

Table 5. Type of Delayed Mail

Type of Mail	Boulder Hills Station	Mesa Four Peaks Station	Avondale Goodyear MPO	Scottsdale Airpark Station	Sunnyslope Carrier Annex	Total
Carrier Cases						
Letters	398	242	1,869	248	52	2,809
Flats	392	231	2,406	312	4,198	7,539
Packages	30	17	322	0	0	369
Other Areas*						
Letters	0	0	1,220	0	7,621	8,841
Flats	0	0	16	0	1,143	1,159
Packages	0	0	27,715	0	0	27,715
Totals	**820**	**490**	**33,548**	**560**	**13,014**	**48,432**

Source: OIG count of delayed mailpieces identified during our visit January 14, 2025.
*Other areas include hot cases (an area designated for final withdrawal of mail as carriers leave the office) at two units, unprocessed and unprotected postage due packages staged around a unit's exterior without protection from weather or theft, and a unit's Postal Automated Redirection System (a system that can intercept mail identified as undeliverable-as-addressed during processing) section.

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18   Count of mail included individual piece counts and estimates based on conversion factors in Management Instruction PO-610-2007-1, Piece Count Recording System.
19   Mail on which additional postage is collectible on final delivery.
20   *Avondale Goodyear Main Post Office, Goodyear, AZ: Delivery Operations* (Report Number 25-046-3-R25, dated April 1, 2025).
21   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.
22   PS Form 1571 lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

Figure 2. Examples of Delayed Mail at the Scottsdale Airpark Station and Sunnyslope Carrier Annex

Carrier Case

Postal Automated Redirect System (PARS) Section

Source: OIG photos taken January 14, 2025.

We analyzed service performance scores in the district for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the AZ-NM District between October 1, 2024, and March 31, 2025. We found that First-Class Mail during this period did not meet the target scores in any area of the district. In addition, Marketing Mail, Priority Mail, and Ground Advantage products met the service performance targets in much of the district. See Figure 3 for heat maps showing the performance for each product in the AZ-NM District.

We also analyzed service performance scores for the same period for mail being sent from the district to other locations in the nation and mail coming into the district from other locations in the nation. Overall, we found most of the district met established targets for inbound and outbound Marketing Mail during this period. However, it did not meet established targets for inbound and outbound First-Class Mail, Priority Mail, and Ground Advantage products. Although service performance failures for this type of mail could be attributed to a plant or delivery unit outside the district, the failures may negatively impact customer perceptions within the district.

The district had an average mail delivery and a below average package delivery opportunity ranking in the Triangulation Report. We also found 48,132 unreported delayed mail pieces at the five units we audited. Based on our observations and analyses, we would expect to see a significant amount of reported delayed mail across the district. However, we reviewed DCV data for the entire district for January 13, 2025. Of the 414 units listed in the DCV system for the district, we determined only 50 units (12 percent) reported 67,184 total pieces of delayed mail. This could indicate issues with delayed mail reporting are more widespread within the district.

Figure 3. Service Performance Heat Maps by 3-Digit ZIP Code in the AZ-NM District Between October 1, 2024, and March 31, 2025
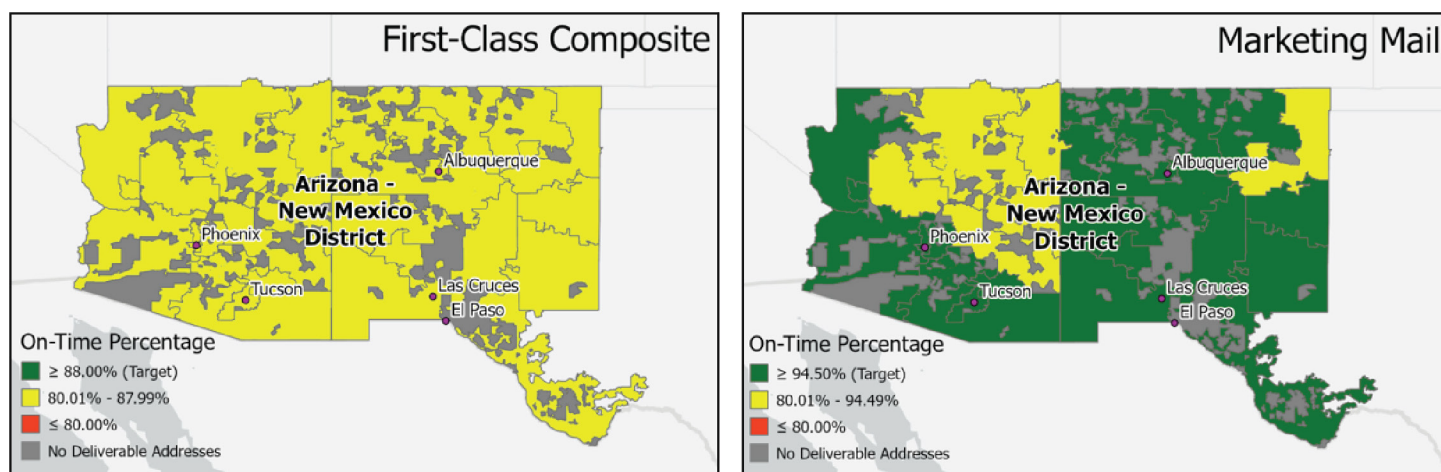
Source: OIG analysis of Postal Service Informed Visibility (IV) and Enterprise Data Warehouse (EDW) data. IV provides comprehensive and integrated capabilities for data-driven real-time service performance measurement and diagnostics of market-dominant products, mail inventory and predictive workloads of all mail to include packages, and end-to-end tracking and reporting for mail. EDW is a repository intended for all data and the central source for information on retail, financial, and operational performance.

Why Did It Occur

The delayed mail identified at the Boulder Hills, Mesa Four Peaks, and Scottsdale Airpark Stations and Avondale Goodyear MPO occurred due to insufficient management oversight. For example, unit management did not enforce the Redline[23] process, including the requirement to complete PS Forms 1571, because of competing priorities, such as monitoring multiple carriers on the street, handling union-related issues, and ensuring collection mail was properly staged for transport to the plant. In addition, Sunnyslope Carrier Annex management had limited employee availability due to unscheduled leave the day prior to our observations.

Further, management did not report delayed mail in the DCV system at the five units due to insufficient management oversight, management being unfamiliar with delayed mail reporting requirements, and competing priorities, including managing multiple units simultaneously.

What Should Have Happened

Management should have ensured that all mail was sorted and delivered daily and that any mail returned from a route was properly identified. Postal Service

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23 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.

policy[24] states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Also, PARS mail should be dispatched daily to the processing facility. Mail received with mixed classes always retains the highest class.[25]

Management should have also addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy[26] states that managers must review all communications that may affect the day's workload, be sure that replacements are available for unscheduled absences, and develop contingency plans for situations that may interfere with normal delivery service.

Further, managers are 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.[27] In addition, management must update the DCV system if volumes have changed prior to the end of the business day. Also, policy[28] states 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. Management should have instructed and monitored carriers in completing PS Form 1571, alerting unit management of the reasons for undelivered mail.[29] In the event collection mail does not make it on the final dispatch truck to the plant; management must initiate procedures for ensuring the mail is transported to the processing plant.[30]

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 instances of customers stating mail was not delivered for multiple days in a row. In addition, inaccurate delayed mail reporting provides management at the local, district, area, and headquarters levels with an unreliable status of mail delays and can result in improper actions taken to address issues.

Management Actions

During our audit, district management provided evidence demonstrating unit management at the five units received training on proper delivery practices and reporting of delayed mail. It also provided evidence that management at the Boulder Hills, Mesa Four Peaks, and Scottsdale Airpark Stations were following the Redline process. In addition, district management monitored for proper delayed mail reporting at the units we visited, which may improve mail visibility.

Recommendation #1

We recommend the **District Manager, Arizona-New Mexico District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail.

Recommendation #2

We recommend the **District Manager, Arizona-New Mexico District**, provide adequate staff to the Sunnyslope Carrier Annex to process and deliver all committed mail daily.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 1, management stated it would hold a virtual training session with all non-bargaining employees in the district on the proper handling of delayed mail. The target implementation date is July 31, 2025.

Regarding recommendation 2, management agrees that local supervisors should follow the prescribed process to inform senior management of staffing issues and request support at the daily morning manager's

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24 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
25 Postage due returned packages arrived at the Avondale Goodyear MPO commingled with other incoming First-Class Mail and Priority Mail packages.
26 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.
27 *DCV Learn and Grow*, August 1, 2024.
28 Standard Operating Procedures, Redline Policy.
29 Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, paragraph 44.4422, June 2019.
30 Standard Operating Procedure, Dispatch Deviation Policy, July 19, 2024.

meetings. When assistance is requested early enough, help will be provided. Management provided a copy of the template describing its process. Management requested closure upon issuance of this report. See Appendix B for management's comments in their entirety.

OIG Evaluation

The OIG considers management's comments responsive to recommendations 1 and 2. After reviewing the documentation management provided to support the actions taken, the OIG agreed to close recommendation 2 upon issuance of the report.

Finding #2: Package Scanning and Handling

What We Found

We identified packages with missing and improper scans or improper handling at all five units. Specifically, employees at all five units were improperly scanning some packages at the delivery unit, and employees at the Scottsdale Airpark Station and Sunnyslope Carrier Annex were improperly scanning some packages over 1,000 feet away from the intended delivery point.

We reviewed STC scans made at the unit and scans made over 1,000 ft. from the delivery point from September 1 – November 30, 2024. We also reviewed the scanning and handling history for packages sampled during our site visits. In total, employees scanned 3,136 packages at the five units instead of at the recipients' delivery point (see Table 6). Further analysis of STC scan data for these packages showed

about 83 percent were scanned as "Delivered," "Receptacle Full / Item Oversized," or "No Secure Location Available." 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.

We also reviewed 814 scans occurring away from the delivery unit and over 1,000 feet[31] from the intended delivery point for the Scottsdale Airpark Station and Sunnyslope Carrier Annex for the same period. We removed scans that could have been performed away from the delivery point per the policy, such as "Animal Interference" and "Unsafe Conditions," from our review. Further analysis of the STC scan data for these packages showed about 74 percent were scanned as "Delivered" (see Table 7).

Table 6. STC Scans at Delivery Unit

STC Scan Type	Boulder Hills Station	Mesa Four Peaks Station	Avondale Goodyear MPO	Scottsdale Airpark Station	Sunnyslope Carrier Annex	Total	Percent
Delivered	260	114	183	402	18	977	31.2
Receptacle Full / Item Oversized	218	54	17	243	425	957	30.5
No Secure Location Available	15	15	11	124	510	675	21.5
Delivery Attempted – No Access to Delivery Location	98	70	120	71	53	412	13.1
Return to Sender	0	19	38	0	0	57	1.8
No Authorized Recipient Available	3	3	1	36	2	45	1.4
Refused	2	10	0	0	0	12	0.4
Delivered to Agent for Final Delivery	1	0	0	0	0	1	0.0
Total	**597**	**285**	**370**	**876**	**1,008**	**3,136**	**100***

Source: OIG analysis of Postal Service's Product Tracking and Reporting (PTR) System data from September 1 – November 30, 2024, for these units. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.
*Total percentage does not equal 100 percent due to rounding.

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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.

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

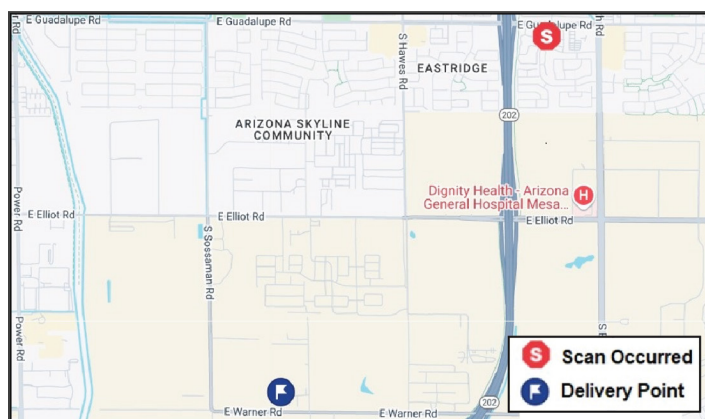| STC Scan Type	Scottsdale Airpark Station	Sunnyslope Carrier Annex	Total	Percent
Delivered	198	400	598	73.5
Receptacle Full / Item Oversized	44	40	84	10.3
Delivery Attempted – No Access to Delivery Location	41	25	66	8.1
No Secure Location Available	15	41	56	6.9
No Authorized Recipient Available	6	3	9	1.1
Return to Sender	0	1	1	0.1
Total	**304**	**510**	**814**	**100**

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

In addition, on the morning of January 14, 2025, before the carriers arrived for the day, we selected a total of 150 packages from carrier cases at the five units to review and analyze for scanning and tracking history. Of the 150 sampled packages, 63 (42 percent) had missing and improper scans or improper handling. Specifically:

- Twenty-five packages were scanned delivered, which should only occur when a package is successfully left at the customer's delivery address.

- Twenty-one packages were scanned over 1,000 feet from the delivery point. These scans ranged from 0.7 miles to 6.7 miles away from the delivery point. See Figure 4 for an example. Twenty-one of the packages had "Delivery Attempted – No Access to Delivery Location" scans[32] and one was scanned "Delivered."

- Seven packages should have been placed in the area to be returned to the sender or forwarded to the new address on file. Two of these packages were scanned "Vacant" and the other four were scanned "Return to Sender," "Forwarded," "Forwarded Expired," or "Addressee Unknown."

- Four packages were missing STC scans to let the customer know the reason for non-delivery.

- Four packages were scanned "Held at Post Office at Customer Request" without a customer hold request, including three that should have been scanned "Delivery Attempted – No Access to Delivery Location" or "Insufficient Address."

- One package was missing an "Arrival–At–Unit" scan, which is necessary to provide complete visibility to the customer.

- One package was scanned "Return to Post Office for Address Verification." The package was scanned on December 9, 2024, and remained at the carrier station.

Figure 4. Package Scanned 4 Miles Away From the Delivery Point in Mesa, AZ

Source: Postal Service Single Package Look Up.

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32 Two packages scanned "Delivery Attempted – No Access to Delivery Location" at the Scottsdale Airpark Station did not have the location data but the carrier stated he scanned them once he realized he passed the delivery address.

Why Did It Occur

Unit management did not adequately monitor and enforce proper package scanning and handling procedures. Specifically, management at Boulder Hills and Scottsdale Airpark Stations stated that they prioritized other duties, such as training new supervisors. Management at Avondale Goodyear MPO and Sunnyslope Carrier Annex monitored scans daily, but focused on district integrity reports, which only detail scans completed at the unit after 3:00 p.m. In addition, Sunnyslope Carrier Annex carriers stated the "No Secure Location Available" scans occurred because the apartment complex did not have a parcel locker, and the office did not accept packages for customers. Further, Mesa Four Peaks Station management was aware of scanning issues and held stand-up talks on proper procedures but had not enforced compliance.

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,[33] which includes scanning packages at the time and location of delivery.[34] For example, packages left for customer pickup should not be scanned as "Delivered" until the customer picks up the package. Undeliverable as addressed packages should be endorsed accordingly and given to clerks for daily dispatch to the P&DC.[35]

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 and return undeliverable mail timely, customers are unable to determine the actual status of their packages. Package scanning complaints were the second most common C360 inquiry type in the district, as demonstrated in Figure 1. 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 our audit, district management provided evidence showing managers at the five units were trained in standard operating procedures governing package scanning and handling, as well as the tracking of scanning performance. District management also verified that unit managers were properly monitoring package scanning at the five delivery units.

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

> **Postal Service Response**
> The Postal Service agreed with the finding.

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33 *Delivery Done Right the First Time* stand-up talk, March 2020.
34 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.
35 Handbook PO-441, *Rehandling of Mail Best Practices*, April 2002.

Finding #3: Arrow Keys

What We Found

Management at the five delivery units did not properly manage the arrow keys, and at three units it did not properly safeguard the keys. We reviewed the units' arrow key certification lists in the Retail and Delivery Applications Reports (RADAR)[36] system and conducted a physical inventory of keys at the units. The RADAR lists contained a combined 888 keys at the five units; however, we found discrepancies during our observations on January 16, 2025. For example, management could not find 139 of the 888 keys during our observations. Most of these missing keys were not reported to the U.S. Postal Inspection Service as lost. In addition, we found 302 keys at the units that were not reported in RADAR. Specifically:

- At the Boulder Hills Station, the RADAR list showed 82 keys. However, management could not find 18 of these keys. We also found 41 keys that were not listed in RADAR. In addition, management was not fully tracking keys given to carriers, and we found one key was not safeguarded. This key was hanging on a hook on the workroom floor near the retail section.

- At the Mesa Four Peaks Station, the RADAR list showed 246 keys. However, management could not find 41 of these keys. We also found 116 keys that were not listed in RADAR. Further, we counted 136 damaged keys, of which only 34 were listed as "Damaged" in RADAR. The unit had not returned these keys to the vendor or updated the inventory log to reflect the correct number of damaged keys (see Figure 5).

- At the Avondale Goodyear MPO, the RADAR list showed 224 keys. However, management could not find 12 of these keys. We also found 78 keys that were not listed in RADAR. In addition, we identified four broken keys, but none were listed as "Damaged" in RADAR.

Figure 5. Examples of Damaged Arrow Keys Found at Mesa Four Peaks Station

Source: OIG photo taken January 16, 2025.

- At the Scottsdale Airpark Station, the RADAR list showed 252 keys. However, management could not find 38 of these keys. We also found 64 keys that were not listed in RADAR. Further, we determined that unit management did not always verify that keys were being signed out on the daily log or being returned.

- At the Sunnyslope Carrier Annex, the RADAR list showed 84 keys. However, management could not find 30 of these keys. We also found three keys that were not listed in RADAR.

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

Why Did It Occur

Management at the five delivery units did not provide sufficient oversight to properly manage arrow keys. In addition:

- Management at the Boulder Hills Station attributed the arrow key issues to competing responsibilities, such as getting the mail delivered. In addition, facility management did not verify the certified list in RADAR matched the physical inventory at the unit and was unaware of missing keys that should have been reported to the Inspection Service. Lastly, unit management was not fully tracking all keys because they were using an incomplete and uncertified key log to hand out arrow keys to carriers.

- At the Mesa Four Peaks Station, a supervisor who oversees arrow keys was on medical leave since late November 2024, and the unit manager resigned during the same month. The acting unit manager had been in place since December 2024 and had not completed the task.

- At the Avondale Goodyear MPO, the postmaster stated she verifies arrow keys with her own inventory spreadsheet for each route because the RADAR listing was not in order by route number. She was also not aware of any discrepancies.

- The Scottsdale Airpark Station manager stated the unit's practice was to account for all arrow keys each morning that were deposited in the accountability cage the previous night by the carriers. There was no verification that all keys were being collected and accounted for each night.

- The Sunnyslope Carrier Annex closing supervisor stated he does not physically verify every key when he conducts his nightly inventory or when completing the monthly certifications due to time constraints. He said he was the only supervisor in the evening and was responsible for managing and completing the nightly duties for two stations.

Therefore, he did not have time to complete the task.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[37] management must keep an accurate inventory of all arrow keys. Any missing arrow keys must be immediately reported to the Inspection Service.[38] Further, damaged keys must be returned to the vendor, and the RADAR inventory log should record the status of the returned keys.[39]

In addition, policy states arrow keys must remain secured until they are individually assigned to personnel. A supervisor or clerk must verify employees are signing out keys on the inventory log. Upon return, arrow keys should be deposited in a secure location, and a supervisor or clerk must verify all keys have been returned and accounted for daily.

Effect on the Postal Service and Its Customers

Given the high number of complaints (see Background/Figure 1) about cluster boxes and parcel box package delivery in the district, we conducted additional analysis. We found that most addresses receive cluster box unit delivery (roughly 39 percent), with an additional 21 percent receiving delivery at a centralized box, which could also be unlocked by arrow keys.

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 at all five facilities provided evidence showing the district was monitoring arrow key procedures and that management received arrow key security training. The units also updated their arrow key logs, properly secured the keys, and sent damaged keys back

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37 *Arrow/Modified Arrow Key (MAL) Key Accountability,* Standard Work Instruction, dated May 2024.
38 *Requesting Arrow/MAL Locks and Keys in RADAR CRDO Field Users* guide, dated February 2025.
39 Arrow Key Guidebook, *Standard Work Instructions,* updated August 2023.

to the vendor. In addition, district management provided evidence showing the lost arrow keys at the Avondale Goodyear MPO were reported to the Inspection Service.

Recommendation #3

We recommend the **District Manager, Arizona-New Mexico District**, confirm the missing keys at the Boulder Hills Station, Mesa Four Peaks Station, Scottsdale Airpark Station, and Sunnyslope Carrier Annex were reported to the U.S. Postal Inspection Service.

Recommendation #4

We recommend the **District Manager, Arizona-New Mexico District**, assess the management needs at Sunnyslope Carrier Annex and add additional resources as needed.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendations. Regarding recommendation 3, management at the Boulder Hills, Mesa Four Peaks, and Scottsdale Airpark Stations and the Sunnyslope Carrier Annex conducted arrow key inventory audits and reported missing or broken keys where necessary. Specifically, at Boulder Hills and Scottsdale Airpark Stations and Sunnyslope

Carrier Annex, the missing keys were located and added to the inventory. In addition, management at Mesa Four Peaks Station provided evidence of reporting missing keys to the Inspection Service. The Postal Service requested closure upon issuance of this report.

Regarding recommendation 4, management now has returning carriers for the two stations entering through the same entrance allowing the supervisors to provide the oversight needed. With this change, management believes the Sunnyslope Carrier Annex has an adequate number of supervisors. Management requested closure upon issuance of this report.

OIG Evaluation

The OIG considers management's comments responsive to recommendations 3 and 4.

Management provided support showing the missing arrow keys were reported to the Inspection Service. In addition, management explained the new requirement implemented at Sunnyslope Carrier Annex where all carriers must enter through the same entrance to improve supervisory oversight and management of arrow keys. Therefore, the OIG agreed to close recommendations 3 and 4 upon issuance of the report.

Finding #4: Property Conditions

What We Found

We found property safety and security issues at the Boulder Hills and Mesa Four Peaks Stations, the Avondale Goodyear MPO, and the Sunnyslope Carrier Annex. Examples include:

Property Safety:

- Fire extinguishers had missing monthly inspections, failed annual inspections (see Figure 6), or were inaccessible due to being locked behind doors. In addition, two fire extinguisher cases were missing handles.

- Interior doors were not labeled with "Not an Exit" signs.

- Fire hydrant protective pylons in the customer parking lot were damaged.

- An electrical junction box had exposed wires (see Figure 6).

- Forklift equipment blocked Chemicals Handling and Exposure Safety data information.

- The irrigation system had a water leak with exposed wires.

- The control panel in the dock area was blocked.

- The interior Inspection Service door was blocked.

Property Security:

- There were no signs posted in the employee parking area at three of the units stating vehicles may be subject to search.

- A unit's overhead security camera in the loading dock area was dislodged and hanging by two wires.

Figure 6. Examples of Property Safety Issues

Failed Annual Fire Extinguisher Inspection at the Sunnyslope Carrier Annex

Electrical Box with Exposed Wires at the Avondale Goodyear MPO

Source: OIG photos taken January 15, 2025.

Why Did It Occur

Management at four of the units did not provide sufficient oversight or take the necessary actions to verify property condition issues were corrected because management was either unaware of the issues or other duties, such as training new supervisors, took priority over addressing the issues.

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. In addition, management should take steps, so notices are not covered.[40] According to Postal Service policy,[41] management must post signage stating that vehicles are subject to search. The Postal Service requires management to maintain a safe environment for employees and customers.[42] A safe environment includes ensuring that safety data information is readily accessible by employees.[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 addressed all property condition issues identified at the four units. For example, Mesa Four Peaks Station management moved the protective pylons back in front of the fire hydrant in the customer parking lot (see Figure 7). Due to management taking these corrective actions, we are not making a recommendation for property conditions.

Figure 7. Damaged Protective Pylons at the Mesa Four Peaks Station

Before

Source: OIG photo taken January 15, 2025.

After

Source: Postal Service, received February 4, 2025.

Postal Service Response
The Postal Service agreed with the finding.

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40 OSHA Standard 1903.2, *Posting of Notice; availability of the Act, regulations and applicable standards,* Part 1903.2(a)(1).
41 Title 39, CFR, Section 232.1(b)(2), *Inspection, recording presence,* November 1972.
42 Postal Service Handbook EL-801, *Supervisor's Safety Handbook,* July 2020.
43 Occupational Safety and Health Administration Standard 1910.1200, *Hazard Communication,* Part 1910.1200(b)(4).

Finding #5: Unattempted Deliveries

What We Found

Carriers at the Boulder Hills and Mesa Four Peaks Stations did not deliver all Marketing Mail to customers. The date printed on some mailpieces indicated that they were to be delivered to customers during our visit. Specifically:

- Boulder Hills Station management overlooked advertisement mailpieces in an undeliverable bulk business mail (UBBM)[44] container awaiting transport to the plant for recycling. The mailpieces were from several carrier routes, and some were in sequential address order, the order in which a mail carrier delivers mail for a route. The unit manager verified the addresses in the route edit books[45] and confirmed that they were not marked as vacant and should have been delivered.

- Mesa Four Peaks Station management did not properly ensure that Marketing Mail was delivered to customers. We found that mail carriers were discarding deliverable mail in UBBM (see Figure 8). In total, management overlooked 1,248 mailpieces later confirmed as deliverable mail in the UBBM container for 31 carrier routes.

Why Did It Occur

Management at the Boulder Hills and Mesa Four Peaks Stations did not check the contents of UBBM containers being sent to the plant for recycling. In addition, management at the Boulder Hills Station stated that lack of proper training on handling undelivered UBBM mail may have contributed to this issue.

What Should Have Happened

Management should have checked[46] the UBBM container for deliverable mail and enforced delivery of all deliverable items.[47]

Figure 8. Undelivered Advertisement Mail at the Mesa Four Peaks Station

Source: OIG photo taken January 14, 2025.

Effect on the Postal Service and Its Customers

When mail is not delivered, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand. Also, there is a risk that the mailer may discontinue using the Postal Service for such mailings, which would result in lost revenue. Additionally, recycling deliverable mail is against the Postal Service's mission to service the American people through providing frequent, reliable, safe and secure delivery of mail, packages and other communications to all Americans.

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44 UBBM is mail the Postal Service cannot deliver because of an expired change of address; or an incorrect incomplete, or illegible address. By agreement, the Postal Service does not return UBBM to the business mailer but recycles it. UBBM includes mail types such as flyers, newsletters, circulars, advertising, bulletins, and catalogs.

45 Physical edit books are physical books used to report new growth, additions, deletions, and changes of a delivery route. Each route has a physical edit book associated with the route.

46 Standard Work Instruction: *Backhaul Recycling UMM and Paper.*

47 Standard Work Instruction: *Saturation Mailings, updated December 20, 2022.*

Management Actions

During our audit, district management provided documentation showing these units sorted through the UBBM containers for five delivery days looking for deliverable mail and distributed it to the carriers. Also, management provided training at both units to help reinforce the requirement for proper delivery of all marketing mail. Further, Mesa Four Peaks Station management developed a new placard to be placed on the UBBM container after it is reviewed by a supervisor for deliverable mail.

Recommendation #5

We recommend the **District Manager, Arizona-New Mexico District**, implement a process for all units to verify that undeliverable bulk business mail containers do not contain Marketing Mail that should have been delivered.

Postal Service Response

The Postal Service agreed with this finding and the associated recommendation.

Management stated it reiterated the requirement for discarding Undeliverable Bulk Business Mail to staff at the audited locations. Specifically, clerks or supervisors will check Undeliverable Bulk Business Mail before discarding to ensure it does not contain live mail. In addition, management stated reviews are conducted to monitor for compliance. The target implementation date is July 31, 2025. Management requested closure of this recommendation upon issuance of this report.

OIG Evaluation

The OIG considers management's comments responsive to the recommendation. While management reiterated the requirement for discarding Undeliverable Bulk Business Mail at the audited locations, it did not provide support for including this guidance in district-wide training, as discussed at the exit conference. Therefore, to close this recommendation, management needs to provide such evidence.

Appendices

Appendix A: Additional Information

We conducted this audit from April through June 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 these controls were assessed. Based on the work performed, we identified internal control deficiencies in all three components that were significant within the context of our objective. Our recommendations, if implemented, should correct the weaknesses we identified.

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 the data were sufficiently reliable for the purposes of this report.

Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

May 30, 2025

VICTORIA SMITH
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Arizona-New Mexico District: Delivery Operations
(Report Number 25-046-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit capping report *Arizona-New Mexico District: Delivery Operations.*

Management generally agrees with the findings in the capping report.

Following are our comments on each of the five recommendations.

Recommendation 1: We recommend the **District Manager, Arizona-New Mexico District**, train management at all delivery units in the district on the proper procedures for reporting delayed mail.

Management Response/Action Plan: Management agrees with this recommendation. Management will hold a virtual training session with all non-bargaining employees in the Arizona-New Mexico district to train on the proper handling of delayed mail.

Target Implementation Date: 07/31/2025

Responsible Official: **District Manager, Arizona-New Mexico District**

Recommendation 2: We recommend the **District Manager, Arizona-New Mexico District,** provide adequate staff to the Sunnyslope Carrier Annex to process and deliver all committed mail daily.

Management Response/Action Plan: Management agrees that local supervisors should follow the prescribed process to inform senior management of staffing issues in addition requesting support at the daily morning manager's meetings. When assistance is requested early, help is provided. Management provided a copy of their template describing their process and requests closure with issuance of the final report.

Target Implementation Date: 06/30/2025

Responsible Official: **District Manager, Arizona-New Mexico District**

Recommendation 3: We recommend the **District Manager, Arizona-New Mexico District,** confirm the missing keys at the Boulder Hills Station, Mesa Four Peaks Station, Scottsdale Airpark Station, and Sunnyslope Carrier Annex were reported to the U.S. Postal Inspection Service.

Management Response/Action Plan: Management at the Boulder Hills, Mesa Four Peaks, Scottsdale Airpark and Sunnyslope Carrier Annex conducted arrow key inventory audits and where necessary reported missing or broken keys. Specifically, at Boulder Hills, Scottsdale Airpark and Sunnyslope Carrier Annex missing keys identified by the OIG were located and added to the inventory. At Mesa Four Peaks missing and broken keys were reported and evidence provided to the OIG. Management requests closure of this recommendation at issuance of final report.

Target Implementation Date: 06/30/2025

Responsible Official: **District Manager, Arizona-New Mexico District**

Recommendation 4: We recommend the **District Manager, Arizona-New Mexico District,** assess the management needs at Sunnyslope Carrier Annex and add additional resources as needed.

Management Response/Action Plan: Management has adequate supervisory staff at Sunnyslope Carrier Annex to support its earned complement. Entrances for the two stations, in the same building, have been reduced to one so all employees must enter through the same entrance to improve supervisor oversight. Management request closure of this recommendation with issuance of the final report.

Target Implementation Date: 06/30/2025

Responsible Official: **District Manager, Arizona-New Mexico District**

Recommendation 5: We recommend the **District Manager, Arizona-New Mexico District,** implement a process for all units to verify that undeliverable bulk business mail containers do not contain Marketing Mail that should have been delivered.

Management Response/Action Plan: Management agrees with this recommendation. As acknowledged in the report, management has reiterated the requirement to discard UBBM (Undeliverable Bulk Business Mail) to staff at the audited locations. Clerks or supervisors check UBBM before discarding to ensure it does not contain live mail. Reviews are conducted to monitor for compliance. Management request closure of this recommendation with issuance of the final report.

Target Implementation Date: 07/31/2025

Responsible Official: **District Manager, Arizona-New Mexico District**

E-SIGNED by Avinesh.D Kumar
on 2025-05-30 11:24:27 EDT
_____

Avinesh D. Kumar
District Manager, Arizona-New Mexico District

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

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

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