

# Mid City Cincinnati Carrier Annex, Cincinnati, OH: Delivery Operations

## AUDIT REPORT

Report Number 24-148-3-R25 | December 4, 2024



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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December 4, 2024

**MEMORANDUM FOR:** DONALD D. KRAVOS  
MANAGER, OHIO 2 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 – Mid City Cincinnati Carrier Annex, Cincinnati, OH:  
Delivery Operations (Report Number 24-148-3-R25)

This report presents the results of our audit of delivery operations and property conditions at the Mid City Cincinnati Carrier Annex in Cincinnati, OH.

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, Central Area Retail & Delivery Operations  
Director, Retail & Post Office Operations Maintenance  
Corporate Audit and Response Management

# Results

## Background

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

This interim report presents the results of our self-initiated audit of delivery operations and property conditions at the Mid City Cincinnati Carrier Annex in Cincinnati, OH (Project Number 24-148-3). The Mid City Cincinnati Carrier Annex is in the Ohio 2 District of the Central Area and services about 53,546 people in ZIP Codes 45202, 45203, 45204, 45205, and 45214, which are considered urban communities<sup>1</sup> (see Figure 1).

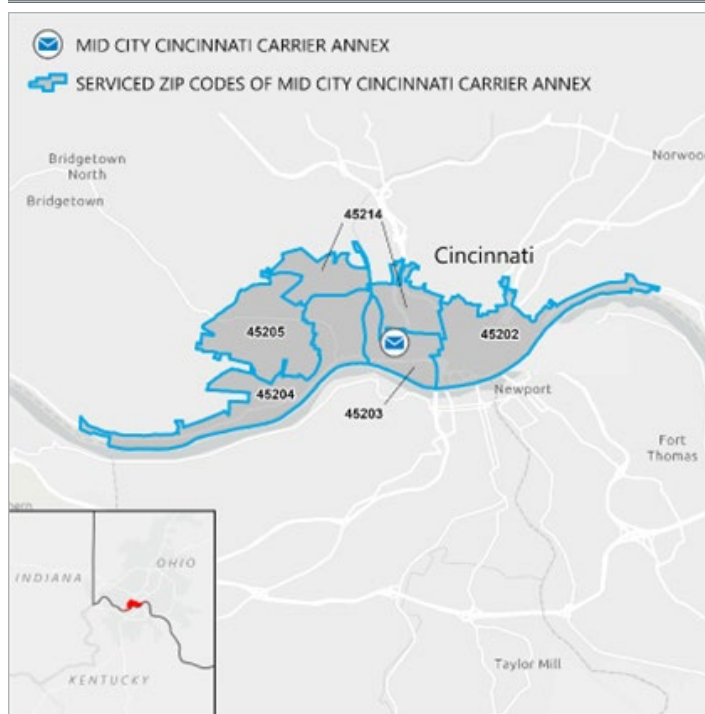
This delivery unit has 48 city routes. From July 13 through August 16, 2024, the delivery unit had four supervisors assigned.<sup>2</sup> The Mid City Cincinnati Carrier Annex falls under the Cincinnati Post Office for employee availability measurement. As of August 19, 2024, the employee availability rate for the Cincinnati Post Office was 93.3 percent year to date, which is under the Postal Service's retail and delivery operations employee availability goal of 93.6 percent for fiscal year (FY) 2024. The Mid City Cincinnati Carrier Annex is one of three delivery units<sup>3</sup> the OIG reviewed during the week of September 9, 2024, that are serviced by the Cincinnati Processing and Distribution Center (P&DC) and Network Distribution Center (NDC).

We assessed all units serviced by the Cincinnati P&DC and NDC based on the number of Customer 360<sup>4</sup>

(C360) delivery-related inquiries,<sup>5</sup> Informed Delivery<sup>6</sup> contacts, stop-the-clock<sup>7</sup> (STC) scans performed away from the delivery point, and undelivered route information between May 1 and July 31, 2024. We also reviewed first and last mile failures<sup>8</sup> between May 4 and August 2, 2024.

We judgmentally selected the Mid City Cincinnati Carrier Annex primarily based on the number of C360 inquiries related to delivery and Informed Delivery contacts. The unit also had 48 first and last mile failures. See [Table 1](#) for a comparison of some of these metrics between the unit and the rest of the district.

**Figure 1. ZIP Codes Serviced by the Mid City Cincinnati Carrier Annex**



Source: OIG Analysis of ZIP Code data.

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

<sup>2</sup> According to the Postal Service (PS) Form 50, *Notification of Personnel Action* associated with the unit as of August 16, 2024.

<sup>3</sup> The other two units were Corryville Station, Cincinnati, OH (Project Number 24-148-1) and Fairfield Branch, Fairfield, OH (Project Number 24-148-2).

<sup>4</sup> A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

<sup>5</sup> A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.

<sup>6</sup> 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.

<sup>7</sup> 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."

<sup>8</sup> 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 P&DC on a final processing operation and is not delivered to the customer on the day it was intended.



Table 1. Delivery Metric Comparison Between May 1 and July 31, 2024

Delivery Metric	Unit Average per Route	District Average per Route
C360s Related to Delivery	7.4	5.1
Informed Delivery Contacts	21.6	18.1

Source: OIG analysis of Postal Service’s C360 and Informed Delivery data extracted on August 6, 2024.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Mid City Cincinnati Carrier Annex in Cincinnati, OH.

To accomplish our objective, we focused on the following audit areas: delayed mail, package scanning, arrow keys,<sup>9</sup> 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 November 13, 2024, and included their comments, where appropriate.

We are issuing this interim report to provide the Postal Service with timely information regarding conditions we identified at the Mid City Cincinnati Carrier Annex. We will issue a separate report<sup>10</sup> that provides the Postal Service with the overall findings and recommendations for all three 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 and property conditions at the Mid City Cincinnati Carrier Annex. Specifically, we found issues with four 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 September 9, 2024.

9 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.

10 Project Number 24-148.

# Finding #1: Delayed Mail

## What We Found

On the morning of September 10, 2024, we identified about 2,758<sup>11</sup> delayed mailpieces at 41 carrier cases. Specifically, we identified 2,417 letters and 341 flats. In addition, management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)<sup>12</sup> system. See Figure 2 for examples of delayed mail found at carrier cases. Further, only one of the 41 carriers with delayed mail completed a PS Form 1571, *Undelivered Mail Report*,<sup>13</sup> to document the reason for the undelivered mailpieces.

## Why Did It Occur

Most of the delayed mail we identified was due to management not enforcing the Postal Service redline process.<sup>14</sup> Specifically, the PM supervisor sat at a desk that did not allow her to monitor all carriers returning to the unit. In addition, she instructed carriers to re-case undelivered mail and stated she did not consider undelivered mail brought back by the carriers to be delayed mail.

Also, management did not ensure that carriers completed PS Forms 1571 to note the reason why mail could not be delivered. The PM supervisor stated she was aware the forms should be used but did not enforce the policy. In addition, the PM supervisor stated she was unaware she should report delayed mail in the DCV system.

**Figure 2. Examples of Delayed Mail in the Carrier Cases**



Source: OIG photos taken September 10, 2024.

<sup>11</sup> Count of mail included individual piece counts and OIG estimates based on Postal Service conversion factors in Management Instruction PO-610 2007-1, *Piece Count Recording System*.

<sup>12</sup> 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.

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

<sup>14</sup> 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.

## What Should Have Happened

Postal Service policy<sup>15</sup> states that all types of First-Class Mail, Priority Mail, and Priority Express Mail are always committed for delivery on the day of receipt. Policy<sup>16</sup> also states delivery units must follow the redline process. This process includes having a 3M<sup>17</sup> case for carriers to deposit Delivery Point Sequence<sup>18</sup> mail that was brought back from their route and prohibits carriers from taking mail back to their cases in the evening. Management should have also verified that carriers documented on a PS Form 1571 the reason for undelivered mail brought back from the street.<sup>19</sup> In addition, managers are required<sup>20</sup> to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in the DCV system. Further, management must update the DCV system if volumes have changed prior to the end of the business day.

## 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 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.

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

<sup>16</sup> *Standard Operating Procedures, Redline Policy*.

<sup>17</sup> *3M (Missent, Missorted, and Missequenced), Standard Work Instruction: Supervisor*, May 8, 2019.

<sup>18</sup> Mail that arrives at a unit in sequential order and is ready to be taken directly to the street for delivery.

<sup>19</sup> *Handbook M-41, City Delivery Carriers Duties and Responsibilities*, paragraph 44.442.2.

<sup>20</sup> *Informed Visibility Delivery Condition Visualization User Guide*, August 2023.

# 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.<sup>21</sup> We also found issues with employee barcode management.

We reviewed package scanning data for scans that occurred at the unit and removed any potentially accurate scans performed.<sup>22</sup> In total, employees improperly scanned 340 packages at the delivery unit between May 1 and July 31, 2024 (see Table 3). Further analysis of the STC scan data for these packages showed that about 73 percent of them were scanned “Delivered.”

Table 3. STC Scans at Delivery Unit

Scan Type	Count	Percent of Scans
Delivered	247	72.7%
Delivery Attempted - No Access	62	18.2%
Delivered to Agent for Final Delivery	17	5.0%
Delivery Exception - Animal Interference	10	2.9%
No Secure Location Available	4	1.2%
Total	340	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 found issues with scanning and handling of packages in the unit. On the morning of September 10, 2024, 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, 10 (33 percent) had improper scans or handling issues, including:

- Four packages that were scanned “Held at Post Office at the Customer’s Request.” However, the customers did not have hold requests on file.
- Four packages that were scanned “Delivery Attempted – No Access to Delivery Location.” However, three of the packages were scanned 1.7 miles away from the delivery point and one did not get a second delivery attempt. Scans should be made as close to the delivery point as possible.
- One package that was scanned “Available for Pickup, for Caller Service” by the supervisor. However, the customer did not have a caller service account.
- One package that was missing an STC scan to let the customer know the reason for non-delivery.

Finally, employee barcodes were not properly managed at the facility. Specifically, unit management posted a list of employee barcodes on the workroom floor, which could allow employees to log in as someone else.

## Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. Specifically, the unit supervisors did not always review integrity scan reports to verify scans were completed and performed at the right place. Further, the station manager was unaware supervisors were not following their internal process in place to indicate the reason for non-delivery. In addition, unit management explained that it instructed carriers to scan Caller Service packages “Delivered” in the unit to mitigate package failures in that section.

The AM supervisor was unaware that employee barcode lists should be secured, and promptly removed the list from the workroom floor after becoming aware of the policy.

<sup>21</sup> We found a nominal amount of scans occurring away from the delivery unit and over 1,000 feet from the intended delivery point between May 1 and July 31, 2024  
<sup>22</sup> 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.

### 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,<sup>23</sup> which includes scanning packages at the time and location of delivery.<sup>24</sup> In addition, management must protect sensitive information against theft and disclosure to unauthorized individuals.<sup>25</sup>

### 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. Further, securing employee sensitive information prevents the opportunity for theft or other non-authorized activities to occur.

#### Postal Service Response

The Postal Service agreed with this finding.

<sup>23</sup> *Delivery Done Right the First Time* stand-up talk, March 2020.

<sup>24</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

<sup>25</sup> AS-805-C, *Information Security Requirements for All Personnel*, section 4. Protection of Critical and Sensitive Information, November 2021.



## Finding #3: Arrow Keys

### What We Found

Unit management did not properly manage and safeguard arrow keys. On the morning of September 12, 2024, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)<sup>26</sup> system and conducted a physical inventory of keys at the unit. We determined that all 199 keys located at the unit were on the list, but 13 of the 212 keys on the list could not be located. Further, we determined that the keys found in the unit included six that were mislabeled "lost" and nine that were mislabeled "returned" on the certification list. In addition, arrow keys were not always kept secure. Specifically, arrow keys for collection routes were kept in an [REDACTED] which was often left unattended throughout our visit.

### Why Did It Occur

In late 2023, the unit received over 200 arrow keys ordered by district personnel to conduct collection routes throughout the Cincinnati area. In May 2024, the Inspection Service determined the district ordered too many keys for the Mid City Cincinnati Carrier Annex and redistributed them to other offices without accurately updating the inventory in RADAR. During our site visit, unit management was working with the Inspection Service to reconcile the arrow key inventory in RADAR.

Management did not properly secure collection route arrow keys because it prioritized the convenience of keeping the [REDACTED] to facilitate driver check-in. Further, management stated there were too many keys to lock in the wall-mounted arrow key case.

### What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>27</sup> management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the U.S. Postal Inspection Service.

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

### Effect on the Postal Service and Its Customers

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

### Postal Service Response

The Postal Service agreed with this finding.

<sup>26</sup> The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.

<sup>27</sup> Arrow/Modified Arrow Lock (MAL) Key Accountability Standard Work Instruction, dated May 2024.

## Finding # 4: Property Conditions

### What We Found

We found safety and security issues at the Mid City Cincinnati Carrier Annex, including:

#### Property Safety:

- All 12 fire extinguishers were missing monthly inspections.
- Three fire extinguishers were blocked (see Figure 3).

**Figure 3. Example of Blocked Fire Extinguisher**



Source: OIG photo taken September 12, 2024.

#### Property Security:

- The dock door in the BMEU was unlocked.
- There was no sign posted in the employee parking area stating that vehicles may be subject to search.
- The BMEU parking lot gate was unsecured with chains preventing closure (see Figure 4).

**Figure 4. Unsecured Gate**



Source: OIG photo taken September 12, 2024.

### Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to verify that property condition issues were corrected. Management was unaware of the missing fire extinguisher inspections and stated an employee mistakenly stored empty equipment in front of the three blocked fire extinguishers. In addition, management stated a dock employee had been repeatedly instructed to secure the BMEU dock door before his departure in the evening. Management believed the signage was present on the parking lot fencing and was unaware of the unsecured gates because it relied on the PM supervisor to secure the gates as part of the daily closeout process.

### What Should Have Happened

Management should have provided sufficient oversight of personnel responsible for maintaining facilities, reported safety and maintenance issues as they arose, and followed up for completion. The Postal Service requires management to maintain a safe environment for employees and customers.<sup>28</sup>

### Effect on the Postal Service and Its Customers

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

#### Postal Service Response

The Postal Service agreed with this finding.

<sup>28</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

# Appendix A: Additional Information

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We conducted this audit from August through November 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three components that were significant within the context of our objectives. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for the Corryville Station, Fairfield Branch, and the Mid City Cincinnati Carrier Annex, as well as the district.

We assessed the reliability of PTR, DCV, and the Time and Collection System 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



November 14, 2024

JOHN CIHOTA  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response: Mid City Cincinnati Carrier Annex, Cincinnati, OH: Delivery Operations (Report Number 24-148-3-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Mid City Cincinnati Carrier Annex, Cincinnati, OH: Delivery Operations*

Management agrees with the four findings in the report on delayed mail, package scanning, arrow keys, and property conditions.

Management has begun taking steps to address the four 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*. Reviews will be conducted to monitor for compliance.

*Package Scanning:* Management will provide a service talk on proper handling and package 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 any missing keys to the U.S. Postal Inspection Service. Management will also provide training on proper handling and security of arrow keys. Additionally, reviews will be conducted to monitor for compliance.

*Property Conditions:* Management has abated 4 of 5 property condition issues and has submitted a work order for the remaining condition as it requires repair by resources outside of local management.

E-SIGNED by Donald.D Kravos  
on 2024-11-19 16:40:54 EST

Donald D. Kravos  
Acting Manager, Ohio 2 District

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

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