

# Boulder Hills Station, Phoenix, AZ: Delivery Operations

## AUDIT REPORT

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



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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April 1, 2025

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

A handwritten signature in black ink, reading "Joseph E. Wolski", is centered below the memorandum header.

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

**SUBJECT:** Audit Report – Boulder Hills Station, Phoenix, AZ: Delivery Operations  
(Report Number 25-046-1-R25)

This report presents the results of our audit of delivery operations and property conditions at the Boulder Hills Station in Phoenix, AZ.

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

Attachment

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

# Results

## Background

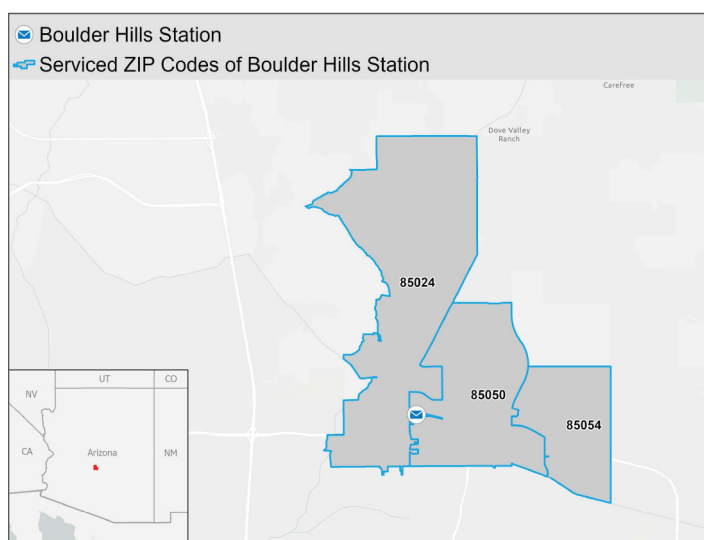
The U.S. Postal Service’s mission is to provide timely, reliable, secure, and affordable mail and package delivery to more than 160 million residential and business addresses across the country. The U.S. Postal Service Office of Inspector General (OIG) reviews delivery operations at facilities across 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 Boulder Hills Station in Phoenix, AZ (Project Number 25-046-1). The Boulder Hills Station is in the Arizona-New Mexico (AZ-NM) District of the WestPac Area and serves about 67,624 people in ZIP Codes 85024, 85050, and 85054, which are considered a predominately urban area (see Figure 1). Specifically, 66,734 (98.7 percent) live in urban communities and 890 (1.3 percent) live in rural communities.<sup>1</sup>

This delivery unit has 32 city routes and three rural routes. From November 2 through November 29, 2024, the delivery unit had two supervisors assigned.<sup>2</sup> The Boulder Hills Station falls under the Phoenix Post Office for employee availability measurement. As of November 29, 2024,<sup>3</sup> the employee availability rate for the Phoenix Post Office was 91.6 percent, which is under the Postal Service’s retail and delivery operations employee availability goal of 93.6 percent. The Boulder Hills Station is one of five delivery units<sup>4</sup> the OIG reviewed during the week of January 13, 2025, that are serviced by the Phoenix Processing and Distribution 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 360<sup>5</sup> (C360) delivery-related inquiries,<sup>6</sup> Informed Delivery<sup>7</sup> contacts, stop-the-clock<sup>8</sup> (STC) scans performed away from the delivery point and at the unit, undelivered route information, and first and last mile failures between September 1 and November 30, 2024.

**Figure 1. ZIP Codes Serviced by the Boulder Hills Station**



Source: OIG analysis of ZIP Code data.

We judgmentally selected the Boulder Hills 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.

<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’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.

<sup>3</sup> The last day of Pay Period 25.

<sup>4</sup> The other four units were the Mesa Four Peaks Station, Mesa, AZ (Project Number 25-046-2); the Avondale Goodyear Main Post Office, Goodyear, AZ (Project Number 25-046-3); Scottsdale Airpark Station, Scottsdale, AZ (Project Number 25-046-4); and the Sunnyslope Carrier Annex, Phoenix, AZ (Project Number 25-046-5).

<sup>5</sup> A cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.

<sup>6</sup> A compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.

<sup>7</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>8</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.”

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	15.4	8.4
Informed Delivery Contacts	28.2	14.6

Source: OIG analysis of Postal Service's C360, Informed Delivery, and Product Tracking and Reporting (PTR) System data extracted December 4, 2024. PTR is the system of record for all delivery status information for mail and packages with trackable services and barcodes.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations and property conditions at the Boulder Hills Station in Phoenix, AZ.

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 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 Boulder Hills Station. We will issue a separate capping report<sup>10</sup> that provides the Postal Service with the overall findings and recommendations for all five delivery units, as well as the district. The capping report will include actions taken by management to address the issues identified in this interim report. See [Appendix A](#) for additional information about our scope and methodology.

Results Summary

We identified issues affecting delivery operations and property conditions at the Boulder Hills Station. Specifically, we found issues with four of the five areas we reviewed (see Table 2). We also found issues related to Unattempted Delivery of mail found at the unit.

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	
Other Issues	X	

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

We analyzed employee data and did not identify any issues with carrier separations and transfers.

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 25-046.



# Finding #1: Delayed Mail

## What We Found

On the morning of January 14, 2025, we identified 820 delayed mailpieces at 18 carrier cases. Specifically, we identified 398 letters, 392 flats, and 30 packages. Management did not report this mail as undelivered in the Delivery Condition Visualization (DCV)<sup>11</sup> system. Further, the carriers did not complete Postal Service (PS) Forms 1571, *Undelivered Mail Report*,<sup>12</sup> to document undelivered mailpieces.

## Why Did It Occur

Management was unaware that carriers returned to the unit with undelivered mail because the unit had side and rear entrances, and the supervisor could not see carriers entering from both entrances. Management acknowledge that it was an oversight to assume that carriers did not return to the unit with undelivered mail instead of conducting a full walkthrough to verify that all mail was cleared from the unit, that carriers prepared PS Form 1571, and to obtain a count of delayed mail to report in the DCV system.

## What Should Have Happened

Management should have set and enforced a line of travel for carriers returning from their street deliveries. This would have permitted management to effectively implement the Redline<sup>13</sup> process, which identifies the actions to take when carriers return to the unit with undelivered mail. Management should

have also conducted a thorough walkthrough of the workroom to verify that all mail was delivered on the day it was committed for delivery.

Postal Service policy<sup>14</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. In addition, managers are required<sup>15</sup> to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. Also, management must update DCV if volumes have changed prior to the end of the business day. Management should have also instructed and monitored that carriers complete PS Form 1571, alerting unit management of the reasons for undelivered mail.<sup>16</sup>

## 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 DCV 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>11</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>12</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>13</sup> Standard Operating Procedure, Redline Policy. 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.

<sup>14</sup> *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

<sup>15</sup> *DCV Learn and Grow*, August 1, 2024.

<sup>16</sup> Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, paragraph 44.442.2. June 2019.

# Finding #2: Package Scanning

## What We Found

Employees scanned packages improperly at the delivery unit, scanned packages away from the intended delivery point,<sup>17</sup> 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.<sup>18</sup> In total, employees improperly scanned 597 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 44 percent of them were scanned “Delivered.” Also, carriers were scanning packages at the unit when cluster box units<sup>19</sup> were broken.

Table 3. STC Scans at Delivery Unit

STC Scan Type	Count	Percent
Delivered	260	43.6
Receptacle Full / Item Oversized	218	36.5
Delivery Attempted – No Access to Delivery Location	98	16.4
No Secure Location Available	15	2.5
No Authorized Recipient	3	0.5
Refused	2	0.3
Delivered To Agent For Final Delivery	1	0.2
<b>Total</b>	<b>597</b>	<b>100</b>

Source: OIG analysis of the Postal Service’s Product Tracking and Reporting (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 all 30 packages from the carrier cases to review and analyze scanning and tracking history. Of the 30 packages, 14 (46.7 percent) had improper scans or handling issues, including:

- Ten packages were scanned “Delivered,” which should only be used when a package is successfully left at the customer’s delivery address. One package was scanned 6.7 miles away from the delivery location (see Figure 2).
- Two packages were scanned “Delivery Attempted, No Access to Delivery Location.” They were scanned 1.2 and 4 miles away from the delivery point.
- One package was scanned “Addressee unknown” on January 11, 2025, and should have been returned to the sender.
- One package was scanned “Return to post office for address verification.” The package was scanned December 9, 2024, and remained at the carrier’s station.

Figure 2. Scan Away From the Delivery Point in Phoenix, Arizona



Source: Postal Service Single Package Look Up.

In addition, carriers explained that some companies prefer to pick up their packages at the unit. The carriers scan these packages as “Delivered” with their scanners before leaving the packages with clerks for customer pickup.

## Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and

<sup>17</sup> We found a nominal amount of scans occurring over 1,000 feet from the intended delivery point between September 1 and November 30, 2024.  
<sup>18</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.  
<sup>19</sup> A centralized grouping of individually locked and keyed compartments or mailboxes, such as a wall-mounted unit in an apartment building or a free-standing neighborhood delivery and collection box unit.

enforce proper package scanning procedures. For example, management was not properly reviewing scan data on undelivered packages returned by carriers after they completed their street duties. Also, management did not correct carriers it knew were scanning packages at the unit when cluster box units were broken. Management explained that competing responsibilities, such as getting the mail out for delivery and training new supervisors, prevented them from identifying and addressing scanning issues.

#### **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>20</sup> which includes scanning packages

at the time and location of delivery.<sup>21</sup> 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.<sup>22</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 and return undeliverable mail timely, 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.

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

<sup>21</sup> *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

<sup>22</sup> Handbook PO-441, *Rehandling of Mail Best Practices*, April 2002.

## Finding #3: Arrow Keys

### What We Found

Unit management did not properly update the arrow key inventory log 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)<sup>23</sup> system and conducted a physical inventory of keys at the unit. We found that 41 of the 83 keys at the unit were not on the RADAR list and 18 keys on the list could not be located. Unit management had not reported any of these missing keys to the U.S. Postal Inspection Service.

In addition, management was not fully tracking keys given to carriers and we also found one arrow key that was not safeguarded. The key was hanging on a hook on the workroom floor near the retail section.

### Why Did It Occur

Management did not provide sufficient oversight to properly manage arrow keys. Specifically, 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 Postal Inspection Service. In addition, unit management was not fully tracking keys given to carriers because they were using an incomplete and uncertified key log to hand out arrow keys to carriers. The station manager attributed these arrow

key issues to a lack of management oversight and competing responsibilities, such as getting the mail delivered.

### What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,<sup>24</sup> management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the Postal Inspection Service. Arrow keys must also remain secured when not assigned to an employee. 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>23</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>24</sup> *Arrow/Modified Arrow Lock (MAL) Key Accountability Standard Work Instruction*, May 2024.



## Finding #4: Property Conditions

### What We Found

We found property safety and security issues at the Boulder Hills Station.

#### Property Safety:

- Forklift equipment blocked Chemicals Handling and Exposure Safety data information.
- Irrigation system water leaked outside with exposed wires (see Figure 3).

**Figure 3. Irrigation System Water Leak**



Source: OIG photo taken January 15, 2025.

#### Property Security:

- There was no sign posted in the employee parking area stating that vehicles may be subject to search.

### Why Did It Occur

Management did not provide sufficient oversight and take the necessary actions to address property condition issues because other duties, such as getting the mail out for delivery each day and training new supervisors, took priority over addressing maintenance 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.<sup>25</sup> The Postal Service requires management to maintain a safe environment for employees and customers.<sup>26</sup> A safe environment includes ensuring that safety data information is readily accessible by employees.<sup>27</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. In addition, these can minimize 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>25</sup> OSHA Standard 1903.2, *Posting of Notice, availability of the Act, regulations and applicable standards*, Part 1903.2(a)(1).

<sup>26</sup> Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

<sup>27</sup> Occupational Safety and Health Administration Standard 1910.1200, *Hazard Communication*, Part 1910.1200(b)(4).

## Finding #5: Unattempted Delivery

### What We Found

Unit management did not properly ensure that Marketing Mail<sup>28</sup> was delivered to customers. The audit team discovered advertisement mailpieces in an undeliverable bulk business mail (UBBM) container awaiting transport to the plant for recycling. The date printed on these mailpieces indicated that they were to be delivered to customers during the week of our visit. The mailpieces were from several carrier routes, and were in sequential address order, the order in which a mail carrier delivers mail for a route (see Figure 4). This indicates multiple carriers were recycling this Marketing Mail. The unit manager verified the addresses in the route edit books<sup>29</sup> and confirmed that they were not marked as vacant and should have been delivered.

### Figure 4. Undelivered Advertisement Mail

Gaylord containing mail designated for recycling



Source: OIG photo taken January 15, 2025.

### Why Did It Occur

Management did not check the contents of UBBM containers being sent to the plant for recycling. The station manager stated that lack of proper training on handling undelivered UBBM mail for unit management and carriers may have contributed to this issue.

### What Should Have Happened

Management should have checked<sup>30</sup> the UBBM container for deliverable mail and enforced delivery of all deliverable items.<sup>31</sup>

### 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.

### Postal Service Response

The Postal Service agreed with this finding.

28 Marketing Mail is 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.

29 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.

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

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

# Appendix A: Additional Information

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We conducted this audit from January through March 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 Boulder Hills Station 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 Boulder Hills Station, Mesa Four Peaks Station, Avondale Goodyear Main Post Office, Scottsdale Airpark Station, and 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: Boulder Hills Station, Phoenix, AZ: Delivery Operations  
(Report Number 25-046-1-DRAFT)

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

Management generally agrees with the five findings in the report on delayed mail, package scanning, arrow keys, property conditions and unattempted delivery.

Management has begun taking steps to address the five 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. Management will also conduct training on proper management and security of arrow keys. Additionally, reviews will be conducted to monitor for compliance.

*Property Conditions:* Management has abated the three safety and security related property conditions identified in the audit.

*Unattempted Delivery:* Management has reiterated the requirement to discard UBBM (Undeliverable Bulk Business Mail). Clerks or supervisors check UBBM before discarding to ensure it does not contain live mail. Reviews will be conducted to monitor for compliance.

E-SIGNED by TINA.M SWEENEY  
on 2025-03-14 16:43:19 EDT

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

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

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