Kentucky-West Virginia District: Delivery Operations

AUDIT REPORT
Report Number 25-074-R25 | July 23, 2025

OFFICE OF
INSPECTOR
GENERAL
UNITED STATES POSTAL SERVICE

Iroquois Station

Middletown Branch

Pleasure Ridge Park Branch

LOUISVILLE
KENTUCKY
38.1654°N 85.6474°W

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 23, 2025

MEMORANDUM FOR: DEREK STRISSEL
                        MANAGER, KENTUCKY-WEST VIRGINIA DISTRICT

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

SUBJECT: Audit Report – Kentucky-West Virginia District: Delivery Operations
                        (Report Number 25-074-R25)

This report presents the results of our audits of delivery operations and property conditions in the Kentucky-West Virginia District in the Central Area.

All recommendations require U.S. Postal Service Office of Inspector General's (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1 and 2 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

We appreciate the cooperation and 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, Central 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 three delivery units, as well as district-wide delivery operations in the Kentucky-West Virginia (KY-WV) District in the Central Area (Project Number 25-074). The delivery units included the Iroquois Station, Middletown Branch, and Pleasure Ridge Park Branch in Louisville, KY.

We previously issued interim reports[1] to district management for each of the three delivery units regarding the conditions we identified. In addition, we issued a report on the efficiency of operations at the Louisville Processing and Distribution Center (P&DC), which services these delivery units.[2] We judgmentally selected the three delivery units based on the number of Customer 360 (C360)[3] 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 three delivery units had 92 city routes and 50 rural routes that served about 204,764 people in several ZIP Codes (see Table 1). Specifically, of the people living in these ZIP Codes, 198,734 (97 percent) live in urban communities and 6,030 (3 percent) live in rural areas.[8]

Table 1. Service Area and Population

Delivery Units	Service Area and ZIP Codes	Population	City Routes	Rural Routes
Iroquois Station	40209, 40214, and 40215	67,802	45	0
Middletown Branch	40223, 40243, and 40245	71,559	11	45
Pleasure Ridge Park Branch	40258 and 40272	65,403	36	5
Total		**204,764**	**92**	**50**

Source: OIG analysis of Postal Service's Address Management System and Census data.

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1   *Iroquois Station, Louisville, KY: Delivery Operations* (Report Number 25-074-1-R25, dated June 4, 2025); *Middletown Branch, Louisville, KY: Delivery Operations* (Report Number 25-074-2-R25, dated June 4, 2025), and the *Pleasure Ridge Park Branch: Louisville, KY: Delivery Operations* (Report Number 25-074-3-R25, dated June 4, 2025).
2   *Efficiency of Operations at the Louisville Processing and Distribution Center, Louisville, KY* (Report Number 25-073-R25, dated June 4, 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 mailpiece. 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.

We conducted a text analysis of C360 inquiries for the entire KY-WV District between December 1, 2024, and April 30, 2025. In total, we reviewed and categorized the customer notes for 51,566 inquiries.[9] See Figure 1 for the results.

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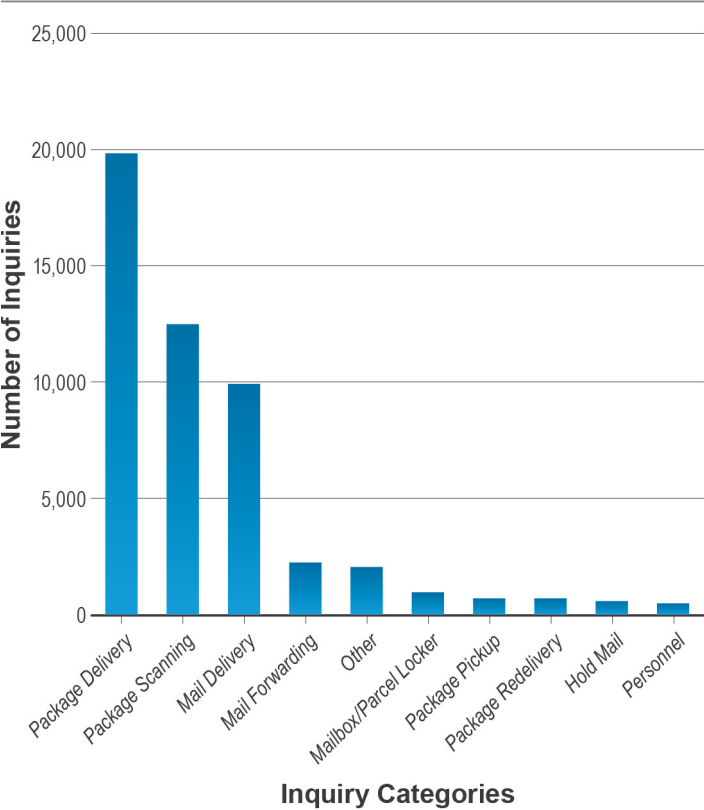
Source: OIG analysis of C360 inquiries.

Package delivery, package scanning, and mail delivery issues made up a majority of the C360 comments. Examples of comments from these categories included:

- Packages delivered to incorrect addresses.

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

- Mail not received for multiple days in a row.

We also analyzed the Postal Service's Triangulation Report[10] to determine how the Kentucky-West Virginia 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 February 1 through April 30, 2025, the KY-WV District had an average rank of 8 for mail delivery and 35 for package delivery, placing this district as significantly below average for mail delivery and above average for package delivery. See Table 2 for the results of our analysis.

Table 2. KY-WV District Average Ranking Compared to All 50 Districts

Month	Mail Delivery Opportunity Rank	Package Delivery Opportunity Rank
February	6	36
March	11	34
April	7	35
Average	**8**	**35**

Source: Postal Service Triangulation Report.

We reviewed employee retention data obtained from Workforce[11] for the KY-WV District. From April 1, 2024, through March 31, 2025, the KY-WV District hired a total of 2,347 carriers and clerks. Of those hired during this time, 612 (26.1 percent) were no longer employed in the district as of June 4, 2025. Overall, the KY-WV District had a better employee retention record compared to some other districts we recently audited (see Table 3). In addition, the district had 744 authorized Executive and Administrative Schedule (EAS)[12] positions, of which 715 employees (3.9 percent vacancy rate) were on the rolls as of June 4, 2025.

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9 We analyzed 54,107 inquiries and excluded 2,541 outliers — resulting in 51,566 records with at least 40 characters used to create the model by category.
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.
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.

Table 3. District Turnover Information

District Audited	Turnover Percent for Carriers & Clerks	One-Year Hiring Time Period
MA-RI	28.9	Dec. 2023 – Nov. 2024
GA	35.1	Jan. 2024 – Dec. 2024
AZ-NM	22.8	Mar. 2024 – Feb. 2025
KY-WV	**26.1**	**Apr. 2024 – Mar. 2025**

Source: Postal Service Workforce.

The district manager stated the district holds daily cross-functional calls with processing and logistics to identify and discuss service performance failures and root causes. Management also stated 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 pre-career employees.

Objective, Scope, and Methodology

Our objective was to evaluate mail delivery operations in the KY-WV District of the Central 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; carrier 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 three 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 KY-WV District. We discussed our observations and conclusions, as summarized in Table 4, with management on July 8, 2025, and included its comments, where appropriate. See Appendix A for additional information about our scope and methodology.

Results Summary

We identified issues related to service performance across the KY-WV District, and issues affecting delivery operations and property conditions at the delivery units audited (see Table 4). Specifically, we found delayed mail, arrow key management, and property condition issues at all three units. In addition, we found package scanning issues at two units. We also identified deficiencies related to separation of packages for dispatch to the Louisville P&DC.

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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   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.

Table 4. Summary of Issues Identified

Audit Area	Deficiencies Identified – Yes or No		
	Iroquois Station	Middletown Branch	Pleasure Ridge Park Branch
Delayed Mail	Yes	Yes	Yes
Package Scanning	Yes	Yes	No
Arrow Keys	Yes	Yes	Yes
Carrier Separations and Transfers	No	No	No
Property Conditions	Yes	Yes	Yes
Other Issue: Separation of Packages for Dispatch	Yes	Yes	Yes

Source: Interim reports from selected units.

We analyzed employee data from January 18 through February 28, 2025. All carriers assigned to the units either reported to work or were accounted for by management during this time, indicating no issues with carrier separations and transfers.

What We Found

We visited three delivery units in the KY-WV District on the morning of April 1, 2025, and identified about 23,655 pieces of delayed mail from the prior day.[18] 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 Iroquois Station reported delayed mail in the Delivery Condition Visualization (DCV)[19] system, but it only reported 3,560 of the 8,051 pieces (44 percent) that we identified. Management at the Middletown and Pleasure Ridge Park Branches did not report any delayed mail in DCV. In addition, carriers at Iroquois Station and Middletown Branch did not complete Postal Service (PS) Form 1571, Undelivered Mail Report,[20] to document any undelivered mail brought back to the delivery unit.

Table 5. Type of Delayed Mail

Type of Mail	Iroquois Station	Middletown Branch	Pleasure Ridge Park Branch	Total Count of Delayed Mail
Carrier Cases				
Letters	3,037	934	1,402	5,373
Flats	1,513	393	1,888	3,794
Packages	36	0	19	55
Other Areas*				
Letters	3,092	0	7,957	11,049
Flats	373	0	2,902	3,275
Packages	0	0	109	109
Totals	**8,051**	**1,327**	**14,277**	**23,655**

Source: OIG count of delayed mailpieces identified during our visit April 1, 2025.
*Other areas include hot cases (an area designated for final withdrawal of mail as carriers leave the office) at two units, the workroom floor, and the PO Box section.

Figure 2. Examples of Delayed Mail

Carrier Case at Iroquois Station

Hot Case at Pleasure Ridge Park Branch

Source: OIG photos taken April 1, 2025.

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 A tool used 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.
20 PS Form 1571 lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

We analyzed service performance scores in the district for First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products mailed within the KY-WV District between October 1, 2024, and March 31, 2025, and found most of the district did not meet its service performance goals for these products. See Figure 3 for heat maps showing the performance for each product in the KY-WV District.

Figure 3. Service Performance Heat Maps by 3-Digit ZIP Code in the KY-WV District Between October 1, 2024, and March 31, 2025
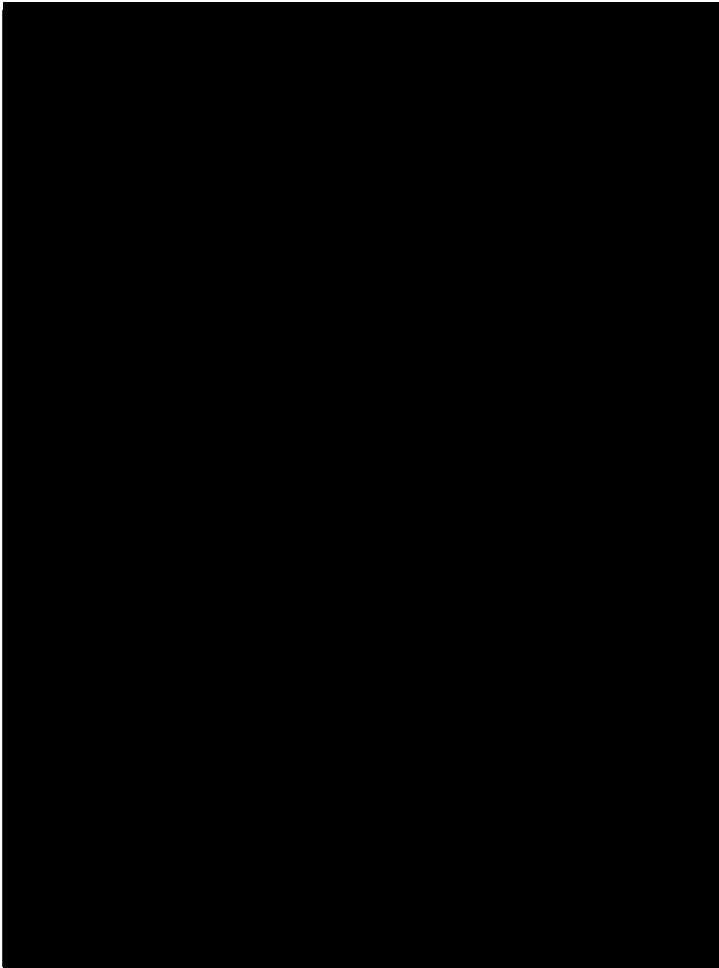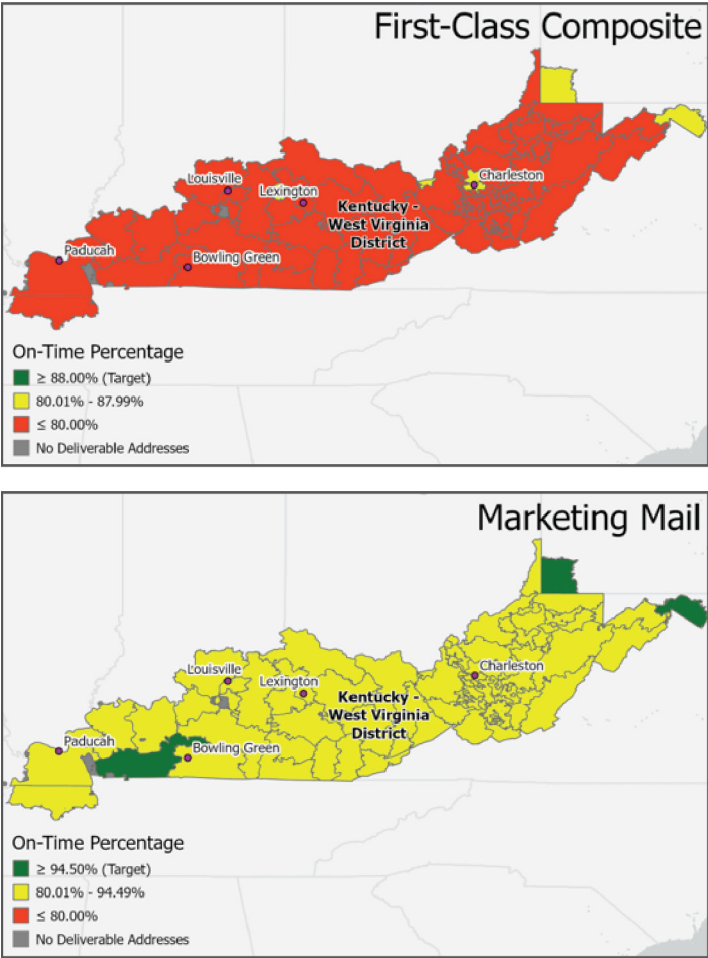
Source: OIG analysis of Postal Service Informed Visibility (IV) and Enterprise Data Warehouse (EDW) data. IV provides comprehensive and integrated capabilities for data-driven real-time service performance measurement and diagnostics of market-dominant products, mail inventory and predictive workloads 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.

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 did not meet established targets for inbound and outbound First-Class Mail, Marketing Mail, Priority Mail, and Ground Advantage products during this period. 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 affect customer perceptions within the district.

The district had a significantly below average mail delivery and an above average package delivery opportunity ranking in the Triangulation Report. We also found 20,095 unreported delayed mail pieces at the three 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 March 31, 2025. Of the 611 units listed in the DCV system for the district, we determined only 55 units (9 percent) reported 37,404 total pieces of delayed mail. This could indicate issues with delayed mail reporting are more widespread within the district.

Why Did It Occur

The delayed mail identified at Iroquois Station and Pleasure Ridge Park Branch occurred because of limited employee availability. Specifically:

- The Iroquois Station manager stated that, on the day prior to our visit, there were nine carriers on scheduled leave, six carriers on unscheduled leave, and five carriers were absent without leave.

- The Pleasure Ridge Park Branch had six carriers and one clerk on unscheduled leave and two vacant routes the day prior to our visit. The unit also had seven carriers and three clerks on extended leave. Therefore, the clerks did not have time to sort and distribute all the mail to the carriers and the PO Box section in time for delivery the day prior to our visit. Additionally, management had to divide 11 routes due to the unscheduled carrier absences and assign them to other carriers who did not have time to deliver all the mail.

Further, management at all three branches did not handle delayed mail correctly. Management at the Iroquois Station and Middletown Branch did not enforce the Redline[21] process, including the requirement for carriers to complete PS Forms 1571. Iroquois Station management underreported delayed mail in the DCV system because it thought only First-Class Mail had to be reported. Middletown Branch carriers were not using the 3M case[22] to enable supervisory review of the mail upon returning from their routes, but instead, were putting the mail back in their cases. Middletown Branch management

also did not report delayed mail due to competing priorities, such as completing operating reports and dispatching carriers to the street. The Pleasure Ridge Park Branch acting supervisor responsible for closing did not have access to the DCV system.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily. Postal Service policy[23] states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Management should have also addressed issues regarding the availability of resources to deliver all the mail each day. Postal Service policy[24] states that managers must review all communications that may affect the day's workload, be sure that replacements are available for unscheduled absences,[25] and develop contingency plans for situations that may interfere with normal delivery service.

Further, managers are required[26] to report all mail in the delivery unit after the carriers have left for their street duties as either delayed or curtailed in DCV. In addition, management must update DCV if volumes have changed prior to the end of the business day. Policy[27] 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 verified carriers completed PS Form 1571 for undelivered mail.[28]

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 inquires 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

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21 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.
22 The area of the delivery unit where carriers place their missent, missorted, and missequenced mail.
23 *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.
24 Handbook M-39, *Management of Delivery Services*, TL-14, Section 111.2, June 2019.
25 Handbook M-39, *Management of Delivery Services*, June 2019.
26 *DCV Learn and Grow*, August 1, 2024.
27 Standard Operating Procedures, Redline Policy.
28 Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, paragraph 44.4422, June 2019.

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 management at the three units received training on proper delivery practices and reporting of delayed mail. It also provided evidence that management at the Iroquois Station and Middletown Branch 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, Kentucky-West Virginia 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, Kentucky-West Virginia District**, provide adequate staff for the Iroquois Station and Pleasure Ridge Park Branch 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 to train on the proper handling of delayed mail. The target implementation date is August 31, 2025.

Regarding recommendation 2, management stated it would instruct local management to inform senior management of staffing issues, in addition to requesting support at the daily morning manager's meetings. Management will also retrain non-bargaining employees on proper attendance control procedures and conduct periodic checks to verify attendance reviews are completed and appropriate action taken. In addition, management from Iroquois Station and Pleasure Ridge Park Branch will be included in weekly complement calls with Human Resources and reviews will be conducted to verify committed mail is delivered daily. The target implementation date is August 31, 2025.

OIG Evaluation

The OIG considers management's comments responsive to recommendations 1 and 2. We will verify corrective actions taken are sufficient to resolve the issues identified in the report. See Appendix B for management's comments in their entirety.

What We Found

We identified packages with missing and improper scans or improper handling at the Iroquois Station and Middletown Branch. On the morning of April 1, 2025, before carriers arrived for the day, we selected 60 packages from the carrier cases to review and analyze scanning and tracking history. Of the 60 sampled packages, 21 (35 percent) had improper scans or handling issues, including:

- Eighteen packages that were scanned "Delivery Attempted – No Access to Delivery Location," between 0.2 and 3.9 miles away from the delivery point. Scans should be made as close to the delivery point as possible. See Figure 4 for an example.

Figure 4. Package Scanned 3.6 Miles Away From the Delivery Point in Louisville, KY
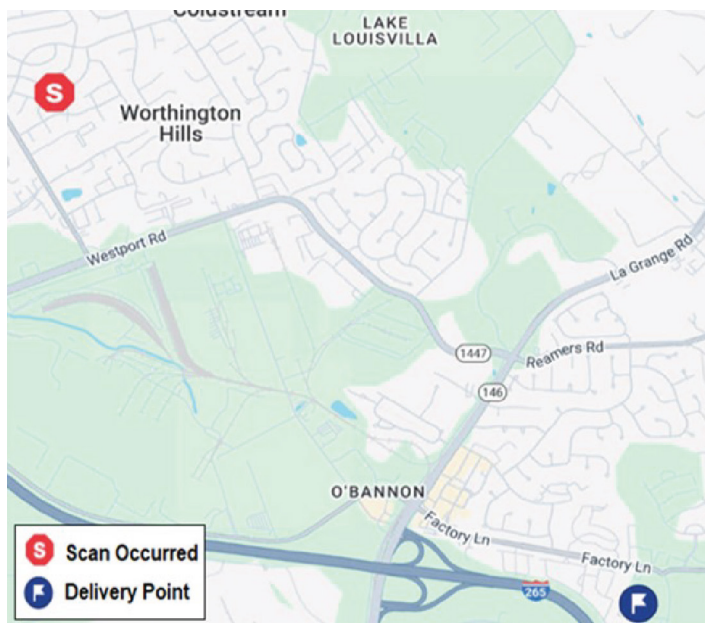
Source: Postal Service Single Package Look Up.

- One package was scanned "Delivered," which should be performed only when a package is successfully left at the customer's delivery address. An active "Hold Mail Request" was on file for the package.

- One package was missing an STC scan to let the customer know the reason for non-delivery.

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

Why Did It Occur

The scanning deficiencies at the Iroquois Station and Middletown Branch occurred because unit management did not consistently monitor and enforce established package scanning and handling procedures. Specifically, management at the Iroquois Station normally reviews district reports showing package scanning failures, but it did not review the reports from the previous day because one of the supervisors was absent, and management had to oversee delivery operations. Also, a supervisor stated that when carriers return from the street, he looks to see if the packages they bring back contain an endorsement such as "Delivery Attempted," but does not verify where the scan took place. A supervisor at the Middletown Branch stated his focus was on coordinating with the carriers to get all the packages delivered.

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,[29] which includes scanning packages at the time and location of delivery.[30]

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. Package scanning inquiries 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.

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29 *Delivery Done Right the First Time* stand-up talk, March 2020.
30 *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

Management Actions

During our audit, district management provided evidence showing managers at the three units were trained on 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 three 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 this finding.

Finding #3: Arrow Keys

What We Found

Management at the three delivery units did not properly manage and safeguard arrow keys. On the morning of April 3, 2025, we reviewed all three units' arrow key certification lists in the Retail and Delivery Applications and Reports (RADAR)[31] system and conducted a physical inventory of keys at the units. The RADAR lists contained a combined 112 keys at the three units; however, we found discrepancies during our observations. Specifically, management could not find 21 of the 112 keys during our observations at all three sites. We also found 19 keys at the three sites that were not reported in RADAR. In addition, management recorded a total of 56 keys in RADAR as "Lost" or "Stolen." However, none of these missing keys were reported to the U.S. Postal Inspection Service.

Further, management at all three units did not properly secure arrow keys. For example, we found keys in ███████████████████████. We also observed ██████████████ and carriers not signing the daily log to acknowledge their acceptance of their assigned keys.

Why Did It Occur

Management at the three delivery units did not provide sufficient oversight to properly manage arrow keys. Specifically:

- The Iroquois Station manager stated that prior to her arrival in October 2024, the unit did not have an accurate inventory of the keys. Since then, key logs have been put into place. However, multiple relief supervisors certified the arrow key inventory each month when the station manager was unavailable. Also, the six keys found in the ████████ ███████████ were not reported in RADAR and not secured because she was waiting for the corresponding locks to arrive.

- The Middletown Branch manager prioritized mail delivery operations, such as managing the distribution of mail and dispatching carriers to the street.

- The Pleasure Ridge Park Branch manager certified arrow keys by comparing a separate system's report to the physical key count, rather than using the RADAR inventory list. If the totals matched, she completed the RADAR certification without verifying serial numbers. The station manager stated that she returned to the unit in October 2024 after an eight-month detail and was not aware of any key discrepancies. In addition, the unit did not have enough arrow keys, so carriers often shared them without signing the accountability log. Further, the station manager stated she was not aware of the proper procedure for reporting lost or stolen arrow keys.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,[32] management must keep an accurate inventory of all arrow keys. Any missing arrow keys must be immediately reported to the Inspection Service.[33] Further, damaged keys must be returned to the vendor, and the RADAR inventory log should record the status of the returned keys.[34]

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

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.

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31 The arrow key certification in RADAR provides a national platform for all facilities to verify current inventory and account for all arrow keys.
32 *Arrow/Modified Arrow Key (MAL) Key Accountability*, Standard Work Instruction, dated May 2024.
33 *Requesting Arrow/MAL Locks and Keys in RADAR CRDO Field Users* guide, dated February 2025.
34 Arrow Key Guidebook, *Standard Work Instructions*, updated August 2023.

Management Actions

During our audit, management at all three facilities provided evidence showing the district monitored arrow key procedures and that management received arrow key security training. The units also updated their arrow key logs and properly secured the keys. In addition, district management provided evidence showing the lost arrow keys were reported to the Inspection Service. Further, management at the Pleasure Ridge Park Branch provided evidence showing the unit obtained additional arrow keys.

Due to management taking these corrective actions, we are not making a recommendation for these arrow key issues.

Postal Service Response
The Postal Service agreed with this finding.

Finding #4: Property Conditions

What We Found

We found safety and security issues at the Iroquois Station, Middletown Branch, and Pleasure Ridge Park Branch. Examples include:

Property Safety:

- Fire extinguishers were missing monthly and annual inspections at two units.

- Interior Inspection Service doors were blocked at two units (see Figure 5).

- An emergency exit sign was not illuminated at the Iroquois Station (see Figure 5).

Figure 5. Examples of Safety Issues at the Iroquois Station

Blocked Inspection Service Door

Emergency Exit Light Not Illuminated

Source: OIG photos taken April 2, 2025.

Property Security:

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

- The maintenance closet door located on the exterior of the Iroquois Station building was unsecured.

Why Did It Occur

Management at the three units did not provide sufficient oversight and take the necessary actions to verify property condition issues were corrected. Iroquois Station and Middletown Branch management were not aware of the safety and security issues identified. The station manager at the Pleasure Ridge Park Branch was unaware of the expired fire extinguisher inspections and the required "subject to search" sign. In addition, she did not verify the other property condition issues were corrected because delivery operations took priority over addressing safety and security concerns.

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. The Postal Service requires management to maintain a safe environment for employees and customers.[35] In addition, according to Postal Service policy,[36] management must post signage stating that vehicles are subject to search.

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. In addition, management's attention to security policies can reduce the risk of employee theft and lawsuits.

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35 Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.
36 Postal Service Handbook RE-5, *Building and Site Security Requirements,* September 2009.

Management Actions

During our audit, management addressed all property condition issues identified at the three units. Due to management taking these corrective actions, we are not making a recommendation for property conditions.

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

Finding #5: Separation of Packages for Dispatch

What We Found

Employees at all three sites did not properly separate packages destined for the Louisville P&DC. Specifically, on April 2, 2025, during each unit's evening operations, we observed Priority Mail and Ground Advantage packages commingled in the same container for dispatch to the Louisville P&DC (see Figure 6 for an example).

Figure 6. Commingled Outgoing Packages at the Pleasure Ridge Park Branch

Source: OIG photo taken April 2, 2025.

Why Did It Occur

Management at all three units did not provide oversight to ensure that employees properly separated packages for dispatch to the Louisville P&DC. The Iroquois Station manager stated she was not aware of the policy regarding the additional separation of packages. The Pleasure Ridge Park and Middletown Branch management stated the unit stopped separating packages based on instructions they received from the Louisville P&DC. Neither unit could provide documentation showing those instructions.

What Should Have Happened

The Postal Service requires all level 22 and above units to separate Priority Mail from non-Priority Mail packages and use a specific placard when dispatching to the processing facility.[37]

Effect on the Postal Service and Its Customers

Proper mail preparation is required for visibility throughout the Postal Service network. When mail is not properly separated for dispatch to the processing facility, in accordance with procedures, there is an increased likelihood that mail will require additional processing steps. Furthermore, this can result in delays and service failures and an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

Management Actions

During our audit, district management provided documentation showing it was verifying employees at all three facilities were properly separating packages for dispatch to the Louisville P&DC. Due to management taking this corrective action, we are not making a recommendation for the package separation issue.

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

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37 *Learn and Grow RDC/RSC Updates*, May 2024.

Appendices

Iroquois Station

Middletown Branch

Pleasure Ridge
Park Branch

LOUISVILLE
KENTUCKY
38.1654°N 85.6474°W

Appendix A: Additional Information

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

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

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to all three components that were significant within the context of our objectives.

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

Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

July 14, 2025

VICTORIA SMITH
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Kentucky-West Virginia District: Delivery Operations (Report Number 25-074-DRAFT)

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

Management generally agrees with the findings in the capping report.

Following are our comments on each of the two recommendations.

Recommendation 1: We recommend the **District Manager, Kentucky-West Virginia 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 Kentucky-West Virginia district to train on the proper handling of delayed mail.

Target Implementation Date: 08/31/2025

Responsible Official: **District Manager, Kentucky-West Virginia District**

Recommendation 2: We recommend the **District Manager, Kentucky-West Virginia District**, provide adequate staff for the Iroquois Station and Pleasure Ridge Park Branch to process and deliver all committed mail daily.

Management Response/Action Plan: Management agrees with the recommendation. Instructions to inform senior management of staffing issues immediately, in addition to requesting support at the daily morning manager's meeting will be reiterated to local management. Also, non-bargaining employees will be retrained on proper

attendance control procedures. Management will conduct periodic checks to ensure attendance reviews are completed and appropriate action taken. Management from Iroquois Station and Pleasure Ridge Park Branch will also be included in weekly complement calls with Human Resources. Additionally, reviews will be conducted to ensure committed mail is delivered daily.

Target Implementation Date: 08/31/2025

Responsible Official: **District Manager, Kentucky-West Virginia District**

E-SIGNED by DEREK.J STRISSEL
on 2025-07-14 15:44:23 EDT
_____
Derek J. Strissel
a/District Manager, Kentucky-West Virginia District

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

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

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