

Gratiot Station, Detroit, MI: Delivery Operations

AUDIT REPORT

Report Number 26-087-2-R26 | July 9, 2026



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Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 9, 2026

MEMORANDUM FOR: RICHARD T. MORETON,
MANAGER, MICHIGAN 1 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 – Gratiot Station, Detroit, MI: Delivery Operations
(Report Number 26-087-2-R26)

This report presents the results of our audit of delivery operations and property conditions at the Gratiot Station in Detroit, MI.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact Ramona Gonzalez, 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

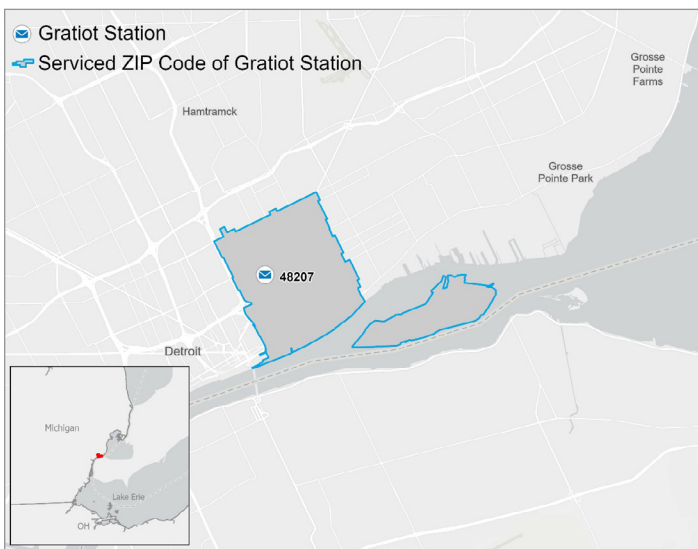
Results

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 Gratiot Station in Detroit, MI (Project Number 26-087-2). The Gratiot Station is in the Michigan 1 District of the Central Area and serves about 21,675 people in ZIP Code 48207, which is considered an urban area (see Figure 1).¹

Figure 1. ZIP Codes Served by the Gratiot Station



Source: OIG analysis of ZIP Code data.

This delivery unit has 17 city routes. From April 4 through May 1, 2026, the delivery unit had one supervisor assigned.² During our site visit, the supervisor and an employee were detailed to higher-level supervisor positions at the unit. In addition, the unit had a relief supervisor regularly assigned to the unit at least twice a week. The Gratiot Station falls under the Detroit Post Office for employee availability³ measurement. As of February 2026, the unit's year-to-date employee availability rate for the Detroit Post Office was 90 percent, which is less than the Postal Service's retail and delivery operations employee availability goal of 93.95 percent for fiscal year 2026. The Gratiot Station is one of three delivery units⁴ the OIG reviewed during the week of May 4, 2026, that are serviced by the Detroit Processing and Distribution Center (P&DC). We assessed all units serviced by the Detroit P&DC based on the number of Customer 360 (C360)⁵ delivery-related inquiries,⁶ stop-the-clock (STC)⁷ scans performed away from the delivery point and at the unit, undelivered route information, and Leg 1 and Leg 3 failures⁸ between January 1 and March 31, 2026.

We judgmentally selected the Gratiot Station primarily based on the number of C360 inquiries related to delivery, STC scans performed away from the delivery point and at the unit, and Leg 3 failures. See [Table 1](#) for a comparison of some of these metrics between the unit and the rest of the district.

- 1 We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
- 2 Assignments based on the Postal Service's Time and Attendance Collection System (TACS). TACS is the system used by the Postal Service to automate the collection of employee time and attendance information.
- 3 The Postal Service calculates employee availability by dividing straight time hours worked by potential straight time hours. Potential straight time hours generally include actual straight time hours worked, sick leave taken, and leave without pay.
- 4 The other two units were the Grand Shelby Carrier Annex, Detroit, MI (Project Number 26-087-1) and the Strathmoor Station, Detroit, MI (Project Number 26-087-3).
- 5 Customer 360 is a cloud-based application that enables Postal Service employees to diagnose, resolve, and track customer inquiries.
- 6 Delivery-related inquiries include a compilation of package inquiry, package pickup, daily mail service, and hold mail inquiries.
- 7 An STC scan is 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."
- 8 Leg 1 failures occur when a mailpiece is collected and does not receive a processing scan at the origin processing facility on the day that it was intended. Leg 3 failures occur after the mailpiece has been processed at the final processing facility on a final processing operation and is not delivered to the customer on the day it was intended.

Table 1. Delivery Metric Comparison Between January 1 Through March 31, 2026

Delivery Metric	Unit	District
C360 Delivery Inquiries (average per route)	8.3	4.7
STC Scans at the Unit (average per route)	7.3	2.5
Scans More Than 1,000 Feet From Delivery Point (average per route)	8.3	2.9
Leg 3 Failures (percent of sampled pieces)	6.2	1.9

Source: OIG analysis of Postal Service’s C360, Informed Visibility, and Product Tracking and Reporting (PTR) System data extracted April 14, 2026. Informed Visibility provides service performance measurement and diagnostics of market-dominant products, mail inventory, and predictive workloads of all mail. 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 Gratiot Station in Detroit, MI.

To accomplish our objective, we combined preliminary data analyses with an on-site inspection performed May 5 through 7, 2026. Prior to the visit, we analyzed staffing levels, mail arrival times, package scanning performance, reported mail delays and arrow key⁹ inventories, Voyager card¹⁰ exceptions, and property safety and security issues. While on-site, we reviewed operational compliance focusing on mail conditions, package scanning procedures, arrow key accountability, carrier separation and transfer documentation, and property safety and security conditions. We discussed our observations and conclusions with management on June 24, 2026, 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 Gratiot Station. We will issue a separate capping report¹¹ that provides

⁹ Arrow keys are distinctively shaped keys that 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 The Postal Service uses credit cards, called Voyager cards, to pay for commercially purchased fuel, oil, and routine maintenance for its vehicles.
¹¹ The capping report project number is 26-087.

the Postal Service with the overall findings and recommendations for all three 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 Gratiot Station. 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
Voyager Card Transactions		X
Property Conditions	X	

Source: Results of our fieldwork during the week of May 4, 2026.

For the audit areas where issues were not identified, we performed the following:

- Carrier Separations and Transfers – We analyzed employee data from February 7 through March 20, 2026. All carriers assigned to the unit either reported to work or were accounted for by management during this time, indicating no issues with employee separations and transfers.
- Voyager Card Transactions – We analyzed Voyager card premium fuel transactions from October 13, 2025, through March 31, 2026. We did not identify any premium fuel exceptions.

Finding #1: Delayed Mail

What We Found

On the morning of May 5, 2026, we identified 3,067 delayed mailpieces¹² at 13 out of 17 carrier cases. Specifically, we identified 2,776 letters, 290 flats and one package. Management did not accurately report this mail as undelivered in the Delivery Condition Visualization (DCV)¹³ system. While it reported 26

pieces of delayed 3M¹⁴ mail, this represented only 0.8 percent of the delayed mail we identified at the unit. See Figure 1 for examples of delayed mail found at carrier cases. Further, the carriers did not accurately complete and properly attach Postal Service (PS) Forms 1571, *Undelivered Mail Report*,¹⁵ to document the undelivered mailpieces.

Figure 1. Examples of Delayed Mail in Carrier Cases



Source: OIG photos taken before carriers arrived on the morning of May 5, 2026.

Why Did It Occur

The delayed mail we identified was due to insufficient management oversight. At the time of our site visit, the unit had been without a station manager since March 31, 2026, due to retirement, which put

additional stress on the supervisor, acting supervisor, and relief supervisor. These supervisors did not check in with carriers to see what mail the carriers brought back from their routes because the supervisors were prioritizing other responsibilities, such as completing

¹² Count of mail included individual piece counts and OIG estimate based on Postal Service conversion factors in Handbook M-32, *Management Operating Data Systems*, September 2022, Appendix D.

¹³ DCV is 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.

¹⁴ The 3M case is the area of the delivery unit where carriers should place their missent, missorted, and missequenced mail to be sorted by clerks for further processing.

¹⁵ PS Form 1571, *Undelivered Mail Report*, lists all mail distributed to the carrier for delivery that was left in the office or returned undelivered.

end-of-day reports and responding to carrier safety issues. Management also did not perform thorough nightly walk throughs to confirm that PS Forms 1571 were completed accurately and attached to the undelivered mail.

In addition, the acting supervisor stated that she received some training in DCV but did not understand the conditions that warranted the entry of delayed mail in the DCV system.

What Should Have Happened

Management should have ensured that all mail was processed and delivered daily. Postal Service policy¹⁶ states that all types of First-Class Mail, Priority Mail, and Priority Mail Express are always committed for delivery on the day of receipt. Further, policy states that delivery units must follow the Redline process.¹⁷ Mail returned to the unit must be identified with complete PS Forms 1571, indicating the reason for delay and bearing the signatures from both the carrier and supervisor. In addition, an evening review

of all areas of the facility is required to ensure that no undelivered mail remains. Managers are also required¹⁸ to report all mail in the delivery unit after the carriers depart for street duties as either delayed or curtailed in the DCV system and must update the DCV system if volumes change before 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.

¹⁶ *Committed Mail & Color Code Policy for Marketing Mail* stand-up talk, February 2019.

¹⁷ *Redline Policy Standard Operating Procedures*. The redline process is 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.

¹⁸ *Informed Visibility Delivery Conditions Visualization*, Report Notes, October 8, 2025.

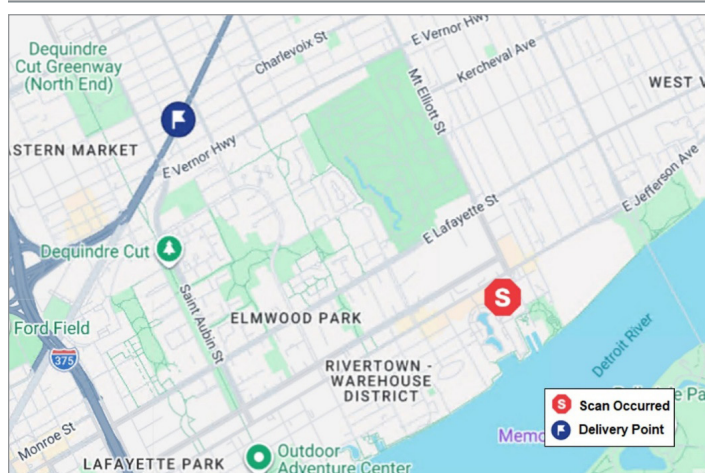
Finding #2: Package Scanning

What We Found

Employees scanned packages improperly at the delivery unit and scanned packages away from the intended delivery point. Specifically, on the morning of May 5, 2026, before carriers arrived for the day, we selected all 20 packages from the carrier cases to review and analyze scanning and tracking history. Of the 20 sampled packages, 15 (75 percent) had improper scans or handling issues, including:

- Nine packages were scanned “Delivered,” which should only be performed when a package is successfully left at the customer’s delivery address.
- Three packages were scanned “Delivery Attempted – No Access to Delivery Location.” Two were scanned between 0.8 and two miles away from the delivery point (see Figure 2 for an example). Scans should be made as close to the delivery point as possible. The third package had an incorrect address and was placed on the wrong route.
- Three packages were scanned “Forward Expired” and “Insufficient Address” but were found at the carrier case instead of processed “Return to Sender.”

Figure 2. Scan Away From the Delivery Point in Detroit, Michigan



Source: Postal Service Single Package Look Up.

Why Did It Occur

These scanning issues occurred because unit management did not adequately monitor and enforce proper package scanning and handling procedures. The acting supervisor stated that she typically confirmed packages received a completion scan but checking scan integrity was not part of her process. She also stated that she did not conduct a thorough walkthrough of the unit to make sure it was clear of packages due to competing priorities, including emptying the unit’s collection box, completing end-of-day reports, and responding to customer calls.

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,¹⁹ which includes scanning packages at the time and location of delivery.²⁰ Further, expediting the handling of mailpieces when delivery is not possible allows the mailer to correct their mailing lists, which saves time and money for the mailer and the Postal Service.²¹

Effect on the Postal Service and Its Customers

Customers rely on accurate scan data to track their packages in real time. When employees do not scan mailpieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can improve mail visibility, increase customer satisfaction, and enhance the customer experience and the Postal Service brand.

Postal Service Response

The Postal Service agreed with this finding.

¹⁹ *Delivery Done Right the First Time* stand-up talk, March 2020.

²⁰ *Carriers Delivering the Customer Experience* stand-up talk, July 2017.

²¹ *Handbook PO-441*, 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 May 7, 2026, we reviewed the unit's arrow key certification list in the Retail and Delivery Applications and Reports (RADAR)²² system and conducted a physical inventory of keys at the unit. Unit management reported 33 keys in RADAR as "In-Use," "In-Vault," or "Damaged." Based on our physical review of arrow keys at the unit, 15 of the 33 keys were missing, and an additional 14 keys found at the unit were not recorded in RADAR. We also found two keys reported in RADAR as "Lost." Management could not provide documentation to support that the lost keys were reported to the U.S. Postal Inspection Service or that the damaged keys were returned to National Materials Customer Service (NMCS).

In addition, arrow keys were not always kept secure. Specifically, the keys were located on [REDACTED], which allowed carriers to retrieve and return arrow keys without the assistance of a clerk or supervisor. Although we observed carriers signing inventory logs when they took keys and returned them, the serial number on the keys did not always match the log.

Why Did It Occur

The supervisor stated that she did not properly inventory the arrow keys due to her increased priorities from the lack of management at the unit. She said that, due to time constraints, she just compares the total number of keys reported in RADAR to the total number of keys on hand without physically verifying the serial numbers on the keys.

In addition, the supervisor stated that carriers collect their own keys because they do not have any clerks or a supervisor available to oversee the keys as required. Specifically, of the two processing clerks, one had not been regularly available due to medical leave.

What Should Have Happened

Management should have verified that arrow key security procedures were properly followed. According to Postal Service policy,²³ management must keep an accurate inventory of all arrow keys. Any missing keys must be immediately reported to the U.S. Postal Inspection Service. Further, damaged keys must be updated on the RADAR inventory log and returned to National Materials Customer Service and the tracking numbers should be retained.

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.

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

²³ Standard Work Instruction: U.S. Postal Service Arrow Key Guidebook, dated March 2025.

Finding #4: Property Conditions

What We Found

We found safety and security issues related to property conditions at the Gratiot Station.

Property Safety

- All five of the fire extinguishers were missing monthly and annual inspections. For example, one fire extinguisher's annual inspection dated back to 2006 (see Figure 3).
- Extension cords were daisy-chained²⁴ on the workroom floor. One was draped across an emergency exit (see Figure 3).

Figure 3. Example of Safety Conditions

Missing Monthly and Annual Inspections



Daisy Chained Extension Cords



Source: OIG photos taken on May 6, 2026.

Property Security

- The security gate control panel door was not attached to the unit (see Figure 4).
- Signs stating that vehicles are subject to search were not posted at the entrance to the lot adjacent to the delivery unit or the lot where postal vehicles are parked.

Figure 4. Security Gate Control Panel Door



Source: OIG photo taken on May 6, 2026.

Why Did It Occur

The supervisor stated that she was made aware of the fire extinguisher inspection issues in December 2025. However, she assumed that the inspections were conducted automatically. She also stated that the office has frequent power outages, so they use multiple extension cords connected together to easily plug into a generator to maintain operations. In addition, she acknowledged the issue with the security gate control panel door but had not addressed it due to time constraints and was not aware that a subject to search sign was required.

²⁴ Daisy-chained means extension cords, power strips, or surge suppressors are interconnected to provide more outlets or reach greater distances.

During the audit, management removed the extension cords throughout the workroom floor.

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.²⁵ According to policy,²⁶ the Postal Service is required to provide signage that vehicles may be 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; reduce the likelihood of theft and mail tampering; and enhance the customer experience and Postal Service brand. In addition, proper signage in the employee parking lot could reduce the risk of employee theft and associated costs.

Postal Service Response

The Postal Service agreed with this finding.

²⁵ Postal Service Handbook EL-801, *Supervisor's Safety Handbook*, July 2020.

²⁶ Handbook RE-5, *Building and Site Requirements*, Site Security, 2-2.4 - Site Signage, September 2009.

Appendix A: Additional Information

We conducted this audit from April through July 2026 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 control activities, information and communication, and monitoring 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 Gratiot Station, Grand Shelby Carrier Annex, and the Strathmoor Station, 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



June 25, 2026

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Gratiot Station, Detroit, MI: Delivery Operations (Report Number 26-087-2-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, *Gratiot Station, Detroit, MI: Delivery Operations*.

Management generally agrees with the four findings related to 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* and follow the *Redline process*. Reviews will be conducted to monitor for compliance.

Package Scanning: Management will provide a service talk on proper scanning procedures and conduct reviews to monitor compliance.

Arrow Keys: Management will update the inventory log to reflect all arrow keys on hand and report all missing keys to the US Postal Inspection Service. Management will also conduct training on proper management and security of arrow keys. Additionally, reviews will be conducted to monitor for compliance.

Property Conditions: Management has abated the safety and security issues found during the audit.

E-SIGNED by RICHARD T. MORETON
on 2026-06-25 11:44:23 EDT

Richard T. Moreton
District Manager, Michigan 1 District

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

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