



Office of Inspector General | United States Postal Service

Audit Report

Arrow Key Management Controls

Report Number 19-033-R20 | August 31, 2020



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Highlights

Objective

Our objective was to assess the effectiveness of the U.S. Postal Service's management controls for arrow keys.

The Postal Service uses a universal key, known as an arrow key, to access collection boxes, outdoor parcel lockers, cluster box units, and apartment panels. Supervisors assign these keys – generally one per route – to letter carriers for use on over 300,000 delivery and collection routes each day. Carriers and collectors must always keep arrow keys secured and attached to their belts or clothing by a chain while on duty and return them at the end of each day.

Supervisors are required to manually document the issuance and collection of keys each day using Postal Service Form 1628, Individual Key Record. Each facility must also maintain an inventory log to account for all keys and conduct a semiannual inventory review in January and July.

Employees must report missing, lost, or stolen keys to the Postal Inspection Service immediately. Employees order new keys electronically using the eBuy system. Management restricts ordering capabilities to approved users including postmasters, officers-in-charge, and station managers.

Our fieldwork was completed before the President of the United States issued the national emergency declaration concerning the novel coronavirus disease outbreak (COVID-19) on March 13, 2020. The results of this audit do not reflect process and/or operational changes that may have occurred as a result of the pandemic.

Findings

The Postal Service's management controls over arrow keys were ineffective. Specifically, the number of arrow keys in circulation is unknown, and local units did not adequately report lost, stolen, or broken keys or maintain key inventories. Further, the Postal Service did not restrict the number of replacement arrow keys that could be ordered. Ineffective controls over arrow keys increases the risk that these items will be lost or stolen and not detected.

These issues occurred because:

- Postal Service policies do not require a master key inventory, which would include all keys issued by the supplier and reflect keys reported as lost, stolen, or broken by the units. Semiannual reconciliation to a master inventory by units would provide enhanced accountability and security over these keys.
- Postal Service policy did not establish a maximum number of key quantities for ordering replacement keys and the number of unassigned keys a site should maintain in inventory.
- The eBuy system did not have automated controls to prevent sites from ordering large quantities of arrow keys.

New technology and innovation opportunities exist with keyless locking and key tracking to improve management controls over arrow keys. The Postal Service has tested some technologies, including key cabinets in Pacific Area facilities, which were used to automate the daily issuance and collection of arrow keys.

Additional technology such as keyless lock options could utilize electronic keypads and fingerprint readers. Key tracking options, which could significantly reduce the amount of manual daily tracking, include Radio Frequency Identification and barcodes with built-in tracking intelligence.

Keyless lock options and key tracking can operate as standalone solutions that do not require broadband capability, which may not always be available in certain areas. Incorporating new technology and innovations could reduce the time to manage keys daily and increase the security over the keys. Overall, this could significantly reduce the risk associated with lost or stolen arrow keys and enhance the security of mail receptacles.

The Postal Service issued a Standard Work Instruction for Arrow Locks and Keys dated April 2020 and updated the eBuy system to require requisitioners to provide justification when ordering arrow keys in eBuy. In addition, requisitioners must add required approving officials to place the order. These controls will provide additional oversight and, as a result, we will not make a recommendation regarding these issues.

Recommendations

We recommended Vice President, Delivery Operations:

- Create and maintain a nationwide arrow key inventory and ensure units reconcile their local inventory semiannually to ensure key accountability.
- Develop and issue guidance regarding a maximum key quantity for ordering replacement keys and the number of unassigned keys a site should maintain in inventory.
- Evaluate technology solutions and take appropriate action to reduce risks associated with lost or stolen arrow keys and enhance the security of mail receptacles.


Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 31, 2020

MEMORANDUM FOR: DR. JOSHUA D. COLIN
VICE PRESIDENT, DELIVERY AND RETAIL OPERATIONS

Janet Sorensen 

FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Retail, Delivery & Marketing

SUBJECT: Audit Report – Arrow Key Management Controls
(Report Number 19-033-R20)

This report presents the results of our audit of the U. S. Postal Service's Arrow Key Management Controls.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita F. Oliver, Director, Delivery & Retail Operations, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the arrow key¹ management controls (Project Number 19-033). Our objective was to assess the effectiveness of the U.S. Postal Service's management controls for arrow keys. See [Appendix A](#) for additional information about this audit.

Our fieldwork was completed before the President of the United States issued the national emergency declaration concerning the novel coronavirus disease outbreak (COVID-19) on March 13, 2020. The results of this audit do not reflect any process and/or operational changes that may have occurred as a result of the pandemic.

Background

The Postal Service uses a universal key, known as an arrow key, to access relay boxes, apartment panels, outdoor parcel lockers, neighborhood delivery and collection boxes, and cluster box² units. Arrow keys have an assigned key code that are deployed geographically which reduces the risk of use over a widespread area if a key is stolen. In fiscal year (FY) 2019, the Postal Service delivered 142 billion pieces of mail to customers using these receptacles.

Supervisors assign these keys – generally one key per route – to letter carriers for use on over 300,000 delivery and collection routes each day. Carriers and collectors must always keep arrow keys secured and attached to their belts or clothing by a chain while on duty and return them at the end of each day. Supervisors are required to manually document key issuance and collection each day using Postal Service Form 1628, Individual Key Record. Each facility must also maintain an inventory log to account for all keys and conduct a semiannual inventory review in January and July.

Employees must report missing, lost, or stolen keys to the U. S. Postal Inspection Service immediately. Employees order new keys electronically using the eBuy system, which restricts ordering capability to approved users including postmasters, officers-in-charge, and station managers.

The Postal Service, Delivery & Retail Operations Program area is responsible for developing policy and procedures to manage, track, and account for arrow keys at delivery units. The Vice President, Delivery & Retail Operations, issued a Standard Work Instruction (SWI) for arrow keys, dated April 2020, outlining procedures for delivery unit supervisors or designees to order, receive, track, and secure keys in their facilities. The instruction stated that postmasters, officers-in-charge, and station managers are responsible for ordering new keys electronically using the eBuy³ system.

Finding #1: Ineffective Controls Over Arrow Keys

The Postal Service's management controls over arrow keys were ineffective. Specifically, the number of arrow keys in circulation is unknown, and local units did not adequately report lost, stolen, or broken keys or maintain key inventories. Further, the Postal Service did not restrict the number of replacement arrow keys that could be ordered. Ineffective controls over arrow keys increase the risk that these items will be lost or stolen and not detected.

Number of Arrow Keys is Unknown

The number of arrow keys in circulation, lost, stolen, and broken nationwide is not known, but the Postal Service estimates the number to be in the millions. Our audit identified there are no records showing the number of arrow keys manufactured and shipped by the Mail Equipment Shop to units prior to March 2014. For the period March 2014 – March 2020, the Postal Service supplier's⁴ records showed 277,923⁵ keys manufactured and shipped to units (see [Table 1](#)).

¹ Arrow lock keys are mail receptacle security keys used by postal employees to open mail receptacles.

² Neighborhood delivery and collection box units have more than eight individually locked compartments sized to accommodate the delivery of several days' accumulation of mail. In addition, collection mail may be deposited in a designated compartment.

³ Until February 2020, the Postal Service used eBuy2 as its automated system for post offices to order arrow keys. This system was replaced with the new eBuy+ system in February 2020.

⁴ In May 2014, the Postal Service contracted with a supplier to manufacture and ship arrow locks and keys. The supplier's operations include receiving orders, manufacturing, and shipping arrow keys to Postal Service facilities.

⁵ Our analysis included keys purchased by post offices, stations, branches, processing and distribution centers, and district offices. We excluded 732 keys purchased by the Inspection Service and Asset Management.

Table 1. Number of Arrow Keys Manufactured and Shipped by Supplier

Area Office	FY 2014 ⁶	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 ⁷	Grand Totals
Capital Metro	1,782	5,240	5,161	4,647	5,385	6,410	326	28,951
Eastern	2,099	3,740	4,792	3,643	4,956	4,651	1,419	25,300
Great Lakes	1,799	4,444	3,602	2,415	2,737	3,082	1,815	19,894
Northeast	2,529	5,088	4,543	3,689	4,598	3,769	1,025	25,241
Pacific	4,491	8,017	14,726	27,731 ⁸	10,837	9,366	3,021	78,189
Southern	2,584	4,724	5,796	5,275	6,801	4,834	2,027	32,041
Western	8,145	12,074	13,437	9,983	10,745	8,775	5,148	68,307
Grand Totals	23,429	43,327	52,057	57,383	46,059	40,887	14,781	277,923

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of supplier’s arrow key data.

OIG audits conducted in FYs 2019 and 2020 reported that delivery units did not report lost or stolen keys, arrow key daily inventory logs were inaccurate, and semiannual inventory reviews were not always conducted as required. For example, one unit⁹ could not account for eight keys and another unit’s¹⁰ daily log did not list 15 keys. In addition, daily key logs had not been updated for these two units in over a year.

In addition, 94 percent of Inspection Service physical security specialists we surveyed¹¹ reported that units in their geographical areas had inaccurate arrow key inventory logs (see [Appendix B](#)). In response to the OIG’s survey question

on challenges the Inspection Service has experienced with facilities maintaining the security of arrow keys, one physical security specialist stated districts are not consistent in maintaining annual and semiannual inventories of arrow keys. Another physical security specialist stated that key verifications are not performed when managers transfer to different offices.

Postal Service policies¹² require management to account for arrow keys at the facility level. Further, local management must conduct daily inventories as well as semiannual key inventories in January and July and maintain the results of those inventories on file for a period of two years.¹³ In July 2020, management provided

⁶ For FY 2014, the OIG obtained purchase data beginning in March 2014 when the supplier began manufacturing and shipping arrow keys through September 2014.

⁷ October 1, 2019 through March 31, 2020 (Quarter 1 and Quarter 2).

⁸ In FY 2017, the Pacific Area had an initiative to install cluster box units and changed arrow locks to modified locks, which required purchasing additional keys.

⁹ *Mail Delivery Issues – Vista Station, Sparks, NV* (Report Number 19-043-R20 dated December 4, 2019).

¹⁰ *Delivery Scanning Issues – Lakeview Station, Chicago, IL* (Report Number DRT-AR-19-016 dated September 4, 2019).

¹¹ The OIG received 20 responses, 16 of which (or 80 percent) answered that they do conduct inventory counts or reviews of arrow keys at facilities in their assigned territory. Physical security specialists support Inspection Service facility and personnel security programs as technical advisors and subject matter experts in security matters. In addition, they conduct security reviews and surveys and provide recommendations to management and assist in administering special security contracts.

¹² Postal Operations Manual, POM Issue 9, Section 633.5 Record of Keys, dated August 2019. In addition, *Administrative Support Manual (ASM)* Issue 13, Section 273.46, Key Accountability, July 1999, updated through May 15, 2020.

¹³ *Arrow Key Standard Work Instructions*, dated April 23, 2020.

documentation showing over 27,000 facilities, nationwide, had completed and certified their arrow key inventories in their facilities. Semiannual reconciliation to a master inventory by units would provide enhanced accountability and security over these keys.

Order Quantity Restrictions

The Postal Service did not restrict the number of replacement arrow keys that could be ordered. Of the over 3,100 facilities that purchased arrow keys for their office and other offices during FYs 2018 and 2019, we identified 317 offices that ordered replacement keys in excess of their routes.¹⁴ Furthermore, 145 facilities purchased arrow lock keys equal to their assigned routes and 2,660 facilities purchased fewer arrow lock keys than their assigned routes (see Table 2). In addition, 75 percent of the Inspection Service physical security specialists¹⁵ who responded to our survey reported that they also found units with excessive numbers of arrow keys (see Appendix B).

“The Postal Service did not restrict the number of replacement arrow keys that could be ordered.”

Table 2. FYs 2018 and 2019 Facility Arrow Key Purchases

Facility Type	Number of Facilities Purchasing Keys in Excess of Assigned Routes	Number of Facilities Purchasing Keys Equal to Assigned Routes	Number of Facilities Purchasing Fewer Keys Than Assigned Routes	Total Key Purchases
Post Offices	317	145	2,660	3,122

Source: OIG analysis of supplier's arrow key purchases.

¹⁴ OIG's calculation consisted of one key per route using FY 2017 Address Management System route data to establish the baseline for the number of keys a facility should have in inventory. In addition, we calculated a 10 percent factor above the number of the routes for keys that could be used by managers/supervisor, clerks, and maintenance.
¹⁵ Twelve of 16 physical security specialists who responded to the OIG survey indicated they had identified excessive keys maintained at sites.
¹⁶ National Materials Customer Service issued Helping Hand #25 Memorandum, Lock and Key Requisition Process, to all field sites on May 5, 2014.
¹⁷ The approving officials include the immediate manager, Postal Inspector, Physical Security Specialist, and the Manager of Operations Program Support.

This occurred because Postal Service policy did not establish a maximum quantity for ordering replacement keys or the maximum number of unassigned keys a site should maintain in inventory. Management stated that generally there should be one key per route; however, this is not documented in written policy.

The Postal Service's Helping Hand 25 Memorandum¹⁶ issued by National Materials Customer Service indicates that all keys are to be ordered using eBuy and outlined the purchase method. However, the eBuy system did not have automated controls to prevent sites from ordering large quantities of arrow keys. The only requirement was to include their assigned key code and Zip Code to order arrow keys (see Appendix C).

In April 2020, the Postal Service issued a *Standard Work Instructions for Arrow Keys* and updated the eBuy system to require requisitioners to provide justification when ordering arrow keys in eBuy. In addition, requisitioners must add required approving officials¹⁷ to place the order. These controls will provide additional oversight over ordering quantities and as a result we will not make a recommendation regarding these issues. Ineffective controls over arrow keys increases the risk that these items will be lost or stolen and not detected.

Recommendation #1

We recommended the **Vice President, Delivery and Retail Operations**, create and maintain a nationwide arrow key inventory and ensure units reconcile their semi-annual local inventory to ensure key accountability.

Recommendation #2

We recommended the **Vice President, Delivery and Retail Operations**, develop and issue guidance regarding a maximum key quantity for ordering replacement keys, and the number of unassigned keys a site should maintain in inventory.

Finding #2: Technology and Innovations with Keyless Locks and Key Tracking

New technology and innovation opportunities exist with keyless locking and key tracking to improve management controls over these keys. The Postal Service and the Inspection Service have tested some technologies, including key cabinets in facilities in the Pacific Area which were used to automate the daily issuance and collection of arrow keys. In addition, Postal Service Engineering officials have developed new ideas for arrow key accountability and tracing using current Postal Service technology and equipment such as using the Mobile Delivery Devices as a virtual lock and key.

Additional technology such as keyless lock options could use electronic keypads and fingerprint readers. Key tracking options, which could significantly reduce the amount of manual daily tracking, include Radio Frequency Identification and barcodes with built-in tracking intelligence.

Keyless lock options eliminate the need for keys and include electronic keypads, fingerprints, and other mechanisms to gain access. Key tracking options, which could significantly reduce the amount of manual daily tracking, include Radio Frequency Identification and barcodes with built-in tracking intelligence. Keyless lock options and key tracking can operate as standalone solutions that do not require broadband capability, which may not always be available in certain areas (see Figure 1).

Figure 1: Fingerprint Lock and Key Cabinet



Source: Vendor websites.

Incorporating new technology and innovations could reduce the time needed to manage keys daily and increase security over the keys. Overall, this could significantly reduce the risk associated with lost or stolen arrow keys and enhance the security of mail receptacles. We provided management with the results of our technology research in this area.

Recommendation #3

We recommended the **Vice President, Delivery and Retail Operations**, evaluate technology solutions and take appropriate action to reduce the risks associated with lost or stolen arrow keys and enhance the security of mail receptacles.

Management's Comments

Management partially agreed with the findings and recommendations 1 and 3, and disagreed with recommendation 2.

Management disagreed with the analysis used to identify units with excessive keys and stated that there are situations that require units to have additional keys on hand for daily use or to order additional keys. Additionally, management stated that they purchase arrow keys through the eBuy process, which requires the approval of multiple officials before the order is accepted. Management also noted that these purchasing requirements were emphasized in the *Arrow Key Standard Work Instruction* issued in April 2020.

In response to recommendation 1, management stated they issued an *Arrow Key Standard Work Instruction* in April 2020 that listed all the requirements for key accountability. Management also stated they would conduct a feasibility study to determine the value and associated cost with creating a nationwide inventory. Management stated they are in the initial stages of their study with a target implementation date of September 30, 2020.

In response to recommendation 2, management disagreed with the analysis used to identify units with excessive arrow keys. Management stated they believe the calculation did not include reasons why a unit would require extra keys. Additionally, management stated the Postal Service already has measures in place that require higher level authorization for ordering arrow keys. Management specifically mentioned arrow keys must be ordered through the eBuy process, which includes approval by multiple officials before the order can be accepted. Approving officials include the immediate manager, Manager Operations Program Support, and the District Finance Manager. The Postal Inspection Service may also be asked to approve, if deemed necessary.

In response to recommendation 3, management agreed to conduct a pilot to test technological solutions. Management stated that they must conduct further evaluation and testing to determine the overall benefits and costs. In subsequent correspondence, management stated the target implementation date is August 31, 2021.

See [Appendix D](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 1 and 3. Regarding management's partial agreement with recommendation 1, we acknowledge that the cost to implement a national inventory is unknown and agree to management's alternative action to conduct a feasibility study to determine the value and associated costs of creating a nationwide inventory. Management's actions satisfy the intent of our recommendation.

Regarding management's disagreement with recommendation 2, we used key purchase data provided by the Postal Service vendor. Since the Postal Service does not maintain comprehensive or summary arrow key data by facility, we used key purchase data and route information to determine the number of keys that should be in inventory. The OIG's calculation consisted of one key per route to establish the baseline for the number of keys a facility should have in inventory. In addition, we calculated a 10 percent allowance factor above the number of routes for keys that could be used by managers/supervisor, clerks, and maintenance employees to determine an estimated number of keys in inventory nationwide. We acknowledge that each delivery unit's arrow key needs are different; however, absent a national inventory provided by the Postal Service or other methodology, we believe our analysis is the best estimation of the extra keys.

All recommendations require OIG concurrence before closure. We view the response to recommendation 2 as non-responsive and will pursue closure through the formal resolution process. The OIG requests written confirmation when corrective actions are completed for all recommendations. Recommendations 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.

Appendices

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Appendix A: Additional Information

Scope and Methodology

Our scope includes an evaluation of the arrow key management controls for key purchase quantities; specifically, to identify processes and procedures for arrow key accountability, inventory, and security for FY 2018 and 2019. Specifically, we:

- Reviewed applicable laws, regulations, policies, and procedures related to arrow keys.
- Obtained and analyzed eBuy, Enterprise Data Warehouse, and purchase arrow key data maintained by the supplier to determine the total number of keys purchased by area.
- Conducted data analysis of eBuy arrow key purchase data and compared it the number of keys reported missing, lost or stolen and number of keys returned to the supplier for destruction to determine the number of excessive arrow keys that exist.
- Obtained and analyzed delivery and collection route data to determine the number of required arrow keys per facility.
- Judgmentally selected seven units based on FY 2019 eBuy arrow keys purchase data.¹⁸
- Developed a survey for physical security specialists and analyzed survey results to determine their role in arrow key accountability and security.
- Interviewed Postal Service management to gain an understanding of arrow keys. Specifically, we talked to personnel responsible for maintaining key

accountability and security and determining the justification provided for purchasing keys.

- Interviewed Inspection Service managers and employees to gain an understanding of their role in arrow key management controls.
- Interviewed the arrow key supplier to gain an understanding of their role in manufacturing and shipping arrow keys.
- Conducted interviews with seven outside vendors to discuss alternatives to use arrow keys or key tracking.

We conducted this performance audit from December 2019 through August 2020 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. We discussed our observations and conclusions with management on July 8, 2020, and included their comments where appropriate.

We assessed the reliability of computer-generated data from the Postal Service's EDW and the key supplier by reviewing related documentation and correspondence and interviewing knowledgeable Postal Service and supplier personnel. We determined that the data were sufficiently reliable for the purposes of this report.

¹⁸ Site visits were not possible due to the COVID-19 disease caused by the coronavirus. The OIG conducted telephone interviews with six of the seven sites.

Prior Audit Coverage

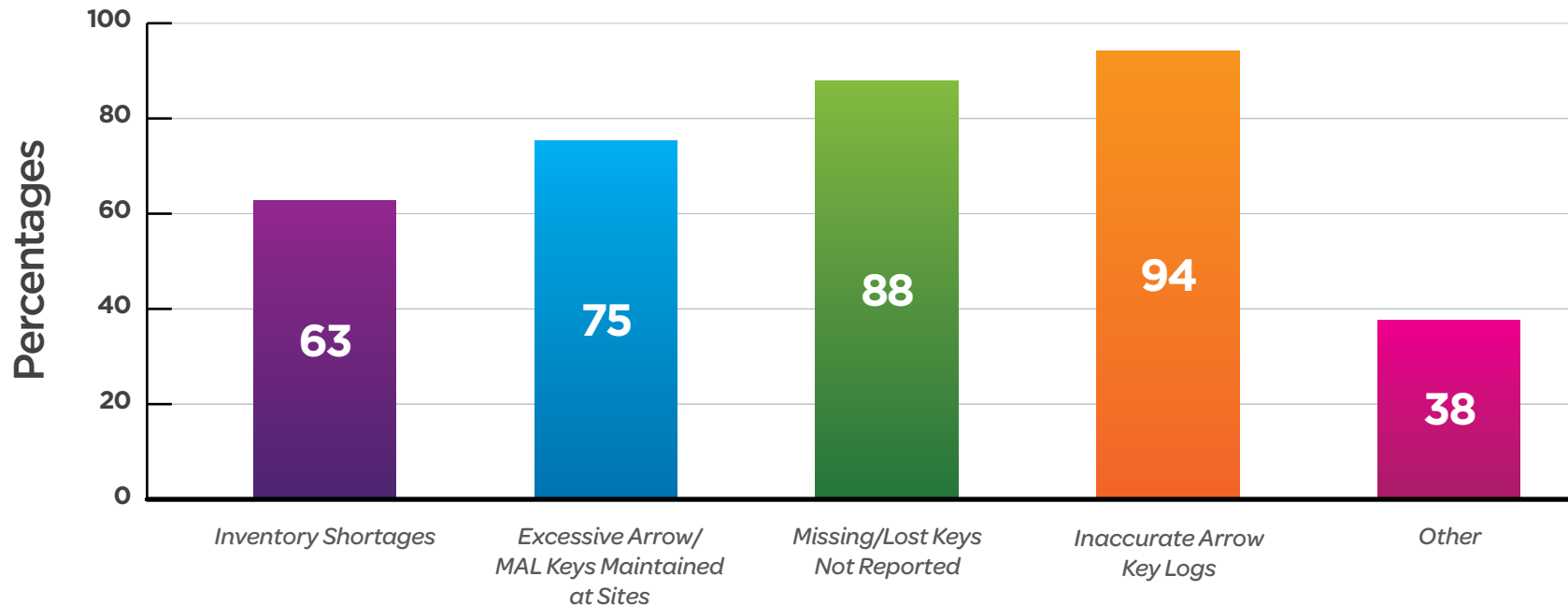
Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Mail Delivery and Customer Service Operations – Hawthorne Post Office, Hawthorne, CA</i>	Review select mail delivery and customer service operations at the Hawthorne Post Office in Hawthorne, CA.	20-149-R20	3/23/2020	None
<i>Mail Delivery Issues – Montbello Station, Denver, CO</i>	Assess mail delivery services at the Montbello Station in Denver.	20-078-R20	12/19/2019	None
<i>Delivery Scanning Issues – La Vergne Post Office, La Vergne, TN</i>	Evaluate the package delivery scanning process on select routes at the La Vergne Post Office in La Vergne, TN.	20-077-R20	12/9/2019	None
<i>Delivery Delays – Richmond District</i>	Evaluate mail delivery delays in selected delivery units in the Richmond District.	DR-AR-19-005	4/12/2019	\$3.6

Appendix B: OIG Arrow Key Management Survey Results

We surveyed 37 Postal Inspection Service physical security specialists to identify the reporting structure, duties, experience, and oversight for arrow keys and received 20 responses. Sixteen of these respondents (80 percent) answered that they do conduct inventory counts or reviews of arrow keys at facilities in their assigned territory. These 16 respondents identified the following arrow key issues:

- 10 of 16 (63 percent) reported inventory shortages at facilities.
- 12 of 16 (75 percent) reported sites maintained excessive keys.
- 14 of 16 (88 percent) indicated missing/lost keys were not reported to the Inspection Service.
- 15 of 16 (94 percent) reported their reviews identified inaccurate arrow key logs.
- Six of 16 (38 percent) reported other issues, such as keys not attached to clothing per policy and unauthorized ordering of keys (see Figure 2).

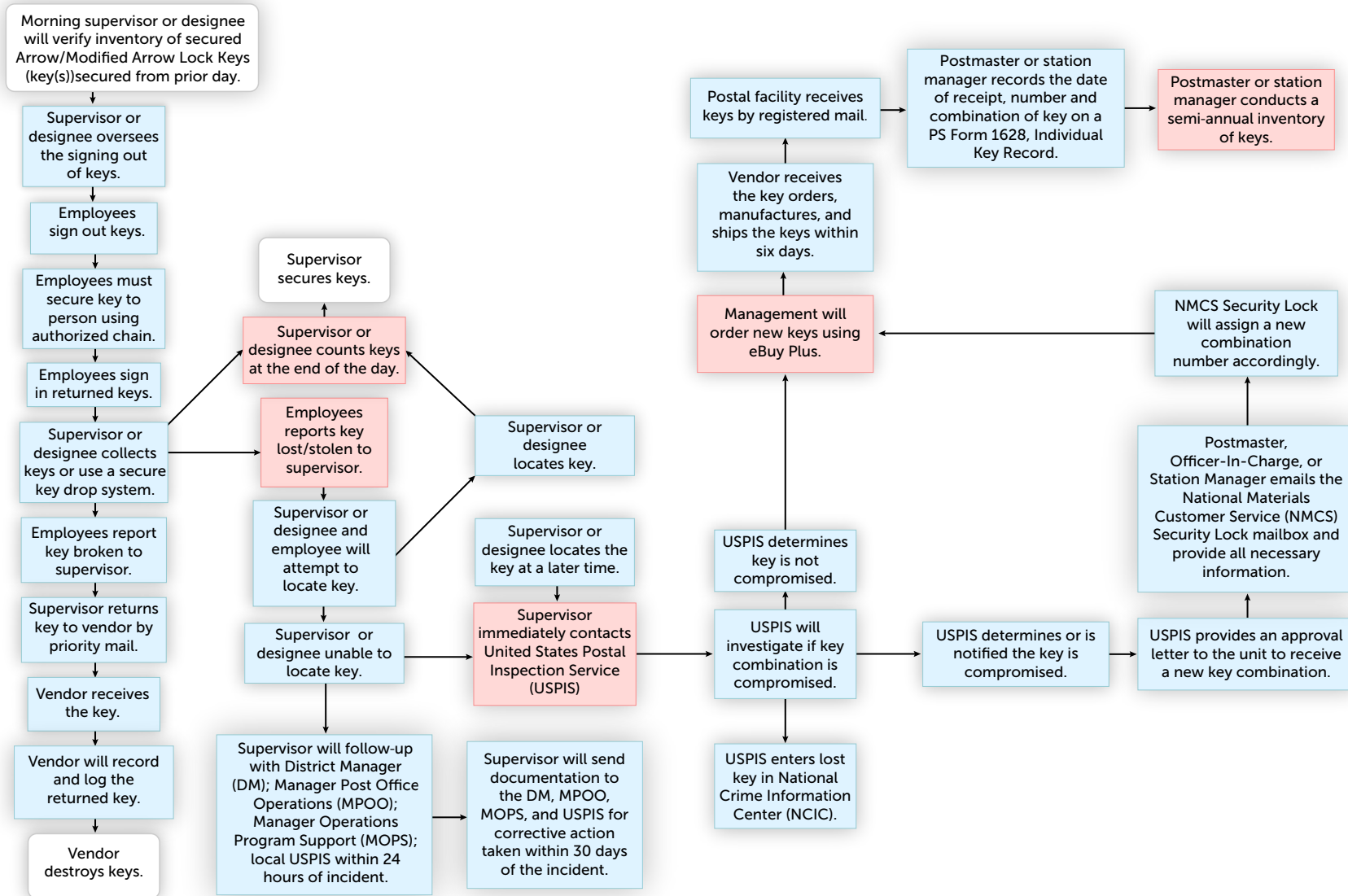
Figure 2: OIG Analysis of Arrow Key Management Survey Responses



Source: OIG survey results received as of April 6, 2020.

Appendix C: Arrow Key Management Controls Flowchart

Arrow Lock Key Flowchart



Sources: OIG analysis of Postal Service policies and data from Postal Service headquarters Delivery Operations and Postal Service Inspection Service.

Appendix D: Management's Comments

JOSHUA D. COLIN, PHD
VICE PRESIDENT, DELIVERY OPERATIONS



August 11, 2020

Janet M. Sorensen
Deputy Assistant Inspector General
for Retail, Delivery & Marketing

SUBJECT: Response to Draft Audit Report - Arrow Key Management
(Report No. 19-033-DRAFT)

Postal management has reviewed the findings and recommendations outlined in the Office of Inspector General (OIG) Arrow Key Management Report No.19-033 and agrees in part with the Findings. Although Postal Service management recognizes that opportunities exist in conjunction with arrow key accountability, it does not share some of the observations and recommendations offered in the OIG report.

The following are a few examples of observations that we do not share.

OIG Audit Comments: The Postal Service's management controls over arrow keys were ineffective. Specifically, the number of arrow keys in circulation is unknown, and local units did not adequately report lost, stolen, or broken keys or maintain key inventories.

Postal Service Response: Although there is currently no national database to house key inventories, all delivery units are required to verify arrow key counts on a semi-annual basis. A system has likewise been established that accounts for total arrow keys that have been ordered.

OIG Audit Comments: The Postal Service did not restrict the number of replacement arrow keys that could be ordered. Ineffective controls over arrow keys increase the risk that these items will be lost or stolen and not detected.

Postal Service Response: While there may be occasions when more keys are on hand than necessary, this is certainly not the norm. Arrow keys must be ordered through the eBuy process, which includes approval by multiple officials before the order can be accepted. Approving officials include the immediate manager, Manager Operations Program Support, and the District Finance Manager. The Postal Inspection Service may also be asked to approve, if deemed necessary. These requirements were reiterated with the issuance of the April 2020 Arrow Key Standard Work Instruction (SWI).

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Postal management has taken steps to address arrow key oversight concerns in the past and will continue to do so in the future.

Recommendation 1: We recommend the Vice President, Delivery and Retail Operations, create and maintain a nationwide arrow key inventory and ensure units reconcile their semi-annual local inventory to ensure key accountability.

Postal Service Response/Action Plan: Management Agrees in Part. The Postal Service recently issued an "Arrow Key Standard Work Instruction" in April 2020 that defines national guidelines for arrow keys. In addition, Postal Service policy requires all units to conduct and certify a local semi-annual arrow key inventory audit every January and July. Postal management does not, however, agree with a proposal to create a National database until it has had an opportunity to review the value, feasibility and associated costs with the effort. Management is in the initial stages of this review.

Target Implementation Date:
September 2020

Responsible Official:
Manager, Delivery Planning and Strategy

Recommendation 2: We recommend the Vice President, Delivery and Retail Operations, develop and issue guidance regarding a maximum key quantity for ordering replacement keys, and the number of unassigned keys a site should maintain in inventory.

Postal Service Response/Action Plan: Postal Management does not agree. Postal Management has concerns with the analysis used by the OIG for this Recommendation.

- Of the 3122 sites considered by the OIG in its review, only 317 locations were noted as having excess keys. Many of those sites however, had only 1 or 2 extra keys in excess - which feasibly could have been needed for parcel runs and/or collecting mail from boxes in front of the post office. The OIG did not take this into consideration.
- 106 of the 317 locations likewise did not have enough routes to "qualify" for the OIG's 10% Percentage Allowance Factor and so no leeway was allotted for those locations – even if additional keys were legitimately needed for their operation.
- The OIG did not inquire further as to why units had ordered additional keys. Follow up by USPS Management showed some common reasons for additional keys included:
 - Offices acting as a Hub-location and servicing multiple ZIP Codes
 - Offices replacing all key/locks
 - Offices needing multiple keys for individual routes due to different types of locks.

The Postal Service already has measures in place that require higher-level authorization for the ordering of arrow keys. This process was reiterated with the April 2020 "Arrow Key SWI".

Recommendation 3: We recommend the Vice President, Delivery and Retail Operations, evaluate technology solutions and take appropriate action to reduce the risks associated with lost or stolen arrow keys and enhance the security of mail receptacles.

Postal Service Response/Action Plan: Management Agrees

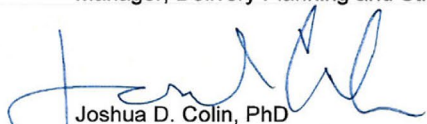
A pilot is under consideration to test technological solutions that will enhance the security of arrow keys. These technological solutions are, however, costly and would require extensive funding to implement nationwide. In addition, the solutions may not necessarily prevent keys from being lost or stolen once in an employee's control. Further evaluation and testing must be conducted to determine the overall benefits against weighted costs.

Target Implementation Date:

October 2021

Responsible Official:

Manager, Delivery Planning and Strategy



Joshua D. Colin, PhD
Vice President, Delivery Operations

Attachments

cc: Kristin A. Seaver
David E. Williams
Mike L. Barber
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