

More than 700 will lose jobs at mail hub

Postal Service cancels contract with company running operation; July audit cites deficiencies

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The Postal Service has terminated its contract with the company running the agency's Denver Regional Transfer Hub, part of a larger move to bring more of its operations in-house and improve the security of packages.

Alan Ritchey Inc., a trucking and distribution company based in Valley View, Texas, informed the Colorado Department of Labor and Employment that it will lay off the 729 employees at the hub, 20500 E. Colfax Ave. in Aurora, on Feb. 28.

"This layoff will be permanent, and the Company's operations will permanently cease. Affected employees are not represented by a union, and bumping rights (that is, the right to avoid termination by displacing another employee) do not exist. However, employees may apply for positions at other Company facilities," Robby Ritchey, the company's CEO, wrote in a Worker Adjustment and Retraining Notification, or WARN, letter to the state Tuesday.

Ritchey expressed regret in the letter that he couldn't provide more notice, but added that the USPS informed the company on Dec. 29 that it would terminate its contract Feb. 28 and that it had refused to extend the performance period as it had done over the past year.

"Further, the Company could not foresee that the USPS would provide such short notice of termination, since we had previously been informed that USPS would modify and transition the facility to a USPS facility, a process that would take more than 61 days," Ritchey wrote.

A phone call on Monday with the USPS failed to reverse the decision, and the company was left with no other options, he said.

The largest category of eliminated jobs involves packers and shippers at 443. There are also 163 forklift operators and 76 dock clerk operators who are losing their jobs.

The USPS announced it would switch to a system of regional transfer hubs to improve mail delivery as part of its Delivering for America Plan that seeks to make the service financially stable and self-sufficient. It converted its Denver Peak Annex into the Denver Regional Transfer Hub and, in October 2024, Alan Ritchey began managing the facility. In July, USPS Deputy Assistant Inspector General Mary Lloyd issued a critical report of the operations at the Denver hub, stating it lacked sufficient security measures to keep registered mail safe and recommending that the management contract be terminated at the end of 2025.

An April inspection found numerous packages cut open and with their shipping stickers and contents missing. Damaged packages were not turned over to USPS staffers per protocol, and the number of damaged packages was much higher than at comparable facilities run in-house.

"We identified deficiencies that put mail at risk of theft and unauthorized handling," according to the audit. "Postal Service management expressed concern that contract employees were opening PMOD (the Priority Mail Open and Distribute service) sacks to pilfer select medications."

Normally, when a contract changes hands or operations are brought in-house, current employees are part of the transition. But the audit suggests that the USPS may not extend employment offers to the contract employees being let go.