



OFFICE OF THE COUNTY CLERK
123 ANY STREET
ANY CITY, STATE 12345-6789

RETURN SERVICE REQUESTED

VOTER NAME
0123 ANY STREET
ANY CITY, STATE 98765-4321

OFFICIAL
ELECTION MAIL
Authorized by the U.S. Postal Service

Ballot Enclosed



SEMIANNUAL REPORT TO CONGRESS

SPRING 2021 • OCTOBER 1, 2020 — MARCH 31, 2021

MESSAGE FROM THE INSPECTOR GENERAL



As we pass the one-year mark of the declaration of the COVID-19 global pandemic, the challenges facing the U.S. Postal Service continue to rise, making our oversight more important than ever. Over the past six months, we audited multiple aspects of the Postal Service's response to the early stages of the pandemic. We found that early in the pandemic, the Postal Service did a commendable job of delivering the mail, although it did not always effectively identify and prioritize medical packages. In addition, we found the Postal Service took important steps to ensure the safety of its employees, which likely resulted in lives saved.

We also conducted several audits on service performance. Starting in early summer, the Postal Service introduced various operational and organizational changes. We found, when deployed on top of employee absences due to COVID-19, these changes negatively impacted the quality and timeliness of mail delivery.

Election Mail was a significant area of focus for both our Office of Audit and Office of Investigations, further described in an Election Mail section of this report. We found the Postal Service successfully prioritized the processing of Election Mail during the November 2020 general election and the subsequent Georgia runoff election. Throughout all of our work, data analytics and innovative uses of technology played an increasingly important role, from helping agents identify areas of concern to allowing hundreds of employees to report daily Election Mail findings.

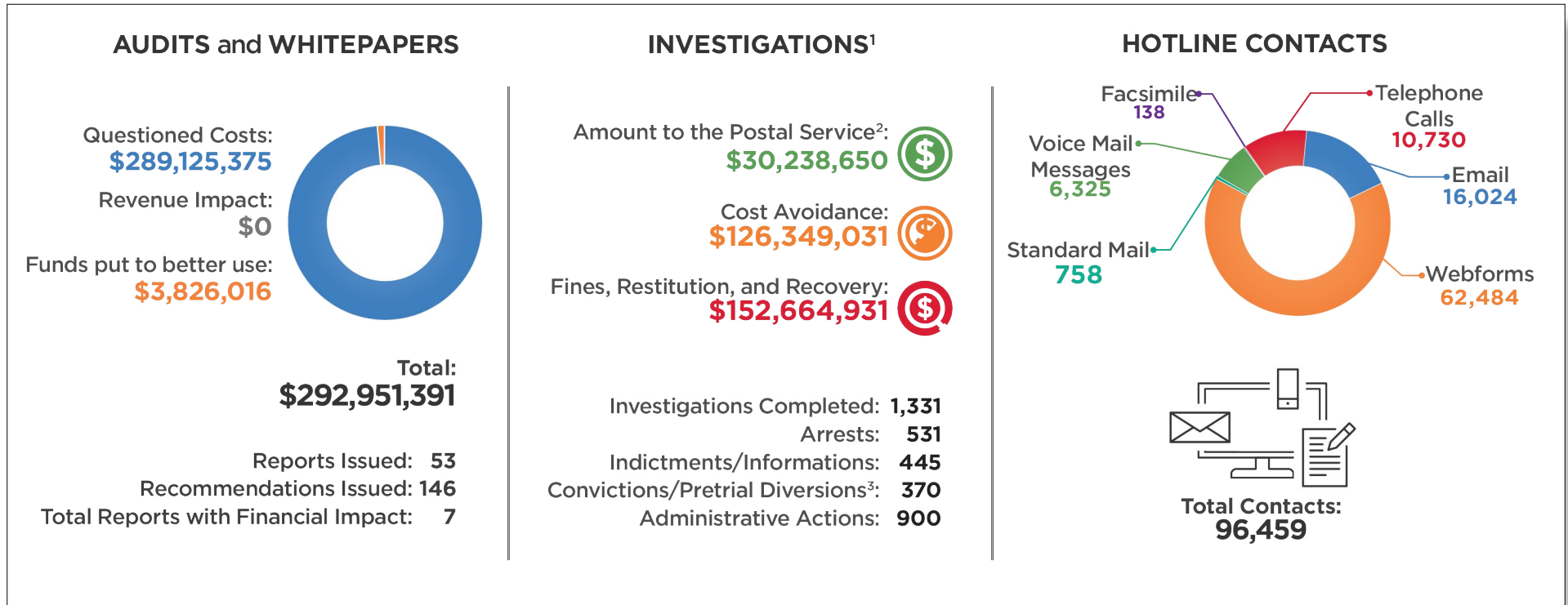
In addition to their work on Election Mail, our agents coordinated with the Postal Service, Department of Treasury, Internal Revenue Service, and other partners to ensure the safe delivery of the second round of economic impact payments. In addition, our agents ramped up investigative efforts to combat and deter postal employees involved in drug trafficking. This includes the creation of four strike forces located in major metropolitan areas which are focusing on the abuse of the mail network in the delivery of illicit drugs.

This report, submitted pursuant to the Inspector General Act, outlines our work and activities for the six-month period ending March 31, 2021. During this period, we issued 53 audit reports, management advisories, and white papers, and the Postal Service accepted 92 percent of our recommendations. We completed 1,331 investigations that led to 531 arrests and more than \$152.7 million in fines, restitutions, and recoveries, almost \$30.2 million of which was returned to the Postal Service. I look forward to working with stakeholders as we address the challenges ahead as the Postal Service begins to implement its 10-year plan. I am proud of what we have accomplished during this period and am confident that our office will continue to play a key role in ensuring the integrity and accountability of America's Postal Service, its revenues and assets, and its employees.

A handwritten signature in black ink that reads "Tammie White". The signature is written in a cursive, flowing style.

Summary of Performance

For the period: October 31, 2020 — March 31, 2021



Mission Statement

Ensuring efficiency, accountability, and integrity in the U.S. Postal Service.

¹ Statistics include joint investigations with other law enforcement agencies.

² Amounts are totals to the USPS resulting from joint investigations with other OIG, federal, state, and local law enforcement entities.

³ Convictions reported in this period may be related to arrests in prior reporting periods.

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ELECTION AND POLITICAL MAIL

The Postal Service has historically played a vital role in the American democratic process through the proper handling of Election and Political Mail. Last year, due to the COVID-19 pandemic, there was an increase in the number of Americans who voted by mail in the 2020 general election. The combination of the increase in mail-in ballots, the pandemic's impact on employee availability, and operational changes enacted by the Postal Service raised concerns among many stakeholders about the Postal Service's ability to timely process and deliver Election Mail.

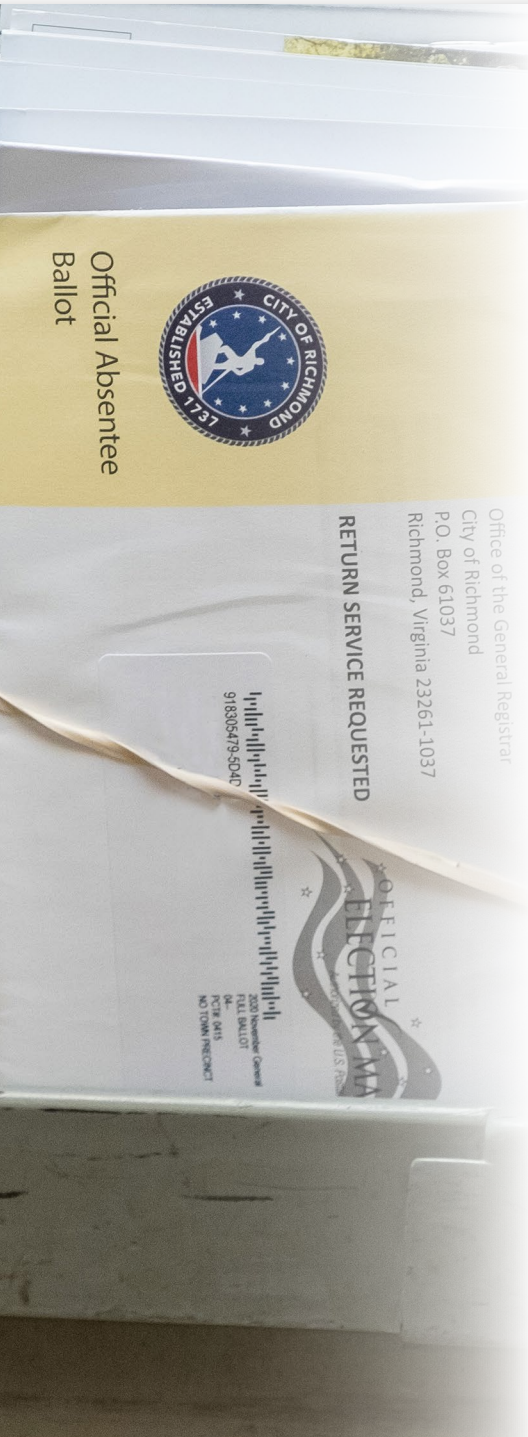
In response to these concerns, we quickly devoted additional resources to expand our monitoring and oversight of Election Mail. In the weeks leading up to the November election, we had roughly 500 employees complete and document 1,800 observations at postal facilities, covering all 50 states, the District of Columbia and Puerto Rico. During the week of the general election, we visited an additional 250 sites. In addition, in the weeks prior to and the week of the Georgia run-off election, we visited postal facilities that process and deliver mail to Georgia ZIP Codes. To help ensure we had enough coverage, our agents stepped in to help our auditors perform site visits and collect data.

Given the relative speed and number of employees involved with site visits, we had to devise a way to provide timely reporting that required little training and was easy to use. Rising to the challenge, our CIO group built an easy-to-use Election Mail observation app that allowed team members to enter Election Mail observations in real-time. The app results flowed into a Power BI model that was then used to summarize observation results and provide daily and

weekly reporting to Postal Service executives, the Board of Governors, and Congress.

While our site visits did identify some delayed Election Mail and compliance issues, our timely reporting allowed the Postal Service to take immediate corrective actions to address the issues. We found the Postal Service prioritized processing of Election Mail during the 2020 general election, using extraordinary measures as needed, including employing overtime and running additional transportation.

In addition to helping out the audit team with site visits, the Office of Investigations played other critical roles during the 2020 general election and the 2021 Georgia run-off. Amid the COVID-19 pandemic restrictions, our agents responded to citizen complaints regarding missing ballots and investigated allegations of postal employees mishandling ballots.



Audits and Whitepapers

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The Office of Audit (OA) and the Research and Insights Solution Center (RISC) adhere to professional standards and present their work to Postal Service management for comments prior to issuing a final report. Unless otherwise noted, management has agreed

or partially agreed with our recommendations and is taking or has already taken corrective action to address the issues raised. OIG white papers explore strategic ideas for ways to enhance the viability and efficiency of the Postal Service.

Audits Relating to the COVID-19 Pandemic

Pandemic Volume and Revenue Projected Scenarios

Impact of Pandemic on Postal Service Finances

Mail Service During Early Stages of COVID-19 Pandemic

Employee Safety — Postal Service COVID-19 Response

In March 2020, the COVID-19 pandemic was declared a national emergency. The Postal Service provided vital services during the pandemic, including delivering critical items such as medications. The Coronavirus Aid, Relief, and Economic Security Act included provisions for prioritizing delivery of Postal Service products for medical purposes and for funding postal operating expenses under specific conditions. It also allowed establishing temporary postal delivery points to protect employees and individuals receiving deliveries.

We conducted four audits related to the Postal Service's response to the pandemic. These audits included delivery in the early stages of COVID, the impact on finances and projected revenue and volume, and the response to employee safety.

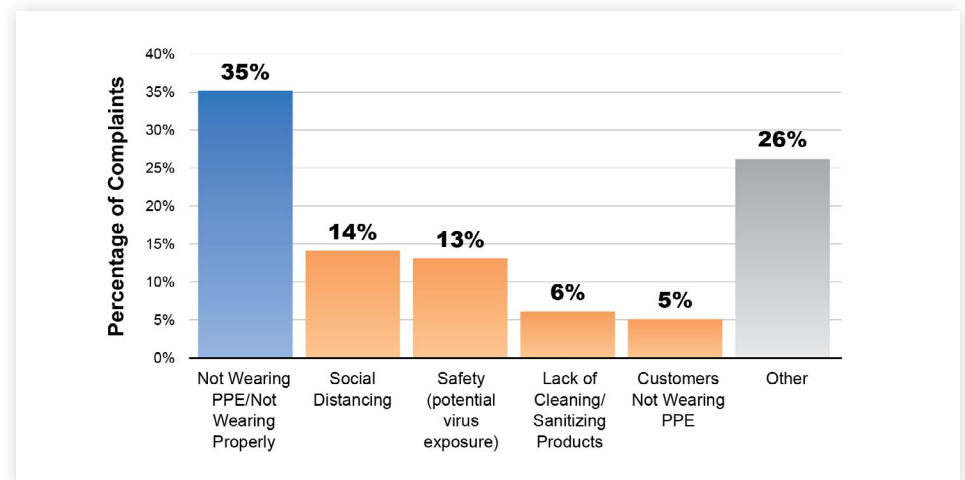
We determined management's overall response to mail delivery, financial/projection impacts, and employee safety was commendable in the face of unforeseen challenges, including higher package volume, employee absenteeism, nationwide personal protective equipment shortages, and ongoing requests for financial and projection data. The Postal Service continued to operate, with mail being delivered, albeit with delays, and without running out of necessary cash to fund operations.

However, we identified opportunities for the Postal Service to improve:

- Prioritizing delivery of mail for medical purposes;

- Updating the employee availability dashboard by including rural delivery carriers;
- Alerting units of late mail arrivals;
- Communicating with commercial mailers;
- Documenting assumptions and methodologies developed for volume and revenue scenarios;
- Creating an after-action report that outlines what needs to be examined and included when developing volume and revenue scenarios;
- Developing specific policies to ensure expenses are documented, validated, and tracked for catastrophic events;
- Clarifying and communicating the Postal Service's face-covering policy and corrective actions available for non-compliance;
- Developing Close Contact Tracing Program goals, metrics, and a hiring initiative to ensure adequate staffing; and
- Evaluating options for a nationwide health screening initiative.

Top Five Hotline Compliants About COVID-19 Safety



Source: OIG analysis of Hotline complaints.

Delivery and Customer Service Project Summary

Delivery and Customer Service Operations — New Hampshire

Mail Delivery and Customer Service Operations — Katy Carrier Annex, Katy, TX

Mail Delivery and Customer Service Operations — Avent Ferry Station, Raleigh, NC

Mail Delivery and Customer Service Issues — Select Chicago Stations, Chicago, IL

During this period, we issued seven reports that reviewed delivery and customer service operations at different locations throughout the nation, including two reports initiated in response to congressional requests from New Hampshire and Chicago. The primary issues identified included:

Unreported delayed mail

In five reviews, we noted unreported delayed mail. Causes included staffing shortages, late mail arrival from plants, and overburdened routes. We recommended management develop action plans to fill vacancies, coordinate with plant management to ensure mail arrives as agreed, and conduct all requested route inspections.

Improper scanning

We identified improperly scanned packages during all seven reviews. The primary cause was management's not adequately monitoring and enforcing scanning procedures. We recommended management ensure that employees follow standard operating procedures for scanning, periodically review and monitor scan data for compliance, and provide personnel with refresher training on package scanning and handling procedures.

Mail Delivery and Customer Service Operations — Columbia Main Post Office, Columbia, MO

Mail Delivery and Customer Service Operations — West Milwaukee Branch, Milwaukee, WI

Mail Delivery and Customer Service Operations — Holiday City Station, Memphis, TN

Safeguarding assets

In six reviews, we found that management did not properly safeguard Postal Service assets, including arrow lock keys, Voyager Fleet cards, and mail delivery vehicles. The primary cause was insufficient management oversight. We recommended management follow procedures to ensure arrow lock keys, Voyager Fleet cards, and delivery vehicles are safeguarded and properly managed and complete the daily PM Verification of Activity Checklist

Mail Not Delivered from Prior Day — Laconia, NH, Post Office



Source: OIG photo taken July 15, 2020.

Inspection Service & Information Technology

Accenture Information Technology Contracts

In 2009, the Postal Service established the Accenture Federal Services (Accenture) Enterprise Technology Services (ETS) contract to increase the number of staff to support IT operations nationwide and develop and maintain applications. During fiscal years (FYs) 2018 and 2019, Accenture accounted for the highest amount of funds spent for IT contracts – about \$332 million. In assessing the effectiveness of their contractual compliance and oversight, we found the Postal Service did not develop and maintain a cost management plan and evaluate cost variances to ensure the contract remained within budget. Additionally, USPS did not recompetete the contract for about 11 years and raised the contract ceiling price from \$750 million to \$1.95 billion without evaluating competitive pricing. Also, clauses required by policy were not included in the Accenture ETS contract. Finally, the Postal Service did not establish a Quality Assurance team and fully complete and execute the Quality Assurance Plan.

We recommended management: 1) develop and implement a cost management plan during purchase planning to effectively manage and monitor contract costs; 2) update the Supplying Principles and Practices to require an evaluation of the cost management plan as part of the noncompetitive purchase request process before approving contract ceiling price increases and to require contracting officers complete training on the cost management plan requirements; 3) modify the contract to include the required clauses in the Accenture ETS contract and ensure the future contract terms conform to the guidelines in the Supplying Principles and Practices; 4) implement an oversight process to periodically verify the inclusion of required clauses throughout the life of the contract; and 5) complete and implement a quality assurance plan to effectively monitor quality objectives.

Accenture ETS Contract Ceiling Price Increases (millions)



Figure reflects the Accenture ETS contract ceiling price increases for the period of performance from 2009 to 2020.
Source: Contract Authoring and Management System, Accenture ETS contract file, as of January 2020

U.S. Postal Inspection Service's Oversight of Mail Suspected of Containing Illicit Drugs at Postal Facilities

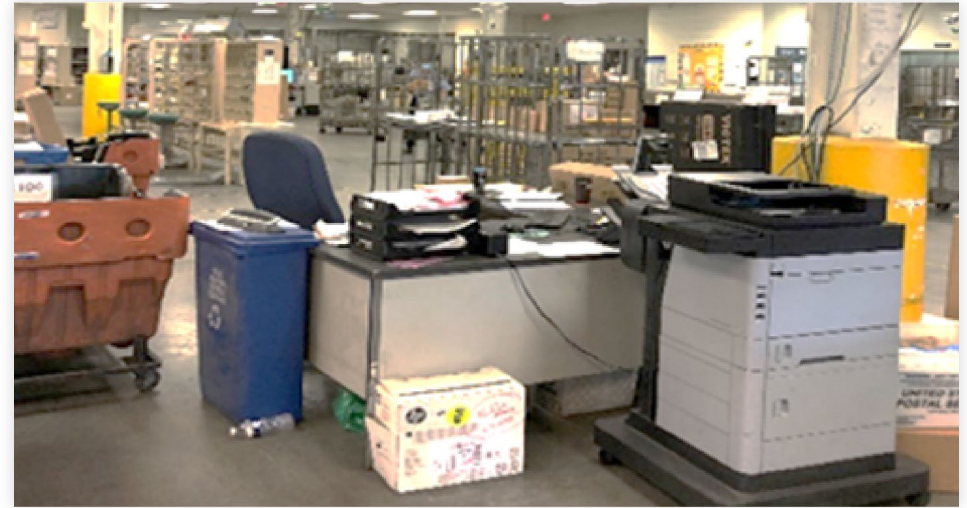
In FYs 2018 and 2019, the U.S. Postal Inspection Service received and recorded 66,042 pieces of suspected mail containing 143,460 pounds of illicit drugs. While the Postal Inspection Service has policy in place, opportunities exist to enhance controls for handling mail suspected of containing illicit drugs.

We found postal inspectors did not always properly record suspected mail in the tracking database. We reviewed the Postal Inspection Service's tracking database for FY 2019 and determined that there were incorrect data entries across all 17 divisions. Postal Inspection Service did not always instruct postal employees to store suspected mail in a secure location. Furthermore, postal inspectors did not always scan suspected mail when in their possession.

We recommended management: 1) ensure postal inspectors comply with the Administrative Nonmailability Protocol policy regarding suspected mail recordkeeping; 2) update the Administrative Nonmailability Protocol to instruct Postal Service employees to secure suspected mail in a secure location; 3) determine where scanning

devices are needed and distribute to those locations; and 4) instruct postal inspectors to scan all suspected mail that is either seized, diverted, or removed from the mailstream. Postal Inspection Service management disagreed with recommendation 4.

Supervisor's Desk on a Workroom Floor



Source: OIG photograph taken during tour at a post office in VA showing a designated area used to store suspected mail. No suspected mail is shown in this photo.

Retail, Delivery, & Marketing

Deployment of Operational Changes

In June and July 2020, the Postmaster General initiated several changes designed to improve operations. In addition, Postal Service executives deployed 57 initiatives for operational changes to achieve financial targets and reduce workhours. These initiatives implemented on top of staffing challenges due to COVID-19, resulted in a significant drop in the quality and timeliness of mail delivery. These operational changes were communicated primarily orally, which resulted in confusion and inconsistent application across the country. Written guidance on these initiatives was not provided to management from the Chief Retail and

Delivery and the Chief Logistics and Processing Operations until September 21, 2020. Management implemented the initiatives without completing a study or analysis of the impact on mail service, even though critical employee availability issues were being felt as pandemic cases rose following the July 4 holiday weekend.

Undertaken individually, the initiatives may not have been significant, but launching them all at once, in addition to Postmaster General operational changes, had a significant impact on service performance. The Postal Service's communication with Congress and the public lacked completeness and clarity on the extent and impacts of the operational

changes; and the Postal Service did not broadly communicate planned changes to mailing industry customers or coordinate on potential service impacts.

We recommended the Postmaster General instruct management to: 1) conduct a service impact analysis to identify risks and mitigating strategies that consider the effects of the pandemic, and expected forecasted volumes during the upcoming election and peak season, prior to implementing further cost-cutting strategies; 2) suspend

ongoing and additional cost-reduction efforts until after the election and holiday mailing season and after an analysis of service impacts has been completed; 3) develop and implement a strategy to communicate in writing to all employees the status of ongoing and suspended operational changes to promote message clarity, alignment, and saturation; and 4) develop and implement a communication strategy to inform Congress and customers of planned and ongoing operational changes that may impact mail service.

Mission Operations

Service Performance of Election and Political Mail During the November 2020 General Election

The Postal Service prioritized processing of Election Mail during the 2020 general election, significantly improving timeliness over the 2018 mid-term election even with significantly increased volumes of Election Mail. However, we did find opportunities to improve some Election Mail guidance and processes and increase the volume of ballots included in service performance.

During the month of October 2020 and the week of the election, we conducted over 1,800 observations at processing facilities and delivery units across the country to determine if the Postal Service was processing and delivering Election Mail timely and complying with election procedures. We also evaluated compliance leading up to and during the Georgia Senate runoff election in January 2021. While the majority of Election Mail observed was processed and delivered timely, we did identify issues with facilities/units not conducting daily all-clear checks of Election Mail or postmarking all ballots as required.

Finally, the Postal Service was only able to measure service performance for 71.5 million (about 53 percent) of the 135 million identifiable ballots in USPS data. Specifically, about 43.5 million ballots were sent to voters without unique barcodes and thus excluded from measurement. An additional 20.3 million ballots sent as full-service to voters were excluded because they did not comply with business rules

or were missing key scan data to be included in service performance measurement. The Postal Service could not provide reasons why these full-service ballots were excluded from service performance measurement.

We recommended management: 1) work with mailers of Election Mail to identify why full-service ballots from the 2020 general election were excluded from service performance measurement; 2) continue to educate state and local election officials on mailing deadlines for ballots to account for the Postal Service's time to process, transport, and deliver mail; 3) issue clear guidance for daily all-clear certifications, and ensure Election Mail processes and policies are communicated to all levels of management; 4) create a way to capture the separate daily all-clear certifications for delivery units; and 5) conduct a post-election review to identify lessons learned for use in future elections.

Assessment of the U.S. Postal Service's Leased Trailers

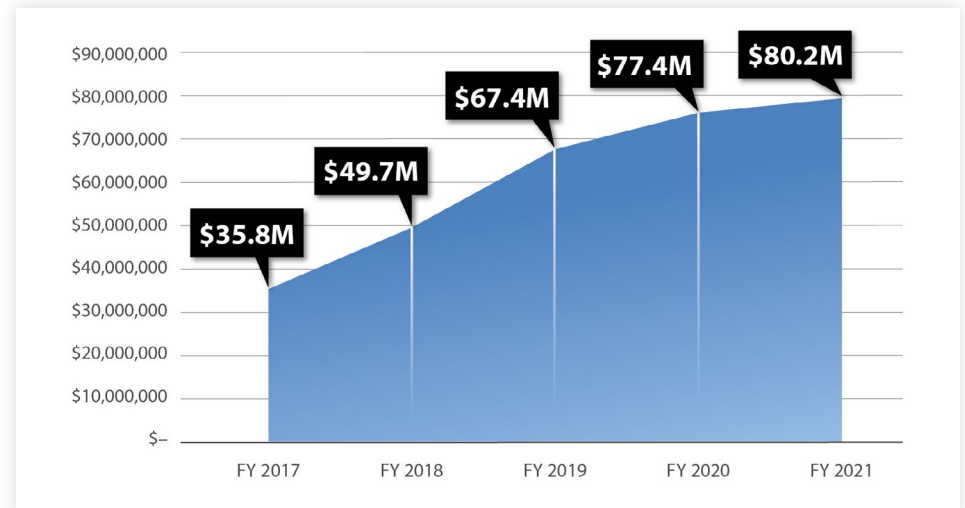
Opportunities exist for the Postal Service to improve management of its leased trailer fleet. On average, 13 percent of leased trailers were not used for an entire calendar month between January 2019 and March 2020. As a result, the Postal Service spent about \$5.7 million annually on idle trailers. According to its May 2020 business case, the Postal Service determined that replacing leased trailers with owned

Mission Operations

trailers would save substantial money over the lifetime of the trailers. However, management has not performed an analysis to determine what the optimal number of trailers should be, including how many to lease versus own. Additionally, we identified several data and documentation issues related to leased trailers.

We recommended management: 1) issue supplemental guidance to review leased trailer utilization consistently to ensure under-utilized trailers are returned or relocated; 2) perform an analysis to determine an optimal number of trailers in the fleet, including the mix of leased versus owned trailers; and 3) develop a plan to ensure asset categories for leased trailers are continuously reviewed and updated with the correct information and the trailer inspection forms are uploaded to the inventory tracking and visibility system or another centralized database.

Figure 1. FY 2017 through FY 2021 Annual Leased Trailer Budget



Source: Postal Service Form 10-K Annual Reports, Postal Service management, and OIG analysis.

Supply Management & Human Resources

Contract Delivery Service Contract Renewal Compliance

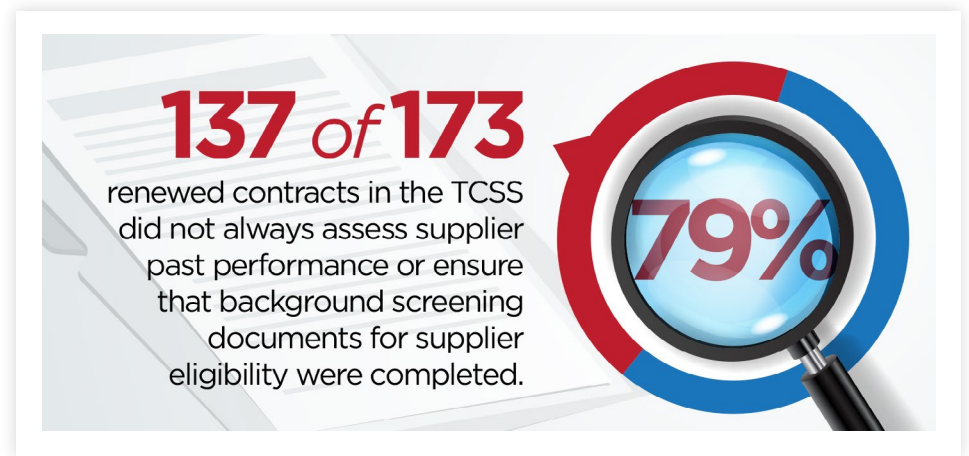
The Postal Service has statutory authority to contract for surface mail transportation services, which include transporting mail and contract delivery service (CDS) routes. CDS routes are contractual agreements between the Postal Service and private individuals or firms to deliver and collect mail nationwide. Services that CDS suppliers provide are similar to those that postal rural letter carriers provide, including delivery of mail and sale of postal services.

While the Postal Service has an established contract renewal process, it did not renew CDS contracts in accordance with its policies and procedures. Based on our statistical sample of FYs 2018 and 2019 renewed contracts valued at about \$9.9 million, 137 of 173 (79 percent)



renewed contracts in the Transportation Contract Support System (TCSS) did not always assess supplier past performance or ensure that background screening documents for supplier eligibility were completed. We identified 106 of 173 (61 percent) contract renewals that did not have evidence of supplier performance assessments, and 78 of 173 contracts (45 percent) had incomplete or missing supplier screening documents. Additionally, contracting officers did not always perform due diligence to ensure suppliers were in good standing before renewing the contract.

We recommended management require administrative officials to provide CDS supplier performance assessments to contracting officers for review during the renewal decision process.



Transportation

Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center

We found delayed mail processing operations and limited employee availability resulted in facility capacity issues, which further resulted in inefficiencies and delays in processing drop shipments at the Cleveland, OH, P&DC. Although the Postal Service implemented mitigating operations by limiting incoming mail drop shipments through temporary redirects to the Pittsburgh P&DC, Cleveland P&DC management did not communicate the need for a redirect to Postal Service Headquarters in timely fashion. Additionally, once management implemented the temporary redirect, it was not recorded accurately in the Facility Access and Shipment Tracking system. Lastly, Surface Visibility data did not reflect reported drop shipment delay conditions; therefore, media and mailer concerns about excessive wait times could not be substantiated.

We recommended management: 1) develop, document, and implement timely mitigation plans when processing indicators identify the facilities'



processing capabilities are being compromised; 2) implement internal control checks ensuring employees accurately report effective start and end dates of mitigation techniques in the Facility Access and Shipment Tracking system and reinforce compliance through written communication; and 3) reinforce through formal communication and refresher training the recording of drop shipment data in the Surface Visibility system in accordance with Postal Service policy. Management partially agreed with recommendation 1 and disagreed with recommendation 2.

Peak Season Air Transportation

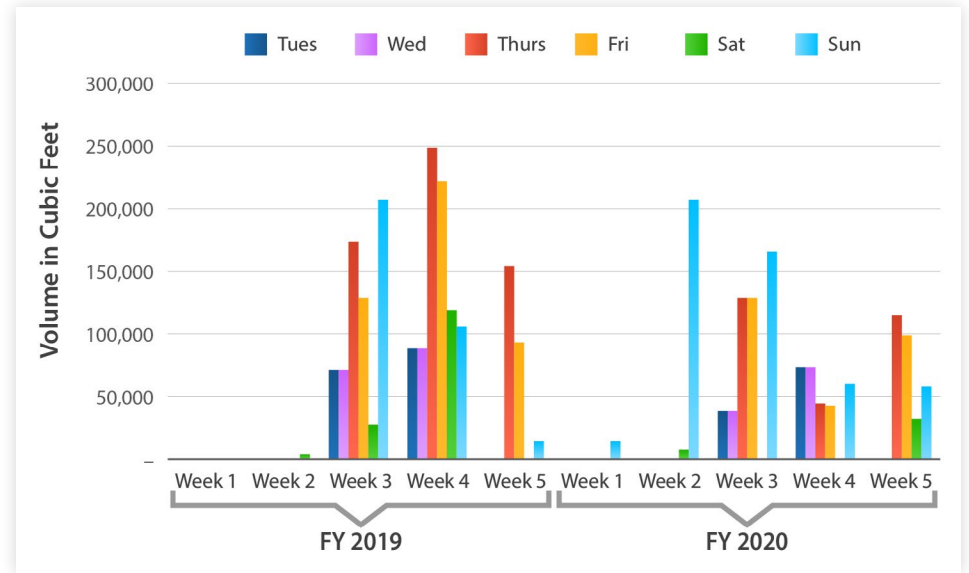
We identified opportunities to reduce Peak Season air transportation operational costs and improve Peak Season planning.

We determined the Postal Service did not accurately forecast Peak Season mail volume during FYs 2019 and 2020's Peak Seasons, causing a variance between forecasted and actual mail volumes. We also found the Postal Service did not adjust its planning to account for operational changes applicable to Peak Season. Additionally, the Postal Service did not properly evaluate the performance of peak charters. Finally, we determined the Postal Service would benefit from filing a proposal with the Postal Regulatory Commission temporarily reducing all First-Class Mail service standards during Peak Season, like it does for Priority Mail. If First-Class Mail service standards had been extended for an extra day, then 68.3 million pounds of mail could have been diverted from the air network to the surface network.

We recommended management: 1) develop and implement a joint strategy to assess and project market trends to forecast Peak Season volume by lane more accurately; 2) calculate and apply the additional capacity clause in air network modeling; 3) develop standard work instructions to properly evaluate peak charter penalties and analyze performance data for historical trending; and 4) determine the feasibility of reducing all First-Class Mail service standards during Peak Season

and if warranted, file a proposal with the Postal Regulatory Commission. Management disagreed with recommendations 1 and 3; however, they provided an alternative plan of action to address recommendation 3.

Mail Volume at Risk during Peak Operational Periods, FY 2019 and FY 2020



Source: OIG data analysis of Resubmission Post Givebacks used in allocation model.

Research and Insights Solution Center

Partnering for Health: Potential Postal Service Roles in Health and Wellness

The Postal Service forms a vital part of the nation's logistics and communications infrastructure, which includes supporting the nation's health and wellness sector. Americans rely on the Postal Service for the timely, reliable, and low-cost delivery of their prescription medications

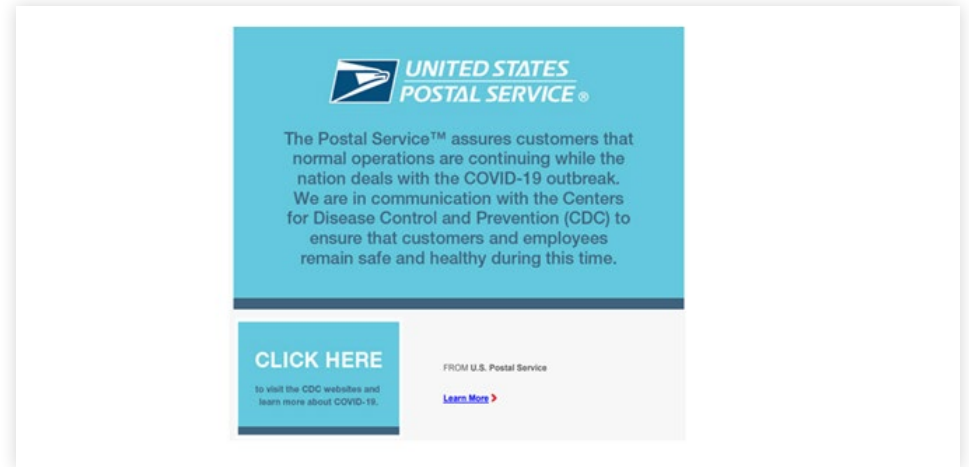
and essential supplies. However, the COVID-19 pandemic has brought the need to address critical healthcare gaps to the forefront of national conversations. Given its extensive delivery network, large workforce, trusted brand, and nationwide physical infrastructure, the Postal Service might consider additional ways of supporting U.S. health and wellness organizations.

The Office of Inspector General (OIG) conducted interviews with health and wellness subject matter experts, who identified several potential roles the Postal Service could play. Specifically, opportunities exist for USPS to play a larger role in helping the nation recover from the COVID-19 pandemic and potentially respond to future public health emergencies that may emerge. To help address the gap in obtaining reliable health care information, the local availability of health resources could be advertised at post offices to help promote public awareness. Further, local postal management could partner with community health organizations to help identify residents' health and wellness needs. USPS could also allow healthcare providers to use its address matching tool to improve patients' health record accuracy, reducing breakdowns in patient identification.

Finally, to improve access to health care in certain underserved areas, some postal facilities could host telehealth consultations. While it is imperative that any such initiatives do not distract from or interfere with the USPS's core mission, targeted partnerships could effectively leverage the unique size and reach of USPS's nationwide network.

THE POSTAL SERVICE USED ITS INFORMED DELIVERY PLATFORM TO SHARE TIMELY AND RELEVANT INFORMATION ON COVID-19 SAFETY

In March 2020, the Postal Service partnered with the Centers for Disease Control and Prevention (CDC) to distribute an emergency alert about COVID-19. This message was sent to 23.5 million Informed Delivery Subscribers via email and posted on users' Informed Delivery dashboards, where they were given a link to a CDC web site with the latest guidance on the pandemic.



Source: U.S. Postal Service Informed Delivery Daily Digest email sent to subscribers in mid-March 2020.



Investigations

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The Postal Service is consistently ranked by the Ponemon Institute as America’s “most trusted federal agency.” Among the reasons for this trust is the integrity of its employees. However, a few postal employees and contractors betray that trust and abuse the public’s confidence in the Postal Service. When that happens, the OIG’s Office of Investigations (OI) gets involved.

To protect the mail and to ensure the integrity of postal processes, finances, and personnel, the Postal Service relies on the investigative efforts of OI special agents, who are stationed in

offices nationwide. Their charge is to investigate internal crimes and fraud committed by postal employees and contractors and also employee misconduct.

In this section, we highlight work conducted by the OI during this reporting period that contributed to safeguarding the Postal Service’s revenue and assets and helped deter postal crimes, ultimately helping to maintain a stable and sound Postal Service.

Narcotics

A joint investigation involving the OIG, U.S. Postal Inspection Service (USPIS), and the Amarillo Police Department determined that a Postal Service city carrier and two outside co-conspirators were intercepting mail parcels containing marijuana and then distributing the drug in and around Amarillo.

During the execution of search warrants, agents confirmed the parcels contained marijuana and cash proceeds from narcotics sales. Investigators seized a firearm, approximately six pounds of marijuana, approximately 200 tetrahydrocannabinol (THC) vials, and \$60,000 cash.



Marijuana bought by undercover agents in a narcotics sting involving a USPS mail carrier.

Investigators interviewed the carrier, who confessed to purchasing and receiving parcels containing marijuana and THC vials sent to him via mail from California. He also confessed to mailing cash back to California for the illegal drug purchases. The carrier and both co-

conspirators pleaded guilty to conspiracy to possess with intent to distribute marijuana. The carrier was sentenced to four years in federal prison, followed by four years of probation. One co-conspirator was sentenced to two years in federal prison followed by four years' probation, the other to six months in federal prison followed by four years' probation.



Packaged marijuana that agents seized from mailed parcels.

The OIG investigated a case involving a Postal Service city carrier at the Oakland Park Station in Columbus, Ohio. The investigation determined the carrier targeted large parcels from California, Texas, and Arizona, and searched them during his lunch break to determine if they contained drugs.

During the investigation, the carrier was observed intercepting parcels from other carrier routes at the station. Investigators executed a search warrant at the carrier's residence, finding and seizing approximately 1,353 grams of methamphetamine, 1,043 grams of marijuana, 255 grams of tetrahydrocannabinol (THC) oil, and six firearms. The carrier admitted that he stole parcels from the mail to get illegal narcotics that he would then sell to people around his neighborhood.

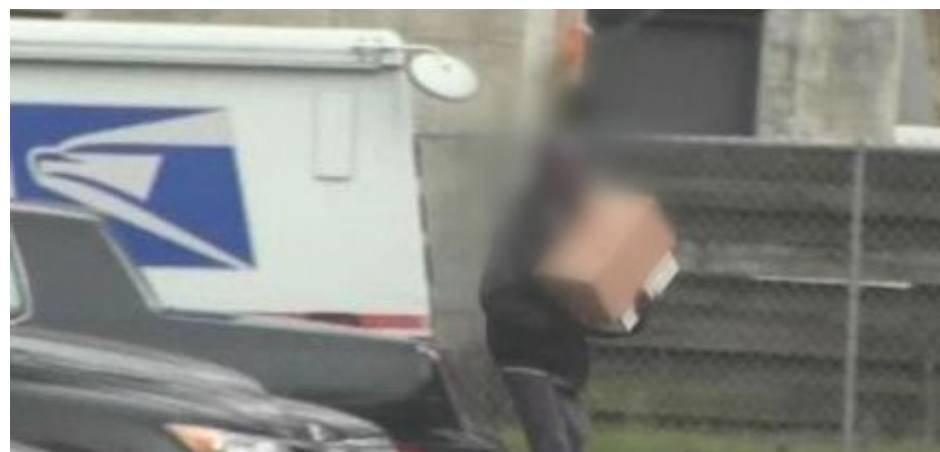
The carrier pleaded guilty to conspiracy to possess with intent to distribute controlled substances, possession with intent to distribute methamphetamine, possession with intent to distribute marijuana, and mail theft. In November 2020, the employee was sentenced to 24 months in federal prison and 48 months of supervised release.

Mail Theft

Cellular phones were mailed from a Consumer Cellular facility to customers throughout the country. A Consumer Cellular representative notified the OIG that customers were reporting their parcel boxes were arriving, but the telephones had been removed. The OIG investigation focused on a USPS mail handler, who, when questioned by agents, confessed to stealing more than 400 cellular phones and then selling them for \$100 each. He would then reseal the parcels and return them to the mailstream. The mail handler admitted that he had stolen 19 phones that day and 13 the previous day.

The mail handler pleaded guilty to mail theft and was sentenced in December 2020 to 12 months and one day in federal prison and then three months of probation. He was ordered to pay \$253,550 in restitution. He also had to forfeit assets valued at approximately \$10,000.

The OIG investigated a rural carrier associate (RCA) after numerous customer complaints from various towns in Indiana related to missing incoming and outgoing mail containing cash or gift cards. The



Surveillance image of a mail carrier carrying two stolen parcels suspected of containing methamphetamine into his residence.

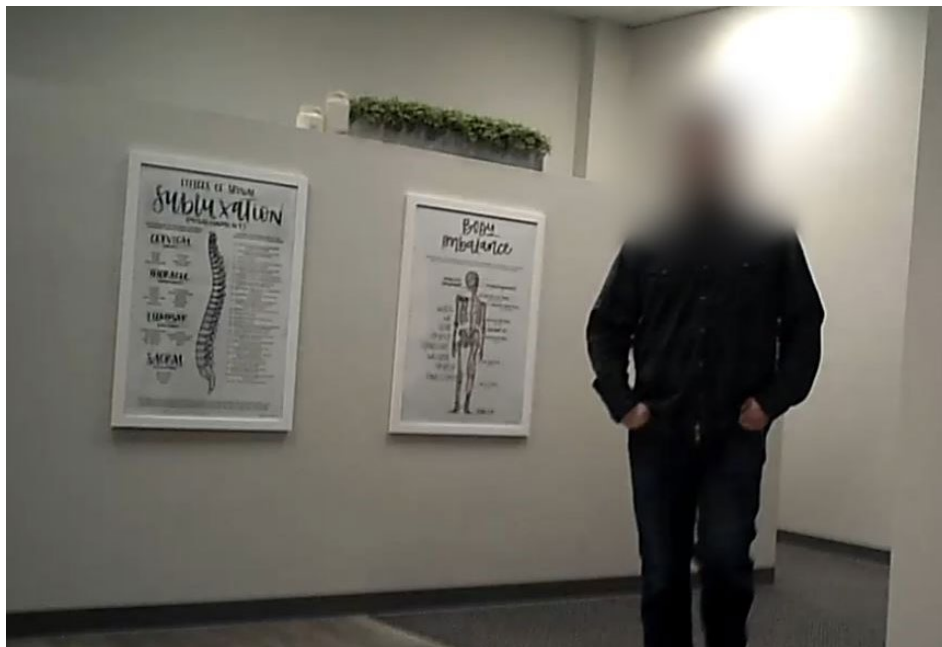
investigation determined the RCA was stealing gift cards and then using some at Wal-Mart to make unlawful purchases. A search of the RCA's vehicle revealed opened mail and stolen gift cards. During an interview with OIG agents, the rural carrier confessed. The RCA resigned from the Postal Service and later pleaded guilty in U.S. District Court to mail theft. In February 2021, the former RCA was sentenced to one year of probation and ordered to pay \$1,215 in restitution.



Twenty opened greeting cards (left) and stolen gift cards (right) found under a seat in a mail carrier's personal vehicle.

Health Care Claimant Fraud

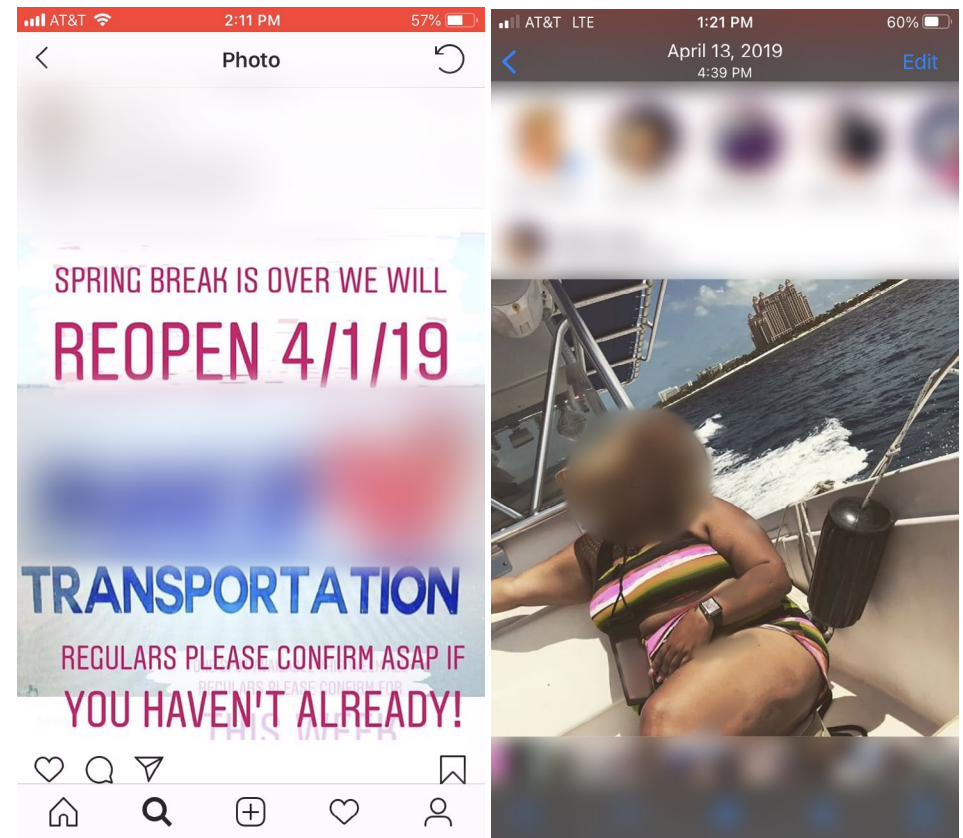
A former city carrier was fraudulently obtaining workers' compensation benefits by failing to disclose his employment at his fiancé's chiropractic clinic. The U.S. Department of Labor, Office of Workers' Compensation Program (DOL OWCP) requires recipients of benefits to disclose employment, but the former carrier never did on the annual reporting form. After an OIG investigation, the former carrier pleaded guilty in U.S. District Court to benefits fraud. In November 2020, the former carrier was sentenced to one year of probation and ordered to pay approximately \$5,600 in restitution. Additionally, in December 2020, DOL OWCP issued the former carrier a Fraud Termination letter due to his conviction. The compensation termination resulted in a cost avoidance for the Postal Service of nearly \$2.9 million.



Former city carrier greeting a customer inside his fiancée's chiropractic clinic, where he worked while collecting workers' compensation benefits.

In October 2018, the OIG began investigating a carrier technician who was operating her own social media business while receiving disability benefits from the Department of Labor, Office of Workers' Compensation

Program. The investigation revealed the carrier technician failed to disclose the income from the business as required. The investigation further confirmed the carrier technician provided daily postings on her social media about her physical activities, which included exercise and travel. As a result of the OIG investigation, DOL OWCP terminated the carrier technician's claim, resulting in a cost avoidance of more than \$1.1 million. The carrier technician subsequently resigned from the Postal Service and pleaded guilty in U.S. District Court to benefits fraud. In December 2020, the former carrier technician was sentenced to two years of probation and ordered to pay more than \$39,000 in restitution.



An online ad (left) for a business a USPS carrier technician operated while receiving disability benefits. The technician (right) on a cruise in the Bahamas.

Health Care Provider Fraud

A joint investigation between the OIG, the Department of Labor Office of Inspector General (DOL OIG), and the Food and Drug Administration Office of Criminal Investigations (FDA OCI) uncovered a kickback conspiracy involving a compound drugs pharmacy. A sales marketer paid kickbacks to two employees of a medical facility that had a large number of USPS employees as patients. In exchange, the employees referred patients with prescriptions for compounded medications to that particular pharmacy. These prescriptions were then paid for by DOL OWCP.

The pharmacy was overbilling DOL OWCP for prescriptions that were similar to over-the-counter pain creams and patches or ointments. For example, the pharmacy was paid approximately \$2,000 for patches, \$1,800 for one type of cream and \$656 for another type of cream. The total amount DOL OWCP paid was over \$1.5 million.

Contract Fraud

A joint investigation between the OIG, FBI, and the Department of Justice (DOJ) determined that a cement and concrete provider violated the anti-trust laws that affect industry consumers, including the Postal Service. The provider conspired with competitors to artificially increase prices, allocate specific markets among themselves, charge unauthorized environmental fees, and rig bids. In January 2021, an

In September 2018, investigators executed search warrants; the sales marketer and the two medical facility employees were subsequently arrested. On May 21, 2019, the two employees pleaded guilty to conspiracy to receive health care kickbacks. One employee was sentenced to five years of probation, the other to one year and one day in prison, followed by three years of probation. They were ordered to pay jointly more than \$457,000 in restitution. The sales marketer — initiator of the scheme — was found guilty by a jury in December 2019 for conspiring to pay kickbacks and was sentenced to 57 months in jail, followed by three years of probation. He was also ordered to pay more than \$1.5 million in restitution.

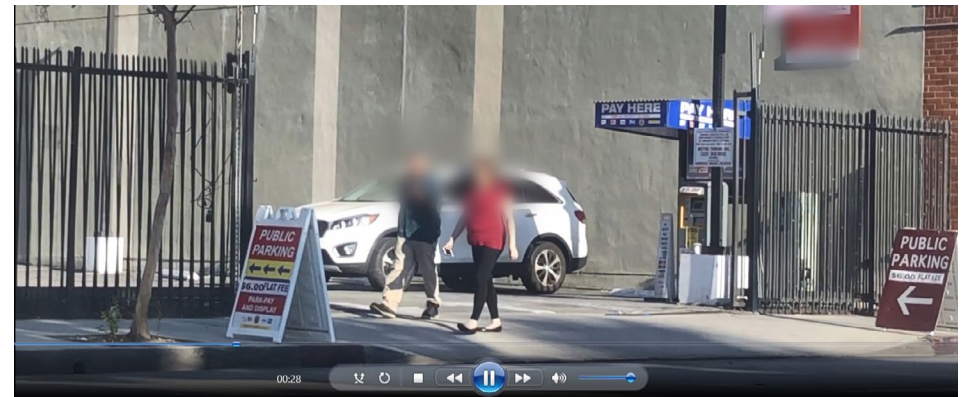
information was filed against the cement and concrete provider in the Southern District of Georgia. The company subsequently entered into a deferred prosecution agreement (DPA) with the government that included a monetary penalty of over \$20 million, thirty percent of which, totaling \$6 million, was returned to the Postal Service.

Financial Fraud

A Postal Support Employee (PSE) at the Cardwell Post Office in Missouri was suspected of misappropriating USPS funds by issuing money orders before reporting them as sold. The OIG investigation determined that in some instances, the PSE never paid for money orders with a combined face value of more than \$11,000. The investigation also determined the PSE embezzled \$3,300 in Postal Service revenue from numerous improperly reported or non-reported postage meter sales in addition to stealing approximately \$14,500 through manipulation of the post office's financial records. The Postal Service removed the PSE, who subsequently pleaded guilty to theft and was sentenced in December 2020 to four years of probation. He was also ordered to pay full restitution of the approximately \$14,500 he stole.

A bicyclist who was not wearing a helmet was involved in an accident with a Postal Service vehicle and filed a \$22 million tort claim action against USPS in the U.S. District Court of Los Angeles. In response to a request from the U.S. Attorney's Office and the Postal Service, the OIG investigated and uncovered evidence to refute the plaintiff's claim of traumatic brain injury (TBI). Specifically, the investigation revealed the plaintiff was performing unimpaired movement and activities inconsistent with long-term TBI. As a result,

the U.S. Attorney's Office was able to prepare for a formal case mediation, and in November 2020 the case was settled in mediation for \$300,000. The government had projected a maximum potential liability for the Postal Service at \$3 million had the court ruled in the plaintiff's favor. The OIG investigation played a significant role in reaching a settlement of approximately 10 percent of the potential liability. The total cost avoidance in this case was \$2.7 million.



The plaintiff (left) who claimed a traumatic brain injury from a USPS-involved accident, entering a court-ordered medical appointment.

Senior Executive Investigations

During the reporting period, no instances of misconduct by Postal Career Executive Service (PCES) employees were substantiated. The PCES grade is substantially similar to the Senior Executive Series (SES).

Substantiated allegations:

None.

Unsubstantiated allegations:

In response to a Congressional request, we examined whether the Postmaster General met all applicable ethics requirements related to disclosure, recusal, and divestment upon entering his position. Our review revealed the Postmaster General consulted with postal ethics staff and others to disclose, recuse, and divest financial holdings as required per federal ethics regulations. The investigation found the Postmaster General complied with the guidance he received.

Council of the Inspectors General on Integrity and Efficiency (CIGIE)

The OIG conducted an investigation relating to another OIG in support of CIGIE's Integrity Committee.

Whistleblower Reprisal Investigations

During the reporting period, there were no substantiated Whistleblower Reprisal (WbR) allegations.

WHISTLEBLOWER REPRISAL ACTIVITY

For the period October 1, 2020 – March 31, 2021

Allegations Received: **44**

OIG Investigations Initiated: **2**

Investigations Closed with No Action: **2**

Allegations Closed with No Action: **46**

OIG Found Reprisal: **0**



Appendices

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The Inspector General (IG) Act of 1978 requires semiannual reports on the immediately preceding six-month periods ending September 30 and March 31. These reports are sent to Congress and made available to the public.

This report summarizes OIG activities and illustrates significant problems, abuses, and deficiencies, along with recommendations and corrective actions related to the administration of U.S. Postal Service programs and operations during the reporting period.

The appendices on the following pages fulfill the requirements of the Act.

Definitions

Questioned Costs. A cost that is unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, contract, and so forth.

Unsupported Costs. A cost that is not supported by adequate documentation. Unsupported costs are included with the amounts shown as Questioned Costs.

Funds Put to Better Use. Funds that could be used more efficiently by implementing recommended actions.

Revenue Impact. Amounts from revenue-generating functions such as retail sales, rent, leases, or fees that were underpaid or not realized. In addition, this category includes increased revenue from existing functions and generating revenue from new sources.

Inspections/Evaluations. The Research Insights and Solution Center (RISC), using the inspections and evaluations standards, conducts in-depth research and analysis on postal issues to identify opportunities for revenue growth and increased operational efficiencies to enhance the viability and efficiency of the Postal Service. This work is generally issued in the form of white papers.

APPENDIX A: Reports Issued to Postal Service Management

Summary

For the period: October 1, 2020 — March 31, 2021

OIG audit teams conduct performance and financial audits, evaluations, and other reviews to address the business of the Postal Service. Each team issues audit reports, management alert reports, or white papers in accordance with the identified needs of the project.

Risk Categories	Number of Reports	Funds Put To Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Finance and Pricing	17	—	\$61,521	—	—
Inspection Service, Information Technology & Operations	5	—	\$165,892,309	\$165,889,744	—
Mission Operations	8	\$3,826,016	\$121,364,454	—	—
Retail, Delivery & Marketing	11	—	—	—	—
Supply Management & Human Resources	11	—	\$1,807,091	\$1,807,091	—
Sub-Total	52	\$3,826,016	\$289,125,375	\$167,696,835	—
RISC White Papers	1	—	—	—	—
Total	53	\$3,826,016	\$289,125,375	\$167,696,835	—

APPENDIX A: Reports Issued to Postal Service Management

Reports with Quantifiable Potential Monetary Benefits

For the period: October 1, 2020 — March 31, 2021

	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Finance and Pricing				
Finance				
Payments to Contract Postal Unit and Village Post Office Suppliers, 20-157-R21, 2/19/2021	—	\$61,521	—	—
Inspection Service, Information Technology & Operations				
Information Technology				
Accenture IT Contracts, 20-076-R21, 12/29/2020	—	\$165,889,744	\$165,889,744	—
U.S. Postal Inspection Service				
U.S. Postal Inspection Service's Oversight of Mail Suspected of Containing Illicit Drugs at Postal Facilities, 20-178-R21, 11/18/2020	—	\$2,565	—	—
Mission Operations				
Transportation				
Assessment of the U.S. Postal Service's Leased Trailers, 20-234-R21, 12/4/2020	—	\$7,091,161	—	—
Peak Season Air Transportation, 20-215-R21, 2/25/2021	\$3,826,016	\$4,423,140	—	—
Network Processing				
Misrouted Mail Within the U.S. Postal Service Network, 20-252-R21, 2/23/2021	—	\$109,850,153	—	—
Supply Management & Human Resources				
Supply Management & Facilities				
Kelly Services, 20-142-R21, 10/23/2020	—	\$1,807,091	\$1,807,091	—
Total	\$3,826,016	\$289,125,375	\$167,696,835	0

APPENDIX A: Reports Issued to Postal Service Management

Report Listing

Complete listing of all OIG reports issued to Postal Service management for the period: October 1, 2020 — March 31, 2021

Finance and Pricing

Cost and Pricing

Expedited Packaging Supplies Program Costs, 19-009-R21, 10/21/2020
Impact of Pandemic on Postal Service Finances, 20-257-R21, 3/29/2021
Pandemic Volume and Revenue Projected Scenarios, 21-037-R21, 2/10/2021
Projected Savings and Returns on Capital Investment Projects, 20-194-R21, 12/21/2020

Finance

Bank Secrecy Act Compliance, 20-158-R21, 1/19/2021
FY 2020 Review of Form 10-K, 20-294-R21, 11/11/2020
FY 2021 Review of Form 10Q – Quarter 1, 21-080-R21, 2/5/2021
Opinion on the U.S. Postal Service's FY 2020 Reclassified Financial Statements, 20-269-R21, 11/16/2020
Payments to Contract Postal Unit and Village Post Office Suppliers, 20-157-R21, 2/19/2021

Financial Controls

Refunds of Permit Postage – Washington, D.C., Main Office Window, 21-065-R21, 2/3/2021
Refunds of Permit Postage and Fees – Hagerstown, MD, Post Office, 21-072-R21, 3/2/2021
Stamps, Money Orders, and Cash – High Shoals, NC, Post Office, 20-280-R21, 10/7/2020
Stamps, Money Orders, and Cash – Los Angeles, CA, Barrington Station, 21-092-R21, 2/25/2021
Stamps, Money Orders, and Cash – Minneapolis, MN, Main Office, 21-055-R21, 12/30/2020
Stamps, Money Orders, and Cash – Newark, OH, Post Office, 20-306-R21, 10/8/2020
Voyager Card Transactions – Brick, NJ, Post Office, 21-069-R21, 3/4/2021
Voyager Card Transactions – Elizabeth, NJ, Post Office, 21-066-R21, 2/10/2021

Inspection Service, Information Technology & Operations

Information Technology

Accenture Information Technology Contracts, 20-076-R21, 12/29/2020
Management Alert – Issues Submitting and Processing Change of Address Requests, 21-017-R21, 2/2/2021
Management Alert – Active Smishing Campaign Masquerading as the U.S. Postal Service, 21-018-R21, 12/23/2020

U.S. Postal Inspection Service

U.S. Postal Inspection Service Confidential Funds Program, 20-179-R21, 10/28/2020
U.S. Postal Inspection Service's Oversight of Mail Suspected of Containing Illicit Drugs at Postal Facilities, 20-178-R21, 11/18/2020

Mission Operations

Network Processing

Misrouted Mail within the U.S. Postal Service Network, 20-252-R21, 2/23/2021
Service Performance of Election and Political Mail During the November 2020 General Election, 20-318-R21, 3/5/2021

Plant Evaluation Team

Late and Extra Trips at the Los Angeles, CA, Processing and Distribution Center, 21-028-R21, 1/11/2021
Late and Extra Trips at the Richmond, VA, Processing and Distribution Center, 21-029-R21, 1/11/2021
Management of Highway Contract Route Contractor Failures at the New Jersey International Network Distribution Center, 21-075-R21, 3/30/2021

Transportation

Assessment of the U.S. Postal Service's Leased Trailers, 20-234-R21, 12/4/2020
Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center, 21-071-R21, 3/10/2021
Peak Season Air Transportation, 20-215-R21, 2/25/2021

APPENDIX A: Reports Issued to Postal Service Management

Retail, Delivery, and Marketing

Delivery and Retail Operations

Automated Delivery Unit Sorter Cost Savings, 20-095-R21, 10/1/2020
Delivery and Customer Service Operations – New Hampshire, 20-205-R21, 12/14/2020
Deployment of Operational Changes, 21-014-R21, 11/6/2020
Mail Service During Early Stages of COVID-19 Pandemic, 20-275-R21, 1/4/2021
Operational Changes to Mail Delivery, 20-292-R21, 10/19/2020

Delivery and Retail Response Team

Mail Delivery and Customer Service Issues – Select Chicago Stations, Chicago, IL, 20-296-R21, 2/1/2021
Mail Delivery and Customer Service Operations – Columbia Main Post Office, Columbia, MO, 21-039-R21, 1/5/2021
Mail Delivery and Customer Service Operations – Avent Ferry Station, Raleigh, NC, 21-009-R21, 1/19/2021
Mail Delivery and Customer Service Operations – Holiday City Station, Memphis, TN, 21-089-R21, 3/16/2021
Mail Delivery and Customer Service Operations – Katy Annex, Katy, TX, 20-299-R21, 12/15/2020
Mail Delivery and Customer Service Operations – West Milwaukee Branch, Milwaukee, WI, 21-087-R21, 3/16/2021

Supply Management & Human Resources

Human Resources and Support

Employee Safety – Postal Service COVID-19 Response, 20-259-R21, 11/20/2020
Timecard Administration, 20-180-R21, 12/9/2020

Property Condition Review

Management Alert – Property Condition Issues at Spring Garden Station, 20-293-R21, 10/2/2020
Property Condition Reviews – Annapolis, Columbia, and Legion Avenue Post Offices, 20-320-R21, 12/10/2020
Property Condition Reviews – Greenville Station A, Simpsonville, and Easley Post Offices in South Carolina, 21-091-R21, 3/29/2021
Property Condition Reviews – Maplewood, North County, and Brentwood Post Offices, 21-046-R21, 2/3/2021

Property Condition Reviews – Martinsburg, Gerrardstown, and Ranson Post Offices, 21-044-R21, 1/25/2021

Property Condition Reviews – Smithville, Leander, and Kyle Post Offices, 20-321-R21, 1/11/2021

Supply Management and Facilities

Audit of Costs Incurred by Kelly Services, Inc., 20-142-R21, 10/23/2020
Contract Delivery Service Contract Renewal Compliance, 20-193-R21, 1/7/2021
Elevator Modernization Program, 20-200-R21, 2/1/2021

APPENDIX A: Reports Issued to Postal Service Management

White Paper Listing

Research and Insights Solution Center

Partnering for Health: Potential Postal Service Roles in Health and Wellness,
RISC-WP-21-001, 3/11/2021

Reports/Memoranda Issued During the Period but Were Not Disclosed to the Public

The Inspector General Empowerment Act of 2016 requires that the OIG report on each inspection, evaluation, and audit conducted by the office that is closed during the reporting period and was not disclosed to the public. During the current reporting period, the OIG had three reports that were closed but not disclosed to the public.

Office of Audit

Review of Form 10-Q

The following letters are not publicly available as they are provided to the Board of Governors to assist them in determining whether to release the financial statements and disclosures, with the accompanying opinion, to the public.

Fiscal Year 2020 Review of Form 10-K, 20-294-R21, 11/11/2020

Fiscal Year 2021 Review of Form 10Q – Quarter 1, 21-080-R21, 2/5/2021

Audits of Costs Incurred

The following reports are not publicly available due to USPS concerns with proprietary and commercially sensitive information that may be protected from disclosure under 39 USC 410(c)(2).

Audit of Costs Incurred by Kelly Services, Inc., 20-142-R21, 10/23/2020

Referrals to Postal Service Management

Referrals made during the reporting period to USPS management for action that did not warrant the OIG to investigate or conduct an audit: 1,573

APPENDIX B: Findings of Questioned Costs

For the period: October 1, 2020 — March 31, 2021

As required by the IG Act, the following pages show the total number of audit reports and the total dollar value of questioned costs therein.

Questioned Cost: A cost that is unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, or contract.

Description	Number of Reports	Questioned Costs	Unsupported Costs Included in Questioned Costs
Reports for which no management decision was made at the beginning of the reporting period	—	—	—
Reports issued during the reporting period	7	\$289,125,375	\$167,696,835
Totals	7	\$289,125,375	\$167,696,835
Reports for which a management decision was made during the reporting period (i+ii)	7	\$289,125,375	\$167,696,835
(i) Dollar Value of disallowed cost	3	\$7,151,742	—
(ii) Dollar Value of cost not disallowed	5	\$281,973,633	\$167,696,835
Reports for which no management decision was made by the end of the reporting period	—	—	—

Note 1 — Reports for which no management decision was made within six months of issuance:

None this reporting period.

Note 2 — Reports for which no management decision was made within one year of issuance:

None this reporting period.

APPENDIX C: Recommendations That Funds Be Put to Better Use

For the period: October 1, 2020 — March 31, 2021

As required by the IG Act, the following page shows the total number of audit reports and the total dollar value of recommendations for funds that can be put to better use by management.

Funds Put to Better Use: Funds that could be used more efficiently by implementing recommended actions.

Description	Number of Reports	Dollar Value
Reports for which no management decision was made at the beginning of the reporting period	—	—
Reports issued during the reporting period	1	\$3,826,016
Totals	1	\$3,826,016
Reports for which a management decision was made during the reporting period	1	\$3,826,016
(i) Dollar Value of recommendations agreed to by management	—	—
(ii) Dollar Value of recommendations that were not agreed to by management	1	\$3,826,016
Reports for which no management decision was made by the end of the reporting period	—	—

Note 1 — Reports for which no management decision was made within six months of issuance:

None this reporting period.

Note 2 — Reports for which no management decision was made within one year of issuance:

None this reporting period.

APPENDIX D: Other Impacts

For the period: October 1, 2020 — March 31, 2021

Overview

Many of our audit reports identify areas for improvements that result in non-monetary benefits to the Postal Service. These benefits include improvements to service, protection of assets, and reliability of data.

Description and Reports	Number of Recommendations
Assets or Accountable Items at Risk	1
Stamps, Money Orders, and Cash – High Shoals, NC, Post Office, 20-280-R21, 10/7/2020	1
Cost Misallocation	1
Expedited Packaging Supplies Program Costs, 19-009-R21, 10/21/2020	1
Data Integrity	12
Bank Secrecy Act Compliance, 20-158-R21, 1/19/2021	4
Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center, 21-071-R21, 3/10/2021	1
Expedited Packaging Supplies Program Costs, 19-009-R21, 10/21/2020	1
Management of Highway Contract Route Contractor Failures at the New Jersey International Network Distribution Center, 21-075-R21, 3/30/2021	1
Pandemic Volume and Revenue Projected Scenarios, 21-037-R21, 2/10/2021	1
Peak Season Air Transportation, 20-215-R21, 2/25/2021	1
Projected Savings and Returns on Capital Investment Projects, 20-194-R21, 12/21/2020	1
U.S. Postal Inspection Service Confidential Funds Program, 20-179-R21, 10/28/2020	2
Disbursements at Risk	2
Voyager Card Transactions – Brick, NJ, Post Office, 21-069-R21, 3/4/2021	1
Voyager Cards Transactions – Elizabeth, NJ, Post Office, 21-066-R21, 2/10/2021	1
Goodwill Branding	30
Deployment of Operational Changes, 21-014-R21, 11/6/2020	1
Employee Safety – Postal Service COVID-19 Response, 20-259-R21, 11/20/2020	1
Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center, 21-071-R21, 3/10/2021	1
Mail Delivery and Customer Service Issues – Select Chicago Stations, Chicago, IL, 20-296-R21, 2/1/2021	2
Mail Delivery and Customer Service Operations – Avent Ferry Station, Raleigh, NC, 21-009-R21, 1/19/2021	4
Mail Delivery and Customer Service Operations – Holiday City Station, Memphis, TN, 21-089-R21, 3/16/2021	3
Mail Delivery and Customer Service Operations – Katy Carrier Annex, Katy, TX, 20-299-R21, 12/15/2020	1
Mail Delivery and Customer Service Operations – West Milwaukee Branch, Milwaukee, WI, 21-087-R21, 3/16/2021	2
Mail Delivery and Customer Service Operations – Columbia Main Post Office, Columbia, MO, 21-039-R21, 1/5/2021	1

APPENDIX D: Other Impacts

Description and Reports	Number of Recommendations
Management Alert – Issues Submitting and Processing Change of Address Requests, 21-017-R21, 2/2/2021	2
Management Alert – Active Smishing Campaign Masquerading as the U.S. Postal Service, 21-018-R21, 12/23/2020	2
Misrouted Mail within the U.S. Postal Service Network, 20-252-R21, 2/23/2021	1
Property Condition Reviews – Annapolis, Columbia, and Legion Avenue Post Offices, 20-320-R21, 12/10/2020	2
Property Condition Reviews – Greenville Station A, Simpsonville, and Easley Post Offices in South Carolina, 21-091-R21, 3/29/2021	2
Property Condition Reviews – Maplewood, North County, and Brentwood Post Offices, 21-046-R21, 2/3/2021	1
Property Condition Reviews – Martinsburg, Gerrardstown, and Ranson Post Offices, 21-044-R21, 1/25/2021	2
Property Condition Reviews – Smithville, Leander, and Kyle Post Offices, 20-321-R21, 1/11/2021	1
Refunds of Permit Postage and Fees – Hagerstown, MD, Post Office, 21-072-R21, 3/2/2021	1
Improved Services	13
Deployment of Operational Changes, 21-014-R21, 11/6/2020	1
Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center, 21-071-R21, 3/10/2021	1
Mail Delivery and Customer Service Issues – Select Chicago Stations, Chicago, IL, 20-296-R21, 2/1/2021	2
Mail Delivery and Customer Service Operations – Avent Ferry Station, Raleigh, NC, 21-009-R21, 1/19/2021	1
Mail Delivery and Customer Service Operations – Holiday City Station, Memphis, TN, 21-089-R21, 3/16/2021	3
Mail Delivery and Customer Service Operations – Katy Carrier Annex, Katy, TX, 20-299-R21, 12/15/2020	1
Mail Delivery and Customer Service Operations – West Milwaukee Branch, Milwaukee, WI, 21-087-R21, 3/16/2021	2
Mail Delivery and Customer Service Operations – Columbia Main Post Office, Columbia, MO, 21-039-R21, 1/5/2021	1
Peak Season Air Transportation, 20-215-R21, 2/25/2021	1
IT Security	3
Accenture Information Technology Contracts, 20-076-R21, 12/29/2020	1
Management Alert – Issues Submitting and Processing Change of Address Requests, 21-017-R21, 2/2/2021	2
Predicted Savings Shortfall	2
Automated Delivery Unit Sorter Cost Savings, 20-095-R21, 10/1/2020	2
Safety and Security	19
Bank Secrecy Act Compliance, 20-158-R21, 1/19/2021	1
Elevator Modernization Program, 20-200-R21, 2/1/2021	1
Employee Safety – Postal Service COVID-19 Response, 20-259-R21, 11/20/2020	4
Mail Delivery and Customer Service Operations – Katy Carrier Annex, Katy, TX, 20-299-R21, 12/15/2020	1
Management Alert – Property Condition Issues at Spring Garden Station, 20-293-R21, 10/2/2020	3
Property Condition Reviews – Annapolis, Columbia, and Legion Avenue Post Offices, 20-320-R21, 12/10/2020	1
Property Condition Reviews – Greenville Station A, Simpsonville, and Easley Post Offices in South Carolina, 21-091-R21, 3/29/2021	2

APPENDIX D: Other Impacts

Description and Reports	Number of Recommendations
Property Condition Reviews – Maplewood, North County, and Brentwood Post Offices, 21-046-R21, 2/3/2021	3
Property Condition Reviews – Martinsburg, Gerrardstown, and Ranson Post Offices, 21-044-R21, 1/25/2021	1
Property Condition Reviews – Smithville, Leander, and Kyle Post Offices, 20-321-R21, 1/11/2021	2
Total	83

Management did not agree with the impact recommendations in the following reports:

Automated Delivery Unit Sorter Cost Savings, 20-095-R21, 10/1/2020

Bank Secrecy Act Compliance, 20-158-R21, 1/19/2021

Employee Safety – Postal Service COVID-19 Response, 20-259-R21, 11/20/2020

Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center, 21-071-R21, 3/10/2021

Peak Season Air Transportation, 20-215-R21, 2/25/2021

APPENDIX E: Reports with Recommendations

Pending Corrective Actions

For the period: October 1, 2020 — March 31, 2021

As required by the IG Act, as amended, the following pages include a list of outstanding unimplemented recommendations and the monetary impact of those recommendations.

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary
			R = Recommendation number TID = Target Implementation Date
			Supervisor Workhours and Span of Control
NO-MA-13-005	4/4/2013	\$11,955,046	R-2 — Fill vacant supervisor positions up to the appropriate span of control level and reduce supervisor replacement workhours accordingly. TID: March 2021
			Badges for Postal Service Contractors
HR-AR-15-004	3/6/2015	—	R-1 — Revise national policy to ensure responsible personnel develop comprehensive and uniform standard operating procedures to manage contractor badges, including procedures for issuing, tracking, and monitoring badges. TID: June 2021
			Substantial Increase in Delayed Mail
NO-MA-15-004	08/13/2015		R-4 — Establish criteria for determining if the network has stabilized and ensure the criteria are met prior to resuming the Phase II consolidations or conducting any other optimization efforts. TID: June 2021
			Access Controls over Mail Imaging Systems
IT-AR-16-004	01/14/2016	—	R-2 — Require passwords for all mail imaging systems accounts in accordance with Handbook AS-805. TID: June 2021
		—	R-3 — Delete all accounts that have not been used in more than 365 days and all guest accounts on the mail imaging systems. TID: June 2021
		—	R-4 — Require users to change passwords for all administrative accounts at least every 30 days and for all non-administrative accounts at least every 90 days for the mail imaging systems. TID: June 2021
			Mail Processing and Transportation Operational Changes
NO-AR-16-009	09/02/2016	—	R-2 — Develop and implement a strategy to improve mail processing productivity in the new operational window before any additional nationwide operational changes or consolidations are implemented. TID: June 2021
			Privileged Account Management
IT-AR-17-003	04/05/2017	—	R-2 — Develop and continuously maintain a complete and accurate listing of privileged accounts for Postal Service systems. TID: September 2024
		—	R-3 — Define business practices and responsibilities for monitoring privileged accounts and implement privileged access management tools. TID: September 2024
			Insider Threat Program
IT-AR-17-007	09/18/2017	—	R-1 — Continue to develop and fully implement an insider threat program for national security information in accordance with National Insider Threat Policy minimum standards. TID: March 2024
		—	R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2024

APPENDIX E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation number TID = Target Implementation Date
HR-AR-18-003	03/01/2018	—	Postal Service's Limited Duty and Rehabilitation Programs Return to Work Processes in the Southern and Pacific Areas R-2 — Assess if the staffing to caseload ratio aligns with requirements established by management. TID: March 2021
IT-AR-18-002	03/19/2018	—	Western Area Physical Security and Environmental Controls R-6 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: April 2021
NO-AR-18-008	07/26/2018	—	Flats Sequencing System Performance in the Capital Metro Area R-2 — Determine the operational cost and savings Flats Sequencing System (FSS) currently provides to the Postal Service to fully understand the financial and operational impact of FSS on the Postal Service and customers. TID: March 2021
MS-AR-18-005	08/24/2018	—	Change of Address Identity Verification Internal Controls R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: December 2021
IT-MT-18-001	09/05/2018	—	Access Issues Identified in the Mail Processing Environment R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2021
		—	R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2021
		—	R-4 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2021
		—	R-5 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2021
FT-AR-18-009	09/28/2018	—	Export Controls for Outbound Mail at International Service Centers R-4 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.
SAT-AR-18-002	09/28/2018	—	Use of Postal Service Network to Facilitate Illicit Drug Distribution R-1 — Work with Congress to develop legislative changes that would result in the Postal Inspection Service being authorized to open and inspect domestic packages suspected of containing illicit drugs.
FT-AR-19-003	11/26/2018	—	Treasury Inflation-Protected Securities R-1 — Determine a strategy regarding the allocation of the U.S. Postal Service Civil Service Retirement System, Federal Employees Retirement System and Retiree Health Benefits Fund investments in Treasury Inflation-Protected Securities. TID: May 2021
		\$2,781,473,463	R-2 — Request approval from the Secretary of Treasury and the U.S. Office of Personnel Management (OPM) to redeem fixed-rate Treasury securities in the U.S. Postal Service retirement funds and invest proceeds and other fund inflows in Treasury Inflation-Protected Securities TID: May 2021

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			Mail Processing Overtime
NO-AR-19-005	06/13/2019	—	R-2 — Issue supplemental guidance on management oversight to reduce unauthorized overtime, ensure compliance with overtime policy to reduce grievances, and increase employee availability. TID: September 2021
		—	R-3 — Establish appropriate performance incentives for managers to effectively manage overtime.
			Nationwide Review of Voyager Fleet Card Personal Identification Numbers
DR-AR-19-006	06/24/2019	—	R-1 — Coordinate with U.S. Bank Voyager to implement automated controls in the Voyager Fleet Commander Online application to: 1) prevent assignment of PINs to vendors; 2) prevent assignment of multiple PINs to employees; 3) prevent assignment of PINs without valid employee names; and 4) ensure only authorized employees are allowed to request PIN limit changes. TID: August 2021
			Military and Diplomatic Mail Service
MS-AR-19-003	07/31/2019	—	R-4 — Work with military stakeholders to update Publication 38, <i>Postal Agreement with the Department of Defense</i> , and with military and diplomatic stakeholders to update the operating plan related to military and diplomatic mail at the Chicago International Military Service Center. TID: December 2021
			Nationwide Employee Background Screening
HR-AR-19-003	08/22/2019	—	R-4 — Implement a review process to ensure that district Human Resources officials are validating that Certificates of Completion are in employees' electronic Official Personnel Folders. TID: December 2021
			U.S. Postal Service Processing Network Optimization
NO-AR-19-006	09/09/2019	—	R-3 — Revise and update AMP feasibility studies to determine whether cost savings could be realized, and consolidations should continue. TID: June 2021
			Assessment of U.S. Postal Service's Service Performance and Costs
NO-AR-19-008	09/17/2019	—	R-1 — Conduct a cost-benefit analysis, including a sensitivity analysis, of current service performance targets. This analysis should include an evaluation of additional costs incurred for extra operational services performed to meet service performance targets, and opportunities that exist to limit extra services when they are not financially feasible. TID: March 2021
			Automated Package Verification (APV) Evaluation
MS-AR-19-004	09/18/2019	\$152,327,853	R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: October 2021
			Postal Service Dynamic Route Optimization and Cost Savings Initiative
NL-AR-19-004	09/27/2019	—	R-5 — Develop an automated payment process to ensure suppliers are paid consistently, accurately, and timely. TID: October 2021
			Custodial Workhours
19SMG006HR000-R20	10/24/2019	\$81,319,892	R-1 — Develop and implement a strategy to address hiring and staffing challenges for custodial positions at facilities subject to the Memorandum of Understanding Between the United States Postal Service and the American Postal Workers Union (Maintenance Series-47 Transmittal Letter-5 Implementation and Maintenance Craft Postal Support Employee Conversions, signed July 9, 2014). TID: December 2021

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			Supply Management's Control Environment Over Contracting Officers
18SMG023SM000-R20	11/06/2019	—	R-5 — Assess the feasibility of establishing commodity-specific metrics or tools to provide for a consistent workload management process, to include a cost-benefit analysis. TID: May 2021
			U.S. Postal Service Transportation Network Operations and Cost Optimization Practices
19XG002NL000-R20	11/07/2019	—	R-2 — Ensure authorized account numbers are used for exceptional service in the Service Change Request system. TID: August 2021
			National Operational Assessment – Customer Service and Delivery Operations
19RG002DR000-R20	12/12/2019	—	R-4 — Implement a policy to conduct a physical inventory of Mobile Delivery Devices and maintain inventory results. TID: April 2021
			Partnership Agreement Compliance
19BG004FT000-R20	12/27/2019	—	R-2 — Include in future Marketing and Service Offering Agreements, measures that enforce compliance with agreement provisions. TID: July 2021
		—	R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2021
			U.S. Postal Service: First-Line Supervisors – Resources
19SMG010HR000-R20	03/18/2020	—	R-5 — Update the current first-line supervisor job responsibilities and qualifications and develop a review process to include frequencies for conducting periodic reviews and updates. TID: September 2021
			Management Structure at Postal Service Facilities
19SMG011HR000-R20	03/18/2020	—	R-1 — Implement an updated district ranking methodology and reassess district rankings based on the approved methodology. TID: March 2021
		—	R-2 — Formalize policy guidance to address a reassessment schedule and process for district rankings, including frequency, methodology, and roles and responsibilities. TID: June 2021
		—	R-4 — Formalize a regular review process of workload models and criteria, for each operational manager and supervisor position. TID: June 2021
			In-Office Cost System Sampling Processes
19-032-R20	05/22/2020	—	R-3 — Investigate cause(s) for increases in rescheduled readings that were canceled and take appropriate action. TID: April 2021
		—	R-6 — Analyze the expansion of the IOCS cluster sampling methodology to include other crafts, and implement a pilot as appropriate. TID: May 2021
			Transportation Network Optimization and Service Performance
20-144-R20	06/05/2020	—	R-4 — In coordination with the Vice President, Processing and Maintenance Operations, align volume arrival profiles with terminal handling services operations to allow time to build the planned amount of bypass containers. TID: August 2020

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U.S. Postal Service's Processing Network Optimization and Service Impacts			
19XG013NO000-R20	06/16/2020	\$96,399,375	R-1 — Implement best practices identified during site visits to increase operational efficiency and management oversight nationwide. TID: June 2021
		\$96,399,375	R-4 — When the impacts of COVID-19 begin to subside, develop a plan, with milestones and measurable goals, to increase staff availability, including applying standard operating procedures to address employees out for significant periods of time. TID: September 2021
Informal Grievance Oversight			
19SMG007HR000-R20	07/14/2020	—	R-6 — Update and reconcile issue codes in the Grievance and Arbitration Tracking System (GATS) and the <i>GATS Entries Handbook</i> to include clear definitions and instructions for use; and establish guidance to address frequency of the updates. TID: May 2021
Cybersecurity Incident Detection and Response Capability			
19-012-R20	07/29/2020	—	R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: September 2021
Stamp and Cash Inventories – Chicago, IL, Offices			
20-256-R20	07/29/2020	—	R-2 — Provide Retail Systems Software administrative training to all respective unit supervisors. TID: July 2021
Cost Reduction Initiatives for Mail Products			
20-088-R20	08/03/2020	—	R-2 — Update the <i>Domestic Mail Manual</i> to set appropriate mail preparation standards that align with automation for strapping, containerization, wrapping, and paper quality, to reduce costs associated with bundle breakage and manual processing of machinable mail. TID: June 2021
Security Assessment of a U.S. Postal Service Information Technology Application			
19-018-R20	08/11/2020	—	R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2021
		—	R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2021
		—	R-4 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2021
Delivery Vehicle Acquisition Strategy			
19-002-R20	08/12/2020	—	R-1 — Perform a schedule risk assessment of the NGDV production timeline to evaluate the risk of further delays and determine whether modification to the mixed vehicle acquisition strategy is warranted. TID: April 2021
Financial Controls Policy for Retail Units			
20-264-R20	08/13/2020	—	R-1 — Update and publish the final Handbook F-101, <i>Field Accounting Procedures, Draft, and the Postal Operations Manual</i> , as appropriate, to ensure consistency in conducting field office accounting and among policies and procedures associated with refunds. TID: April 2021

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Controls Over Purchasing and Maintaining IT Equipment			
19-017-R20	08/17/2020	—	R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: August 2021
		—	R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: August 2021
		—	R-4 — Coordinate with the Vice President, Chief Information Security Officer, to develop a process to scan the Postal Service network for vulnerabilities without negatively affecting network and application performance. TID: June 2021
U.S. Postal Service Mail Recovery Center			
19-040-R20	08/17/2020	—	R-3 — Develop and implement a strategy to ensure Mail Recovery Center staff are aware of, and complying with, the Postal Service policy for opening and examining all undeliverable First-Class Mail. TID: September 2021
		—	R-6 — Establish and implement an additional process to accurately record cash removed from undeliverable mail and periodically reconcile this amount against the total cash deposited. TID: July 2021
		—	R-7 — Establish and implement processes to maintain an accurate physical inventory and conduct periodic reviews. TID: September 2021
Business Application Review of the HERO System			
19-016-R20	08/24/2020	\$26,823,859	R-1 — Update Management Instruction AS-800-2014-4, <i>Cloud Computing Policy</i> , to include early demonstrations of system functionality with key stakeholders to validate and verify the alignment of business needs and the technical capabilities before purchasing any cloud software solutions. TID: June 2021
		—	R-2 — Update Management Instruction AS-800-2014-4, <i>Cloud Computing Policy</i> , to state the Vice President, Information Technology, must approve a waiver for cloud solution purchases when the policy is not followed. TID: June 2021
		—	R-3 — Update Supplying Principles and Practices to state the processes outlined in Management Instruction AS-800-2014-4, <i>Cloud Computing Policy</i> , must be completed before awarding cloud solution contracts. TID: July 2021
		—	R-4 — Update the Postal Service Handbook AS-805, <i>Information Security</i> , to define the interim security assessment process, document the associated risks and mitigation plans, ensure proper document retention, and complete the process prior to the purchase of a cloud solution. TID: June 2021
Assessment of Overtime Activity			
20-209-R20	08/25/2020	—	R-1 — Address staffing issues at facilities operating below their authorized complement or with excessive vacancies and identify opportunities for savings at locations with high overtime users by determining the optimal point that hiring new staff becomes more cost-efficient than overtime. TID: March 2021
		\$667,098,942	R-2 — Modify current policies and procedures, to include performance measures or other oversight controls, to hold appropriate management accountable for not reducing overtime. TID: September 2021
		—	R-3 — Implement a process to collect and monitor data that identifies the reasons for overtime use to better manage and control overtime costs. TID: September 2021
		—	R-4 — Develop an action plan with milestones, to monitor and reduce unauthorized overtime. TID: September 2021

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			Arrow Key Management Controls
19-033-R20	08/31/2020	—	R-3 — Evaluate technology solutions and take appropriate action to reduce risks associated with lost or stolen arrow keys and enhance the security of mail receptacles. TID: August 2021
			Processing Readiness of Election and Political Mail During the 2020 General Elections
20-225-R20	08/31/2020	—	R-1 — Leverage established partnerships with state and local election officials to work toward creating a separate, simplified mail product exclusively for Election Mail that would support uniform mail processing, including mandatory mailpiece tracking and proper mailpiece design. Until this new product is developed, continue to prioritize the processing of election mail consistent with past practices. TID: September 2021
			Recovery for Private Party Damage to Postal Service Vehicles
		—	R-1 — Coordinate with the National Tort Center to provide district Tort Claim Coordinators training on accident recovery settlements and related processes. TID: September 2021
		\$210,150	R-2 — Coordinate with the National Tort Center to update Postal Service policy to require periodic management review of recoveries for private party damages to Postal Service vehicles. TID: September 2021
20-177-R20	09/10/2020	—	R-3 — Coordinate with the National Tort Center to evaluate the Tort Claim Coordinator reporting structure and identify changes to enhance the effectiveness of the structure, which could include transferring supervisory oversight of the district Tort Claim Coordinator function, duties, and responsibilities to the National Tort Center. TID: April 2021
		—	R-4 — Reinforce requirements to complete and submit required accident investigation forms and documentation to Tort Claim Coordinators within established timeframes. TID: September 2021
		—	R-5 — Reinforce the importance of recording accurate and updated information in the Tort Claims System. TID: September 2021
		—	R-6 — Coordinate with the National Tort Center to evaluate the implementation of automated controls in the Tort Claim System to 1) require data in essential fields such as the “Employee Action” and “Employee Health and Safety Number,” and 2) require alerts when cases have exceeded reasonable time thresholds without a file or demand status change. TID: September 2021
			Package Delivery in Rural and Dense Urban Areas
RISC-20-008	9/16/2020	—	R-1 — Vice President, Delivery Operations, develop a national plan, based on key data factors, to help reduce the aggregate costs of door deliveries along rural routes and in urban apartment buildings. TID: March 2021
			Relocation Benefits Program
20-126-R20	09/30/2020	—	R-1 — Coordinate with the relocation management firm to establish full, unlimited access for appropriate Postal Service personnel to all relocation documentation in the relocation management firm’s database. TID: April 2021
		\$1,018,861	R-4 — Evaluate and align, as appropriate, Postal Service relocation benefits policy for miscellaneous expense allowance and temporary quarters benefits with those benefits offered to other federal employees. TID: June 2021

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			Payments to Injured Employees
20-156-R20	09/30/2020	\$37,213	R-2 — Enhance the Enterprise Management Resource System and the Time and Attendance Collection System, respectively, to automatically calculate days of continuation of pay per employee and limit supervisor’s ability to enter continuation of pay hours when the 45-day limit is reached. TID: September 2021
		—	R-4 — Enhance relevant systems to provide automated tools and edit checks to reduce reliance on manual procedures during the payroll and claims approval process. TID: June 2021
20-095-R21	10/01/2020	—	Automated Delivery Unit Sorter Cost Savings
		—	R-2 — Ensure staffing on ADUS machines remain within the parameters outlined in the DAR or as determined by management. TID: June 2021
		—	Expedited Packaging Supplies Program Cost
		—	R-1 — Enhance monitoring of customer revenue generation to prevent the distribution of specialized and customized packaging to ineligible customers who do not meet revenue commitments. TID: September 2021
		—	R-2 — Evaluate and implement as appropriate available options to gather more complete expedited packaging usage data. TID: March 2021
19-009-R21	10/21/2020	—	R-3 — In coordination with the Vice President, Mail Entry and Payment Technology, evaluate and implement, as appropriate, available technology to scan all expedited mailpieces, to include non-Click-N-Ship and non-PC Postage pieces, to identify and recover postage due from improper usage of expedited packaging. TID: September 2021
		—	R-4 — Enhance online expedited packaging supply ordering controls to prevent customers from circumventing order thresholds and to further discourage waste.
		—	R-5 — Develop a mechanism to provide greater visibility over expedited packaging supply (EPS) inventories and order volumes for eBuyPlus post offices. Periodically distribute and review data reports from the standard packaging supplier’s information tool to evaluate the cost effectiveness of the EPS program.
		—	U.S. Postal Inspection Service Confidential Funds Program
		—	R-1 — Enforce Confidential Funds Program guidance and update the Confidential Funds Program application or reevaluate the requirement to capture arrests in the Confidential Funds Program application. TID: June 2021
20-179-R21	10/28/2020	—	R-2 — Ensure that postal inspectors conducting annual Confidential Funds Program reviews follow the Confidential Funds Program annual review guidelines. TID: June 2021
		—	R-4 — Enforce or update the case management area case guidelines for developing and maintaining confidential informants. TID: April 2021
		—	R-5 — Reconcile guidance annually and update the <i>Inspection Service Manual’s</i> Confidential Funds Program policies with the <i>Confidential Funds Program Manual</i> to ensure consistency. TID: June 2021
		—	Deployment of Operational Changes
21-014-R21	11/06/2020	—	R-1 — Instruct management to develop and implement a strategy to communicate in writing to all employees the status of ongoing and suspended operational changes to promote message clarity, alignment, and saturation. TID: April 2021
		—	R-4 — Develop and implement a communication strategy to inform Congress and customers of planned and ongoing operational changes that may impact mail service. TID: March 2021

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20-259-R21	11/20/2020	—	Employee Safety-Postal Service COVID-19 Response
			R-4 — Evaluate options and implement a nationwide health screening initiative, which may include employee self-certification. TID: June 2021
20-234-R21	12/04/2020	—	Assessment of the U.S. Postal Service's Leased Trailers
			R-2 — Perform an analysis to determine an optimal number of trailers in the fleet, including the mix of leased versus owned trailers. TID: March 2021
20-180-R21	12/09/2020	—	Timecard Administration
			R-2 — Establish a formal oversight process to ensure periodic reviews of supervisors' documentation supporting disallowed timecard adjustments. TID: September 2021
			R-3 — Procure and test new, automated time collection devices for the Postal Service to implement throughout its facilities. TID: September 2021
			R-4 — Resolve system flaws that allow supervisors to bypass completing the time disallowance record when a supervisor uses the "Change," "Delete," and "Add" time functions in the time and attendance system to ensure disallowed timecard adjustments are reported in timekeeping reports. TID: September 2021
20-194-R21	12/21/2020	—	Projected Savings and Returns on Capital Investment Projects
			R-1 — Revise policy to more clearly define the retention period for investment-related data and documentation that includes how to appropriately store the records for accessibility. TID: March 2021
21-018-R21	12/23/2020	—	Management Alert – Active Smishing Campaign Masquerading as the U.S. Postal Service
			R-2 — Initiate a smishing awareness campaign through its social media platforms and USPS.com on the proper precautions posted on the U.S. Postal Inspection Service website. TID: February 2021
20-076-R21	12/29/2020	\$165,889,744	Accenture Information Technology Contracts
			R-1 — Develop and implement a cost management plan during purchase planning for the future contract to effectively manage and monitor contract costs. TID: June 2021
			R-2 — Require an evaluation of the cost management plan as part of the noncompetitive purchase request process before approving contract ceiling price increases and to require contracting officers complete training on the policy requirements for the cost management plan. TID: December 2021
			R-3 — Modify the contract to include the required clauses in the Accenture Enterprise Technology Services contract and ensure the future contract terms conform to the guidelines in the Supplying Principles and Practices. TID: November 2021
			R-4 — Implement an oversight process to periodically verify the inclusion of required contract clauses throughout the life of the contract. TID: May 2021
			R-5 — Complete and implement a quality assurance plan to effectively monitor quality objectives for the future contract. TID: November 2021

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Mail Service During Early Stages of COVID-19 Pandemic			
20-275-R21	01/04/2021	—	R-1 — Coordinate with the Chief Logistics and Processing Operations Officer and Executive Vice President to establish a working group to perform a feasibility study on the potential implementation of a standardized automated process to identify and prioritize medical mail. TID: June 2021
		—	R-3 — Establish a tool to obtain timely feedback to evaluate the effectiveness in communicating with commercial mail customers during extraordinary situations such as the COVID-19 pandemic. TID: June 2021
Contract Delivery Service Contract Renewal Compliance			
20-193-R21	01/07/2021	—	R-1 — Require administrative officials provide Contract Delivery Service supplier performance assessments to contracting officers for review during the renewal decision process. TID: June 2021
Property Condition Reviews Smithville, Leander, and Kyle Post Offices			
20-321-R21	01/11/2021	—	R-1 — Address all building maintenance, safety, and security issues identified at the Smithville, Leander, and Kyle Post Offices. TID: April 2021
Bank Secrecy Act Compliance			
20-158-R21	01/19/2021	—	R-1 — Revise the Bank Secrecy Act database to report all available information from the <i>Suspicious Transaction Report</i> , in suspicious activity reports filed with the U.S. Department of the Treasury's Financial Crimes Enforcement Network, including descriptive details, potentially suspicious comments when money order serial numbers are missing, and excluding information not deemed suspicious. TID: December 2021
		—	R-2 — Enhance policies and procedures for suspicious activity reporting to include any revisions to the Bank Secrecy Act database requirements or the <i>Suspicious Transaction Report</i> . TID: December 2021
		—	R-5 — Obtain and maintain sensitive security clearances for all contract personnel. TID: April 2021
Mail Delivery and Customer Service Operations – Avent Ferry Station, Raleigh, NC			
21-009-R21	01/19/2021	—	R-2 — Instruct the Postmaster, Raleigh, to conduct all requested route inspections at the Avent Ferry Station as soon as practical. TID: September 2022
Elevator Modernization Program			
20-200-R21	02/01/2021	—	R-1 — Develop and document program level goals, objectives, and measures for the Elevator Modernization Program to assess elevator downtime, repair costs, and performance. TID: April 2021
Mail Delivery and Customer Service Issues – Select Chicago Stations, Chicago, IL			
20-296-R21	02/02/2021	—	R-1 — Ensure managers at the Ashburn, Auburn Park, Henry McGee, and James E. Worsham Stations complete the removal process for city carrier assistants not reporting for duty as identified by the district. TID: March 2021
		—	R-4 — Instruct the Postmaster, Chicago, to ensure managers at Ashburn, Auburn Park, Henry McGee, and James E. Worsham Stations follow the daily PM Verification of Activity Checklist and properly manage and safeguard Postal Service assets. TID: March 2021

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Property Condition Reviews – Maplewood, North County, and Brentwood Post Offices			
21-046-R21	02/03/2021	—	R-1 — Address all building maintenance, security, and safety issues identified at the Maplewood, North County, and Brentwood Post Offices. TID: May 2021
		—	R-2 — Inspect and document fire extinguishers monthly and annually as required at the North County, and Brentwood Post Offices.. TID: May 2021
		—	R-3 — Reiterate the policy to perform and document housekeeping inspections and provide necessary training for managers and supervisors at the Maplewood, North County, and Brentwood Post Offices and verify that the facilities conduct the inspections at the required frequency. TID: May 2021
		—	R-4 — Instruct non-custodial personnel at the Brentwood and Maplewood Post Offices to meet Center for Disease Control and Prevention cleaning requirements when custodial resources are not available. TID: May 2021
Payments to Contract Postal Unit and Village Post Office Suppliers			
20-157-R21	02/19/2021	—	R-1 — Reiterate Contract Postal Unit (CPU) and Village Post Office (VPO) program requirements to host administrative office and district personnel and certify that they are aware of their responsibilities and available tools to manage CPU and VPO operations. TID: September 2021
		—	R-2 — Streamline contract termination procedures by implementing systems enhancements, such as automating approval signatures and generating system or email notifications to next approvers. TID: September 2021
		\$61,521	R-3 — Recover \$61,521 overpayments identified in this report. TID: May 2021
Misrouted Mail Within the U.S. Postal Service Network			
20-252-R21	02/23/2021	\$109,850,153	R-1 — Provide written communication to employees reinforcing the standard operating procedures requiring employees to remove old labels from mail trays and bags before reuse. TID: August 2021
		—	R-2 — Require supervisors to ensure employees comply with standard work instructions for removing nonmachinable mail from automated processing machines and complete preventive maintenance to ensure packages are sorted to mail bins correctly. TID: September 2021
		—	R-3 — Provide written communication to employees reinforcing the policy requiring employees to remove mail bins timely from the processing machines to prevent overflow. TID: August 2021
		—	R-4 — Implement the management and oversight best practices identified at four processing and distribution centers at other facilities nationwide, where feasible. TID: September 2021
		—	R-5 — Review the feasibility of updating the Mail History Tracking System (MHTS) and the Service Field Operations Performance Management (SFOPM) system or develop alternatives to ensure that MHTS and SFOPM can accurately reflect the correct facility processing and misrouting mail.

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Peak Season Air Transportation			
20-215-R21	02/25/2021	—	R-1 — In coordination with the Vice President, Sales, develop and implement a joint strategy to assess and project market trends to forecast Peak Season volume by lane more accurately.
		—	R-2 — Calculate and apply the 20 percent capacity clause in air network modeling. TID: June 2021
		—	R-3 — Develop standard work instructions to properly evaluate peak charter penalties and analyze performance data for historical trending. TID: April 2021
		\$8,249,156	R-4 — Determine the feasibility of reducing all First-Class Mail service standards during Peak Season and if warranted, file a proposal with the Postal Regulatory Commission. TID: March 2021
Stamps, Money Orders, and Cash – Los Angeles, CA, Barrington Station			
21-092-R21	02/25/2021	—	R-1 — Train Barrington Station unit management on using Retail Systems Software and unit personnel regarding policy and procedures over the handling and security of stamp and cash inventories. TID: June 2021
Service Performance of Election and Political Mail During the November 2020 General Election			
20-318-R21	03/05/2021	—	R-1 — Work with mailers of Election Mail to identify why full-service ballots from the 2020 general election were excluded from service performance measurement and develop an action plan with timelines to address each cause to increase the number of ballots in measurement. TID: December 2021
		—	R-2 — Continue to educate state and local election officials on mailing deadlines for request and receipt of ballots that account for the Postal Service's time to process, transport, and deliver mail. TID: December 2021
		—	R-3 — Issue clear guidance in writing and via stand-up talks ahead of the next election for daily all-clear certifications, and ensure Election Mail processes and policies are communicated quickly, clearly, and directly to all levels of management. TID: April 2021
Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center			
21-071-R21	03/10/2021	—	R-2 — Implement internal control checks ensuring employees accurately report effective start and end dates of mitigation techniques in the Facility Access and Shipment Tracking system and reinforce compliance through written communication.
Mail Delivery and Customer Service Operations – Holiday City Station, Memphis, TN			
21-089-R21	03/16/2021	—	R-3 — Instruct the Postmaster, Memphis, to develop a plan to monitor and ensure all delayed mail at the Holiday City Station is reported daily in the Customer Service Daily Reporting System. TID: March 2021
		—	R-4 — Instruct the Postmaster, Memphis, to provide Customer Service Daily Report System training to the unit's customer service supervisors. TID: March 2021
		—	R-5 — Instruct the Postmaster, Memphis, to review and monitor scan data for compliance and provide personnel with refresher training on package scanning and handling procedures. TID: March 2021
		—	R-6 — Instruct the Postmaster, Memphis, to ensure all delivery vehicles are assigned a Voyager Fleet card and follow procedures to ensure Voyager Fleet cards and delivery vehicles are safeguarded and properly managed. TID: March 2021

APPENDIX E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation number TID = Target Implementation Date
			Impact of Pandemic on Postal Service Finances
20-257-R21	03/29/2021	—	R-1 — Develop specific policies and procedures to ensure expenses are consistently documented, validated, and tracked for unanticipated crisis or catastrophic events. TID: June 2021
			Property Condition Reviews – Greenville Station A, Simpsonville, and Easley Post Offices in South Carolina
		—	R-1 — Address all building maintenance, safety, and security issues identified at the Greenville Station A, Simpsonville, and Easley post offices. TID: June 2021
21-091-R21	03/29/2021	—	R-2 — Perform and document fire extinguisher inspections monthly and annually as required at the Greenville Station A, Simpsonville, and Easley post offices. TID: April 2021
		—	R-3 — Reiterate the policy to perform and document housekeeping inspections and provide necessary training for managers and supervisors at the Greenville Station A, Simpsonville, and Easley post offices and verify that the facilities conduct the inspections at the required frequency. TID: April 2021
			Management of Highway Contract Route Contractor Failures at the New Jersey International Network Distribution Center
		—	R-1 — Develop a process to verify and monitor Highway Contract Route irregularities to ensure reporting procedures are followed and necessary corrective actions are taken. TID: May 2021
21-075-R21	03/30/2021	—	R-2 — Develop and deliver supplemental training to verify late reason codes are accurately reported. TID: April 2021
		—	R-3 — Develop and implement a plan to address and reduce Highway Contract Route late trips due to the New Jersey Routes 1 and 9 construction project. TID: June 2021
		—	R-4 — Conduct and document semiannual reviews for each Highway Contract Route contractor in accordance with Postal Service policy. TID: May 2021

Total Number of Reports: **79**

Total Number of Recommendations: **153**

Total Monetary Impact: **\$4,199,114,603**

APPENDIX F: Management Decisions in Audit Resolution

For the period: October 1, 2020 — March 31, 2021

Revised Management Decisions

Section 5(a)(11) of the Inspector General Act, as amended, requires the to OIG report a description and explanation of the reason(s) for any significant revised management decisions made during the reporting period. We have no significant revised management decisions for this reporting period.

Recommendations in Disagreement

Section 5(a)(12) requires the OIG to report information concerning any significant management decision with which the OIG is in disagreement. The following list of the 7 reports in which the OIG disagreed with management decisions.

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number
			Expedited Packaging Supplies Program Cost
19-009-R21	10/21/2020	—	R-4 — Enhance online expedited packaging supply ordering controls to prevent customers from circumventing order thresholds and to further discourage waste.
		—	R-5 — Develop a mechanism to provide greater visibility over expedited packaging supply (EPS) inventories and order volumes for eBuyPlus post offices. Periodically distribute and review data reports from the standard packaging supplier's information tool to evaluate the cost effectiveness of the EPS program.
			Peak Season Air Transportation
20-215-R21	02/25/2021	—	R-1 — Develop and implement a joint strategy to assess and project market trends to forecast Peak Season volume by lane more accurately.
			Misrouted Mail in the US Postal Service Network
20-252-R21	02/23/2021	—	R-5 — Review the feasibility of updating the Mail History Tracking System (MHTS) and the Service Field Operations Performance Management (SFOPM) system or develop alternatives to ensure that MHTS and SFOPM can accurately reflect the correct facility processing and misrouting mail.
			Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center
21-071-R21	03/10/2021	—	R-2 — Implement internal control checks ensuring employees accurately report effective start and end dates of mitigation techniques in the Facility Access and Shipment Tracking system and reinforce compliance through written communication.
			Export Controls for Outbound Mail at International Service Centers
FT-AR-18-009	09/28/2018	—	R-4 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.
			Use of Postal Service Network to Facilitate Illicit Drug Distribution
SAT-AR-18-002	09/28/2018	—	R-1 — Work with Congress to develop legislative changes that would result in the Postal Inspection Service being authorized to open and inspect domestic packages suspected of containing illicit drugs.
			Mail Processing Overtime
NO-AR-19-005	06/13/2019	—	R-3 — Establish appropriate performance incentives for managers to effectively manage overtime.

APPENDIX F: Management Decisions in Audit Resolution

Total Number of Reports: **7**

Total Number of Recommendations: **8**

Total Monetary Impact: **\$0**

APPENDIX G: Status of Peer Review Recommendations

For the period: October 1, 2020 — March 31, 2021

Status of Peer Review Recommendations

Federal audit organizations undergo an external quality control assessment by their peers every 3 years. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires an appendix reporting on 1) any Office of Inspector General peer reviews conducted during the semiannual period; and 2) any outstanding recommendations from any previous or current peer reviews that remain outstanding or have not been fully implemented.

Office of Audit

Peer Reviews Conducted on USPS OIG

The U.S. Department of Homeland Security Office of Inspector General led a peer review of the USPS OIG. The peer review was conducted in accordance with CIGIE Quality Standards for Inspection and Evaluation (Blue Book). The scope of the peer review included four reports from the Office of Audit and Research and Insights Solution Center. On November 18, 2020, the peer review team issued its report, which concluded that all reports reviewed and our internal policies and procedures generally met the Quality Standards for Inspection and Evaluation. As such, no recommendations were issued with this report.

Peer Reviews Conducted by USPS OIG

None during the reporting period.

Office of Investigations

Peer Reviews Conducted on USPS OIG

None during the reporting period.

Peer Reviews Conducted by USPS OIG

None during the reporting period.

Research and Insights Solution Center

Peer Reviews Conducted on USPS OIG

The U.S. Department of Homeland Security Office of Inspector General led a peer review of the USPS OIG. The peer review was conducted in accordance with CIGIE Quality Standards for Inspection and Evaluation (Blue Book). The scope of the peer review included four reports from the Office of Audit and Research and Insights Solution Center. On November 18, 2020, the peer review team issued its report, which concluded that all reports reviewed and our internal policies and procedures generally met the Quality Standards for Inspection and Evaluation. As such, no recommendations were issued with this report.

Peer Reviews Conducted by USPS OIG

None during the reporting period.

APPENDIX H: Investigative Statistics

The U.S. Postal Service Office of Inspector General currently uses a “Case Reporting Information Management and Evidence System,” also known as CRIMES.

Appendix H was pre-configured to present the following data:

- A) The total number of investigative reports issued during the reporting period;
- B) The total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;
- C) The total number of persons referred to state and local prosecuting authorities for criminal prosecution during the reporting period and;
- D) The total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities.

For the period: October 1, 2020 — March 31, 2021

	Investigations Closed	Arrests	Indictments / Information / Complaints	Convictions — Criminal	Admin Actions Taken	Cost Avoidances	Fines / Restitution and Recoveries	Amount to Postal Service	To Mgmt. for Admin Action	Number of persons referred to DOJ for prosecution	Number of persons referred to state or local authorities for prosecution	Criminal Indictments / Information	Number of investigative reports issued	Convictions — Civil Settlements/Judgments	Referrals to USPS that were not Investigated
Computer Crimes	11	—	—	—	4	—	—	—	1	—	—	—	6	—	1
Contract Fraud	21	5	3	2	1	—	53,077,547	24,353,773	2	4	—	3	4	—	18
Financial Fraud	115	33	37	29	73	2,800,000	590,663	240,983	62	32	13	30	136	—	10
General Crimes	195	21	19	17	142	—	55,531	28,532	135	24	17	10	239	—	813
Health Care Claimant Fraud	107	10	14	7	17	41,854,665	831,806	749,041	14	14	7	11	73	—	8
Health Care Provider Fraud	12	25	26	29	18	81,694,366	88,941,369	4,698,342	—	8	—	26	8	—	—
Mail Theft	705	248	232	229	561	—	1,720,062	44,470	474	242	50	151	842	—	705
Narcotics	165	189	114	57	84	—	7,447,953	123,509	75	121	62	90	122	—	18
Total	1,331	531	445	370	900	126,349,031	152,664,931	30,238,650	763	445	149	321	1,430	—	1,573

APPENDIX I: Summary of U.S. Postal Inspection Service Actions Under 39 USC § 3005 and 3007

For the period: October 1, 2020 — March 31, 2021

Type of Scheme	Complaints		Consent	
	Filed	Agreements	FROs	C&D Orders
Advance Fee	—	—	—	—
Counterfeit Check	1	1	—	1
Facsimile Checks	—	—	—	—
Failure to Pay	1	1	—	1
Failure to Render	1	1	—	1
Foreign Lottery	26	27	—	27
Invoice Schemes	—	—	—	—
Lottery	—	—	—	—
Other	16	17	—	17
Rebate and Refund	—	—	—	—
Reshipping Scheme	2	2	—	2
Sweepstakes	2	2	—	2
USPS Revenue Fraud	—	—	—	—
Identity Theft – Other	—	—	—	—
TOTAL	49	51	—	51

Other Administrative Actions

Temp. Restraining Orders Requested	—
Temp. Restraining Orders Imposed	—
Cases Using Direct Purchase Authority	—
Civil Penalties (Section 3012) Imposed	—
Test Purchases	—
Withholding Mail Orders Issued	—
Voluntary Discontinuances	This area is not tracked by Office of Counsel

Administrative Subpoenas Requested by the Postal Inspection Service

There were none requested during this reporting period.

Financial Reporting on Investigative Activities for the Postal Inspection Service

Area	Type	Total
VP Chief Inspector	Total Personnel Comp	\$205,780,943
VP Chief Inspector	Total Nonpersonnel Expense	\$56,095,814
VP Chief Inspector	Total Operating Expense	\$261,876,757
VP Chief Inspector	Total Capital Commitments	\$6,730,270

APPENDIX J: Congressional/PMG/Board of Governors Inquiries

For the period: October 1, 2020 — March 31, 2021

The Office of Chief of Staff supports the OIG by responding to inquiries from Congress, the postmaster general, and the Board of Governors. The OIG responds to some of these inquiries by conducting audits or investigations. However, the OIG does not generally perform audits or investigations when an inquiry involves a non-systemic issue that may be resolved through existing administrative or judicial processes, such as the equal employment opportunity complaint process, contractual grievance-arbitration procedures, or appeals to the Merit Systems Protection Board. When systemic or criminal issues have been identified, the OIG may conduct independent audits or investigations to help ensure the economy, efficiency, and integrity of Postal Service programs and operations.

From October 1, 2020, through March 31, 2021, the OIG received 58 new inquiries. Of the 58 inquiries, we referred 11 to the U.S. Postal Service Office of Government Relations and two to the Postal Inspection Service for review. We closed 64 inquiries during this reporting period. Of the 64 inquiries, 40 were referred to our Office of Investigations and 11 were referred to our Office of Audit for further review.

Congressional Testimony

Since its inception, the OIG has testified before Congress on various matters. From October 1, 2020 through March 31, 2021, the OIG testified at one congressional inquiry. On February 24, 2021, Inspector General Tammy Whitcomb testified before the U.S. House of Representatives Committee on Oversight and Reform at a hybrid hearing entitled, *Legislative Proposals to Put the Postal Service on a Sustainable Financial Footing*. The hearing also included testimony from Ron Bloom, Chairman, Postal Service Board of Governors; Postmaster General Louis DeJoy; Mark Dimondstein, President, American Postal Workers Union; Joel Quadracci, Chairman, Quad/Graphics; and Kevin Kosar, Resident Scholar, American Enterprise Institute.

The hearing focused on draft legislation to address the Postal Service's financial burdens and to enhance transparency regarding service performance. Inspector General Whitcomb testified about the OIG's evaluation of the mail processing and transportation network prior to the pandemic, the impacts of the pandemic and various operational changes on overall service performance, the OIG's evaluation of the handling of Election Mail, as well as legislative proposals that can help the Postal Service move towards financial insolvency. Inspector General Whitcomb's written statement can be found in its entirety [here](#) and the hearing can be viewed [here](#). Prior testimonies and statements can be found in their entirety on the OIG's website at <https://www.uspsoig.gov>.

APPENDIX K: Attempt to Interfere with OIG Independence

Section 5(a)(21) of the Inspector General Empowerment Act, as amended, requires that OIG report attempts by an agency to interfere with inspector general independence, including through budget constraints, resistance to oversight, or delayed information access.

None to report.

Supplemental Information

Freedom of Information Act

The OIG Freedom of Information Act (FOIA) Office operates independently of, but frequently coordinates with, its counterparts at the Postal Service and the Postal Inspection Service. The FOIA Office receives requests for records from the public, the media, and postal employees. The FOIA, according to the Department of Justice, “generally provides that any person has a right, enforceable in court, to obtain access to federal agency records, except to the extent that such records (or portions of them) are protected from public disclosure by one of nine exemptions.”

Activities

For the period: October 1, 2020 — March 31, 2021

Requests	Number of Requests
Carryover from prior period	10
Received during period	379
Total on hand during period	389
Actions	Number of Requests
Processed during the period	378
Requests Denied in Full	31
Requests Granted in Full	14
Requests Denied in Part	75
Not a proper FOIA request for some other reason	—
No Records	29
Not an agency record	34
Requests Referred	160
Requests Withdrawn	33
Fee-Related Reasons	2
Records not reasonably described	—
Duplicate Request	—
Balance	Number of Requests
Balance at the end of the period (pending)	11
Processing Days	Number of Days
Median processing days to respond to a FOIA request	0

Workplace Environment

The Office of Investigations’ Workplace Environment unit reviews workplace environment and operational issues that may affect workplace climate in postal facilities throughout the country. The OIG Hotline is the primary source for complaints, but occasionally members of Congress, the Governors, and postal management will raise concerns or forward complaints appropriate for review by the unit. Complaint topics range from sexual harassment and discrimination to workplace safety.

Workplace Environment reviews are designed to identify systemic, rather than individual, issues and foster postal management efforts toward providing employees a stress- and adversity-free work environment. The unit accepts complaints from any postal employee, including OIG and Postal Inspection Service staff. Reviews may result in fact-finding reports to management or referral for specific suggested action, such as climate assessments.

For the period: October 1, 2020 — March 31, 2021

Total complaints reviewed and closed: **826**

Whistleblower Reprisal Investigations

During the reporting period, there were no substantiated whistleblower reprisal investigations.

For the period: October 1, 2020 — March 31, 2021

Whistleblower Reprisal Activity	
Allegations Received	44
OIG Investigations Initiated	2
Investigations closed with no action	2
Allegations closed with no action	46
OIG found reprisal	—

Supplemental Information

Summary of Performance

For the period: October 1, 2020 — March 31, 2021

Audits	
Reports issued	52
Recommendations issued (Excluding RISC white papers)	146
Total reports with financial impact	7
Funds put to better use	\$3,826,016
Questioned costs	\$289,125,375
Revenue Impact	\$0
Total	\$292,951,391

RISC White Papers	
White Papers issued	1
Recommendations issued	0

Investigations⁴	
Investigations Completed	1,331
Arrests	531
Indictments/Informations	445
Convictions/pretrial diversions ⁵	370
Administrative actions	900
Cost Avoidance	\$126,349,031
Fines, Restitution, and Recoveries	\$152,664,931
Amount to the Postal Service ⁶	\$30,238,650

OIG Hotline Contacts	
Telephone calls	10,730
E-Mail	16,024
Webforms	62,484
Standard Mail	758
Voice Mail Messages	6,325
Facsimile - FAX	138
Total Contacts	96,459

⁴ Statistics include joint investigations with other law enforcement agencies.

⁵ Convictions reported in this period may be related to arrests in prior reporting periods.

⁶ Amounts include case results of joint investigations with other OIG, federal, state, and local law enforcement entities.

Reporting Requirements

Act Section	Requirement	Page
5(a)(1)	Significant problems, abuses, and deficiencies	throughout
5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	throughout
5(a)(3)	Recommendations described in previous semiannual reports on which corrective action has not been completed	listed on pages 34-46
5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	50, 54
5(a)(5)	Summary reports made to the head of the establishment under section 6(b)(2) of instances where information was refused	n/a
5(a)(6)	Listing of audit, inspection, and evaluation reports and, if applicable, the total dollar value of questioned costs and recommendations that funds be put to better use	3, 54
5(a)(7)	Summary of particularly significant reports	throughout
5(a)(8)	Statistical tables showing total number of audit, inspection, and evaluation reports containing questioned costs	24-28
5(a)(9)	Status of management decisions for audit and evaluation reports containing recommendations that funds be put to better use	30
5(a)(10)	Summary of audit and evaluation reports issued prior to the beginning of the reporting period for which (a) no management decision had been made; (b) no management comment was received within 60 days of issuing the draft report; and (c) there were any unimplemented recommendations, including the aggregate potential cost savings of those recommendations, at the end of the reporting period	29, 30
5(a)(11)	Description and explanation of the reasons for any significant revised management decisions	47-48
5(a)(12)	Information concerning any significant management decisions with which the Inspector General disagreed	47
5(a)(13)	Information under 804(b) Federal Financial Management Improvement Act of 1996	n/a
5(a)(14)	Results of any peer review conducted by another Office of the Inspector General during the reporting period, and if none, a statement of the date of the last peer review	49
5(a)(15)	List of outstanding recommendations from any peer review conducted by another Office of the Inspector General, including a statement describing the status of the implementation and why implementation is not complete	n/a
5(a)(16)	List of any outstanding recommendations made from any previous peer review that remain outstanding or have not been fully implemented	n/a
5(a)(17)	Statistical table showing the total number during the reporting period of (a) investigative reports issued, (b) persons referred to the Department of Justice for criminal prosecution, (c) persons referred to state and local prosecuting authorities for criminal prosecution, and (d) indictments and criminal information resulting from any prior referral to prosecuting authorities	50
5(a)(18)	Description of the metrics used to develop the data in the statistical tables under Section 5(a)(17)	50
5(a)(19)	Report on investigations in which allegations of misconduct involving a senior government employee were substantiated including a detailed description of the facts and circumstances of the investigation, and the status and dispositions of the matter, including if the matter was referred to the DOJ, the date of the referral, and if the DOJ declined the referral, the date of the declination	21
5(a)(20)	Detailed description of any instances of whistleblower retaliation, including information about the official found to have engaged in retaliation, and what, if any, consequences the establishment imposed to hold the official accountable	22, 53
5(a)(21)	Detailed description of any attempts to interfere with the independence of the Office of the Inspector General including with budget constraints designed to limit the capabilities of the OIG, and incidents where the establishment has resisted or objected to oversight activities of the OIG or restricted or significantly delayed access to information, including the justification for such action	52
5(a)(22)	Detailed descriptions of the circumstances of each audit, inspection, or evaluation that was closed and not disclosed to the public and investigation conducted involving a senior government employee that was closed and not disclosed to the public	28

Acronym Guide

APPS: Automated Package Processing System

APWU: American Postal Workers Union

C&A: certification and accreditation

CSRS: Civil Service Retirement System

CSS: customer service supervisor

DBCS: Delivery Barcode Sorter

DOL: U.S. Department of Labor

DEA: Drug Enforcement Administration

DWC: distribution window clerk

eCBM: Electronic Conditional Based Maintenance

EDDI: Electronic Data Distribution Infrastructure

EDI: Electronic Data Interchange

EIR: Enterprise Information Repository

FEGLI: Federal Employees' Group Life Insurance

FEHB: Federal Employees Health Benefits

FSS: Flats Sequencing System

GMU: George Mason University

HCR: highway contract route

LLV: long-life vehicles

MTE: mail transport equipment

NALC: National Association of Letter Carriers

NCSC: National Customer Support Center

NDC: network distribution center

NPV: net present value

OA: Office of Audit

OI: Office of Investigations

OWCP: Office of Workers' Compensation Programs

P&DC: processing and distribution center

P&DF: processing and distribution facility

PAEA: Postal Accountability and Enhancement Act of 2006 (also known as the Postal Act of 2006)

PKI: Public Key Infrastructure

PRC: Postal Regulatory Commission

PVS: Postal Vehicle Services

RARC: Risk Analysis Research Center

RISC: Research and Insights Solution Center

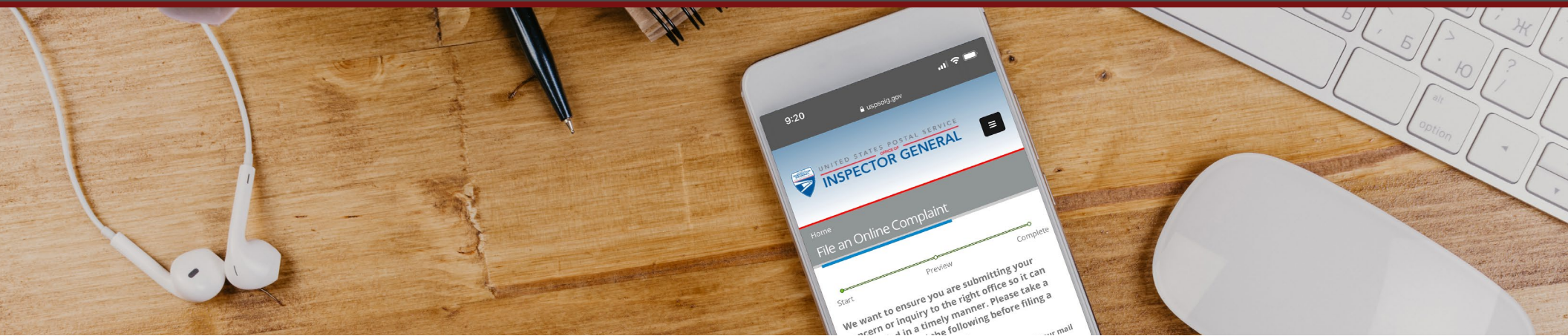
SBOC: Stations and Branches Optimization Consolidation

SSA: sales and services associate

TACS: Time and Attendance Collection System

VMF: Vehicle Maintenance Facility

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WHO DO I CONTACT? — REPORT FRAUD, WASTE, ABUSE

The U.S. Postal Service has two law enforcement agencies with distinct areas of investigative responsibility to serve the needs of stakeholders, postal employees, and the American public.

Office of Inspector General

- Theft, delay, or destruction of mail by employees and contractors
- Workers' compensation fraud
- Embezzlements and financial crimes
- Contract Fraud
- Kickbacks
- Computer crimes
- Narcotics
- Employee misconduct
- Internal affairs and executive investigations
- Whistleblower reprisals

<https://www.uspsoig.gov/hotline>

Contact: 888-877-7644

Postal Inspection Service

- Security of employees, facilities, and equipment
- Revenue and postage fraud
- International mail security
- Violent crimes:
 - Threats and assaults of employees
 - Burglaries and robberies
- Mail theft by nonemployees
- Dangerous mail and bombs
- Mail fraud
- Identity theft
- Narcotics in the mail
- Child pornography and obscenity

<https://www.uspis.gov/report/>

Contact: 877-876-2455



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