OFFICE OF
INSPECTOR
GENERAL
UNITED STATES POSTAL SERVICE

SEMIANNUAL REPORT
TO CONGRESS

FALL 2021 • APRIL 1 — SEPTEMBER 30, 2021

MESSAGE FROM THE INSPECTOR GENERAL

The end of this fiscal year marks the 25th anniversary of the U.S. Postal Service Office of Inspector General. We started small — with only around 10 employees — but since then have grown to around 1,000 employees stationed in multiple locations across the country. I am very proud of the work our dedicated employees have accomplished over the past 25 years and am confident we will continue to provide high quality products in the years to come.

These past six months have seen many changes for the Postal Service, with many more on the horizon. One of the growing concerns of the mailing community, especially as we move into the peak holiday season, is the ability of the Postal Service to provide timely mail delivery. As a result, a big focus of our work over the past six months has been on service performance. For example, we looked at service performance of single-piece First-Class Mail in 17 districts where Congressional concerns had been raised. We found service was impacted due to a variety of problems, including insufficient operating capacity to handle the increase in parcels and an inadequate number of employees to run the machines.

We also conducted an audit on the service performance of all mail across the country over an 18-month period. Using postal data, we identified the most common root causes behind the service failures. These included insufficient capacity, staffing shortages, routing errors, and mail not being fully sorted when it arrived at the delivery unit. We also issued a primer on Service Standards, to help postal stakeholders better understand how the Postal Service sets, changes, and measures service performance.
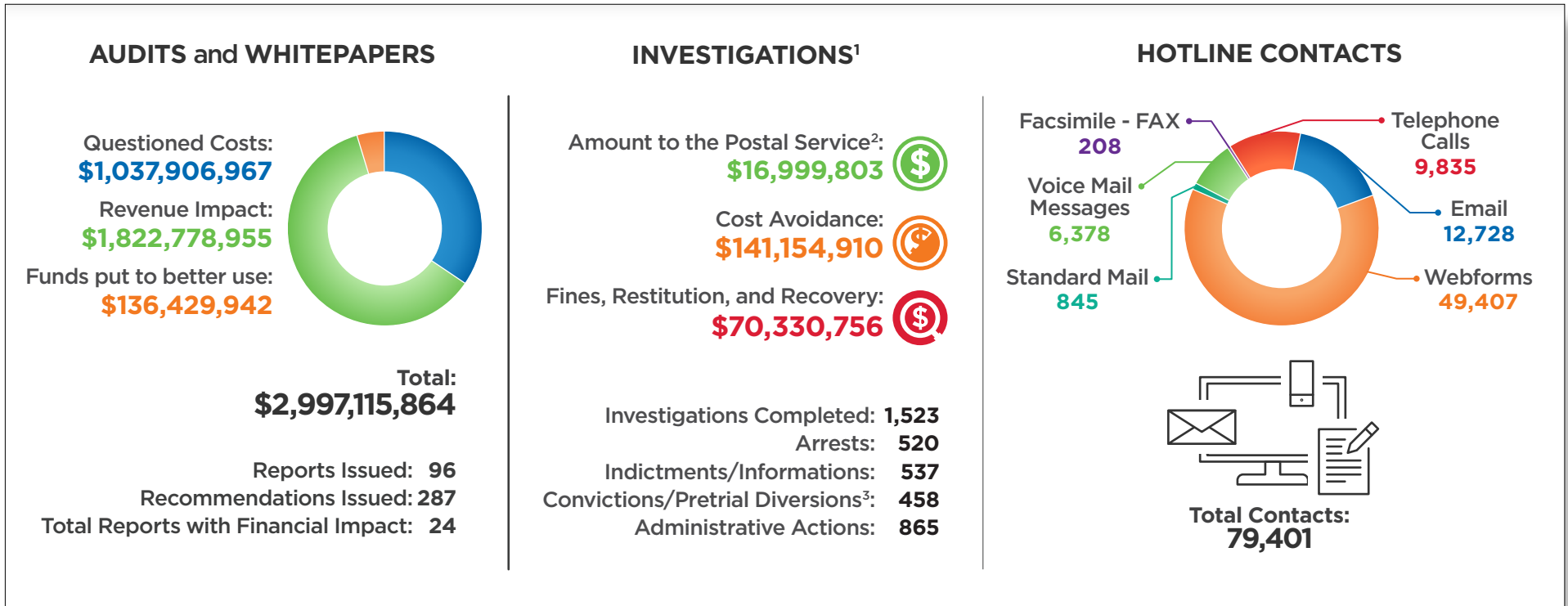
Data analytics has improved our ability to identify areas where investigations are needed. For instance, an analysis of sales activity revealed excessive use of "no sale following void" transactions in one location, indicating possible embezzlement. Following this lead, our agents found a postal employee had been stealing cash on several occasions. Data tools also allow us to make better use of customer complaint data, allowing our investigators to analyze allegations more quickly and efficiently. And we use data analysis to identify collusive employees involved with drug trafficking organizations.

This report, submitted pursuant to the Inspector General Act, outlines our work and activities for the six-month period ending September 30, 2021. During this period, we issued 96 audit reports, management advisories, and white papers, and the Postal Service accepted 94 percent of our recommendations. We completed 1,523 investigations that led to 520 arrests and more than $70 million in fines, restitutions and recoveries, $17 million of which was returned to the Postal Service.

Looking forward, we will continue to provide essential oversight of the Postal Service as it moves into peak season and continues to implement operational and structural changes. I am proud of the work our organization has done and will continue to do to fulfill our mission of ensuring the efficiency, accountability, and integrity of the U.S. Postal Service.

Summary of Performance

AUDITS and WHITEPAPERS

Questioned Costs:
$1,037,906,967

Revenue Impact:
$1,822,778,955

Funds put to better use:
$136,429,942

Total:
$2,997,115,864

Reports Issued: 96
Recommendations Issued: 287
Total Reports with Financial Impact: 24

INVESTIGATIONS[1]

Amount to the Postal Service[2]:
$16,999,803

Cost Avoidance:
$141,154,910

Fines, Restitution, and Recovery:
$70,330,756

Investigations Completed: 1,523
Arrests: 520
Indictments/Informations: 537
Convictions/Pretrial Diversions[3]: 458
Administrative Actions: 865

HOTLINE CONTACTS

Facsimile - FAX
208

Voice Mail Messages
6,378

Standard Mail
845

Telephone Calls
9,835

Email
12,728

Webforms
49,407

Total Contacts:
79,401

Mission Statement

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

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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.

Contents

Audits and Whitepapers

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.

Mission Operations

Nationwide Service Performance

We assessed the Postal Service's service performance for all mail classes over an 18-month period (October 2019 – March 2021) to determine the most common failure points in the mail flow process. During this period, which was greatly impacted by the COVID-19 pandemic, the amount of mail and parcels delivered on time decreased for all mail classes, primarily during the FY 2021 peak mailing season (November 2020 – January 2021). During February and March 2021, the amount of mail delivered on time improved by six percentage points. We analyzed data and found that most pieces failed in the transit phase of the mail cycle, followed by the last-mile phase. The third largest number of failures was categorized as "Unable to Assign." Finally, during our site visits, we found increased parcel volume, challenges with transportation of mail, and low employee availability affected the Postal Service's ability to process, transport, and deliver mail and parcels.
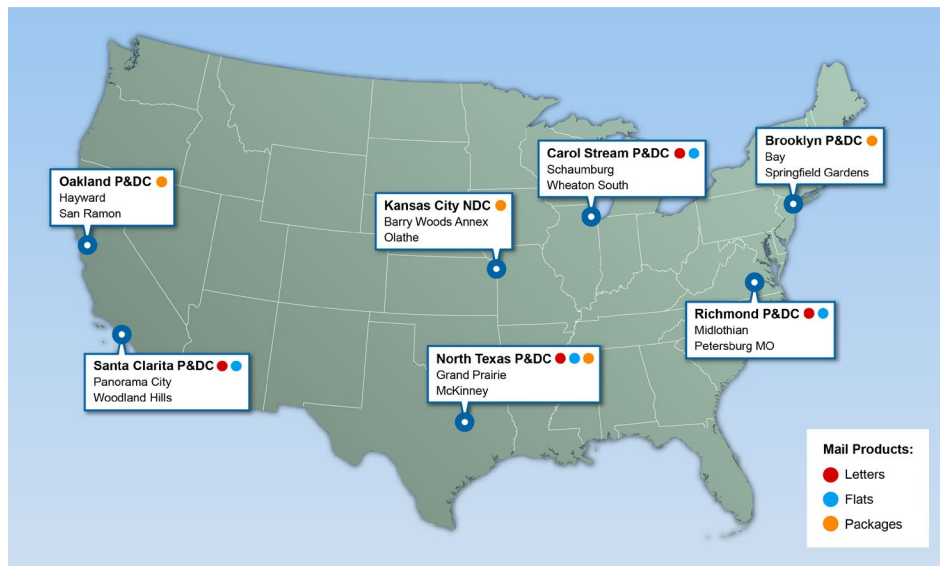
Mail Processing Facilities Selected
Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Informed Visibility (IV) Mail Product Heat Map and Enterprise Data Warehouse (EDW) On Time Performance Report Composite.

We recommended management: 1) reemphasize the need for discussions among local processing, transportation, and delivery management components to communicate projected volumes and the previous day's issues; 2) investigate and understand the root causes for failed mailpieces in the "Unable to Assign" category, and work to decrease and maintain the number of these mailpieces to under 10 percent of total failures; 3) reemphasize and implement national best practices related to programs aimed at increasing employee engagement and training on the proper staging and sequential processing of mail; and 4) direct local processing management to retain the quantity of mail transport equipment the facilities and customers need for one week of mail processing operations in accordance with policy.

Management generally disagreed with the findings; disagreed with recommendations 1, 2, and 4; and partially disagreed with recommendation 3.

Uncompensated and Undercompensated Services

The Postal Service coordinates with multiple agencies and Congress to obtain funding for services outside of regular mail delivery, with limited success. Specifically, the Postal Service provides uncompensated or undercompensated services such as mail delivery to the Freely Associated States, the Alaska Bypass program, government mailings, repayment under the Revenue Forgone Reform Act of 1993, and its obligation for providing universal service. In some of these instances, the Postal Service does not have control over pricing or compensation and — in some cases — must work through a secondary agency that is not the beneficiary of the service. In other instances, the Postal Service either provided services without a formal payment agreement or decided to not request compensation. Underpayment associated with government services resulted in an annual revenue loss of $636.4 million.

The Postal Service also provides business customers with multiple services for which it is not fully compensated. These services include specialized and customized packaging programs, provision of mail

transport equipment to mailers, expedited processing of political Marketing Mail, and Sunday delivery. We found under-compensation associated with business service resulted in an annual revenue loss of $106.9 million in unsupported questioned costs. Combined annual revenue losses were about $743.3 million.

We recommended management: 1) explore strategies for receiving amounts owed or appropriated for government services and providing the Postal Service reimbursement for these services going forward; and 2) evaluate opportunities to adjust provisions involving business customers to ensure only services paid for are provided.

Retail, Delivery, and Marketing

Passport Application Acceptance Operations

In assessing the Postal Service's nationwide acceptance of passport applications, we found its operations were generally compliant with State Department standards. We also determined the Postal Service had opportunities to improve passport program quality and effectiveness related to appointment scheduling, data accuracy, coordination with State Department stakeholders, and performance goals. For example, we identified several instances where large numbers of passport appointments were unused, altered, or improperly scheduled by employees. This included a customer who used the same email address to reserve 629 appointments at a passport site while only utilizing one of those appointments, and a Postal Service employee who reserved 544 appointments using a personal email address to prevent customers from scheduling appointments during employee breaks. We also determined the Postal Service could benefit from insights contained in additional State Department reports, and performance goals for the passport program could be improved to measure and drive desired outcomes.

We recommended management: 1) consider developing automated mechanisms to detect and alert management of potentially invalid or improper appointments; 2) reinforce procedures to record the correct appointment outcomes; 3) coordinate with State Department stakeholders to explore opportunities for sharing information that could improve passport operations; and 4) enhance performance metrics to better evaluate program performance and drive growth. Management generally agreed with the findings and recommendations but noted concerns regarding the audit scope period, stating it was during the

Scheduler Appointments Schedule
Source: OIG screenshot of My Post Office.

COVID-19 pandemic and the report did not reflect the convenience of the passport scheduling tool.

Service Performance – First-Class Single Piece Letter Mail

Nationwide service performance for First-Class Single Piece letter mail dropped throughout 2020 after the onset of the COVID-19 pandemic. Service performance scores began FY 2020 above 90 percent before significantly declining to a low of 67.43 percent in December 2020. Service performance scores improved to 84.55 percent by the end of March 2021. The 19 processing and distribution centers in 17 selected

districts reviewed by the OIG also trended comparably with the national scores for this mail class but were lower than the national scores.
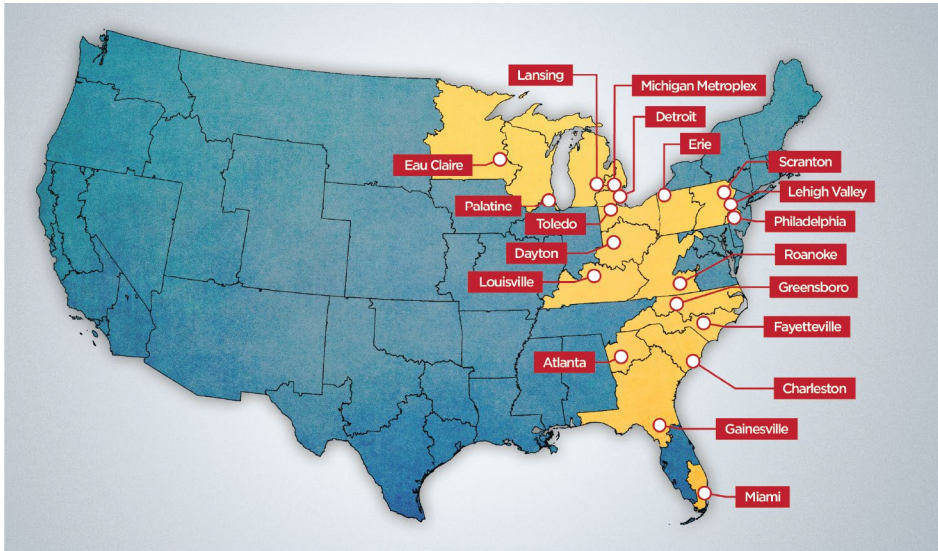
Map of 19 Processing Plants
Source: OIG analysis.

Service performance scores declined due to internal and external network impacts in mail processing, transportation, and delivery operations including employee availability challenges, increased package volumes, and a loss of transportation capacity. Our analysis showed that processing facilities neither had sufficient operating capacity to receive, process, and stage mail when package volumes were high, nor the ability to adequately staff letter machines or dock operations. Additionally, we found many locations did not have enough experienced employees, resulting in decreased efficiency. Furthermore, implementation of the Surface Transfer Center redesign, a Postal Service initiative to reduce transportation costs, increased dock

congestion and thus impacted the ability of some facilities to move mail, resulting in late trips to plants. Also, we saw an increase in critically late trips to the 19 plants and delivery units.
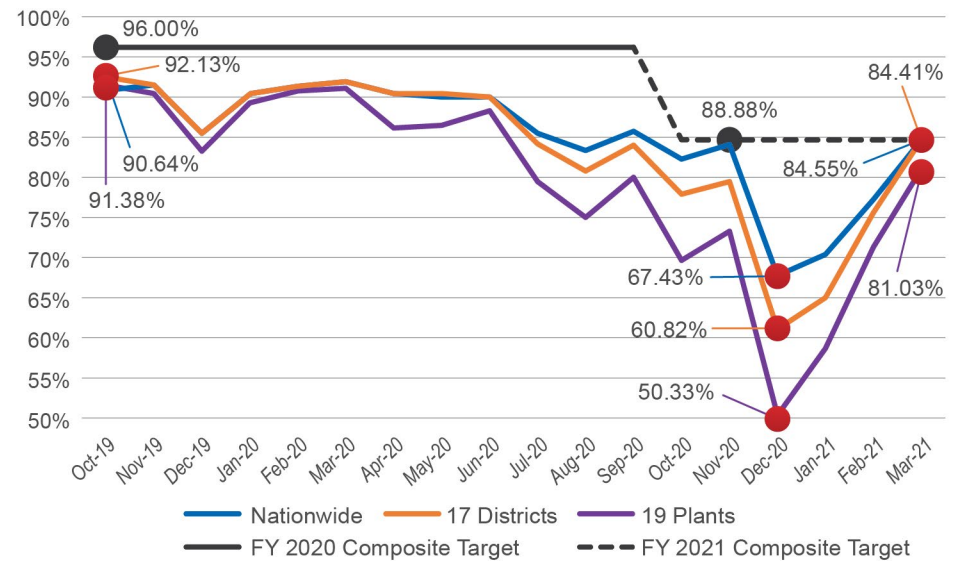
National, District and Plant FCSP Letter Mail Service Performance Compared to the National Target from October 2019 through March 2021
Source: OIG analysis of Postal Service data from Informed Visibility (IV).

We recommended management: 1) develop a risk-based operational tool to identify and remediate underperforming facilities to mitigate service delays; 2) ensure mail processing peak season hiring plans include pandemic job market impacts; 3) conduct a service impact analysis for any peak season changes and COVID-19 pandemic effects; and 4) develop and implement a strategy to communicate, in writing, clear guidance on operational adjustments implemented prior to the 2021 peak season for clarity and consistent application throughout the agency. Management disagreed with recommendation 1 and partially disagreed with recommendation 4.

Supply Management & Human Resources

COVID-19 Leave Administration

In March 2020, in response to COVID-19, the Families First Coronavirus Response Act (FFCRA) was signed into law, creating two new leave types: 1) up to 80 hours of emergency paid sick leave for specific qualifying reasons; and 2) public health emergency leave, allowing employees to take up to 12 weeks of leave related to the closure of a child's school or place of care. The legislation, effective from April through December 2020, was intended to ensure workers were not forced to choose between paychecks and public health measures.

Top three non-career crafts

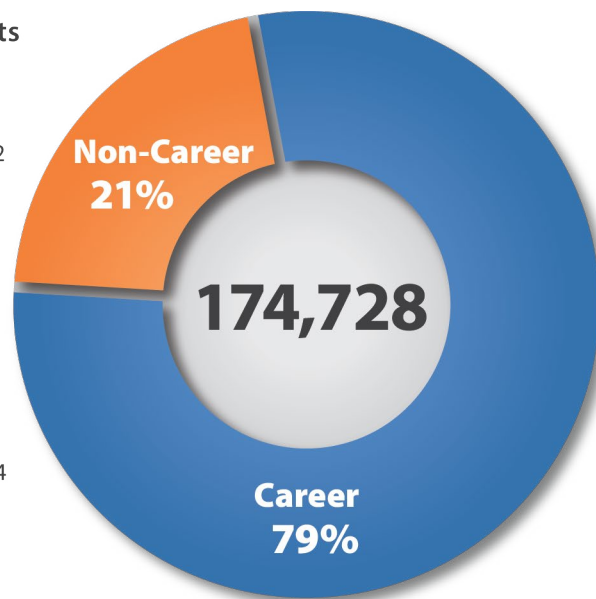City Carrier Assistants: 13,127

PSE-Mail Processing Clerks: 7,292

Mail Handler Assistants: 5,692

Top three career crafts

City Carrier: 40,132

Sales & Service Associates: 17,124

Mail Processing Clerks: 12,152

Non-Career 21%

174,728

Career 79%

COVID-19-Related Leave Use — Career vs. Non-Career
Source: OIG analysis of Postal Service data.

We recognized that USPS encountered challenges during the pandemic. However, our audit of the Postal Service's management of COVID-19 leave under FFCRA revealed three areas of improvement related to future implementation of leave administration. First, facility managers did not always maintain a completed Request for Notification of Absence or required documentation to support FFCRA leave. Second, the Postal Service was not always able to accurately track rural carriers'

COVID-19 administrative time because the payroll system was limited in the number of leave codes available within the administrative leave category. Third, the Postal Service was not always able to monitor FFCRA leave limits. Specifically, the Postal Service identified and made over 8,300 payroll adjustments for employees who exceeded COVID-19-related leave limits. We found nearly 3,600 additional employees who still needed payroll adjustments because they exceeded leave limits.

We recommended management: 1) reiterate to managers and supervisors at all levels the importance of policy requirements to manage and document leave; 2) modify systems to allow for all employees to digitally complete a request for absence and accurately record administrative leave for rural carriers; and 3) reiterate to all employees the consistent, nationwide application for monitoring leave so as not to exceed allowable leave limits.

Accident Reporting

The Postal Service uses the Employee Health and Safety (EHS) application to enter and manage accident, injury, and claim information related to vehicle and industrial incidents and the Solution for Enterprise Asset Management (SEAM) application to manage vehicle maintenance, repair, and work orders. For fiscal years 2016 through 2020, EHS identified more than 455,000 accidents — 32 percent motor vehicle accidents, 68 percent industrial accidents. SEAM recorded nearly 147,200 accident repair-related work orders completed.

We determined supervisors did not always report or timely report motor vehicle and industrial accidents during FYs 2016 through 2020. Accident-related motor vehicle work orders did not always have corresponding accident reports in EHS, and accidents were not reported in EHS within 24 hours of notification of the accident/injury. Additionally, accidents recorded in EHS were not reflected in SEAM repair work orders. We also determined that management did not always perform or have an efficient process in place to reconcile and track accident-related activity to identify unreported accidents. Furthermore, management

did not ensure employees involved in accidents took corrective actions management prescribed in their EHS accident reports.

Minor Vehicle Damage Observed During Site Visits
Source: U.S. Postal Service Office of Inspector General (OIG) photos taken in the Bay-Valley District the week of February 22, 2021.

We recommended management: 1) reiterate to all employees to promptly notify supervisors if involved in a work-related accident and all supervisors to report all accidents within 24 hours of the accident or notification; 2) ensure policies related to accident reporting reflect the accident reporting processes; 3) identify a solution to interface systems or implement an automated reconciliation process to ensure all accidents are reported and recorded; 4) train applicable personnel on the process to modify SEAM work orders to differentiate between scheduled maintenance and accident-related repairs; and 5) identify ways to manage corrective actions to ensure completion when employees are involved in an accident.

Management disagreed with our recommendation to implement an automated reconciliation process to ensure all accidents claims are recorded.

Finance & Pricing

City Carrier Cost System

The City Carrier Cost System (CCCS) is a statistical study of mail delivered on city carrier routes. For selected routes, a data collection technician selects a sample of mail to be delivered on the scheduled test date. While technicians followed most sampling policies and procedures, we found they did not always follow policies that indicated numeric intervals for mail selection or confirm the delivery status of parcels and mail that needed a signature. Technicians also did not use the suggested interval selections for parcels sampled during more than 1,200 (7 percent) CCCS tests conducted from fiscal year (FY) 2019 to FY 2020.

Additionally, management did not provide delivery personnel with comprehensive guidance to ensure they properly gathered and documented information on mail coming from the customer to the delivery unit (collection mail) for test routes. Supervisors did not fully

understand how to correctly gather or record information for test routes. Finally, opportunities exist for the Postal Service to enhance CCCS sampling efficiencies by leveraging real-time census data.

We recommended management: 1) modify software to alert technicians of the correct random start number and correct a software issue that impacts the random start number; 2) require technicians to enter a justification when using a parcel sampling interval greater than the standard; 3) reiterate to technicians the importance of confirming the delivery status of each sampled parcel and evaluate whether delivery scan data can be used to determine whether sampled parcels should be excluded from test data; and 4) develop online training or instructional materials that provide comprehensive guidance and document collection mail information; in addition, consider developing a web-based form with guided prompts and instructions to replace manual documentation.

Capital Equipment at the Eagan Information Technology Center

In January 2021, the Information Technology Center (ITC) in Eagan, MN, had more than 4,300 capital equipment items such as computer servers for operations, system enhancements, equipment replacement, or research and development. Postal policy defines capital equipment as stand-alone items of property costing $10,000 or more per unit that depreciate in value and have a service life of over one year. During calendar years 2019 and 2020, 628 items with an estimated value of $77 million were entered as capital equipment records.

We determined Eagan ITC management stored inactive capital equipment for longer than the six-month retention limit established by policy and did not maintain a reliable system for identifying and tracking capital equipment at the facility. In addition, staff did not assign the correct status for devices or attach required inventory labels. We identified opportunities for management to retain more reliable information for managing capital equipment.

We recommended management: 1) establish procedures to ensure managers comply with policy definitions for excess equipment and redistribute or dispose of excess capital equipment; 2) conduct a physical inventory of all stored inactive capital equipment at the Eagan ITC, affix the required capital property labels, and correct records as appropriate; and 3) implement a process to ensure that records for capital assets are accurately entered and maintained in systems with clear designations of the status of equipment items.

Over **4300** items were at **Eagan ITC**

*Records showed there are **computer servers** used for **operations, system enhancements, equipment replacement,** or **research and development**.*

628

*We **identified these items** were first entered as capital equipment records during **CY 2019 and 2020**.*

Collective estimated net book value of
$77 MILLION!
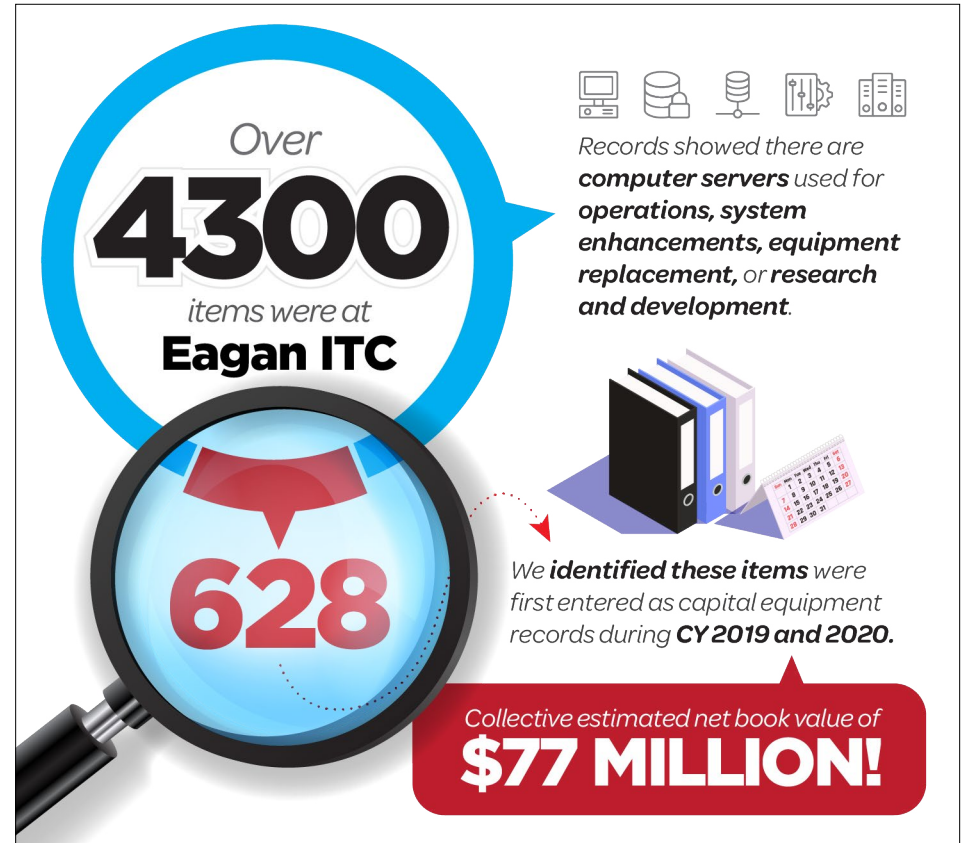
Inspection Service & Cybersecurity and Technology

Integrity of the U.S. Postal Service's Social Media Presence

We identified security threats and business risks associated with the Postal Service's social media and digital channels. Specifically, the Postal Service was not effectively monitoring for unauthorized use of its

organizational information. We identified multiple fraudulent or deceptive websites and social media accounts purporting to be the Postal Service, and unauthorized online sales of Postal Service-branded goods and services.

We also found USPS did not restrict the use of work email addresses for creating accounts on external sites. We identified 3,439 Postal Service

email addresses on the dark web involved in data breaches of non-Postal Service systems such as retail, gaming, and dating sites. Also, social media accounts intended to officially represent the Postal Service were created without approval, and official social media account management procedures were not documented. Finally, management did not define or document organizational roles and responsibilities for responding to threats to the Postal Service's digital presence.

We recommended management: 1) establish a permanent automated monitoring solution of publicly available digital information to identify and address unauthorized use of organizational information and unapproved pages and accounts; 2) update internal information security policy to include restrictions on work email addresses on external sites; 3) establish an effective social media account approval process and document social media account management procedures; 4) develop a process to inform employees of the social media account establishment policy; and 5) identify stakeholders and develop a formal plan with roles and responsibilities for identifying and responding to fraudulent activity on social media and digital channels.

U.S. Postal Inspection Service's Oversight of its Use of Cryptocurrency

The U.S. Postal Inspection Service (USPIS) sufficiently managed seized cryptocurrency by recording seized assets and collecting proceeds of sale. However, opportunities exist to improve its management of cryptocurrency used for investigative purposes. Specifically, postal inspectors are not required to use the Cryptocurrency Fund Program, which was created in 2017 to reduce operational risk associated with the investigative use of cryptocurrency. Furthermore, the Transaction

Review Report, which shows all cryptocurrency transactions associated with a case, contains data inaccuracies that prevent inspectors and leaders from using it to track transactions. Finally, we found USPIS does not have a comprehensive cryptocurrency training program, and existing guidance lacks documented procedures related to certain aspects of the headquarters' management of cryptocurrency.
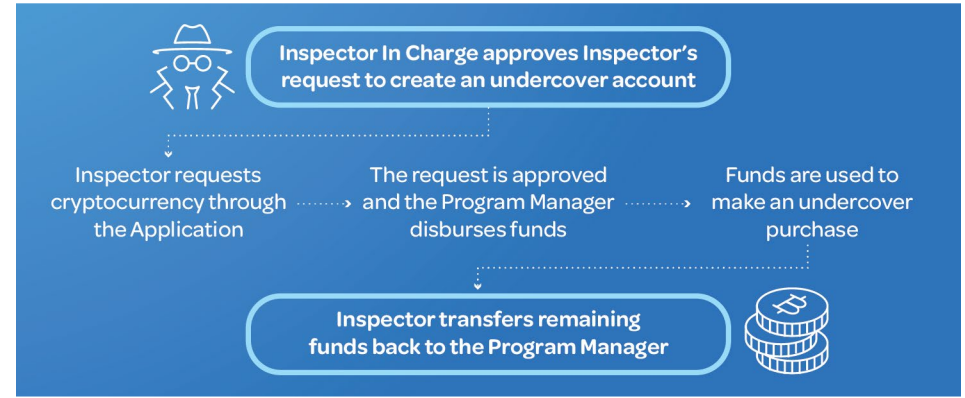
Investigative Use of Cryptocurrency Process
Source: OIG summary of the Inspection Service's *Cryptocurrency Program Management Guide,* dated August 2019.

We recommended management: 1) ensure that the Cryptocurrency Fund Program has the information needed to provide oversight of the investigative use of cryptocurrency; 2) modify the system to ensure duplicates and unrelated transactions are not included in the Transaction Review Report and that the report provides sufficient information to differentiate between transactions; 3) develop a comprehensive cryptocurrency training program; and 4) develop written procedures for the management and oversight of the national wallet and its associated exchange account.

Research and Insights Solution Center

Revenue and Costs in the Retail Network

In FY 2019, the Postal Service's retail network of more than 31,000 offices generated about twice as much revenue as it cost to operate. However, revenue varied widely across units, with rural locations less likely to cover costs. Six out of 10 retail units in rural parts of the country did not cover their retail costs, compared to fewer than one in 10 in urban areas. The OIG's analysis also found that one-quarter of retail units that do not cover costs are within three miles of the nearest retail unit, and that more than half are located within five miles of the nearest unit.

Past attempts to close retail units were met with resistance, but the Postal Service has other options to either increase retail network funding or reduce costs without reducing access. To defray the costs of serving rural areas, USPS could request an already-allowable direct congressional subsidy of $460 million per year. Additionally, the Postal Service could increase the number of outsourced postal retail units or expand the number of services it offers at the retail counter. The Postal Service could also act as a lessor, renting space to government entities or private businesses to provide community services.

How Institutions Change

Over the past 20 years, digital diversion of communication, growth in ecommerce, changing customer needs and expectations, and new sources of competition have transformed the mail and parcel industry. We identified takeaways from public and private organizations that have managed to adapt and succeed in other disrupted industries.

First, we studied the passenger rail industry, which has experienced large changes in customer demand and expectations. Our case profiled Amtrak's efforts to adapt to disruption. A takeaway for the Postal Service is the importance of committing to a clear strategic vision for the future. A transparent approach to communication and the use of evidence-backed business cases are key to pushing for change.

Second, we examined the home video rental industry, which experienced dramatic disruption due to advances in technology, the rise of the Internet, and evolving customer expectations. We explored the rise of Netflix and the decline of Blockbuster. The experiences of the two companies suggested the importance for the Postal Service to not only adapt, but to anticipate and prepare for change through more nimble and agile innovation processes.

Finally, we looked at how brick-and-mortar retailers adapted to the rapid rise in ecommerce through strategies aimed at maximizing the value of their physical retail locations. This case study showed that enhancing the in-store experience and embracing omnichannel retail are key to boosting customer satisfaction and retention.

Vote by Mail and the Postal Service: A Primer

The vote-by-mail process is decentralized and widely varied, with a patchwork of laws and procedures from state to state. As an increasing number of voters have chosen to vote by mail, variations in these laws and procedures have created challenges for the Postal Service, which manages the handling and delivery of these ballots on a national scale.

One challenge the Postal Service faces is that states, ballot printers, and local jurisdictions do not always follow best practices when designing and mailing ballots. Another key challenge revolves around the statutory deadlines for when voters can request a mail ballot and when the completed ballots must be received by election officials. In most states, these deadlines do not allow sufficient time for the ballots to travel to and from voters through the mail.

While many of the challenges surrounding vote by mail are outside of the Postal Service's direct control, it should continue to work with election officials to improve the process. Recent OIG election mail audits have called on the Postal Service to make a number of changes related to vote by mail, which include the creation of a new mail product exclusively for election mail. As vote by mail plays an increasing role in American democracy, USPS can continue to help ensure the process runs smoothly.

02 Election Officials Design Ballots
Election officials design ballots and ballot envelopes, which may include consultation with the Postal Service.

03
Ballots Are Printed
Election officials or a vendor prints the ballots and envelopes. In some cases, these items are not printed until after voters request them.

01
Election Candidates Are Finalized
Candidates are generally selected in a primary election or caucus.

05 Ballots Are Mailed to Voters
After election officials verify the application, they generate a personalized ballot for that voter and mail it, often through an outside vendor.

06
Voters Complete the Ballot
Voters fill out their ballot at home and most will need to sign their envelope. Some are required to include a photo ID copy or witness signature.

04
Voters Request an Absentee Ballot
Voters submit an absentee ballot application by mail, online, or in-person. Some states automatically mail ballots to all registered voters.

08 Election Officials Receive and Process Ballots
Election officials generally verify voters' identities, most commonly by comparing the signature on the ballot envelope to the signature on file. Election officials then tabulate the ballots.

07
Voters Return the Ballot by Mail or In-Person
Voters must return their completed ballot by the deadline. In most states, election officials must receive the ballot by Election Day.

09
Post-Election Audit
Most states audit the ballots and machines to verify the election's integrity.

Vote by Mail Process Flow
Source: OIG

A Primer on Service Standards

A service standard is the number of days the Postal Service has determined it should take a specific type of mail to be delivered. These standards may seem like simple ranges of days, but behind them is a complex system that accounts for factors of each mailpiece, such as the type of mail it is and where and when it is entered into the postal network.

The Postal Accountability and Enhancement Act of 2006 required the Postal Service to design a set of modern service standards for letters and flats. Today, the Postal Service maintains service standards for all products, including packages. To measure its success at meeting service standards, the Postal Service sets goals for the percent of mail that should be delivered on time, called service performance targets.

Since 2007, the Postal Service has implemented four nationwide changes to service standards. Additionally, in the first half of 2021, the Postal Service proposed two service standards changes for First-Class Mail and First-Class Package Service — increasing the upper limit from three days to five days for both mail classes. These changes would enable the Postal Service to move more of this mail off of air and onto surface transportation.

Chief Logistics and Processing Operations Officer → Executive Leadership Team → Board of Govenors → Management Makes Final Decision to Implement Changes

PRC*
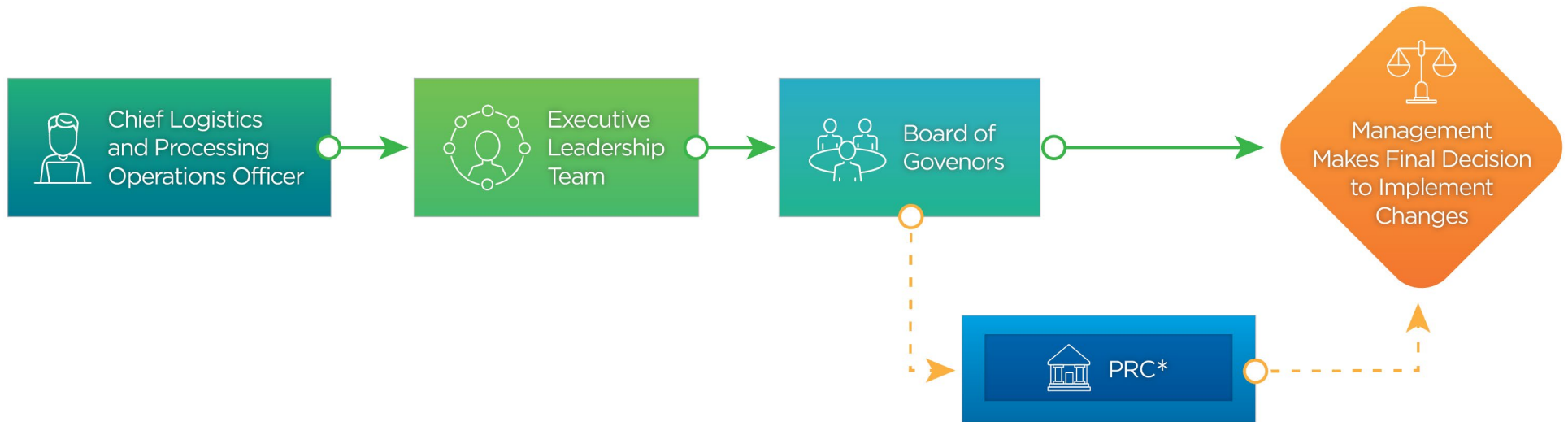
Steps for Changing Service Standards
*Although the Postal Service is required to seek an advisory opinion from the Postal Regulatory Commission (PRC), the PRC's opinions are not binding.
Source: OIG analysis of the Postal Accountability and Enhancement Act of 2006, 39 U.S.C., § 3.3(g), § 3661, and interviews with Postal Service management.

Investigations

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

In February 2020, OIG agents received information from USPS management that a supervisor was rifling parcels and stealing the contents. The ensuing surveillance captured the supervisor going through parcels, analyzing labels, rifling packages, setting aside parcels, removing contents, including cell phones, and meeting with unknown individuals at the post office where he received suspected cash wrapped in tissue paper.

Agents subsequently determined the supervisor was taking frequent short trips to the Dominican Republic and arrested him at an airport. Agents seized approximately $9,400 in U.S. currency and approximately 16 cell phones from him. During his interview, he admitted to opening packages, taking the contents, and receiving money from outsiders to pass to a drug trafficking organization in the Dominican Republic. He also admitted to profiling and stealing unemployment cards and cashing them. The supervisor received approximately $10,000 from the unemployment cards and admitted to stealing approximately 70 cell phones.

Cell phone parcel that the suspect had opened to steal contents.

After removal from the Postal Service, the former supervisor pleaded guilty to mail theft and was sentenced to one month of imprisonment and two years of supervised release. He was also ordered to pay a $28,000 forfeiture to the Postal Service.

OIG agents used data to identify suspicious parcels being delivered by a city letter carrier in West Virginia. During the investigation, agents observed the letter carrier twice passing off two large boxes to individuals at locations with an invalid delivery address. The investigation identified additional suspect parcels, which agents then seized, searched, and found to contain approximately eight pounds of marijuana in each box. An additional search warrant led to the seizure of nearly $88,000 in cash.
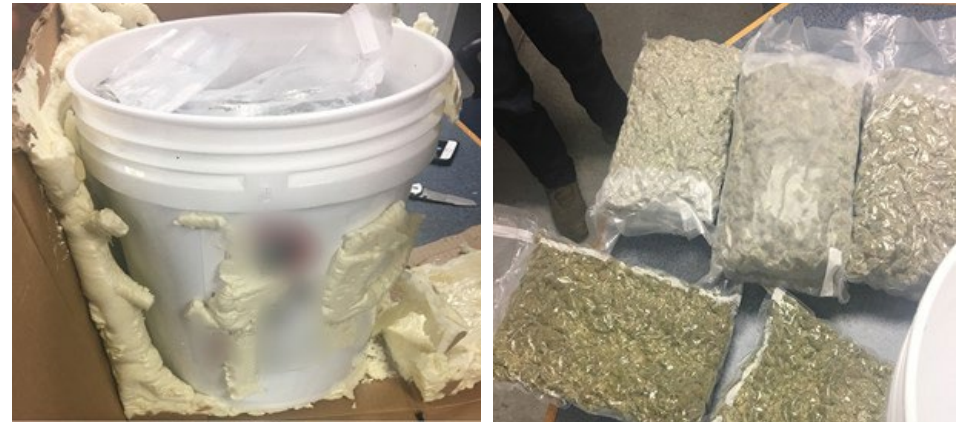
Five-gallon bucket from inside a large parcel the carrier delivered (left). One-pound bricks (approximate weight) of marijuana stashed inside the bucket (right).

During an interview with agents, the letter carrier implicated three other letter carriers from the same West Virginia post office. Further investigation determined the conspiracy had been operating for approximately six years and involved hundreds of kilos of marijuana shipped from California, with each carrier receiving as much as $500 per delivered parcel.

Three of the four letter carriers resigned and the fourth was administratively removed. Three letter carriers and a non-employee were charged with conspiracy to distribute marijuana. After conviction, the former letter carriers were sentenced to six months in prison, 30 days of intermittent prison, and five years of probation, respectively, and the non-employee was sentenced to 6.5 years in prison.

$88,000 seized during the investigation.

Health Care Claimant Fraud

A former letter carrier failed to report his self-employment earnings for his photography business to the U.S. Department of Labor (DOL) while receiving workers' compensation benefits. Despite saying he was not working or involved in any enterprise, he actively promoted his business on a social media site, displaying his portraits and listing the fees for his services. As a result of the investigation, he pleaded guilty to one count of fraud. In July 2021, the former letter carrier was sentenced to three years' probation and ordered to pay almost $108,000 in restitution. Due to the conviction, the DOL Office of Workers' Compensation Programs terminated the former letter carrier's benefits, resulting in a cost avoidance for the Postal Service of nearly $1.4 million.

Surveillance photos of the letter carrier working as a photographer.

Health Care Provider Fraud

A complaint filed in Massachusetts against an electronic health records company alleged the company illegally remunerated health care providers for generating sales of its products. As part of a joint investigation, the OIG determined the company was providing existing and potential clients with all-expenses-paid trips to sporting, entertainment, and recreational events, which included luxury accommodations, meals, and alcohol. Furthermore, the OIG learned the company paid illegal fees to its customers through its "Lead Generation" program designed to identify new customers. In total, the OIG identified approximately 360 health care providers located across the country using this vendor and billing the Postal Service through the Federal Employee Compensation Act. Based on these findings, the company entered an agreement with the U.S. Attorney's Office for the District of Massachusetts to pay $18.25 million to resolve all allegations.

The OIG participated in a multi-agency investigation of a company that developed a fentanyl spray approved for pain management for cancer patients. The investigation determined the company provided bribes and kickbacks to targeted practitioners in exchange for increasing the number of new fentanyl spray prescriptions and for increasing the dosage and number of units for existing prescriptions. Most of the inducements were in "speaker programs," under the guise of increasing brand awareness through peer-to-peer educational lunches and dinners hosted by the company. But the speaker programs were nothing more than a vehicle to pay kickbacks to practitioners. The OIG also determined that Postal Service employees, who were receiving workers' compensation benefits from DOL for work-related injuries, had been prescribed the fentanyl spray.

As a result of the investigation, the drug company was ordered to pay a $2 million fine and a $28 million asset forfeiture. The parent drug company also pleaded guilty to five counts of mail fraud related to a bribery scheme aimed at medical practitioners prescribing the fentanyl spray, and there was an agreement to pay $195 million to settle separate criminal and civil investigations. The drug company also entered into a five-year Corporate Integrity Agreement and Conditional Exclusion Release with the U.S. Department of Health and Human Services OIG. And on November 3, 2020, the drug company founder agreed to a seizure of $7.5 million and a Forfeiture Money Judgment for $1.9 million.

Drug company executives were also convicted and ordered pay restitution in the following amounts:

Title	Result	Sentence	Restitution
Manager of Reimbursement Services	Guilty Plea	Time Served	N/A
Vice President of Managed Markets	Convicted	33 months	$3,390,472.89
National Sales Director	Convicted	33 months	$2,338,078.72
Regional Sales Director	Convicted	27 months	$2,078,217.66
Regional Sales Director	Convicted	1 year and 1 day	$1,170,274.00
President and CEO	Guilty Plea	30 months	$14,780,455.00
Vice President of Sales	Guilty Plea	26 months	$4,286,044.36
Founder of Drug Company	Convicted	66 months	$1,914,771.20
Total			**$29,958,313.83**

Contract Fraud

The Postal Service hired a contractor to transport mail internationally. Data mining and analysis conducted by the OIG indicated the contractor was potentially conducting "virtual scanning," a deception that tells the Postal Service mail was delivered on time when it was actually late or not delivered at all.

The investigation revealed the contractor repeatedly created and submitted fraudulent delivery scans for several years, falsely reporting the time that mail was transferred from the company's possession to foreign postal administrations or other intended recipients.

As a result of the investigation, the Department of Justice (DOJ) executed a settlement agreement with the contractor to address the fraud. Ultimately, the contractor agreed to pay the United States Government $32 million, of which $16 million went to the Postal Service as restitution.

In 2018, the DOJ Antitrust Division requested assistance from the OIG regarding an alleged bid-rigging scheme in Statesville, NC. An OIG review of internal databases revealed the Postal Service had procured products under investigation on at least two contracts.

The contractor agreed to cooperate with the investigation and sought leniency. The company admitted to being in a conspiracy with another company that bid high on aluminum headwalls and won the business in North Carolina, Virginia, South Carolina, and possibly other states. Additionally, both companies conspired on corrugated steel and aluminum pipe bids before submission of bids.

In June 2021, the cooperating company pleaded guilty to violating the Sherman Antitrust Act and conspiracy to commit mail and wire fraud. The Postal Service received $1.75 million from fines associated with this case.

Mail Theft

In August 2018, a military veteran living in Washington state complained to the Department of Veterans Affairs (VA) that medication was not being delivered by the Postal Service. During the investigation, OIG agents identified a city letter carrier as the likely culprit. Agents observed the city letter carrier improperly handling a test mail piece. OIG agents then interviewed the carrier, who admitted to stealing VA medication packages for the previous three years. A federal search warrant was executed on the city letter carrier's residence, and numerous pills and pill bottles were seized.

Stolen prescription pills seized during execution of a search warrant.

In October 2020, the employee resigned from the Postal Service. In December 2020, the former postal employee was indicted, charged with theft of mail, and subsequently entered a guilty plea. In July 2021, the former city carrier was sentenced to five years of probation and ordered to undergo substance abuse treatment.

In April 2020, the OIG was notified of potential mail and voter fraud by the West Virginia Office of Attorney General (AG). The AG indicated several mail-in absentee ballot request forms were correct when they entered the mail stream but altered upon receipt at the Pendleton County Clerk's office. The investigation revealed that a Highway Contract Carrier (HCC) altered at least eight absentee ballot request forms during the state's 2020 primary election prior to delivering them to the Pendleton County Clerk. The HCC's contract was terminated, and he later pleaded guilty to attempting to defraud the residents of West Virginia of a fair election. He was sentenced to 180 days of home confinement and five years of probation.

Altered mail-in ballot requests.

Financial Fraud

The OIG reviewed an internal No Sale Following Void (NSFV) report that revealed a sales and services associate in Burnsville, MN, had excessive NSFVs — an indication of possible embezzlement. An analysis conducted for all sales activity for the period of July 7, 2018, through August 14, 2019, revealed excessive no sales, warranting further investigation.

Agents determined the employee converted Postal Service funds to personal use. In an interview with OIG agents, the employee admitted stealing Postal Service funds from the cash drawer on several occasions. The employee also admitted to being responsible for stamp stock shortages. The total dollar value of these improper transactions was more than $74,000.

In May 2021, the former employee pleaded guilty to theft of government property and was sentenced to two years' probation and 64 hours' community service. The former employee was also ordered to pay restitution of approximately $76,500.

Senior Executive Investigations

During the reporting period, three 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:

The OIG received a complaint that a Postal Service manager infringed copyright when initiating and leading a project to develop a motivational video for the Postal Service. The video contained images and video clips from professional and collegiate sports teams as well as music video clips. We substantiated the complaint and also found that a subordinate employee violated Postal Service information technology policy by uploading the video to a social media platform to share with the manager.

This investigation was not referred for prosecution. The OIG provided its Report of Investigation (ROI) to the Postal Service for appropriate action and the manager subsequently retired

The OIG received two separate complaints, totaling four allegations, regarding a Postal Service manager. We investigated and substantiated the first allegation that the manager violated postal policy when he provided his computer credentials to a subordinate. The subordinate subsequently logged into a postal training database with the manager's username and password.

We investigated but did not substantiate the second allegation that the manager engaged in favoritism when he directed the selection of an employee who was not the most qualified candidate. The investigation revealed the manager played no role in the selection process.

We investigated but did not substantiate the third allegation that the manager engaged in favoritism when he directed that no discipline be issued to a supervisor who accepted a $50 gift card from a subordinate. The investigation revealed the manager played no role in the disciplinary process or decision.

We investigated but did not substantiate the fourth allegation that the manager engaged in favoritism and nepotism when he detailed an alleged long-time friend to a position in which the friend could subsequently promote the manager's son. The investigation revealed the manager did not detail the alleged friend into the selecting position, and the manager played no role in the promotion of his son.

During the investigation, we also found that the manager violated Postal Service information technology policy by sending and viewing sexually-oriented pictures and videos via his Postal Service-issued phone and email.

This investigation was not referred for prosecution. The OIG provided its ROI to the Postal Service for appropriate action, and the manager was issued a Letter of Warning in Lieu of Time-Off Suspension.

The OIG received a complaint that a Postal Service manager accepted flights on a private aircraft and trips from a postal supplier. Our investigation did not substantiate this allegation. However, the investigation did determine the manager provided preferential treatment to the postal supplier by providing a letter, on Postal Service letterhead, to another government agency in an effort to gain road access through a federal wildlife refuge. The letter was written by the supplier, which the manager did not disclose during the Postal Service's legal review, and the final letter was not provided to other postal suppliers.

The investigation also determined the manager failed to report assets on a Confidential Financial Disclosure Report, as required. The investigation was referred to the Department of Justice for prosecution but was not accepted. The OIG provided its ROI to the Postal Service for appropriate action, and the manager received an official discussion.

Unsubstantiated allegations:

During the reporting period, three instances of alleged misconduct by PCES employees were unsubstantiated.

We investigated an allegation that a Postal Service manager was not following the proper Reduction in Force policies. Our investigation did not uncover criminal or administrative misconduct; however, possible process issues were identified and referred to the OIG's Office of Audit for further consideration.

We investigated an allegation that a Postal Service manager committed time and attendance fraud for employees and misused postal operation codes. Our investigation disclosed no information to substantiate the allegation.

We investigated an allegation that a Postal Service manager pressured employees to improve Surface Visibility (SV) scanning scores. Our investigation substantiated misconduct only by subordinate employees, who falsified SV scans using a false barcode.

Internal Affairs

There are no investigations to report in this category for this reporting period.

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 April 1, 2021 — September 30, 2021

Allegations Received: **53**

OIG Investigations Initiated: **3**

Investigations Closed with No Action: **6**

Allegations Closed with No Action: **54**

OIG Found Reprisal: **0**

Postal Service Major Management Challenges

The following represents our view of the major challenges to the Postal Service's success in achieving financial sustainability and service excellence. We considered the issues affecting the Postal Service based on our audit, investigative, and research work in determining these management challenges. These challenges, as described in more detail below, are not listed in priority order and some are interrelated. Addressing each of these challenges will be critical to the Postal Service's success.

- The COVID-19 Pandemic

- Financial Challenges and Business Constraints

- Service Performance

- Workplace Relations and Culture

- Changing Customer Demands and New Competition

- Inherent Tension Between Business and Government

- Infrastructure Modernization

- IT Modernization and Capacity

- Confronting Narcotics in the Mail

COVID-19

With the pandemic now in its second year, the Postal Service continues to remain committed to providing essential services to the entire country. While the U.S. experiences challenges involving mass vaccinations and new COVID-19 variants, the Postal Service has not stopped delivering the mail. It, however, faces its own profound challenges, including infrastructure impacts, increased package volume compared to pre-pandemic levels, staffing shortages, and a workforce that largely cannot work from home.

A significant national infrastructure challenge exacerbated by the pandemic was the substantial strain on the Postal Service's processing and distribution network during the peak mailing season — November through January. The strain resulted from increased package volume and reduced employee availability due to COVID. The Postal Service is focusing on ensuring adequate staffing during the 2022 peak mailing season and has installed more mail sorting equipment for packages.

The economic decline associated with the pandemic led, initially, to a considerable decline of mail volume while at the same time leading to a surge in package growth, at least temporarily. Around the middle of FY 2021, mail volume started to recover, with large monthly increases compared to the same period the previous year. At the same time, package volume dropped compared to the same period last year. Overall, though, total volume in FY 2021 has increased one percent over FY 2020.

The Postal Service is not unique in facing staffing shortages, as the pandemic has tested many employers in the nation. With daycare facilities and schools not always open, with legislation and Postal Service policy authorizing different types of leave, and with new variants of COVID-19 spreading throughout the country, the Postal Service is working hard to ensure it has adequate staff to deliver the mail. It has hired over 250,000 employees (including seasonal) since March 2020, more than one-third of its total employees at the end of FY 2020. The Postal Service continues to improve its hiring despite the scope of its needs by increasing its speed to hire while ensuring it meets selection and hiring requirements, including giving proper preference to applicants who are veterans.

Finally, efforts to keep employees and customers safe have included distributing personal protective equipment, taking steps to ensure social distancing, educating carriers about social distancing, developing agreements with the unions, and changing work practices while delivering mail.

Financial Challenges and Business Constraints

The Postal Service recorded a net loss of $9.2 billion in FY 2020, with cumulative net losses of over $40 billion from FYs 2014 through 2020, much of which is related the Postal Service's failure to fully fund pension and retiree health benefits. The Postal Service is on track to continue with net losses in FY 2021.

However, the Postal Service continues to deliver mail and parcels across the country nearly every day. So far, it has survived the erosion in demand for its most profitable product, First-Class Mail, a serious recession with a slow recovery, and the impact of the pandemic (although this may not be felt in full for years). Although First-Class and Marketing

Mail combine to provide most of the operating revenue, volume and revenue for these two mail products declined by 13.8 billion pieces and $3.1 billion, respectively, in FY 2020. The revenue decline was more than offset by an increase in shipping and package revenue of over $5.7 billion, which also offset revenue declines for other mail products due to the pandemic. Massive liabilities remain though, including nearly $34 billion in payments to prefund its retiree health care from FY 2012 through FY 2016, plus an additional $29 billion to fund its pension and health care costs in FYs 2017 through 2020.

In December 2020, the Postal Regulatory Commission provided the Postal Service more flexibility in pricing its products, which should result in additional revenue. Also, the Postal Service received $10 billion in funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Additional legislation has been proposed to provide relief regarding retirement payments and product diversification, but it has not yet been passed. Furthermore, in March 2021, the Postal Service developed a 10-year business plan, Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence (DFA). The Postal Service noted that by implementing the totality of the strategies identified in the DFA, they expect to operate with a positive net income beginning in FY 2023 or FY 2024 and reverse a projected $160 billion in losses over the next 10 years.

Service Performance

The Postal Service has not met most of its service performance targets over the past five years. Recent service performance results show that the service performance declines due in part to the COVID-19 pandemic are starting to reverse and service is improving. Effective October 1, 2021, the Postal Service modified existing service standards for First-Class Mail from a current one-to-three-day service standard (for mail being delivered within the continental U.S.) to a one-to-five-day service standard. The Postal Service is also proposing to adjust the service standards for First-Class Package Service to enable more packages to be moved via the surface transportation network rather than by air. In response to declining mail volumes, the Postal Service has implemented several cost-cutting initiatives, such as workhour reductions, a Postal Service-wide realignment, and surface network optimization, designed to reduce transportation costs. However, critical operational challenges such as accurate data, staffing, and transportation continue to impact the Postal Service's ability to meet its commitments to an ever-expanding network of over 161 million delivery points.

Workplace Relations and Culture

The Postal Service has almost 500,000 career employees, who are represented by various unions and management associations. At times, relationships between labor and management can be tense. The various union

contracts and local agreements can limit the ability of management to make efficient, day-to-day operational decisions. The Postal Service ratified some labor deals with unions in FY 2021 and is currently in negotiations with others for national agreements. From an employee engagement perspective, in its FY 2020 Postal Pulse survey, Postal Service scores continue to rank in the bottom eight percent of scores for all organizations Gallup surveyed.

Changing Customer Demands and New Competition

The Postal Service competes for customers every day, in every product line, in a dynamic and changing environment. Ecommerce is driving alternative package delivery methods, increased delivery speed, and lower prices. Digital advertising, electronic bill-pay, and email correspondence have negatively affected letter mail, resulting in a 46 and 37 percent decline of First-Class and Marketing Mail volume, respectively, since 2006. To compete effectively, the Postal Service must respond with more timely innovations that address customer demands, with increasing reliance on data to drive internal decision-making and identify opportunities for growth.

Inherent Tension Between Business and Government

The Postal Service is an independent establishment of the executive branch of the federal government but is mandated to operate

as a business; there is natural tension between these two requirements. The Postal Service has several oversight bodies and very active stakeholders, all of which often have competing priorities, affecting the Postal Service's ability to efficiently and effectively implement changes to operate and compete in a fast paced, competitive environment.

The Postal Service developed the DFA to provide the organization with a long-term financially sustainable business model. According to the Postal Service, the DFA will generate enough revenue to cover operating costs; enable investments in its people, infrastructure, and technology; and simultaneously provide customers and the American people with the excellent service they expect and deserve. A key to the Postal Service's success as a business is its strong partnerships with other entities. The Postal Service must balance providing efficient and effective alliances that can help grow the business with safeguarding government assets and ensuring fairness among all partners.

Infrastructure Modernization

The Postal Service has a nationwide mail processing, retail, and delivery network, with over 34,000 facilities and 231,000 vehicles. Recent investments in newer delivery vehicles to modernize the delivery fleet will allow the Postal Service to better meet the increasing demands of the delivery market. These new vehicles will need to be flexible enough to accommodate advances in delivery technologies and changing market demands. Current proposed legislation would provide the

Postal Service with much needed funding to purchase electric vehicles.

Due to its financial condition, the Postal Service's capital investments have not kept pace to maintain and fully modernize its infrastructure. Through FY 2021, quarter 3, the Postal Service stated it spent $1.4 billion on capital investments and expects to spend $600 million more by the end of the fiscal year. If so, capital investment spending will be $300 million more compared to FY 2020 but $400 million less than its FY 2021 plan. In its DFA, the Postal Service proposes over $40 billion in capital investments over the next 10 years, including $20 billion toward its mail and package processing network, $19 billion toward its retail and delivery network, and $2 billion in technology upgrades.

IT Modernization and Capacity

A modern information technology network with sufficient capacity is critical to the success of the Postal Service. Customers and businesses demand timely, relevant, and accurate information and data as part of their digital experience. The network must have the ability to meet these demands as well as the flexibility to continually adjust to the ever-changing business and regulatory environment. As information technology and the cyber threat landscape evolves, security continues to be an ongoing challenge

Confronting Narcotics in the Mail

The vast postal distribution infrastructure can be abused by drug traffickers to facilitate illegal distribution of narcotics. Some of these narcotics are very dangerous, and handling packages that contain them can pose a potential safety hazard for employees. Additionally, facilitating the distribution of drugs can ultimately contribute to the growing crisis in our country and undermine trust in the Postal Service.

To help stem the flow of opioids shipped to the U.S. through the mail, Congress passed the Synthetics Trafficking and Overdose Prevention (STOP) Act of 2018. The law requires all postal packages entering the U.S. from international posts to have Advance Electronic Data (AED), which refers to electronic messages with information about cross-border packages and the larger shipment with which the package was sent. The Postal Service receives the data from sending posts and forwards it to U.S. Customs and Border Protection (CBP) before packages reach the U.S. CBP uses AED to identify packages that might contain illicit items, such as drugs and counterfeit merchandise. The Inspection Service investigates narcotics in the mail, and we investigate employees that may be assisting in trafficking those narcotics. Stemming the tide of narcotics in the mail is critical to addressing the ongoing challenge of illicit drugs in our country.

Appendices

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.

Summary

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 (AR), management advisory (MA) reports, or management alert (MT) reports, or white papers in accordance with the identified needs of the project.

For the period: April 1 — September 30, 2021

Risk Categories	Number of Reports	Funds Put To Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Finance and Pricing	31	—	$2,231,600	$2,225,767	$1,949,705
Inspection Service, Information Technology & Operations	7	—	—	—	—
Mission Operations	16	$136,346,404	$824,622,719	$162,338,091	$1,820,411,194
Retail, Delivery & Marketing	15	$83,538	$134,128,576	$85,346	$418,056
Supply Management & Human Resources	18	—	$76,924,072	$76,924,072	—
Sub-Total	**87**	**$136,429,942**	**$1,037,906,967**	**$241,573,276**	**$1,822,778,955**
RISC White Papers	9	—	—	—	—
Total	**96**	**$136,429,942**	**$1,037,906,967**	**$241,573,276**	**$1,822,778,955**

For the period: October 1, 2020 — September 30, 2021

Risk Categories	Number of Reports	Funds Put To Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Finance and Pricing	48	—	$2,293,121	$2,225,767	$1,949,705
Inspection Service, Information Technology & Operations	12	—	$165,892,309	$165,889,744	—
Mission Operations	24	$140,172,420	$945,987,173	$162,338,091	$1,820,411,194
Retail, Delivery & Marketing	26	$83,538	$134,128,576	$85,346	$418,056
Supply Management & Human Resources	29	—	$78,731,163	$78,731,163	—
Sub-Total	**139**	**$140,255,958**	**$1,327,032,342**	**$409,270,111**	**$1,822,778,955**
RISC White Papers	10	—	—	—	—
Total	**149**	**$140,255,958**	**$1,327,032,342**	**$409,270,111**	**$1,822,778,955**

Reports with Quantifiable Potential Monetary Benefits

For the period: April 1 — September 30, 2021

	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Finance and Pricing				
Finance				
Fiscal Year 2020 Board of Governors' Expenditures, 21-064-R21, 9/22/2021	—	$5,837	$5,837	—
Compensation, Benefit, and Bonus Authority in Calendar Year 2020, 21-183-R21, 9/23/2021	—	$5,833	—	—
Manually Adjudicated Indemnity Claim Payments, 20-129-R21, 8/30/2021	—	$2,041,061	$2,041,061	—
Financial Controls				
Meter Revenue and Retail Services Refunds – Mesquite, TX, Main Post Office, 21-139-R21, 6/14/2021	—	$42,205	$42,205	—
Meter Revenue Refunds – West Sacramento, CA, Industrial Station, 21-202-R21, 8/23/2021	—	—	—	$37,482
Online Priority Mail Express Refunds, 20-268-R21, 7/20/2021	—	—	—	$1,912,223
Postage, Fees, and Meter Revenue Refunds – Ft. Lauderdale, FL, Main Post Office, 21-145-R21, 6/28/2021	—	$22,220	$22,220	—
Vehicle, Fuel, and Oil Expenses, Birmingham, AL – Woodlawn Station Post Office, 21-148-R21, 7/30/2021	—	$47,553	$47,553	—
Voyager Card Transactions – Norwalk, CT, Post Office, 21-210-R21, 9/7/2021	—	$1,829	$1,829	—
Voyager Card Transactions – Pittsburgh, PA, Penn Hills Branch, 21-209-R21, 9/8/2021	—	$65,062	$65,062	—
Mission Operations				
Network Processing				
Manual Mail Processing Efficiency, 21-131-R21, 9/21/2021	—	$395,585,002	—	—
Transportation				
"As Needed" Highway Contract Routes, 21-022-R21, 7/16/2021	$136,152,634	$164,163,583	$162,338,091	—
Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services, 21-201-R21, 9/16/2021	—	$9,943,202	—	—
Scheduled Hours and Payments for Highway Contract Routes, 20-295-R21, 5/5/2021	$193,770	$1,619,826	—	—
Terminal Handling Services – Denver, CO, 20-314-R21, 6/4/2021	—	$4,191,125	—	—
Uncompensated and Undercompensated Services, 20-208-R21, 4/5/2021	—	$249,119,981	—	—
Retail, Delivery & Marketing				
Sales, Marketing & International				
Negotiated Service Agreement – Contract [Redacted], 20-233-R21, 5/13/2021	—	—	—	$2,807
Plant Load Agreements – New Jersey District, 21-049-R21, 8/12/2021	$83,538	$85,346	$85,346	—
Postal Service Secure Destruction Program, 21-025-R21, 7/23/2021	—	$134,043,230	—	$415,249

	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Supply Management & Human Resources				
Human Resources and Support				
Accident Reporting, 21-015-R21, 8/27/2021	—	$28,237,887	$28,237,887	—
COVID-19 Leave Administration, 21-032-R21, 6/16/2021	—	$12,381,178	$12,381,178	—
Supply Management & Facilities				
Audit of FY 2019 Northrup Grumman Civil and Health Segments, 21-163-R21, 9/8/2021	—	$281,655	$281,655	—
Contract Invoice Payment Process, 20-281-R21, 7/29/2021	—	$34,493,467	$34,493,467	—
Controls Over Contract Labor Hours, 21-109-R21, 9/23/2021	—	$1,529,885	$1,529,885	—
Total	**$136,429,942**	**$1,037,906,967**	**$241,573,276**	**$1,822,778,955**

Report Listing

Complete listing of all OIG reports issued to Postal Service management. For the period: April 1 — September 30, 2021

Finance and Pricing

Cost and Pricing

City Carrier Cost System, 21-036-R21, 7/14/2021

Contract Delivery Service Cost Attribution, 20-313-R21, 6/21/2021

Seamless Acceptance Mail Quality Processes, 21-098-R21, 9/29/2021

Finance

Capital Equipment at the Eagan Information Technology Center, 21-059-R21, 8/10/2021

Compensation, Benefit, and Bonus Authority in Calendar Year 2020, 21-183-R21, 9/23/2021

Fiscal Year 2020 Board of Governors' Expenditures, 21-064-R21, 9/22/2021

Fiscal Year 2020 Decision Analysis Report Summary, 21-238-R21, 9/22/2021

Fiscal Year 2021 Review of Form 10Q – Quarter 2, 21-143-R21, 5/4/2021

FY 2020 Selected Financial Activities and Accounting Records, 20-152-R21, 4/30/2021

FY2021 Review of Form 10Q – Quarter 3, 21-211-R21, 8/2/2021

Independent Report on Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the U.S. Office of Personnel Management, 21-182-R21, 9/15/2021

Manually Adjudicated Indemnity Claim Payments, 20-129-R21, 8/30/2021

Processing Selected Resignation and Reassignment Personnel Actions, 21-070-R21, 8/18/2021

Financial Controls

Meter Revenue and Retail Services Refunds – Mesquite, TX, Main Post Office, 21-139-R21, 6/14/2021

Meter Revenue Refunds – Tipton, IA, Post Office, 21-117-R21, 4/8/2021

Meter Revenue Refunds – West Sacramento, CA, Industrial Station, 21-202-R21, 8/23/2021

Online Priority Mail Express Refunds, 20-268-R21, 7/20/2021

Postage and Fees Refunds – Norristown Tri-County Post Office, 21-204-R21, 8/30/2021

Postage, Fees, and Meter Revenue Refunds – Ft. Lauderdale, FL, Main Post Office, 21-145-R21, 6/28/2021

Refunds of Permit Postage and Fees – Merrifield, VA, Post Office, 21-115-R21, 4/14/2021

Refunds of Permit Postage and Fees – Ranson, WV, Post Office, 21-149-R21, 7/20/2021

Stamps, Money Orders, and Cash – Burbank, CA, Main Office and Downtown Station, 21-126-R21, 4/23/2021

Stamps, Money Orders, and Cash – Las Vegas, NV, James Brown Jr. Station, 21-170-R21, 7/7/2021

Stamps, Money Orders, and Cash – Phoenix, AZ, Main Office and Northeast Station, 21-141-R21, 5/26/2021

Vehicle, Fuel, and Oil Expenses, Birmingham, AL – Woodlawn Station Post Office, 21-148-R21, 7/30/2021

Voyager Card Transactions – Monroe, NY, Post Office, 21-125-R21, 4/28/2021

Voyager Card Transactions – Chino, CA, Post Office, 21-135-R21, 5/13/2021

Voyager Card Transactions – Hemet, CA Post Office, 21-133-R21, 5/19/2021

Voyager Card Transactions – Norwalk, CT, Post Office, 21-210-R21, 9/7/2021

Voyager Card Transactions – Pittsburgh, PA, Penn Hills Branch, 21-209-R21, 9/8/2021

Voyager Card Transactions – Wilmington, NC, Magnolia Station, 21-176-R21, 8/3/2021

Inspection Service, Information Technology & Operations

Information Technology

Controls Over Retired Business Applications, 20-289-R21, 7/7/2021

Integrity of the U.S. Postal Service's Social Media Presence, 20-278-R21, 5/12/2021

Security Assessment of the [Redacted], 20-286-R21, 9/9/2021

U.S. Postal Service's Protection Against External Cyberattacks, 20-277-R21, 8/31/2021

US Postal Inspection Service

U.S. Postal Inspection Service Oversight of its Use of Cryptocurrency, 21-067-R21, 8/26/2021

U.S. Postal Inspection Service Pandemic Response to Mail Fraud and Mail Theft, 20-305-R21, 5/20/2021

U.S. Postal Inspection Service Washington Division, 21-005-R21, 4/16/2021

APPENDIX A: Reports Issued to Postal Service Management

Mission Operations

Network Processing

Delayed Mail at the Lehigh Valley, PA, Processing and Distribution Center, 20-272-R21, 4/12/2021

Embargoes and Redirections at U.S. Postal Service Processing Facilities, 21-112-R21, 8/13/2021

Manual Mail Processing Efficiency, 21-131-R21, 9/21/2021

Nationwide Service Performance, 21-120-R21, 9/20/2021

Plant Evaluation Team

Delayed Mail at the North Houston, TX, Processing and Distribution Center, 21-074-R21, 4/13/2021

Delayed Mail at the Phoenix, AZ, Processing & Distribution Center, 21-114-R21, 5/12/2021

Delayed Mail at the Santa Ana, CA, Processing and Distribution Center, 21-119-R21, 5/24/2021

Mail Operations at the Denver, CO, Processing and Distribution Center, 21-151-R21, 7/27/2021

Mail Operations at the Mid Carolina, NC, Processing and Distribution Center, 21-185-R21, 8/25/2021

Mail Operations at the Raleigh, NC, Processing and Distribution Center, 21-184-R21, 8/12/2021

Mail Operations at the West Valley, AZ, Processing and Distribution Center, 21-166-R21, 7/27/2021

Transportation

"As Needed" Highway Contract Routes, 21-022-R21, 7/16/2021

Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services, 21-201-R21, 9/16/2021

Scheduled Hours and Payments for Highway Contract Routes, 20-295-R21, 5/5/2021

Terminal Handling Services – Denver, CO, 20-314-R21, 6/4/2021

Uncompensated and Undercompensated Services, 20-208-R21, 4/5/2021

Retail, Delivery, and Marketing

Delivery and Retail Operations

Service Performance – First-Class Single Piece Letter Mail, 21-047-R21, 9/3/2021

Mail Delivery and Customer Service Issues – Olathe East Branch, Olathe, KS, 21-121-R21, 5/5/2021

Mail Delivery and Customer Service Operations – Castle Rock Main Post Office, Castle Rock, CO, 21-122-R21, 4/28/2021

Mail Delivery and Customer Service Operations – Carrier Sections, Cleveland, OH, 21-147-R21, 6/15/2021

Mail Delivery and Customer Service Operations – East Stroudsburg Post Office, East Stroudsburg, PA, 21-134-R21, 5/25/2021

Mail Delivery and Customer Service Operations – Newark Post Office, Newark, DE, 21-177-R21, 7/22/2021

Mail Delivery and Customer Service Operations – Southwest Station, Washington, DC, 21-088-R21, 4/12/2021

Sales, Marketing and International

International Election Mail Observations for the 2020 General and 2021 Georgia Senate Runoff Elections, 21-007-R21, 4/29/2021

Issues Identified in International Package Operations – Chicago International Service Center, 21-101-R21, 5/12/2021

Negotiated Service Agreement – Contract [Redacted], 20-233-R21, 5/13/2021

Negotiated Service Agreement – Contract [Redacted], 20-317-R21, 5/19/2021

Negotiated Service Agreement Price Tables Sent Unsecured to Vendors, 21-097-R21, 5/3/2021

Passport Application Acceptance Operations, 21-056-R21, 8/9/2021

Plant Load Agreements – New Jersey District, 21-049-R21, 8/12/2021

The Postal Service Secure Destruction Program, 21-025-R21, 7/23/2021

Supply Management & Human Resources

Human Resources and Support

Accident Reporting, 21-015-R21, 8/27/2021

Contractor Security Clearances at Surface Transfer Centers, 21-111-R21, 9/29/2021

COVID-19 Leave Administration, 21-032-R21, 6/16/2021

Peak Season Hiring, 20-316-R21, 9/23/2021

Protection of Personally Identifiable Information on Internal Systems, 21-034-R21, 4/1/2021

U.S. Postal Service Exit Processing, 20-167-R21, 4/12/2021

Property Condition Review

Property Condition Reviews – Garyville, North Kenner, and Lake Forest Post Offices in Louisiana, 21-093-R21, 4/14/2021

Property Condition Reviews – Center Ossipee, East Wakefield, and Conway Post Offices in New Hampshire, 21-187-R21, 8/12/2021

Property Condition Reviews – Cochituate, Winchester, and John F. Kennedy Post Offices in Massachusetts, 21-144-R21, 6/17/2021

Property Condition Reviews – Menlo Park, Excelsior, and Sutter Street in California, 21-200-R21, 9/15/2021

Property Condition Reviews – North Royalton, Willoughby, and Jesse C. Owens Post Offices in Ohio, 21-138-R21, 6/21/2021

Supply Management and Facilities

Audit of Accenture Federal Services Labor Qualifications Under Contract No. 1BITSV-09-B-0014 Period under review: October 1, 2019, through September 30, 2020, 21-161-R21, 9/13/2021

Audit of FY 2019 Northrup Grumman Civil and Health Segments, 21-163-R21, 9/8/2021

Audit of Invoicing by Jasper Innovative Solutions, Inc. (Jasper) Under Contract No. 1DVPMS-07-B-0071 for the period from October 1, 2017, through September 30, 2019, 21-011-R21, 5/10/2021

Contract Invoice Payment Process, 20-281-R21, 7/29/2021

Controls Over Contract Labor Hours, 21-109-R21, 9/23/2021

Noncompetitive Contracts, 21-019-R21, 9/9/2021

Vehicle Parts Pricing, 21-020-R21, 9/2/2021

White Paper Listing

Complete listing of all OIG White Papers issued to Postal Service management. For the period: April 1 — September 30, 2021

Research and Insights Solution Center

1-800-ASK-USPS: The Postal Service's Interactive Voice Response System, RISC-WP-21-010, 9/21/2021

A Primer on Service Standards, RISC-WP-21-008, 9/2/2021

Customer Perceptions of the U.S. Postal Service During the COVID-19 Pandemic, RISC-WP-21-002, 4/9/2021

How Institutions Change, RISC-WP-21-006, 8/4/2021

Improving Operational Efficiency Using Informed Visibility, RISC-WP-21-009, 9/17/2021

Marketers' Perceptions of Informed Delivery and Informed Visibility, RISC-WP-21-005, 6/8/2021

Revenue and Costs in the Retail Network, RISC-WP-21-003, 4/12/2021

Step into Tomorrow: The U.S. Postal Service and Emerging Technology, RISC-WP-21-007, 8/26/2021

Vote By Mail and the Postal Service: A Primer, RISC-WP-21-004, 6/1/2021

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, OIG had seven 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.

FY2021 Review of Form 10Q – Quarter 2, 21-143-R21, 5/4/2021

FY2021 Review of Form 10Q – Quarter 3, 21-211-R21, 8/2/2021

Review of Decision Analysis

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).

Fiscal Year 2020 Decision Analysis Report Summary, 21-238-R21, 9/22/2021

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 Report of Accenture Federal Services Labor Qualifications Under Contract No. 1BITSV-09-B-0014 Period under review: October 1, 2019, through September 30, 2020, 21-161-R21, 9/13/2021

Audit of FY 2019 Northrup Grumman Civil and Health Segments, 21-163-R21, 9/8/2021

Audit of Invoicing by Jasper Innovative Solutions, Inc. (Jasper) Under Contract No. 1DVPMS-07-B-0071 for the period from October 1, 2017, through September 30, 2019, 21-011-R21, 5/10/2021

Security Assessment

Security Assessment of [Redacted], 20-286-R21, 9/9/2021

Referrals to Postal Management

Referrals made during the reporting period to USPS management for action that did not warrant the OIG to investigate or conduct an audit: 1,135

APPENDIX B: Findings of Questioned Costs

For the period: April 1 — September 30, 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	21	$1,037,906,967	$241,573,276
Totals	**21**	**$1,037,906,967**	**$241,573,276**
Reports for which a management decision was made during the reporting period (i+ii)	21	$1,037,906,967	$241,573,276
(i) Dollar Value of recommendations agreed to by management	10	$168,420,931	$30,180,743
(ii) Dollar Value of recommendations that were not agreed to by management	11	$869,486,036	$211,392,533
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 report period.

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

None this report period.

APPENDIX C: Recommendations That Funds Be Put to Better Use

For the period: April 1 — September 30, 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	3	$136,429,942
Totals	**3**	**$136,429,942**
Reports for which a management decision was made during the report period	3	$136,429,942
(i) Dollar Value of recommendations agreed to by management	—	—
(ii) Dollar Value of recommendations that were not agreed to by management	3	$136,429,942
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 report period.

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

None this report period.

APPENDIX D: Other Impacts

For the period: April 1 — September 30, 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	**8**
Mail Delivery and Customer Service Operations – East Stroudsburg Post Office, East Stroudsburg, PA, 21-134-R21, 5/25/2021	1
Meter Revenue Refunds – Tipton, IA, Post Office, 21-117-R21, 4/8/2021	1
Peak Season Hiring, 20-316-R21, 9/23/2021	1
Postage, Fees, and Meter Revenue Refunds – Ft. Lauderdale, FL, Main Post Office, 21-145-R21, 6/28/2021	1
Refunds of Permit Postage and Fees – Ranson, WV, Post Office, 21-149-R21, 7/20/2021	1
Voyager Card Transactions – Norwalk, CT, Post Office, 21-210-R21, 9/7/2021	2
Voyager Card Transactions – Pittsburgh, PA, Penn Hills Branch, 21-209-R21, 9/8/2021	1
Cost Misallocation	**2**
Contract Delivery Service Cost Attribution, 20-313-R21, 6/21/2021	1
Plant Load Agreements – New Jersey District, 21-049-R21, 8/12/2021	1
Data Integrity	**25**
"As Needed" Highway Contract Routes, 21-022-R21, 7/16/2021	1
Accident Reporting, 21-015-R21, 8/27/2021	1
Capital Equipment at the Eagan Information Technology Center, 21-059-R21, 8/10/2021	2
City Carrier Cost System, 21-036-R21, 7/14/2021	2
Contract Delivery Service Cost Attribution, 20-313-R21, 6/21/2021	1
COVID-19 Leave Administration, 21-032-R21, 6/16/2021	1
Delayed Mail at the Phoenix, AZ, Processing & Distribution Center, 21-114-R21, 5/12/2021	1
Delayed Mail at the Santa Ana, CA, Processing and Distribution Center, 21-119-R21, 5/24/2021	1
International Election Mail Observations for the 2020 General and 2021 Georgia Senate Runoff Elections, 21-007-R21, 4/29/2021	1
Issues Identified in International Package Operations – Chicago International Service Center, 21-101-R21, 5/12/2021	2
Mail Operations at the Denver, CO, Processing and Distribution Center, 21-151-R21, 7/27/2021	1
Mail Operations at the Mid Carolina Processing and Distribution Center, 21-185-R21, 8/25/2021	1
Mail Operations at the Raleigh, NC, Processing and Distribution Center, 21-184-R21, 8/12/2021	1
Mail Operations at the West Valley, AZ, Processing and Distribution Center, 21-166-R21, 7/27/2021	1

Description and Reports	Number of Recommendations
Negotiated Service Agreement Price Tables Sent Unsecured to Vendors, 21-097-R21, 5/3/2021	1
Noncompetitive Contracts, 21-019-R21, 9/9/2021	1
The Postal Service Secure Destruction Program, 21-025-R21, 7/23/2021	3
Seamless Acceptance Mail Quality Processes, 21-098-R21, 9/29/2021	1
U.S. Postal Inspection Service Oversight of its Use of Cryptocurrency, 21-067-R21, 8/26/2021	1
U.S. Postal Inspection Service Pandemic Response to Mail Fraud and Mail Theft, 20-305-R21, 5/20/2021	1
U.S. Postal Inspection Service Oversight of its Use of Cryptocurrency, 21-067-R21, 8/26/2021	1
U.S. Postal Inspection Service Pandemic Response to Mail Fraud and Mail Theft, 20-305-R21, 5/20/2021	1
Disbursements at Risk	**7**
COVID-19 Leave Administration, 21-032-R21, 6/16/2021	1
Meter Revenue and Retail Services Refunds – Mesquite, TX, Main Post Office, 21-139-R21, 6/14/2021	1
Vehicle Parts Pricing, 21-020-R21, 9/2/2021	1
Voyager Card Transactions – Chino, CA, Post Office, 21-135-R21, 5/13/2021	1
Voyager Card Transactions – Monroe, NY, Post Office, 21-125-R21, 4/28/2021	1
Voyager Card Transactions – Hemet, CA, Post Office, 21-133-R21, 5/19/2021	1
Voyager Card Transactions – Wilmington, NC, Magnolia Station, 21-176-R21, 8/3/2021	1
Goodwill Branding	**32**
Accident Reporting, 21-015-R21, 8/27/2021	1
Delayed Mail at the North Houston, TX, Processing and Distribution Center, 21-074-R21, 4/13/2021	1
Delayed Mail at the Phoenix, AZ, Processing & Distribution Center, 21-114-R21, 5/12/2021	1
Delayed Mail at the Santa Ana, CA, Processing and Distribution Center, 21-119-R21, 5/24/2021	1
Embargoes and Redirections at U.S. Postal Service Processing Facilities, 21-112-R21, 8/13/2021	1
International Election Mail Observations for the 2020 General and 2021 Georgia Senate Runoff Elections, 21-007-R21, 4/29/2021	1
Issues Identified in International Package Operations – Chicago International Service Center, 21-101-R21, 5/12/2021	1
Mail Delivery and Customer Service Issues – Olathe East Branch, Olathe, KS, 21-121-R21, 5/5/2021	2
Mail Delivery and Customer Service Operations – Castle Rock Main Post Office, Castle Rock, CO, 21-122-R21, 4/28/2021	1
Mail Delivery and Customer Service Operations – Carrier Sections, Cleveland, OH, 21-147-R21, 6/15/2021	1
Mail Delivery and Customer Service Operations – East Stroudsburg Post Office, East Stroudsburg, PA, 21-134-R21, 5/25/2021	2
Mail Delivery and Customer Service Operations – Newark Post Office, Newark, DE, 21-177-R21, 7/22/2021	2
Mail Delivery and Customer Service Operations – Southwest Station, Washington, DC, 21-088-R21, 4/12/2021	2
Mail Operations at the Denver, CO, Processing and Distribution Center, 21-151-R21, 7/27/2021	1
Passport Application Acceptance Operations, 21-056-R21, 8/9/2021	1

APPENDIX D: Other Impacts

Description and Reports	Number of Recommendations
Postage and Fees Refunds – Norristown Tri-County Post Office, 21-204-R21, 8/30/2021	1
Property Condition Reviews – Center Ossipee, East Wakefield, and Conway Post Offices in New Hampshire, 21-187-R21, 8/12/2021	1
Property Condition Reviews – Cochituate, Winchester, and John F. Kennedy Post Offices in Massachusetts, 21-144-R21, 6/17/2021	1
Property Condition Reviews – Garyville, North Kenner, and Lake Forest Post Offices in Louisiana, 21-093-R21, 4/14/2021	3
Property Condition Reviews – Menlo Park, Excelsior, and Sutter Street in California, 21-200-R21, 9/15/2021	1
Property Condition Reviews – North Royalton, Willoughby, and Jesse C. Owens Post Offices in Ohio, 21-138-R21, 6/21/2021	1
Refunds of Permit Postage and Fees – Merrifield, VA, Post Office, 21-115-R21, 4/14/2021	1
Stamps, Money Orders, and Cash – Burbank, CA, Main Office and Downtown Station, 21-126-R21, 4/23/2021	1
Stamps, Money Orders, and Cash – Phoenix, AZ, Main Office and Northeast Station, 21-141-R21, 5/26/2021	1
Terminal Handling Services – Denver, CO, 20-314-R21, 6/4/2021	1
The Postal Service Secure Destruction Program, 21-025-R21, 7/23/2021	1
Improved Services	**30**
Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services, 21-201-R21, 9/16/2021	1
International Election Mail Observations for the 2020 General and 2021 Georgia Senate Runoff Elections, 21-007-R21, 4/29/2021	1
Issues Identified in International Package Operations – Chicago International Service Center, 21-101-R21, 5/12/2021	4
Mail Delivery and Customer Service Issues – Olathe East Branch, Olathe, KS, 21-121-R21, 5/5/2021	4
Mail Delivery and Customer Service Operations – Castle Rock Main Post Office, Castle Rock, CO, 21-122-R21, 4/28/2021	1
Mail Delivery and Customer Service Operations – Carrier Sections, Cleveland, OH, 21-147-R21, 6/15/2021	1
Mail Delivery and Customer Service Operations – East Stroudsburg Post Office, East Stroudsburg, PA, 21-134-R21, 5/25/2021	3
Mail Delivery and Customer Service Operations – Newark Post Office, Newark, DE, 21-177-R21, 7/22/2021	4
Mail Delivery and Customer Service Operations – Southwest Station, Washington, DC, 21-088-R21, 4/12/2021	2
Meter Revenue Refunds – West Sacramento, CA, Industrial Station, 21-202-R21, 8/23/2021	1
Noncompetitive Contracts, 21-019-R21, 9/9/2021	4
Passport Application Acceptance Operations, 21-056-R21, 8/9/2021	1
The Postal Service Secure Destruction Program, 21-025-R21, 7/23/2021	1
Terminal Handling Services – Denver, CO, 20-314-R21, 6/4/2021	1
Vehicle Parts Pricing, 21-020-R21, 9/2/2021	1
IT Security	**5**
Controls Over Retired Business Applications, 20-289-R21, 7/7/2021	1
Negotiated Service Agreement Price Tables Sent Unsecured to Vendors, 21-097-R21, 5/3/2021	1
Protection of Personally Identifiable Information on Internal Systems, 21-034-R21, 4/1/2021	1
Security Assessment of the [Redacted], 20-286-R21, 9/9/2021	1

APPENDIX D: Other Impacts

Description and Reports	Number of Recommendations
U.S. Postal Service's Protection Against External Cyberattacks, 20-277-R21, 8/31/2021	1
Revenue Risk	**3**
Negotiated Service Agreement – Contract [Redacted], 20-233-R21, 5/13/2021	1
Plant Load Agreements – New Jersey District, 21-049-R21, 8/12/2021	2
Safety and Security	**21**
Issues Identified in International Package Operations – Chicago International Service Center, 21-101-R21, 5/12/2021	3
Mail Delivery and Customer Service Operations – East Stroudsburg Post Office, East Stroudsburg, PA, 21-134-R21, 5/25/2021	1
Property Condition Reviews – Center Ossipee, East Wakefield, and Conway Post Offices in New Hampshire, 21-187-R21, 8/12/2021	2
Property Condition Reviews – Cochituate, Winchester, and John F. Kennedy Post Offices in MA, 21-144-R21, 6/17/2021	4
Property Condition Reviews – Garyville, North Kenner, and Lake Forest Post Offices in Louisiana, 21-093-R21, 4/14/2021	3
Property Condition Reviews – Menlo Park, Excelsior, and Sutter Street in California, 21-200-R21, 9/15/2021	6
Property Condition Reviews – North Royalton, Willoughby, and Jesse C. Owens Post Offices in Ohio, 21-138-R21, 6/21/2021	2
Total	**133**

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

Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services – 21-201-R21

Delayed Mail at the Santa Ana, CA, Processing and Distribution Center – 21-119-R21, 5/24/2021

Issues Identified in International Package Operations – Chicago International Service Center – 21-101-R21, 5/12/2021

APPENDIX E: Reports with Recommendations Pending Corrective Actions

For the period: April 1 — September 30, 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
HR-AR-15-004	3/6/2015	—	**Badges for Postal Service Contractors** 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: May 2022
NO-MA-15-004	08/13/2015		**Substantial Increase in Delayed Mail** 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
IT-AR-17-003	04/05/2017	—	**Privileged Account Management** 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
IT-AR-17-007	09/18/2017	—	**Insider Threat Program** 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
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: October 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
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.

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
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: August 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: August 2021
NO-AR-19-005	06/13/2019	—	**Mail Processing Overtime** 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.
MS-AR-19-003	07/31/2019	—	**Military and Diplomatic Mail Service** R-4 — Work with military stakeholders to update Publication 38, *Postal Agreement with the Department of Defense*, 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
HR-AR-19-003	08/22/2019	—	**Nationwide Employee Background Screening** 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
NO-AR-19-006	09/09/2019	—	**U.S. Postal Service Processing Network Optimization** R-3 — Revise and update Area Mail Processing feasibility studies to determine whether cost savings could be realized, and consolidations should continue. TID: March 2022
MS-AR-19-004	09/18/2019	—	**Automated Package Verification (APV) Evaluation** 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
NL-AR-19-004	09/27/2019		**Postal Service Dynamic Route Optimization and Cost Savings Initiative**
		—	R-5 — Develop an automated payment process to ensure suppliers are paid consistently, accurately, and timely. TID: February 2022
19SMG006HR000-R20	10/24/2019	$81,319,892	**Custodial Workhours** 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
19XG002NL000-R20	11/07/2019		**U.S. Postal Service Transportation Network Operations and Cost Optimization Practices**
		—	R-2 — Ensure authorized account numbers are used for exceptional service in the Service Change Request system. TID: March 2022

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
19SMG010HR000-R20	03/18/2020	—	**U.S. Postal Service: First-Line Supervisors Resources** 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: March 2022
19XG013NO000-R20	06/16/2020	$96,399,375	**U.S. Postal Service's Processing Network Optimization and Service Impacts** 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
19-012-R20	07/29/2020	—	**Cybersecurity Incident Detection and Response Capability** 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
20-256-R20	07/29/2020	—	**Stamp and Cash Inventories – Chicago, IL, Offices** R-2 — Provide Retail Systems Software administrative training to all respective unit supervisors. TID: October 2021
20-264-R20	08/13/2020	—	**Financial Controls Policy for Retail Units** R-1 — Update and publish the final Handbook F-101, *Field Accounting Procedures, Draft, and the Postal Operations Manual*, as appropriate, to ensure consistency in conducting field office accounting and among policies and procedures associated with refunds. TID: September 2021
19-017-R20	08/17/2020	—	**Controls Over Purchasing and Maintaining Information Technology Equipment** 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: October 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: October 2021
19-040-R20	08/17/2020	—	**U.S. Postal Service Mail Recovery Center** 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: June 2021
		—	R-7 — Establish and implement processes to maintain an accurate physical inventory and conduct periodic reviews. TID: April 2021
20-209-R20	08/25/2020	—	**Assessment of Overtime Activity** 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: 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

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
19-033-R20	08/31/2020		**Arrow Key Management Controls**
		—	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: February 2022
20-225-R20	08/31/2020		**Processing Readiness of Election and Political Mail During the 2020 General Elections**
		—	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
20-177-R20	09/10/2020		**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
		—	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: September 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
20-156-R20	09/30/2020		**Payments to Injured Employees**
		$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: September 2021

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
20-179-R21	10/28/2020		**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: November 2021
		—	R-2 — Ensure that postal inspectors conducting annual Confidential Funds Program reviews follow the Confidential Funds Program annual review guidelines. TID: November 2021
		—	R-5 — Reconcile guidance annually and update the Inspection Service Manual's Confidential Funds Program policies with the Confidential Funds Program Manual to ensure consistency. TID: November 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 2022
		—	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
20-076-R21	12/29/2020		**Accenture Information Technology Contracts**
		—	R-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 policy requirements for the cost management plan. TID: December 2021
		$165,889,744	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
20-158-R21	01/19/2021		**Bank Secrecy Act Compliance**
		—	R-1 — Revise the Bank Secrecy Act database to report all available information from the *Suspicious Transaction Report*, 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 Suspicious Transaction Report. TID: December 2021
21-046-R21	02/03/2021		**Property Condition Reviews – Maplewood, North County, and Brentwood Post Offices**
		—	R-1 — Address all building maintenance, security, and safety issues identified at the Maplewood, North County, and Brentwood Post Offices. TID: October 2021

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
20-157-R21	02/19/2021	—	**Payments to Contract Postal Unit and Village Post Office Suppliers** 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: March 2022
		$61,521	R-3 — Recover $61,521 overpayments identified in this report. TID: October 2021
20-252-R21	02/23/2021	—	**Misrouted Mail in the U.S. Postal Service Network** 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-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.
20-318-R21	03/05/2021	—	**Service Performance of Election and Political Mail During the November 2020 General Election** 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 accounts for the Postal Service's time to process, transport, and deliver mail. TID: December 2021
20-257-R21	03/29/2021	—	**Impact of Pandemic on Postal Service Finances** R-1 — Develop specific policies and procedures to ensure expenses are consistently documented, validated, and tracked for unanticipated crisis or catastrophic events. TID: March 2022
21-091-R21	03/29/2021	—	**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: September 2021
20-208-R21	04/05/2021	$1,850,011,194	**Uncompensated and Undercompensated Services** R-1 — Explore strategies for receiving amounts owed or appropriated for government services and providing the Postal Service reimbursement for these services going forward. TID: December 2021
		$219,519,981	R-2 — Evaluate opportunities to adjust provisions involving business customers to ensure only services paid for are provided. TID: December 2021

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
20-167-R21	04/12/2021		**U.S. Postal Service Exit Processing**
		—	R-5 — Conduct periodic reviews of the Contracting Officer's Representative's contract administration files to ensure they maintain contract documents associated with inactive contractors. TID: December 2021
21-093-R21	04/14/2021		**Property Condition Reviews – Garyville, North Kenner, and Lake Forest Post Offices in Louisiana**
		—	R-1 — Address all building maintenance, safety, and security issues identified at the Garyville, North Kenner, and Lake Forest post offices. TID: September 2021
		—	R-3 — Replace all damaged cluster box units reported in the electronic Facilities Management System and those assigned to the North Kenner Post Office. TID: September 2021
21-005-R21	04/16/2021		**U.S. Postal Inspection Service Washington Division**
		—	R-1 — Review and update *Case Management Reporting Guidelines* and the *Inspection Service Manual* with current Inspection Service Communications requirements and define what constitutes a field note and when it is required. TID: March 2022
21-097-R21	05/03/2021		**Negotiated Service Agreement Price Tables Sent Unsecured to Vendors**
		—	R-2 — Evaluate the development of a secure interface for transmitting pricing information with customers, including appropriate milestones and targets. TID: September 2021
20-295-R21	05/05/2021		**Scheduled Hours and Payment for Highway Contract Routes**
		—	R-2 — Develop requirements for the new Transportation Management System to include total trip duration details. TID: September 2021
		$1,813,596	R-3 — Develop a plan to review the accuracy of previously approved scheduled trips to identify and correct day count errors in the Service Change Request system, determine actual overpayments, initiate recovery, and maintain all supporting documentation in either the Transportation Contract Support System or Transportation Management System.
20-278-R21	05/12/2021		**Integrity of U.S. Postal Service's Social Media Presence**
		—	R-2 — Update Handbook AS-805-C, *Information Security Requirements for All Personnel*, to include restrictions on the use of work email addresses on external sites. TID: December 2021
		—	R-3 — Establish an effective social media account approval process and document social media account management procedures. TID: December 2021
		—	R-5 — Develop a process to ensure employees are informed of the social media account establishment policy. TID: September 2021
		—	R-6 — Identify the appropriate stakeholders and develop a formal plan with roles and responsibilities for identifying and responding to fraudulent activity on social media and digital channels. TID: September 2021
21-101-R21	05/12/2021		**Issues Identified in International Package Operations – Chicago International Service Center**
		—	R-2 — Implement processes to ensure the proper label placarding at the Chicago International Service Center and monitoring for compliance. TID: October 2021
20-233-R21	05/13/2021		**Negotiated Service Agreement – Contract [Redacted]**
		$2,807	R-1 — Consider developing an automated process to update pricing information with customers and vendors to eliminate timing and manual processing errors. TID: September 2021

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
20-305-R21	05/20/2021		**U.S. Postal Inspection Service Pandemic Response to Mail Fraud and Mail Theft**
		—	R-1 — Document best practices from the Postal Inspection Service's response to the COVID-19 pandemic in an after-action report for use in future health crises. TID: August 2021
21-119-R21	05/24/2021		**Delayed Mail at the Santa Ana, CA, Processing and Distribution Center**
		—	R-1 — Require plant management to follow designed mail flows and use appropriate sort plans to ensure accurate reporting of delayed mail.
		—	R-2 — Develop a plan to assist plant management with evaluating expected processing operation scans to determine if mail is not processed timely and causing the Mail Condition Visualization application to report the mail as delayed inventory.
		—	R-3 — Develop a plan to assist plant management with understanding how delayed inventory is calculated and how to analyze the Mail Condition Visualization data to identify causes for delayed inventory.
21-032-R21	06/16/2021		**COVID-19 Leave Administration**
		—	R-2 — Modify the system to allow for all employees to digitally complete Postal Service Form 3971, Request for Notification of Absence. TID: September 2023
		—	R-3 — Modify the payroll systems or develop another methodology for accurate recording of administrative leave for rural carriers. TID: September 2023
21-144-R21	06/17/2021		**Property Condition Reviews – Cochituate, Winchester, and John F. Kennedy Post Offices in MA**
		—	R-1 — Address all building maintenance, safety, and security issues identified at the Cochituate, Winchester, and John F. Kennedy post offices TID: November 2021
21-138-R21	06/21/2021		**Property Condition Reviews – North Royalton, Willoughby, and Jesse C. Owens Post Offices in Ohio**
		—	R-1 — Address all building maintenance, safety, and security issues identified at the North Royalton, Willoughby, and Jesse C. Owens post offices. TID: December 2021
20-313-R21	06/21/2021		**Contract Delivery Service Cost Attribution**
		—	R-1 — Reevaluate the cost proportion percentages used to estimate accrued contract delivery service (CDS) costs; assess the feasibility of using actual CDS payment data to calculate volume variable costs; and, if deemed appropriate, submit a proposal to the Postal Regulatory Commission to update the costing methodology. TID: May 2022
		—	R-2 — Conduct a study to determine whether similar mail volumes are delivered on contract delivery service (CDS) and rural routes; and, based on the results of that study, submit a proposal to the Postal Regulatory Commission to update distribution keys used to attribute CDS costs, if deemed appropriate. TID: May 2022

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
			City Carrier Cost System
21-036-R21	07/14/2021	—	R-1 — Modify the Computerized On-Site Data Entry System software to alert data collection technicians of the correct random start number to use throughout the test and correct the software issue that causes the random start number to change when technicians lock and unlock their laptop. TID: January 2022
		—	R-2 — Require data collection technicians to provide a justification when selecting a skip interval greater than one for parcel sampling. TID: January 2022
		—	R-3 — Reiterate to data collection technicians the importance of communicating with the city carrier to confirm the deviation status of each sampled parcel and whether the city carrier plans to deliver all parcels and accountable mail on the test date. In addition, we recommend they evaluate whether delivery scan data can be used to determine if any sampled parcels should be excluded from the test data due to missing delivery attempts on the test date. TID: July 2022
		—	R-4 — Develop online training and/or instructional materials that provide comprehensive guidance to postmasters or their designees on how to properly complete PS Form 2846, *City Carrier Route Mail Acceptance Data*. In addition, consider developing a web-based form with guided prompts and instructions to replace manual entry of PS Form 2846 information. TID: July 2022
			"As Needed" Highway Contract Routes
21-022-R21	07/16/2021	$162,338,091	R-1 — Develop and implement periodic reviews to ensure timely detection and correction of payment errors and verify that Postal Service Forms 5397, Contract Route Extra Trip Authorization, are complete, accurate, and included in the electronic Service Change Request system. TID: May 2022
		—	R-2 — Develop requirements for the Postal Service Form 5397, Contract Route Extra Trip Authorization, to be automated in the new Transportation Management System so that all trip information is complete and visible, including the automation of the trip mileage determination. TID: October 2021
		$1,825,492	R-5 — Correct the remaining 12 pay type errors for "as needed" trips, detect and correct any errors that may have occurred for active contracts entered after October 1, 2020, and ensure the system check feature to avoid pay type errors in the Transportation Contract Support System is functioning, documented, and communicated to all users. TID: September 2021
		—	R-6 — Identify the actual incorrect trip payments from the inception of the errors, initiate recovery, and maintain all supporting documentation either in the Transportation Contract Support System or the new Transportation Management System. TID: October 2021
			Online Priority Mail Express Refunds
20-268-R21	07/20/2021	—	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 2022
		—	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: December 2021
		—	R-4 — Incorporate a schedule to verify all acceptance and possession scans are entered into the Product Tracking and Reporting system prior to determining eligibility of refunds and enhance relevant systems to properly evaluate mailings to verify that they are eligible for refunds. TID: March 2022

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
			The Postal Service Secure Destruction Program
21-025-R21	07/23/2021	—	R-3 — Evaluate standardizing the process for tracking and reporting on pieces removed during manual verification, including associated benefits and costs. TID: January 2022
		—	R-5 — Develop a comprehensive strategy for marketing and promoting the Secure Destruction program to potential new participant. TID: July 2022
			Mail Operations at the West Valley, AZ, Processing and Distribution Center
21-166-R21	07/27/2021	—	R-4 — Develop a plan to assist plant management with understanding how delayed inventory is calculated and how to analyze the Mail Condition Visualization data to identify causes for delayed inventory.
			Mail Operations at the Denver, CO, Processing and Distribution Center
		—	R-1 — Develop a plan based on Lean Six Sigma project results to further increase load scan scores to meet or surpass the scanning goal. TID: January 2022
		—	R-2 — Develop and train employees on how to properly complete consolidate scans. TID: January 2022
21-151-R21	07/27/2021	—	R-3 — Review operation numbers and Content Identification Number codes to determine if the right sort plans are being used to ensure delayed inventory data is accurate. TID: September 2021
		—	R-4 — Develop a plan to assist plant management with understanding how delayed inventory is calculated and how to analyze the Mail Condition Visualization data to identify causes for delayed inventory. TID: September 2021
		—	R-5 — Review the methodology for calculating planned volumes to ensure they are accurate. TID: September 2021
		—	R-6 — Develop a process to separate advanced, committed, and late arriving mail to ensure it is processed according to its intended delivery standard. TID: October 2021
			Contract Invoice Payment Process
		$32,271,755	R-1 — Reiterate policy to reject invoices that do not meet submission requirements and process invoices in accordance with contract payment terms. TID: November 2021
20-281-R21	07/29/2021	$2,221,712	R-2 — Reiterate requirements for contracting officers to verify that prospective contracting officer's representatives completed required training and to issue appointment letters. TID: June 2022
		—	R-3 — Establish and implement refresher contracting officer's representative training requirements. TID: June 2022
		—	R-4 — Update the Commodity-Specific Practices for Design and Construction Purchasing in the Supplying Principles & Practices to reflect current procedures and references. TID: December 2022
			Vehicle, Fuel, and Oil Expenses, Birmingham, AL – Woodlawn Station Post Office
21-148-R21	07/30/2021	—	R-1 — Provide oversight and train unit management on policies and procedures associated with recurring vehicle expenses. TID: October 2021
		$47,553	R-2 — Train unit management on daily closeout procedures, including processing local fuel purchase reimbursements, supporting documentation, and use of Postal Service forms. TID: October 2021

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
			Passport Application Acceptance Operations
21-056-R21	08/09/2021	—	R-1 — Consider developing automated mechanisms to detect and alert management of potentially invalid or improper appointments. TID: August 2022
		—	R-2 — Reinforce procedures to record the correct appointment outcome in the *My Post Office* application until an automated system interface is established. TID: March 2022
		—	R-3 — Coordinate with State Department stakeholders to explore opportunities for sharing information that could improve passport operations. TID: March 2022
		—	R-4 — Enhance performance metrics to include clearly defined measures and goals to better evaluate program performance and drive growth. TID: March 2022
			Capital Equipment at the Eagan Information Technology Center
21-059-R21	08/10/2021	—	R-1 — Establish procedures to ensure managers comply with Handbook AS-701, Asset Management, definitions for excess equipment and redistribute or dispose of excess capital equipment. TID: September 2021
		—	R-2 — Conduct a physical inventory of all stored inactive capital equipment, affix required capital property labels, and correct Solution for Enterprise Asset Management system and the Asset Inventory Management System records as appropriate. TID: September 2021
		—	R-3 — Implement a process to ensure that records for capital assets at the Eagan Information Technology Center are accurately entered and maintained in the Solution for Enterprise Asset Management system and the Asset Inventory Management System including clear designations of the status of equipment items. TID: March 2023
			Plant Load Agreements – New Jersey District
21-049-R21	08/12/2021	$168,884	R-1 — Develop procedures for monitoring mail volume, weight, and preparation performance in accordance with requirements set forth in the plant load agreements. TID: October 2021
		—	R-2 — Establish a Plant Load Committee to reassess each plant load agreement for compliance, including completing the appropriate authorization forms and ensuring that each agreement contains complete information. TID: October 2021
		—	R-3 — Develop procedures for ensuring the retention of expired plant load agreements. TID: October 2021
		—	R-4 — Provide an action plan to ensure scales are calibrated and available at each Detached Mail Unit to calculate single-piece mail weights. TID: October 2021
		—	R-5 — Reinforce proper piece count calculations and mail acceptance procedures at Detached Mail Units. TID: October 2021
		—	R-6 — Provide an action plan for Detached Mail Units with incorrect cost center mapping to ensure revenue is allocated to the proper cost centers. TID: October 2021
21-184-R21	08/12/2021		**Mail Operations at the Raleigh, NC, Processing and Distribution Center**
		—	R-5 — Develop a plan to further increase load scan scores to meet or surpass the scanning goal. TID: November 2021
21-187-R21	08/12/2021		**Property Condition Reviews – Center Ossipee, East Wakefield, and Conway Post Offices in New Hampshire**
		—	R-1 — Address all building maintenance and safety issues identified at the Center Ossipee, East Wakefield, and Conway post offices. TID: September 2021

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
			Embargoes and Redirections at U.S. Postal Service Processing Facilities
		—	R-1 — Develop, document, and implement standard operating procedures to improve communications about major disruptions in service across the division and processing facility levels of management. TID: September 2021
		—	R-2 — Develop a plan to communicate information about major service disruptions with a 48-hour advance notice to mailers so they can adjust their operations as needed. TID: October 2021
21-112-R21	08/13/2021	—	R-3 — Develop a plan to identify facilities at risk of having their volume exceed processing and staging capacity, and alleviate those conditions before they affect mail processing during peak mailing season. TID: November 2021
		—	R-4 — Develop a plan to verify that mail is processed in First-In-First-Out order during high volume periods to ensure that it will meet its service standards.
		—	R-5 — Strengthen internal controls over employee absences to ensure adequate employee availability during peak season. TID: November 2021
			Processing Selected Resignation and Reassignment Personnel Actions
		—	R-1 — Engage with their field partners to re-evaluate the timeline for processing personnel actions including the time allowed for processing at the Human Resources Shared Services Center, and adjust as warranted. TID: December 2021
21-070-R21	08/18/2021	—	R-2 — Update training to include the comprehensive timeline of personnel actions processing and documentation requirements, and provide to all Postal Service personnel responsible for submitting personnel actions. TID: June 2022
		—	R-3 — Monitor data regarding the timeliness of personnel actions processing including the causes of late submissions, and address issues identified. TID: June 2022
			U.S. Postal Inspection Service Oversight of its Use of Cryptocurrency
		—	R-1 — Ensure that the Cryptocurrency Fund Program has the information needed to provide oversight of the investigative use of cryptocurrency. TID: August 2022
21-067-R21	08/26/2021	—	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: September 2021
		—	R-3 — Develop a comprehensive cryptocurrency training program. TID: June 2022
		—	R-4 — Develop written procedures for the management and oversight of the national wallet and its associated exchange account. TID: January 2022

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
			Accident Reporting
21-015-R21	08/27/2021	—	R-1 — Reiterate to all employees to promptly notify their supervisor if involved in a work-related accident, regardless of severity; and to all supervisors to report all accidents in the Employee Health and Safety system within 24 hours of the accident/injury or notification. TID: October 2021
		—	R-2 — Review, update, and communicate accident reporting policies and procedures to ensure that they accurately and clearly reflect the accident reporting processes. TID: October 2021
		$28,237,887	R-3 — Identify a solution to interface or reconcile the Employee Health and Safety application's accident identification numbers with the Solution for Enterprise Asset Management application to ensure all motor vehicle accidents are properly reported in both systems. TID: July 2022
		—	R-5 — Implement an automated reconciliation process between data from DOL's Employee Compensation Operations and Management Portal and the Postal Service's Employee Health and Safety (EHS) system, to ensure all personal injury industrial accidents are properly recorded in EHS.
		—	R-6 — Identify ways to actively manage corrective actions to verify and ensure completion when employees are involved in an accident. TID: October 2021
			Manually Adjusted Indemnity Claim Payments
20-129-R21	08/30/2021	$2,041,061	R-1 — Update and communicate manually adjudicated international indemnity claim processing policy to ensure it aligns with the Product Tracking and Reporting System and the International Inquiry Claims System. TID: April 2022
		—	R-2 — Modify the International Inquiry Claims System as appropriate based on updated policy to capture and maintain declared value information for processing international indemnity claims. TID: July 2022
		—	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: July 2022
		—	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: April 2022
			U.S. Postal Service's Protection Against External Cyberattacks
20-277-R21	08/31/2021	—	R-1 — Implement a consistent process to approve and update the access management system for all employees excluded from mandatory security awareness training and update information security policy to reflect the process. TID: June 2022
		—	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: July 2022
		—	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 2022
		—	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: July 2022

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
21-020-R21	09/02/2021		**Vehicle Parts Pricing**
		—	R-1 — Evaluate whether the existing most favored customer pricing Clause 2-48 (2006) remains applicable to the contract terms for these consignment suppliers. If not applicable, modify the contract to remove the clause and establish a monitoring process to ensure vehicle part prices are reviewed annually. TID: December 2021
		—	R-2 — Incorporate one-time price changes over a specific defined threshold into the fair and reasonable determination process. TID: December 2021
		—	R-3 — Perform an annual review of the consignment vehicle parts for these agreements to evaluate the quality and availability of parts provided by the suppliers to assist Vehicle Maintenance Facilities in obtaining the most cost-efficient parts. TID: July 2022
21-047-R21	09/03/2021		**Service Performance – First-Class Single Piece Letter Mail**
		—	R-1 — Develop a risk-based operational tool with appropriate thresholds to identify and remediate underperforming facilities or bottlenecks within the network so that they may be promptly addressed, and service delays mitigated.
		—	R-2 — Ensure mail processing peak season hiring plans include potential impacts from the COVID-19 pandemic on the job market. TID: October 2021
		—	R-4 — Develop and implement a strategy to communicate, in writing, clear guidance on any significant operational adjustments implemented prior to 2021 peak season to ensure message clarity and consistent application throughout the agency. TID: October 2021
21-019-R21	09/09/2021		**Noncompetitive Contracts**
		—	R-1 — Review the policy for publicizing noncompetitive contracts of over $1 million and modify it to provide clarity for its intent and application. TID: August 2022
		—	R-2 — Augment the contracting training curriculum to reinforce the requirement to publicize noncompetitive contract awards. TID: December 2021
		—	R-3 — Update Supply Management's Noncompetitive Contract Award File Review Checklist to include reviewing for publicizing requirement. TID: December 2021
		—	R-4 — Develop and implement a Noncompetitive Purchase Checklist to ensure required elements and documents are included in noncompetitive contracts, and properly and timely uploaded into the contracting system. TID: December 2021
		—	R-5 — Update Management Instruction SPS2-2015,1, Noncompetitive Purchases, to provide more specific guidance to assist internal business partners in completing and fully supporting documentation submitted to the contracting officer. TID: August 2022

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
			Security Assessment of [Redacted]
		—	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: January 2022
		—	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: July 2022
20-286-R21	09/09/2021	—	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: January 2022
		—	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: July 2022
			Property Condition Reviews – Menlo Park, Excelsior, and Sutter Street in California
		—	R-1 — Address all building maintenance, safety, and security issues identified at the Menlo Park, Excelsior, and Sutter Street post offices. TID: October 2021
		—	R-2 — Perform and document fire extinguisher inspections monthly and annually as required at the Menlo Park, Excelsior, and Sutter Street post offices. TID: October 2021
21-200-R21	09/15/2021	—	R-3 — Test and remediate any potential mold at the Sutter Street Post Office. TID: October 2021
		—	R-4 — Re-train management to perform and document housekeeping inspections at the Menlo Park, Excelsior, and Sutter Street post offices and ensure all facilities continue to conduct the inspections at the required frequency. TID: October 2021
		—	R-5 — Report the ceiling leak at the Excelsior Post Office in the eFMS and follow-up to ensure the leak is repaired. TID: October 2021
		—	R-6 — Re-train management on how to identify, report, document, and follow up on building maintenance, safety, and security issues at leased facilities, including the Excelsior, and Sutter Street post offices. TID: October 2021
			Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services
		—	R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.
		—	R-2 — Confirm that transportation schedules are aligned to the volume arrival profiles for the 13 Postal Service facilities that are serviced by the Los Angeles Terminal Handling Services supplier, and tender mail as planned to the supplier. TID: September 2021
21-201-R21	09/16/2021	—	R-3 — Provide proper oversight to ensure the Los Angeles Terminal Handling Services supplier is separating the mail properly to the assigned carrier, as outlined in the contract, and document and communicate commercial mailer irregularities.
		—	R-4 — Reinforce the importance of correctly routing mail and using the assigned transportation according to Postal Service policy, and develop a formal communication plan to inform facilities when mail is misrouted.
		—	R-5 — Develop and implement a formal process to hold the Terminal Handling Services supplier accountable for notifying Postal Service management when mail is misrouted and documenting the resolution in accordance with the terms of the contract.

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
RISC-WP-21-009	09/17/2021		**Improving Operational Efficiency Using Informed Visibility**
		—	R-1 — Develop a formal avenue to periodically solicit feedback from Informed Visibility users to ascertain system functionality and gauge opportunities for enhancements.
21-120-R21	09/20/2021		**Nationwide Service Performance**
		—	R-1 — Reemphasize the need for discussions among local processing, transportation, and delivery management components to communicate projected volumes and previous day's issues to proactively manage mail flow operations.
		—	R-2 — Investigate and understand root causes for failed mailpieces in "Unable to Assign" category, and work to decrease and maintain the total number of mailpieces in this category to under 10 percent of total failures.
		—	R-3 — Reemphasize and implement as appropriate at facilities nationwide best practices related to programs aimed at increasing employee engagement and training on the proper staging and sequential processing of mail to improve service performance. TID: November 2021
		—	R-4 — Direct local processing management to retain only the quantity of mail transport equipment that their facilities and customers need for one week of mail processing operations in accordance with Handbook PO-502, *Mail Transport Equipment*, Policy 2-8, Excess Mail Transport Equipment (Hoarding).
21-131-R21	09/21/2021		**Manual Mail Processing Efficiency**
		—	R-1 — Direct facility management to review Postal Service productivity data and use it as a tool to monitor efficiency in manual operations as required by Postal Service policy and procedures. TID: June 2022
		—	R-2 — Evaluate current productivity targets for manual operations, properly align them with performance, and communicate those targets to facility management and employees. TID: June 2022
		$395,585,002	R-3 — Properly account for workhours and workload in manual operations in accordance with Postal Service policy. At a minimum, require facility management to: communicate to employees the importance of changing operations on the time clock and of scanning all packages; place time clocks in areas that are easily accessible and monitor changes daily; monitor manual package processing operations routinely; update manual letter and flat volume estimates yearly.
		—	R-4 — Direct facility management to assign a "gatekeeper" within each manual operation to reduce the volume of mail being processed in manual operations that could be run on mail processing machines.
		—	R-5 — Communicate to employees the importance of re-running rejected mail on processing machines before sending to manual operations, via stand-up talks and/or communication boards. TID: November 2021
RISC-WP-21-010	09/21/2021		**1-800-ASK-USPS: The Postal Service's Interactive Voice Response System**
		—	R-1 — Enhance current Interactive Voice Response system performance metrics by including metrics for the rate of complete, contained calls and the rate of incomplete, abandoned calls. TID: December 2022

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
21-064-R21	09/22/2021		**Fiscal Year 2020 Board of Governors' Expenditures**
		—	R-1 — Develop and provide training and formal communication to all purchasing teams on policies and procedures, including required file documentation, for sensitive requests. TID: January 2022
		$2,826	R-2 — Implement a process to ensure the Office of the Board's contracting officer's representatives administer all contract-related arrangements and certify invoices in accordance with established supply management policies and contract terms. TID: January 2022
21-183-R21	09/23/2021		**Compensation, Benefit, and Bonus Authority in Calendar Year 2020**
		—	R-1 — Coordinate with the Board of Governors to issue an amended Report to Congress and Office of Personnel Management for Calendar Year 2020 that includes the employee identified in this report. TID: December 2021
		—	R-3 — Clarify the language on repayment of incentives for contract noncompliance in the standard templates used for employment, recruitment, and retention agreements. TID: October 2021
21-109-R21	09/23/2021		**Controls Over Contract Labor Hours**
		$1,529,885	R-1 — Reiterate the requirement for all program managers and contracting officer's representatives to review Enterprise Technology Services contract requirements, maintain approval documentation of overtime hours, and provide a copy of the approval documentation to the contracting officer. TID: January 2022
		—	R-2 — Reiterate to the Contracting Officer the requirement to store overtime approval documentation in the contract award file. TID: January 2022
21-098-R21	09/29/2021		**Seamless Acceptance Mail Quality Processes**
		—	R-1 — Determine if Nesting Sampling verification should be conducted at Detached Mail Units and, if so, reiterate the policy to personnel to ensure this verification is conducted. TID: January 2022
		—	R-2 — Assess the appropriateness of corresponding error thresholds for Nesting/Sortation verification on mail processing equipment. TID: March 2022
		—	R-3 — Ensure existing pallet selection policies are consistent and adhered to and clerks are aware of the various sampling options they can select. TID: March 2022
		—	R-4 — Ensure available scanners and scales used are functional and new scanners include relevant functionality to complete accurate sampling. TID: February 2022
		—	R-5 — Consider enhancing the Seamless Acceptance System by revising the system logic to enable mail confirmation in the eDoc for more than 45 days, especially during high volume/peak periods; validating Customer Registration Identification; and including immediate access to the Informed Visibility Mail Tracking and Reporting system as a part of enrollment. TID: January 2022
		—	R-6 — Identify and communicate common issues and error types that result in a high rate of overturned assessments to improve the assessment process and ensure errors are accurately assessed the first time. TID: March 2022

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number TID = Target Implementation Date
			Contractor Security Clearances at Surface Transfer Centers
21-111-R21	09/29/2021	—	R-1 — Remove access to the mail for the three Surface Transfer Center contractor personnel working without a security clearance until they are granted a non-sensitive security clearance. TID: October 2021
		—	R-2 — Update each Surface Transfer Center (STC) contract statement of work to require STC suppliers to 1) notify Postal Service STC managers of new hires upon employment acceptance, 2) keep STC managers apprised of the status of security clearance requests for new hires, and 3) submit security clearance investigation documentation to STC managers for review prior to submission to the Inspection Service. TID: November 2021
		—	R-3 — Clarify language in Surface Transfer Center statements of work to specify which security clearance documents must be retained and the period of retention. TID: March 2022

Total Number of Reports: **87**

Total Number of Recommendations: **206**

Total Monetary Impact: **$5,823,009,084**

87
Reports

206
Recommendations

$5,823,009,084
Monetary Impact

APPENDIX F: Management Decisions in Audit Resolution

For the period: April 1 — September 30, 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 13 reports in which the OIG disagreed with management decisions.

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number
			Manual Mail Processing Efficiency
21-131-R21	09/21/2021	$395,585,002	R-3 — Properly account for workhours and workload in manual operations in accordance with Postal Service policy. At a minimum, require facility management to: communicate to employees the importance of changing operations on the time clock and of scanning all packages; place time clocks in areas that are easily accessible and monitor changes daily; monitor manual package processing operations routinely; update manual letter and flat volume estimates yearly.
		—	R-4 — Direct facility management to assign a "gatekeeper" within each manual operation to reduce the volume of mail being processed in manual operations that could be run on mail processing machines.
			Nationwide Service Performance
21-120-R21	09/20/2021	—	R-1 — Reemphasize the need for local processing, transportation, and delivery mgmt. components discussions on projected volumes and previous day's issues. Site observations support implementing to help proactively manage mail flow operations.
		—	R-2 — Investigate and understand root causes for failed mailpieces in "Unable to Assign" category, and work to decrease and maintain the total number of mailpieces in this category to under 10 percent of total failures.
		—	R-4 — Direct local processing management to retain only the quantity of MTE that their facilities and customers need for one week of mail processing operations in accordance with Handbook PO-502, *Mail Transport Equipment*, Policy 2-8, Excess MTE (Hoarding) when local employee availability and transportation allow,
			Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services
21-201-R21	09/16/2021	—	R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.
		—	R-3 — Provide proper oversight to ensure the Los Angeles Terminal Handling Services supplier is separating the mail properly to the assigned carrier, as outlined in the contract, and document and communicate commercial mailer irregularities.
		—	R-4 — Reinforce the importance of correctly routing mail and using the assigned transportation according to Postal Service policy, and develop a formal communication plan to inform facilities when mail is misrouted.
			R-5 — Develop and implement a formal process to hold the Terminal Handling Services supplier accountable for notifying Postal Service management when mail is misrouted and documenting the resolution in accordance with the terms of the contract.

APPENDIX F: Management Decisions in Audit Resolution

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number
21-047-R21	09/03/2021		**Service Performance – First-Class Single Piece Letter Mail**
		—	R-1 — Develop a risk-based operational tool with appropriate thresholds to identify and remediate underperforming facilities or bottlenecks within the network, so they may be promptly addressed, and service delays mitigated.
21-015-R21	08/27/2021		**Accident Reporting**
		—	R-5 — Implement an automated reconciliation process between data from DOL's Employee Compensation Operations and Management Portal and the Postal Service's Employee Health and Safety (EHS) system, to ensure all personal injury industrial accidents are properly recorded in EHS.
21-112-R21	08/13/2021		**Embargoes and Redirections at the U.S. Postal Service Processing Facilities**
		—	R-4 — Develop a plan to verify that mail is processed in First-In-First-Out order during high volume periods to ensure that it will meet its service standards.
21-166-R21	07/27/2021		**Mail Operations at the West Valley, AZ, Processing and Distribution Center**
		—	R-4 — Develop a plan to assist plant management with understanding how delayed inventory is calculated and how to analyze the Mail Condition Visualization data to identify causes for delayed inventory.
			Delayed Mail at the Santa Ana, CA, Processing and Distribution Center
		—	R-1 — Require plant management to follow designed mail flows and use appropriate sort plans to ensure accurate reporting of delayed mail.
21-119-R21	05/24/2021	—	R-2 — Develop a plan to assist plant management with evaluating expected processing operation scans to determine if mail is not processed timely and causing the Mail Condition Visualization application to report the mail as delayed inventory.
		—	R-3 — Develop a plan to assist plant management with understanding how delayed inventory is calculated and how to analyze the Mail Condition Visualization data to identify causes for delayed inventory.
20-295-R21	05/05/2021		**Scheduled Hours and Payment for Highway Contract Routes**
		$1,813,596	R-3 — Develop a plan to review the accuracy of previously approved scheduled trips to identify and correct day count errors in the Service Change Request system, determine actual overpayments, initiate recovery, and maintain all supporting documentation in either the Transportation Contract Support System or Transportation Management System.
20-252-R21	02/23/2021		**Misrouted Mail in the U.S. Postal Service Network**
		—	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.
NO-AR-19-005	06/13/2019		**Mail Processing Overtime**
		—	R-3 — Establish appropriate performance incentives for managers to effectively manage overtime.
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.

Report Number	Issue Date	Monetary Impact	Report Title, Recommendation Summary R = Recommendation Number
RISC-WP-21-009	09/17/2021	—	**Improving Operational Efficiency Using Informed Visibility** R-1 — Develop a formal avenue to periodically solicit feedback from Informed Visibility users to ascertain system functionality and gauge opportunities for enhancements

Total Number of Reports: **13**

Total Number of Recommendations: **21**

Total Monetary Impact: **$397,398,598**

13
Reports

21
Recommendations

$397,398,598
Monetary Impact

APPENDIX G: Status of Peer Review Recommendations

For the period: April 1 — September 30, 2021

Federal audit organizations undergo an external quality control assessment by their peers every three 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 on us during the semiannual period; 2) any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period; and 3) any recommendations from previous or current peer reviews that remain outstanding or have not been fully implemented.

Office of Audit

Peer Reviews Conducted on USPS OIG

The latest review conducted on us was completed on September 14, 2021, by the U.S. Department of Veteran Affairs Office of Inspector General. We received a rating of pass.

Peer Reviews Conducted by USPS OIG

The most recent review we conducted was completed on September 16, 2021, on the Department of Education Office of Inspector General. They received a rating of pass.

Research and Insights Solution Center

Peer Reviews Conducted on USPS OIG

None during the reporting period.

Peer Reviews Conducted by USPS OIG

We conducted a peer review of the Department of Justice Office of Inspector General. We submitted the final report on September 9, 2021, which concluded that all internal policies and procedures and reports reviewed generally met CIGIE Quality Standards for Inspection and Evaluation.

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.

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: April 1 — September 30, 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 criminal prosecution	Number of persons referred to state or local authorities for prosecution presentations	Criminal Indictments / Information	Number of investigative reports issued	Convictions — Civil Settlements/Judgments	Referrals to USPS that were not Investigated
Computer Crimes	6	1	2	1	2	—	—	—	1	2	1	2	6	—	—
Contract Fraud	24	2	3	4	5	—	25,910,166	10,910,586	3	6	1	3	10	1	19
Financial Fraud	117	51	55	45	57	1,433,973	1,199,587	1,032,094	39	13	15	42	127	—	10
General Crimes	252	20	21	17	200	—	374,275	7,182	162	20	23	13	313	—	614
Health Care Claimant Fraud	128	11	11	10	21	42,993,951	973,064	965,564	5	18	2	7	83	1	8
Health Care Provider Fraud	19	16	17	29	7	96,726,986	15,153,015	3,842,060	—	4	—	17	10	2	—
Mail Theft	767	207	225	257	483	—	24,127,983	118,150	380	171	56	146	817	—	463
Narcotics	210	212	203	95	90	—	2,592,666	124,167	67	108	59	153	163	—	21
Total	**1,523**	**520**	**537**	**458**	**865**	**141,154,910**	**70,330,756**	**16,999,803**	**657**	**342**	**157**	**383**	**1,529**	**4**	**1,135**

For the period: October 1, 2020 — September 30, 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 (FY)	Number of persons referred to DOJ for criminal prosecution	Number of persons referred to state or local authorities for prosecution presentations	Criminal Indictments / Information	Number of investigative reports issued	Convictions — Civil Settlements/Judgments	Referrals to USPS that were not Investigated
Computer Crimes	17	1	2	1	6	—	—	—	3	2	1	2	10	—	1
Contract Fraud	45	7	6	6	6	—	78,987,712	35,264,358	5	11	1	6	14	2	37
Financial Fraud	232	82	90	74	130	4,233,973	1,790,250	1,273,078	104	49	37	72	244	—	20
General Crimes	447	43	42	34	342	—	429,806	35,714	305	43	43	23	498	—	1,433
Health Care Claimant Fraud	234	21	25	17	38	84,848,615	1,804,869	1,714,605	18	34	9	18	145	1	16
Health Care Provider Fraud	31	41	43	58	25	178,421,352	104,094,384	8,540,402	—	15	—	43	18	3	—
Mail Theft	1,472	453	456	485	1,042	—	25,847,445	162,620	890	430	107	296	1,527	—	1,171
Narcotics	375	401	318	153	176	—	10,041,219	246,826	152	251	135	244	258	—	39
Total	**2,853**	**1,049**	**982**	**828**	**1,765**	**267,503,940**	**222,995,685**	**47,237,603**	**1,477**	**835**	**333**	**704**	**2,714**	**6**	**2,717**

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

For the period: April 1 — September 30, 2021

Type of Scheme	Complaints Filed	Consent Agreements	FROs	C&D Orders
Advance Fee	1	1	—	1
Counterfeit Check	2	2	—	2
Facsimile Checks	—	—	—	—
Failure to Pay	—	—	—	—
Failure to Render	1	1	—	1
Foreign Lottery	16	17	—	17
Invoice Schemes	—	—	—	—
Lottery	2	2	—	2
Other	15	17	—	17
Rebate and Refund	—	—	—	—
Reshipping Scheme	2	2	—	2
USPS Revenue Fraud	1	1	—	1
Work at Home – Other	1	1	—	1
Identity Theft – Other	—	—	—	—
TOTAL	**41**	**44**	**—**	**44**

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	$223,545,193
VP Chief Inspector	Total Nonpersonnel Expense	$56,604,147
VP Chief Inspector	Total Operating Expense	$280,149,340
VP Chief Inspector	Total Capital Commitments	$18,448,943

APPENDIX J: Congressional/PMG/Board of Governors Inquiries

For the period: April 1 — September 30, 2021

The Office of Government Relations 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 April 1 through September 30, 2021, the OIG received 67 new inquiries, 17 of which we referred to the U.S. Postal Service Office of Government Relations and one to the Postal Inspection Service for review. We closed 74 inquiries during this reporting period. Our Office of Investigations reviewed 44 and our Office of Audit reviewed four.

Congressional Testimony

Since its inception, the OIG has testified before Congress on various matters. During this reporting period, Inspector General Tammy L. Whitcomb testified before the Subcommittee on Financial Services and General Government of the U.S. Senate Committee on Appropriations on July 13, 2021. The hearing, entitled *A Hearing to Review the FY 2022 Budget Request for the USPS Office of Inspector General and USPS Service Issues*, focused on the OIG's Fiscal Year 2022 budget request, the critical oversight work it covers, as well as issues with the Postal Service's processing and delivery networks. Inspector General Whitcomb testified about the OIG's ongoing work to address service performance challenges, increase the transparency of postal data, and review the Postal Service's 10-year plan.

The hearing also included a second panel of witnesses, with testimony from Rania Dima from the National Federation of the Blind, Brian McLaurin from the American Postal Workers Union, and Karen Meyers, a small business owner from Baltimore, MD.

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

For the period: April 1 – September 30, 2021

Section 5(a)(21) of the Inspector General Empowerment Act, as amended, requires that OIGs 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: April 1 — September 30, 2021

Requests	Number of Requests
Carryover from prior period	11
Received during period	396
Total on hand during period	407
Actions	**Number of Requests**
Processed during the period	392
Requests Denied in Full	20
Requests Granted in Full	7
Requests Denied in Part	81
Not a proper FOIA request for some other reason	3
Duplicate Request	2
Fee-Related Reasons	86
No Records	31
Not an agency record	0
Requests Referred	137
Requests Withdrawn	25
Records not reasonably described	0
Balance	**Number of Requests**
Balance at the end of the period (pending)	15
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: April 1 — September 30, 2021

Total complaints reviewed and closed: **1,150**

For the Period: October 1, 2020 – September 30, 2021

Total complaints reviewed and closed: **1,976**

Whistleblower Reprisal Investigations

For the period: April 1 — September 30, 2021

Whistleblower Reprisal Activity	
Allegations Received	53
OIG Investigations Initiated	3
Investigations closed with no action	6
Allegations closed with no action	54
OIG found reprisal	0

For the period: October 1, 2020 — September 30, 2021

Allegations Received	100
OIG Investigations Initiated	5
Investigations closed with no action	8
Allegations closed with no action	100
OIG found reprisal	0

Summary of Performance

For the period: April 1 — September 30, 2021

Audits	
Reports issued (Excluding RARC/RISC white papers)	87
Recommendations issued	287
Total reports with financial impact	24
Funds put to better use	$136,429,942
Questioned costs	$1,037,906,967
Revenue Impact	$1,822,778,955
Total	**$2,997,115,864**

RARC/RISC White Papers	
White Papers issued	9
Recommendations issued	2

Investigations[4]	
Investigations Completed	1,523
Arrests	520
Indictments/Informations	537
Convictions/pretrial diversions[5]	458
Administrative actions	865
Cost Avoidance	$141,154,910
Fines, Restitution, and Recoveries	$70,330,756
Amount to the Postal Service[6]	$16,999,803

OIG Hotline Contacts	
Telephone calls	9,835
E-Mail	12,728
Webforms	49,407
Standard Mail	845
Voice Mail Messages	6,378
Facsimile - FAX	208
Total Contacts	**79,401**

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 42-59
5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	64, 65, 69
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, 69
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	28-35
5(a)(9)	Status of management decisions for audit and evaluation reports containing recommendations that funds be put to better use	37
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	36-37
5(a)(11)	Description and explanation of the reasons for any significant revised management decisions	60-62
5(a)(12)	Information concerning any significant management decisions with which the Inspector General disagreed	60
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	64-65
5(a)(18)	Description of the metrics used to develop the data in the statistical tables under Section 5(a)(17)	64
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	21-22
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	23, 68
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	67
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	34-35

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

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/form/file-online-complaint

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

OFFICE OF
INSPECTOR
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UNITED STATES POSTAL SERVICE

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