



HIGHLIGHTS

September 27, 2011

Global Express Guaranteed

Report Number FF-AR-11-016

IMPACT ON:

International mail internal control procedures and customers who use the global express product.

WHY THE OIG DID THE AUDIT:

Our objective was to determine whether control procedures over acceptance, processing, tendering, delivering, and oversight of Global Express Guaranteed® (GXG) mailings are in place and operating effectively. This audit was self-initiated to identify GXG financial and operational risks.

WHAT THE OIG FOUND:

The U.S. Postal Service generally had effective control procedures over processing, tendering, and delivering GXG mailings. However, control procedures over acceptance and oversight of GXG billings needed improvement. Specifically, GXG program management did not properly validate FedEx® Corporation billings. Consequently, the Postal Service paid FedEx about \$314,000 without adequate support. In addition, management did not timely re-certify and accredit the GXG database. As a result, management cannot ensure the GXG database is adequately protected to prevent security threats and vulnerabilities that could negatively affect the Postal Service brand.

WHAT THE OIG RECOMMENDED:

We recommended management validate GXG billings and conduct a re-certification and accreditation of the GXG database.

WHAT MANAGEMENT SAID:

Management agreed with both recommendations and the recertification and accreditation of the GXG database finding. Management disagreed with the basis for our audit and the finding related to GXG validation and scanning procedures.

AUDITORS' COMMENTS:

Regarding management's disagreement with the basis of our audit, we informed them of the audit objectives in our audit fieldwork announcement letter. Further, during the audit, GXG management implemented new procedures to address their specific concerns discussed at the onset of the audit. Regarding management's disagreement with the GXG validation and scanning procedures finding and monetary impact, the GXG Alliance Agreement states that the Postal Service will request that FedEx provide supporting documentation for the amount billed. GXG management did not request the documentation.

[Link to review the entire report](#)