



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

Expedited Packaging Supplies Program

Report Number FI-AR-12-001

IMPACT ON:

U.S. Postal Service Domestic Products operations, the Product Integration group, and mailers and shippers that use packaging supplies.

WHY THE OIG DID THE AUDIT:

To evaluate the efficiency and effectiveness of the expedited packaging supplies program. The program provides packaging supplies specifically designed for use with its domestic and international Express Mail® and Priority Mail® services at no additional cost to customers.

WHAT THE OIG FOUND:

The Postal Service did not have an efficient and effective process to identify and reduce waste associated with its expedited packaging supply program or a clear process in place to inform customers of return procedures for unused supplies. In addition, it did not update guidance to reflect changes to return policies, have standard operating procedures for major programs and processes, or fully implement audit recommendations from a 2005 audit in this area.

WHAT THE OIG RECOMMENDED:

We recommended implementing a procedure to determine the quantity of expedited packaging supplies retained by major mailers, post offices, and facilities that distribute supplies to customers; developing a plan to monitor usage and identify and reduce waste;

including return procedures on each order and updating guidance to reflect changes in return policies; creating and maintaining written policies and procedures for all major programs and processes associated with the expedited packaging supplies initiative; and creating periodic reports to compare distributed volume with usage volume.

WHAT MANAGEMENT SAID:

Management agreed with the findings and recommendations to revise Publication 22 and create policies and procedures for major expedited packaging supplies programs and processes. Management agreed in part with the other recommendations, but acknowledged the need to monitor supplies usage and reduce waste. They are currently using systems to monitor supply inventory and/or orders. They will launch the Solution for Enterprise Asset Management in fiscal year 2013 to further assist in inventorying and monitoring and will reevaluate programs and reports to compare distributed volume with usage volume.

AUDITORS' COMMENTS:

The U.S. Postal Service Office of Inspector General considers management's comments responsive to the recommendations and the corrective actions should resolve the issues identified in the report.