



---

# HIGHLIGHTS

---

## **BACKGROUND:**

The U.S Postal Service enters into revenue sharing agreements with various partners who are more efficient at providing certain services and products. Revenue sharing is a process where the Postal Service and its alliance partner share the generated revenue.

Our objective was to determine the efficiency and effectiveness of select revenue sharing agreements. Specifically, we reviewed Imagitas, Inc., Dinero Seguro<sup>®</sup>, Click2Mail, and Endicia agreements to determine whether Postal Service management and alliance partners are complying with agreement controls, revenue share amounts are valid and accurate, and the relationship between the Postal Service and alliance partners is functioning effectively.

## **WHAT THE OIG FOUND:**

For three of four agreements reviewed, management and alliance partners complied with agreement requirements, revenue sharing amounts were valid and accurate, and the relationship was efficient and effective. For the Click2Mail agreement, management did not implement a process to validate postage and the revenue from the production of mailpieces or require the alliance partner to provide detailed data on the number of visitors and total visits the Click2Mail website receives from the

Postal Service's website. In addition, the Postal Service's relationship with Click2Mail needs improvement. Specifically, the Postal Service did not address Click2Mail's concerns in a timely manner, which caused a revenue loss of about \$447,000 within the past year. Finally, management did not maintain a central repository for revenue sharing agreements to ensure timely, efficient, and accurate retrieval of information; and policies and procedures on establishing and monitoring revenue sharing agreements were not clear.

## **WHAT THE OIG RECOMMENDED:**

We recommended developing a process to verify Click2Mail sales transaction data for completeness and accuracy; obtaining web traffic data to verify Click2Mail revenue sharing; developing a process to address alliance partner concerns within mutually agreed timeframes; and communicating goals and developing a process to measure agreement performance. We also recommended establishing a central repository for all revenue share documentation; and developing and disseminating detailed procedures for creating, designing, and monitoring agreements.

[\*Link to review the entire report\*](#)