



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

HIGHLIGHTS

Inbound International Parcel Mail

Report Number MS-AR-12-001

IMPACT ON:

U.S. Postal Service international parcel revenue and operations.

WHY THE OIG DID THE AUDIT:

Our objective was to determine whether the Postal Service identified, recorded, and billed foreign posts for receipt of inbound international parcel mail.

WHAT THE OIG FOUND:

The Postal Service did not always identify, record, and bill foreign posts for inbound international parcel mail. As a result, the Postal Service did not collect \$10.9 million in revenue for inbound international parcel mail received and delivered in the U.S. between calendar years 2008 and 2010. While the Postal Service significantly improved the completeness of its billing records after the Foreign Post Settlement System replaced the International Accounting Branch Settlement System in December 2009, improvements are needed over internal controls for identifying, recording, and billing inbound international mail. We identified an additional \$44.7 million of revenue at risk due to inadequate procedures for recording receipt of inbound international mail. See [Appendix B](#) for monetary and other impact.

WHAT THE OIG RECOMMENDED:

We recommended the Postal Service reissue procedures to ensure receipt of inbound international mail is recorded

into the Global Business System (GBS) and processed for billing, develop system-generated management reports to ensure receipts are recorded and missing dispatch records are identified in the GBS, and create and process records for dispatches identified during the audit that have not expired to collect revenue due from the appropriate foreign postal administrations. We also recommended the Postal Service assess the need for inbound international mail scanning and recording capabilities at the New Jersey Bulk Mail Center.

WHAT MANAGEMENT SAID:

Management agreed with our findings and recommendations and stated that they recognized past difficulties with the capture and processing of international inbound parcels. Management did not agree with the monetary impact reported and provided subsequent information for our consideration.

AUDITORS' COMMENTS:

The U.S. Postal Service Office of Inspector General considers management's comments responsive and corrective actions should resolve the issues identified in the report. We reviewed management's subsequent analyses and agreed with a partial reduction in monetary impact.