



***IMPACT ON:***

Detached mail units (DMUs) and business mailers who present mailings at DMUs.

***WHY THE OIG DID THE AUDIT:***

Our objective was to evaluate mail verification procedures at DMUs for Standard and First-Class Mail®. A DMU is an on-site acceptance unit at the mailer/mailing agent's production facility.

***WHAT THE OIG FOUND:***

U.S. Postal Service mail verification procedures were not always adequate to ensure that business mailings contained sufficient postage or met Postal Service specifications. We project that revenue loss was at least \$10.3 million over the 78-day audit period. Postal Service employees also sometimes overrode system-generated notifications that mailings did not contain sufficient postage or meet specifications without verifying whether these notifications were valid.

We also noted that DMU staffing was inconsistent and did not always align with mailers' production levels, resulting in idle staff time at some locations and heavy workload at others.

***WHAT THE OIG RECOMMENDED:***

We recommended that management review automation efforts to date to identify improvements they can make in

the interim while mailers continue implementing Intelligent Mail barcode technologies and continue on-going mail verification training efforts while DMU employees continue to use manual mail verification processes. We also recommended that management enhance automated systems to notify managers when acceptance employees override Mail Evaluation Readability Lookup INstrument (MERLIN) postage due results and develop automated tools that managers can use to monitor and evaluate DMU staffing and scheduling.

***WHAT MANAGEMENT SAID:***

Management agreed with the findings, recommendations and monetary impact. Management is working on solutions to automate mail verification, acceptance and induction. The Postal Service continues to conduct field training based on identified needs. In addition, the Postal Service is developing a process to notify managers of MERLIN postage due overrides and field staffing tools for business mail acceptance.

***AUDITORS' COMMENTS:***

Management's comments are responsive to the recommendations and corrective actions should resolve the issues identified in the report.